

Korea Zinc

Responsible Minerals Report

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1-1. Purpose of Issuance

- Ongoing concerns have been raised regarding the illegal mining of 3TG minerals (tantalum, tin, tungsten, and gold) in Conflict-Affected and High-Risk Areas (CAHRA). As a result, expectations for companies to implement responsible sourcing practices have continued to increase.
- Korea Zinc operates facilities that refine ores to produce products and may therefore use raw materials that contain conflict minerals such as 3TG. The Company recognizes the adverse social and environmental impacts that may arise during mineral extraction processes, including human rights violations, environmental degradation, and terrorism, and strives to address and mitigate the negative impacts associated with conflict minerals.
- Furthermore, even where minerals are produced outside conflict-affected areas, Korea Zinc seeks to use responsibly mined minerals that are extracted in a manner that respects human rights and the environment, thereby fulfilling its social responsibility.

1-2. Target Products

- Korea Zinc distinguishes between conflict minerals and responsible minerals within its management framework.
- Conflict minerals refer to 3TG minerals mined in a total of ten countries, including the Democratic Republic of the Congo and its nine adjoining countries, and are managed in accordance with Korea Zinc's Conflict Minerals Policy. The Company conducts thorough assessments to determine whether its products contain conflict minerals and has established a fundamental policy to supply customers only with products that have undergone lawful and ethical distribution processes, supported by a partner company management process.
- Responsible minerals refer to minerals that, although mined outside conflict-affected areas, may be associated with issues such as human rights, terrorism, or environmental impacts, and are therefore managed to ensure that they are extracted in a socially responsible manner that respects human rights and the environment. Korea Zinc currently includes its primary production products—zinc, lead, silver, and copper—within the scope of responsible minerals management.
- The raw materials contained in products manufactured by Korea Zinc for commercial purposes include 3TG, zinc, lead, silver, and copper. These raw materials include concentrates and secondary materials, and by-products contained within finished products are also included within the scope of responsible minerals management.

<Table 1> Target Products and Related Applications for Korea Zinc Responsible Minerals

KZ Products	Related Productions
Zinc	Steel Plating Material, Machinery Component Manufacturing, Brass Manufacturing, Coatings, and Tire Additives, etc.
Lead	Batteries, Wire Insulation Material, Radiation Shielding Materials, etc.
Gold	Jewelry (Ornaments), Electrical and Electronic Materials, Tableware, etc.

KZ Products	Related Productions
Sliver	Jewelry (Ornaments), Solar Panels, Electrical and Electronic Materials, Camera Films, etc.
Copper	Wires, Copper Sheets, Copper Pipes, Liquid Crystals, Integrated Circuits, Coins, Musical Instruments, etc.

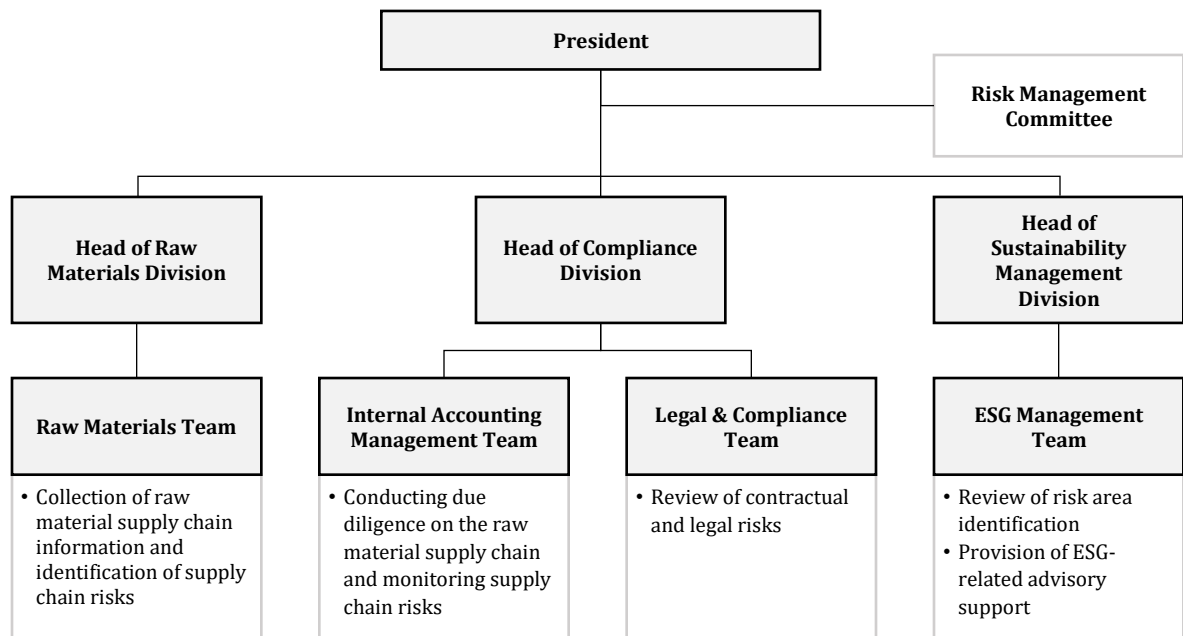
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Management System

