


	Korea Zinc	No.	1
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Supplier Code of Conduct

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	Supplier Code of Conduct	No.	17
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Revision history

Revision No.	Amendment Clause	Change Description	Revision Date
1	-	- Standardization of content and format - Revision of the 'Scope'	Nov 10. 2023

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Objective

Korea Zinc has established the "Supplier Code of Conduct" with the aim of actively encouraging partner companies to embrace social responsibility and contribute to positive societal changes. We seek the voluntary commitment of our partner companies to comply with this code. The code advocates for responsible corporate operations, emphasizing ethics, human rights, safety, and environmental considerations. We sincerely urge cooperating companies interested in joining this initiative to wholeheartedly adhere to these principles. In instances where conflicts may arise between this code of conduct and legal regulations, we will prioritize the more rigorous standards. Furthermore, this code may undergo modifications in response to legal amendments or changes in Korea Zinc's policies and regulations related to supplier management.

Scope

Korea Zinc mandates active collaboration from all partner companies to uphold ESG (Environmental, Social, Governance) principles in their dealings with the company. Strict adherence to this code of conduct is crucial to foster a fair and transparent trading culture.

1. Human Rights and Labor Protection

We must protect the human rights of internal members and ensure their dignity in accordance with internationally recognized human rights standards. Internal members encompass all forms of workers involved in the company's operational processes, including temporary workers, migrant workers, interns, dispatched workers, and others.

1-1. Forced Labor

All labor must be voluntary. In other words, partner companies must not engage in forced labor (including slavery, human trafficking, and involuntary servitude) against the will of workers.

Partner companies should not employ forced laborers, workers subjected to involuntary servitude contracts, non-voluntary prisoner laborers, or victims of human trafficking. This prohibition encompasses all acts that involve the coercion, force, kidnapping, or deception of socially vulnerable individuals for the purpose of labor exploitation. Additionally, during the hiring process, employers must provide workers with a copy of the employment contract written in a language understandable to the worker. In the case of employing foreign workers, the original documents of the passport and work permit must be retained by the worker.

1-2. Minor Workers

Partner companies are prohibited from employing child labor under any circumstances. The term 'child' refers to individuals below the age of 15 (including those under 18 still attending middle school) or those below the minimum employable age as defined by national/local regulations. Additionally, workers under the age of 18 shall not be assigned to hazardous processes or subjected to extended or night work due to safety and health concerns. Interns, specifically students undergoing practical training, should be distinctly managed in accordance with their internship programs and kept separate from regular employees.

1-3. Working Hours

Partner companies are required to adhere to the weekly working hours as stipulated by law. Weekly working hours should not exceed the maximum working hours established by legal regulations. Except in emergencies or special situations, weekly working hours, including overtime, must not exceed the limits set by labor laws. All overtime work must be conducted voluntarily with the worker's consent, and the compensation for overtime should be higher than the regular hourly wage as per relevant laws and regulations.

1-4. Wage Policies

Wages provided to workers must encompass minimum wages, overtime allowances, the four statutory insurances, and welfare benefits, as specified by law. It is crucial to adhere to all relevant laws and regulations. Wage reduction as a disciplinary measure is not permissible, and the criteria and components of workers' wages should be presented in a format that employees can comprehend, such as a detailed payslip, written documentation, or through the company's intranet.

1-5. Humane Treatment

Respect for the human rights of all workers is paramount, and any form of harsh or inhumane treatment, including harassment, sexual abuse, corporal punishment, mental/physical coercion, verbal abuse, or unjustifiable restrictions, is strictly prohibited. To ensure this, clear and reasonable disciplinary procedures should be explicitly outlined and communicated to workers.

1-6. Discrimination

Partner companies must take measures to prevent unfair discriminatory practices based on prejudice. Workers should not face discrimination or harassment in employment practices such as wages, promotions, rewards, education, and opportunities due to race, skin color, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, religion, political affiliation, union membership status, nationality, marital status, or any other factors. Except for exceptional cases required by relevant laws or for workplace safety, medical examinations that could be used as a basis for discrimination against workers or job applicants cannot be mandated.

1-7. Freedom of Association

Partner companies must respect the right of workers, in accordance with local regulations, to establish and join employee councils or labor unions, engage in collective bargaining, and participate freely in peaceful gatherings. Additionally, companies must respect the right of workers to choose not to participate in such activities. Furthermore, an environment should be fostered where workers and their representatives can communicate with management about working conditions without fear of discrimination, retaliation, threats, or harassment.

