


	Korea Zinc	No.	27
		Approved.	Mar, 2022
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		Revision No.	1

Tax Policy

Effective Date: Nov 10, 2023

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Objective

As a global company, Korea Zinc considers the importance of complying with tax laws and institutions and manage tax risks. Korea Zinc faithfully complies with tax laws set by the state, pays taxes sincerely on realized profits, and prepares standards and procedures for managing tax risks effectively and systematically. Chief Financial Officer (CFO) oversees tax affairs and reports them to management and the Board of Directors when tax issues have a significant impact on the business.

Commitment

■ Compliance with national tax laws and international regulations

Korea Zinc strictly complies with the laws and regulations of the tax authorities in all domestic and foreign transactions, and preemptively identify and respond to enactment, revision, rules, and precedent creation.

■ Tax risk management

Korea Zinc strives to minimize tax risks related to Korea Zinc management activities and identify tax issues and impacts before making important decisions. In addition, evidence of the decision-making is recorded and stored in a standardized document. If it is deemed necessary, we will receive advice from specialized institutions such as law firms, accounting firms, and tax firms.

■ Tax return and payment

Korea Zinc faithfully fulfills its tax reporting and payment obligations in accordance with the laws of the country where profits are realized through business and faithfully fulfills the taxpayer's obligations required.

■ **Eliminating tax avoidance**

Korea Zinc does not make transactions for the purpose of transferring income between countries, taking advantage of differences in laws, deficiencies in the international tax system, unfair use of tax havens, and tax avoidance. We endeavor to ensure that profits realized are legally and consistently taxed in accordance with relevant laws and regulations.

■ **Compliance with normal transactions**

Korea Zinc maintains a transaction structure consistent with regulations for transactions with affiliated international parties. To prevent improper risk allocation and income transfer, it is important to thoroughly understand transaction details with overseas corporations through the Transfer Price of internal standards based on OECD guidelines* and Base Erosion and Profit Shift Guidelines.

■ **Respect to the customs office**

Korea Zinc strives to establish a constructive and cooperative relationship based on mutual trust and respect with the tax authorities of the site country and faithfully responds to tax investigations or requests for related data.

■ **Transparency, accuracy, and objectivity of tax information**

For ensuring transparency in the tax burden, the relevant information is disclosed to stakeholders of Korea Zinc without concealing, distortion, or exaggeration. The audit report discloses the criteria for calculating corporate tax expenses, deferred tax assets and liabilities, composition details of corporate tax expenses, and tax rates in financial statements and annotations, and secures the accuracy and objectivity of related information through external audits.

* OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and with local tax laws in each country