2-1. Organization

- Korea Zinc has designated its President as the Chief Officer responsible for responsible minerals management and has established a dedicated organization to strengthen its management framework for responsible raw material supply chain management. The Chief Officer is responsible for, and oversees and supervises, key aspects of the raw material supply chain, including raw material procurement, supply chain risks, compliance, and ESG matters. Within this framework, the dedicated organization manages raw material supply chain risks in a systematic manner in accordance with internal regulations.

<Figure 1> Responsible Minerals Governance Structure



2-2. Management System

- Korea Zinc manages conflict minerals and has established its management system based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter referred to as the “OECD Due Diligence Guidance”). The Company maintains ongoing communication with relevant business partners, including mines and traders supplying raw materials, and actively shares the outcomes of such communication with a wide range of stakeholders, including customers, through sustainability reports and various communication channels.

- To identify and manage risk factors, Korea Zinc designates and manages high-risk areas in accordance with globally recognized standards, including the Responsible Minerals Initiative (RMI) Standard, the London Metal Exchange (LME) Handbook, and the London Bullion Market Association (LBMA) Guidance, and strives to produce products that align with international expectations.
- In addition to conflict minerals, Korea Zinc has established a responsible supply chain management framework covering its major metals, including zinc, lead, silver, and copper. The Company conducts preliminary risk assessments of raw material suppliers, including Red Flags identification, and actively manages supply chain risks through step-by-step risk response measures when high-risk indicators are identified.
- Although the Republic of Korea is not an implementing country of the Extractive Industries Transparency Initiative (EITI), Korea Zinc continues to strengthen its internal management systems to enhance transparency and sustainability across its supply chain, in alignment with the key risks set out in OECD Annex II and the principles of EITI.

<Figure 2> Supply Chain Management Process



2-3. Management Procedures

- Korea Zinc manages its operations in accordance with a five-step management procedure aligned with the OECD Due Diligence Guidance to ensure that minerals used in its products are mined and sourced in an ethical manner. The Company also encourages its partner companies to adopt the OECD Due Diligence Guidance in their respective supply chain management practices.
- Korea Zinc conducts preliminary risk assessments of its suppliers to identify a range of risk factors, including sourcing from Conflict-Affected and High-Risk Areas (CAHRA), abnormal declarations of origin, non-payment of government taxes, and unethical sourcing practices. Where risk factors are identified, the Company takes appropriate measures based on the assessment results, including maintaining business relationships, requesting improvements, or suspending or discontinuing transactions, as appropriate.

