

TROIKA



DRIVE

About this report

Report Overview

This is Korea Zinc's sixth annual sustainability report, published each year to transparently disclose its key sustainability activities and performance to stakeholders and to strengthen engagement with them.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Financial information is presented on a consolidated basis under the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

The reporting period runs from January 1 to December 31, 2025, consistent with Korea Zinc's fiscal year, though some qualitative information includes achievements from the first half of 2026. Quantitative performance is reported across three or more years to show year-on-year trends. Where revisions to the calculation methodology or data coverage have changed previously disclosed figures, this is noted in a footnote on the relevant page.

Reporting Boundary

This report covers Korea Zinc Co., Ltd. on a separate basis, encompassing its Headquarters and the Onsan Refinery. Where the boundary differs for specific information, this is noted separately within the report.

Independent Assurance

To ensure the independence and reliability of its content, this report has undergone third-party assurance by the British Standards Institution (BSI), an independent assurance provider, to a Type 1, moderate level of assurance against the AA1000 Assurance Standard (AA1000AS).

Report Availability and Stakeholder Inquiries

This report is available for download on the Korea Zinc website. We welcome stakeholder feedback on this report through the contact details below.

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Chairman's Message



Dear Stakeholders,

The world today stands once again at the center of a profound transformation. Rising geopolitical risk in the Middle East and growing uncertainty across maritime trade routes have exposed the fragility of global supply chains. Intensifying competition among nations over critical minerals, the deepening of protectionism, and the industrial paradigm shift driven by AI and the energy transition are posing a fundamental question to every company: "Who will take responsibility for the supply chains that underpin the industries of the future?"

Built on years of preparation, Korea Zinc is now stepping forward as a company that provides the answer. We have delivered solid results year after year, and last year we achieved record performance, surpassing KRW 1 trillion in operating profit. This milestone demonstrates the structural competitiveness we have built by aligning profitability, growth, and sustainability, and it marks our entry into a new stage of growth. At the foundation of this performance lies a clear sense of mission: "to convert diverse raw materials and energy sources into the useful forms of materials and energy the world needs, and to do so in the safest, the most environmentally responsible, and the most efficient way in the world." More than a management philosophy, this mission is the compass that points the way amid today's uncertainty.

At the Center of the Global Critical Minerals Supply Chain

Drawing on world-class smelting and refining expertise built over more than half a century, Korea Zinc has established itself as the world's No. 1 non-ferrous metals smelting company and a global hub for critical minerals. With the strong support of the U.S. government, we are now undertaking strategic investments, including the construction of a smelter in the United States, to play a central role in strengthening resource security and the global supply chain now being realigned around North America. This is more than an expansion of production capacity; it reflects our resolve to convert diverse raw materials into the forms the world needs while serving as a stable, trusted anchor of the supply chain. Critical minerals are no longer mere raw materials. They have become strategic assets that determine industrial competitiveness and national security. Grounded in our technological capabilities and responsible management, Korea Zinc is advancing to the next level as a company that contributes to the stability of global supply chains.

Expanding the Circular Economy: A New Paradigm for Securing Resources Beyond Mining

In an era of intensifying resource constraints, Korea Zinc is evolving from simply producing more to securing and circulating resources more efficiently. Recovering valuable metals from electronic waste, end-of-life battery scrap, and waste solar panels is more than an environmental responsibility; it is an industrial solution that enhances the resilience of critical mineral supply chains. Building on our smelting and refining technology, we recycle resources in the most environmentally responsible and efficient way, and we are accelerating our transition to a sustainable materials company by building a next-generation resource platform that spans urban mining and circular resources.

2050 Carbon Neutrality: From Commitment to Action

Under our 2050 carbon neutrality target, Korea Zinc is delivering tangible reductions through facility efficiency improvements, fuel switching, the expansion of renewable energy, and process innovation, alongside the expanded use of recycled and secondary raw materials. The climate crisis is the most demanding test of corporate sustainability. Carbon neutrality is not a choice but an imperative, and it is also a decisive factor in future competitiveness. Through low-carbon products, we will create and share the sustainable value the world needs with our stakeholders.

Safety, Ethics, and Compliance: The Absolute Standard of Sustainability

Korea Zinc continues to advance its occupational safety and health management system, and we are strengthening transparent governance and our ethics and compliance in line with global standards. No growth or achievement is meaningful unless it is built on safety and ethics. Fair, transparent, and accountable management is the most important foundation supporting our sustainability.