2. Safety and Health

It is imperative to recognize that ensuring the safety and health of workers (meaning 'employees' as defined by the 'Serious Accidents Punishment Act,' and this regulation uniformly applies the same definition) is essential in all activities related to our business transactions. Furthermore, efforts should be made to establish and maintain a safe and healthy workplace in accordance with relevant laws and regulations, including the 'Serious Accidents Punishment Act.'

2-1. Accident Prevention

Regular risk assessments of potential hazards for workers and continuous safety training must be conducted to prevent accidents. Adequate personal protective equipment, physical barriers, safety devices, and protective measures to control potential and existing hazards should be provided to ensure the safety of workers. Additionally, workers should have the freedom to raise concerns related to occupational safety issues with the management.

2-2. Emergency

Establishing and implementing procedures for responding to potential emergencies and accidents and making efforts to minimize damages caused by emergency situations, including conducting emergency evacuation training for employees, ensuring escape facilities, and securing fire detection and firefighting equipment, in order to prevent emergencies and enhance overall preparedness.

2-3. Industrial Accident and Disease

Partnering firms must have procedures and systems in place to manage industrial accidents and diseases. It is essential to be aware of, assess, and control situations where workers are exposed to physically demanding tasks such as repetitive manual labor, lifting heavy objects, standing for prolonged periods, and assembly work that involves significant physical exertion.

2-4. Occupational and Environmental Hygiene

Collaborating companies must provide employees with clean restroom facilities, access to potable water, and a hygienic environment for food preparation, storage, and consumption. Employee dormitories should be maintained in a clean and safe condition, equipped with proper emergency exits, ventilation systems, and heating/cooling facilities.

2-5. Communication

Partner companies must provide workers with clean restroom facilities and a hygienic space for preparing, storing, and consuming food. Employee dormitories should be clean and safe, equipped with appropriate emergency exits, ventilation systems, and heating/cooling facilities.

3. Environment Protection

Recognizing the responsibility for environmental protection, efforts should be made to promote the development and dissemination of eco-friendly technologies. Additionally, endeavors are required to protect biodiversity in response to climate change and prevent deforestation. Compliance with environmental laws and regulations related to waste management, recycling, industrial water usage, reuse, greenhouse gas emissions, and air pollutants is imperative in addressing environmental pollution resulting from business operations.

3-1. Environmental Regulation

Business collaborators must obtain and maintain the necessary legal environmental permits (e.g., installation, operation, and modification reporting of emission and prevention facilities), ensuring compliance with the most recent requirements. Efforts should be directed towards adhering to operational and reporting requirements throughout the permit process. Moreover, compliance with regulations pertaining to the use of recycling and disposal labels, as well as specific substances prohibited or requiring permits in manufacturing processes (e.g., Industrial Safety and Health Act), is essential.

3-2. Environment Management Goals

Companies should establish an internal management system for key environmental areas, including energy, water, greenhouse gases, waste, hazardous substances, soil pollution, noise, and odor. It is essential to have a dedicated organization responsible for driving environmental management initiatives.

3-3. Eco-Friendly Product and Service

Efforts should be made to expand the adoption of eco-friendly products and services through the development and dissemination of green technologies. Companies should strive to obtain certifications for eco-friendly products and services.

3-4. Climate Change

Business associates must measure and assess energy consumption, usage, and greenhouse gas emissions on both an organizational and facility level, categorized by type. It is crucial to implement systems for improving energy efficiency and adopting measures to reduce greenhouse gas emissions. Additionally, compliance with the Renewable Energy Act requires the measurement of renewable energy usage. Measurement of harmful substances contained in

products and emissions of air pollutants should also be conducted, and efforts should be made, if necessary, to reduce pollutant levels across the entire facility.

3-5. Waste

Partnering firms must identify the characteristics of waste to minimize or eliminate pollution, ensuring compliance with relevant laws and regulations in handling and discharging waste, while making efforts to reduce the amount generated. Systematic measurement and reduction activities for waste discharged during processes must be implemented. Establishing safety management standards and conducting self-checks and third-party inspections at each handling stage are essential. Additionally, compliance with regulations concerning the use of recycling and disposal labels, as well as specific substances prohibited or requiring permits in the manufacturing process (e.g., Industrial Safety and Health Act), is mandatory.