<Table 2> Responsible Minerals Supply Chain Management Procedure

Step	Description
Step 1: Raising Awareness among Business Partners	<ul style="list-style-type: none"> - Request primary suppliers to sign a compliance commitment not to use minerals sourced from Conflict-Affected and High-Risk Areas (CAHRA) - Distribute guidance on minerals sourced from CAHRA and provide practical training support - Require primary suppliers to extend the policy on non-use of CAHRA-sourced minerals to downstream suppliers
Step 2: Investigation of CAHRA-related Minerals in the Supply Chain	<ul style="list-style-type: none"> - Investigate and monitor information on minerals sourced from CAHRA and their usage within the supply chain of primary suppliers
Step 3: Systematic Due Diligence and Verification of Findings	<ul style="list-style-type: none"> - Review and verify information submitted by suppliers
Step 4: Identification and Assessment of Supply Chain Risks	<ul style="list-style-type: none"> - Identify and assess risk factors based on the results of supplier reviews and verification
Step 5: Development of Risk Mitigation Plans and Reporting	<ul style="list-style-type: none"> - Implement measures, including restrictions on transactions with suppliers, based on assessment results - Operate responsible supply chain management policies and a grievance and reporting (VOC) system on the Company's website

2-4. Responsible Minerals Policy

- Through its Responsible Minerals Policy, Korea Zinc manages the key risks set out in Annex II of the OECD Due Diligence Guidance.

<Table 3> OECD Due Diligence Guidance Annex II – Key Risks

Major Risks	Detail
Serious abuses associated with the extraction, transport or trade of minerals	Torture, cruel, inhuman or degrading treatment
	Forced or compulsory labour
	Child labour
	Sexual violence
	War crimes, serious violations of international humanitarian law, crimes against humanity, or genocide
Direct or indirect support to non-state armed groups	
Involvement of public or private security forces	
Bribery and fraudulent misrepresentation of the origin of minerals	Money laundering
Non-payment or misrepresentation of taxes, fees, and royalties due to governments	

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Responsible Minerals Risk Identification

3-1. Responsible Minerals Risk Identification Framework

- Korea Zinc operates a responsible minerals risk identification framework in accordance with its internal Raw Material Supply Chain Due Diligence Regulation, which reflects the OECD Due Diligence Guidance and other internationally recognized standards, in order to systematically manage risks

that may arise within its responsible minerals supply chain.

- Based on this framework, the Company identifies potential and actual risks across its supply chain and manages such risks in linkage with subsequent due diligence and response procedures.

3-2. Risk Area Identification

- To identify structural risks associated with countries and regions relevant to its responsible minerals supply chain, Korea Zinc manages Conflict-Affected and High-Risk Areas (CAHRA) by reference to the OECD Due Diligence Guidance and guidance issued by internationally recognized global initiatives.
- Risk area assessments comprehensively consider a range of factors, including international regulations related to conflict minerals, as well as risks associated with money laundering and financing of terrorism, together with governance risk, financial risk, human rights risk, and conflict risk. For this purpose, the Company refers to multiple criteria and indicators provided by international organizations and other credible external institutions.
- The criteria and results for CAHRA classification are reviewed and updated at least annually as of the end of each fiscal year to reflect the latest international standards, and the updated results are applied consistently to the assessment of both new and existing suppliers in the following fiscal year.

<Table 4> Sources for CAHRA Identification

- | |
|---|
| <ul style="list-style-type: none">• Dodd Frank s. 1502• EU CAHRA list• Fragile States Index• Financial Action Task Force (FATF)• UN Human Rights Office of the High Commissioner• Heidelberg Barometer |
|---|

3-3. Sanctions Risk Management

- To prevent legal and regulatory risks that may arise within its responsible minerals supply chain, Korea Zinc operates a framework for the identification of and compliance with international sanctions. The Company continuously monitors sanctions regimes of the United Nations and major countries and regions, and manages raw material procurement and transactions in compliance with applicable laws and regulations.

3-4. Risk Assessment

- In accordance with its Responsible Minerals Policy and internal regulations, Korea Zinc identifies and manages supply chain risks related to its suppliers. Supplier-related risks are assessed based on internally established criteria, and the assessment results are reflected in supply chain due diligence and subsequent management procedures.
- Where high-risk indicators (Red Flags) are identified during the due diligence process, the Company reviews additional information and documentation to verify the existence of such risks and, where necessary, conducts further assessments, including independent third-party on-site assessments.