Responsibility as a Trusted Company

At Korea Zinc, we believe that the foundation of sustainable growth ultimately lies in trust. In our commitment to transparent and accountable management, we have achieved 100% compliance with the corporate governance key indicators, and we have earned high ratings from major ESG rating agencies at home and abroad. This demonstrates that Korea Zinc is creating economic and social value in a balanced way, and that our efforts are being recognized by the market and our stakeholders. We will not rest on our current achievements, but will continue to move forward in pursuit of lasting trust and accountable management.

To all our stakeholders,

The technology and trust we have built over the past half-century have become our most valuable assets as we prepare for the next fifty years. Korea Zinc is determined to move boldly forward: as a strategic partner in the global critical minerals supply chain, as a resource-platform company leading the circular economy, and as a sustainable materials company preparing for the era of carbon neutrality. Crisis asks us which direction to take. And we are answering that question through action.

We will refine today to create the value of a new tomorrow.

Thank you.

Yun B. Choi
Executive Chairman, Korea Zinc



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Overview

Korea Zinc is Korea's leading non-ferrous metals smelter. Drawing on the deep experience and expertise accumulated over the past 50 years, it is expanding into renewable energy such as green hydrogen and resource recycling, and, through these, into secondary-battery materials.

Company Name	Korea Zinc Co., Ltd.
Date of Establishment	August 1, 1974
Chief Executive Officer	Ki D. Park
Number of Employees	2,054 ¹⁾
Headquarters	Grand Seoul Tower 1, 33 Jong-ro, Jongno-gu, Seoul, Korea
Smelter Location	139 Ijin-ro, Onsan-eup, Ulju-gun, Ulsan, Korea
Principal Business	Manufacturing and sales of non-ferrous metals
Website	www.koreazinc.co.kr

1) The employee count is based on the business report as of December 31, 2025, excluding departed employees and registered directors, and differs from the figure reported in the Social section of this report.

Management Philosophy

Management Philosophy

With our distinctive DNA for success, we move forward together toward a better future.

Mission

Our mission is to convert diverse raw materials and energy sources into the useful forms of materials and energy the world needs, and to do so in the safest, the most environmentally responsible, and the most efficient way in the world.

Core Values

 Brutal Honesty

 Obsession

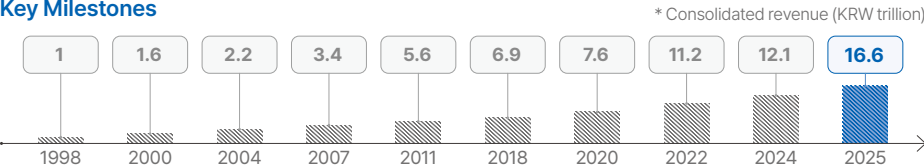
 Agility

 Communication

 A team

Our Mission (KZ Mission)

Key Milestones



Foundation Period (1974~1990)		Business Growth (1991~2004)	
1974	• Korea Zinc Co., Ltd. founded	1992	• Completed the DRS lead smelting plant
1978	• Completed the zinc smelting plant	1993	• Completed the combined heat and power plant
1982	• Completed the copper plant	1994	• Completed the zinc plant using the direct leaching process
1986	• Completed the lead refining plant	1996	• Established Sun Metals Corporation Pty Ltd (SMC), an Australian zinc subsidiary
1988	• Registered zinc ingots on the London Metal Exchange (LME)	2000	• Completed the TSL plant
1990	• Listed on the Korea Stock Exchange	2004	• Expanded the copper plant • Completed the indium plant
Global Advancement (2005~2019)		Global Growth (2020~)	
2011	• Completed the lead refining and precious metals plant	2020	• Established KZAM Co., Ltd. • Established Ark Energy Corporation Pty Ltd in Australia
2015	• Completed the Second Non-Ferrous Metals Complex	2021	• Completed the LNG combined-cycle power plant
2016	• Acquired SteelCycle Corporation (formerly Zinc Oxide Corporation), a crude zinc oxide producer • Established Townsville Logistics Pty Ltd	2022	• Declared the Troika Drive management strategy • Established PedalPoint Holdings LLC in the U.S. • Acquired Epuron Holdings Pty Ltd, a renewable energy developer • Acquired SteelCycle SC Corporation, an EAF-dust recycler • Acquired Igneo Holdings LLC, a U.S. e-waste recycler • Established Korea Precursor Corporation
2017	• Established Zinc Oxide Corporation Vietnam Limited Liability Company • Established KEMCO Co., Ltd.	2023	• Broke ground on the All-in-One Nickel Refinery
2018	• Established Townsville Marine Logistics Pty Ltd	2024	• Acquired Kataman Metals LLC • Earned National Core Technology and National High-tech Strategic Technology designations for its precursor technology
2019	• Invested in rationalizing the zinc leaching process	2025	• Signed an MOU with Lockheed Martin and advanced plans for a strategic-minerals plant • Announced construction of an integrated smelter in the U.S. (Project "Crucible")