3-6. Natural Capital

Business associates must measure and assess energy consumption, usage, and greenhouse gas emissions on both an organizational and facility level, categorized by type. It is crucial to implement systems for improving energy efficiency and adopting measures to reduce greenhouse gas emissions. Additionally, compliance with the Renewable Energy Act requires the measurement of renewable energy usage. Measurement of harmful substances contained in products and emissions of air pollutants should also be conducted, and efforts should be made, if necessary, to reduce pollutant levels across the entire facility.

4. Ethical Management

In all our transactions, it is imperative to uphold a high level of ethical standards and comply with relevant laws and regulations.

4-1. Transparency

In our dealings with your company, no specific inducements or inappropriate advantages, with the purpose of influencing transactions such as the establishment of deals or setting favorable terms, should be promised, proposed, or provided. Cooperative firms must refrain from engaging in any corrupt practices, including bribery, fraud, money laundering, embezzlement, concealment, or exerting undue influence on business partners. It is essential to comply with relevant regulations. If employees are solicited for gifts, hospitality, or favors in connection with

transactions, they should promptly report such incidents to the Korea Zinc Cyber Audit (https://www.koreazinc.co.kr/?pageName=customer/cyber_audit&mainMenuId=kz-customer&subMenuId=kz-customer-question&menuId=kz-customer-cyber-audit).

4-2. Fair Trading

Cooperative partners should refrain from engaging in unfair business practices and unreasonable competition restrictions in transactions with us, such as price collusion, bid rigging, and other unfair collaborative activities. We have internal regulations in place to prohibit violations of fair trade regulations, including false advertising, exaggerated claims, and collusion.

4-3. Information Security

Partner companies should make reasonable efforts to protect the personal information of all individuals, including employees, customers, and consumers, related to their business activities. Additionally, strict adherence to privacy and information security regulations is crucial in the collection, storage, processing, transmission, and sharing of personal information. Any personal or business information acquired through transactions with us will not be used for dealings with other businesses or disclosed to third parties without prior approval.

4-4. Information Disclosure

All transactions must be conducted transparently, accurately reflected in the collaborating company's accounting books and business records. Information regarding the collaborating company's labor, safety and health, environmental management practices, business activities, ESG performance, financial status, and achievements should be disclosed in accordance with relevant regulations and common industry practices.

4-5. Intellectual Property

Business partner companies must respect and securely protect the intellectual property rights of Korea Zinc. The transfer of technology and know-how should be carried out in a manner that safeguards intellectual property rights.

4-6. Whistleblower Protection

We must establish channels through which members can report unethical conduct, and have regulations in place to protect internal whistleblowers, prohibiting retaliation. Information

related to internal whistleblowing should be kept confidential, and in cases where retaliatory actions are discovered, strict measures should be taken. It is essential to thoroughly investigate and address the raised concerns fairly, seeking resolution.

5. Responsible Minerals

To ensure a sustainable future for humanity and the planet, it is imperative to establish internal management standards for conflict minerals and responsible minerals and make concerted efforts to fulfill corporate responsibilities.

5-1. Procurement Process

Minerals such as cobalt, tin, tantalum, tungsten, gold, etc., used or sold by collaborating companies, should not originate from conflict financing. They must be mined in a manner that respects human rights and the environment, adhering to social responsibilities. The use of minerals acquired through illegal, unethical, or inappropriate methods that result in serious human rights abuses, health or safety risks, water scarcity, waste, pollution, or environmental destruction should be strictly prohibited.

5-2. Risk Identification

It is essential to identify, mitigate, and address supply chain risks inherent in the mining and processing of minerals. Cooperative companies should develop and implement policies regarding the origin and supply chain of relevant minerals from conflict and high-risk areas. They must provide documentation for due diligence, in accordance with all applicable laws and international industry standards, including the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' (hereinafter referred to as the OECD Guidance). Additionally, companies should ensure compliance with sustainability criteria required by us and be able to demonstrate this in accordance with Korea Zinc's requirements.

5-3. Supply Chain Management

We do not use minerals processed in mines, refineries, etc., that do not comply with the requirements of the OECD Guidance. Similarly, we require our suppliers to adhere to the OECD Guidance and sustainability criteria for the supply of relevant minerals. Suppliers of these

minerals must guarantee and demonstrate compliance with the OECD Guidance and sustainability standards.