3-5. Risk Identification Results

- In 2025, Korea Zinc conducted supply chain due diligence on a total of 84 suppliers in accordance with its responsible minerals supply chain risk identification framework.
- Based on the results of risk identification, Korea Zinc implements appropriate measures linked to each supplier's risk level, including requests for corrective actions, adjustments to transaction structures, or consideration of additional due diligence, and continues to manage its supply chain on an ongoing basis to prevent potential and actual risks.

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Risk Mitigation Strategies

- Korea Zinc pursues a strategy to mitigate supply chain risks by strengthening responsible supply chain management for high-risk areas, as well as by enhancing controls across its overall procurement activities in order to secure sustainability.
- The Company recommends that suppliers provide compliance pledges with the Responsible Minerals Principles and, depending on the level of risk identified through supply chain due diligence, progressively reviews response measures, including requests for corrective actions, adjustments to transaction structures, or suspension or termination of business relationships.
- Korea Zinc conducts training across its supply chain to enhance suppliers' awareness of sustainability and, for suppliers where high-risk indicators are identified, links improvement support activities aimed at strengthening responsible minerals management capabilities.
- For raw materials sourced from high-risk areas, Korea Zinc manages risks through self-assessments, supply chain due diligence, and, where necessary, enhanced reviews in order to reduce identified risks.
- Although zinc, lead, silver, and copper are not classified as conflict minerals and constitute the Company's principal products, Korea Zinc voluntarily includes these metals within the scope of responsible minerals management. By requiring environmentally and socially responsible mineral production across the supply chain for its principal products, the Company pursues sustainability throughout the entire lifecycle, from production to disposal.
- Korea Zinc comprehensively manages not only primary raw materials but also secondary raw materials and by-products, thereby expanding the scope of conflict minerals and responsible minerals management.
- To mitigate supply chain risks, Korea Zinc operates an integrated framework linking preliminary risk identification, supply chain due diligence, and post-monitoring, and ensures supply chain transparency and reliability by regularly reviewing the implementation status of improvement measures.

5-1. Education

- To ensure the effective operation of its responsible minerals management framework, Korea Zinc conducts annual responsible minerals training for relevant departments. The training consists of both basic and advanced courses on responsible minerals and conflict minerals, and aims to enhance understanding of supply chain risk identification, due diligence procedures, and risk response measures based on the OECD Due Diligence Guidance and internationally recognized standards.
- The training focuses on key topics such as the concept of responsible minerals management, international norms, and Korea Zinc's Responsible Minerals Policy and management framework. It also covers practical aspects, including roles and responsibilities in the supply chain due diligence process, identification of high-risk indicators (Red Flags), and linkages between risk response measures and improvement actions, thereby supporting the continuous enhancement of practical capabilities across the responsible minerals supply chain.

5-2. Communication Activities

- Korea Zinc has established various communication channels to strengthen engagement with stakeholders, including employees and suppliers. Through the annual publication of its sustainability report, the Company provides relevant non-financial information to stakeholders and enables the submission and handling of grievances and reports through its website. Korea Zinc also publishes a Responsible Minerals Report in line with evolving international expectations.
- With respect to potential human rights, ethical, legal, or other risks that may arise in connection with its responsible minerals supply chain, Korea Zinc receives and addresses reports through its grievance and reporting channels. These channels are accessible to employees, suppliers, and other stakeholders, and allow reporters to submit reports anonymously.
- Reports may be submitted by indicating the reporter's relationship with Korea Zinc and are reviewed and processed in accordance with pre-established procedures. Korea Zinc operates these channels in compliance with the principles of confidentiality and non-retaliation to ensure that reports can be submitted safely.
- Submitted grievances and reports are reviewed in linkage with Korea Zinc's responsible minerals supply chain due diligence and risk management framework and, where necessary, may lead to further review, due diligence, or consideration of corrective actions.