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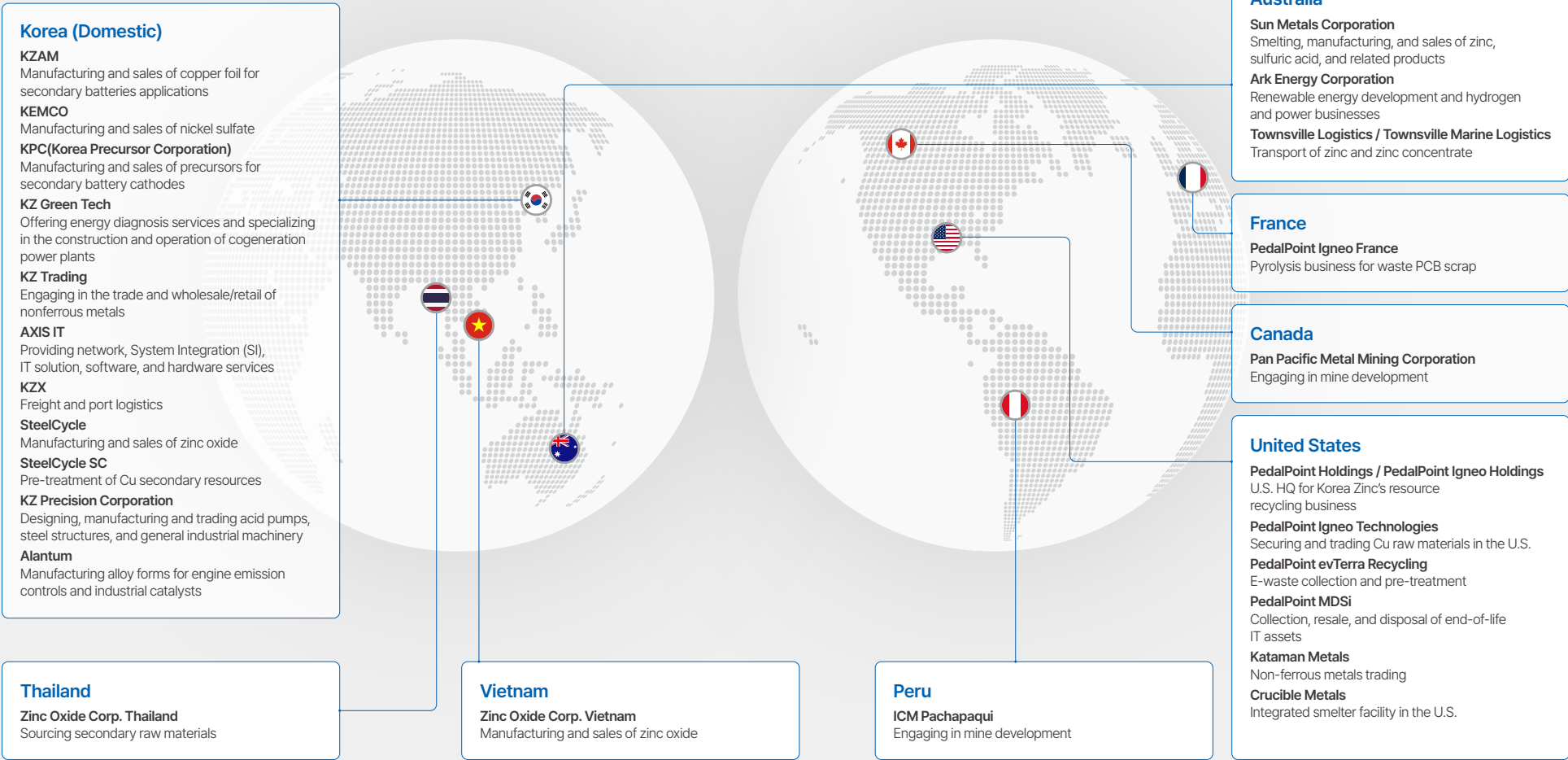
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1) Affiliates are selected based on their relevance to Korea Zinc's sustainability management. This may differ from the full list of consolidated subsidiaries in the business report; please refer to the business report for the complete list of subsidiaries.

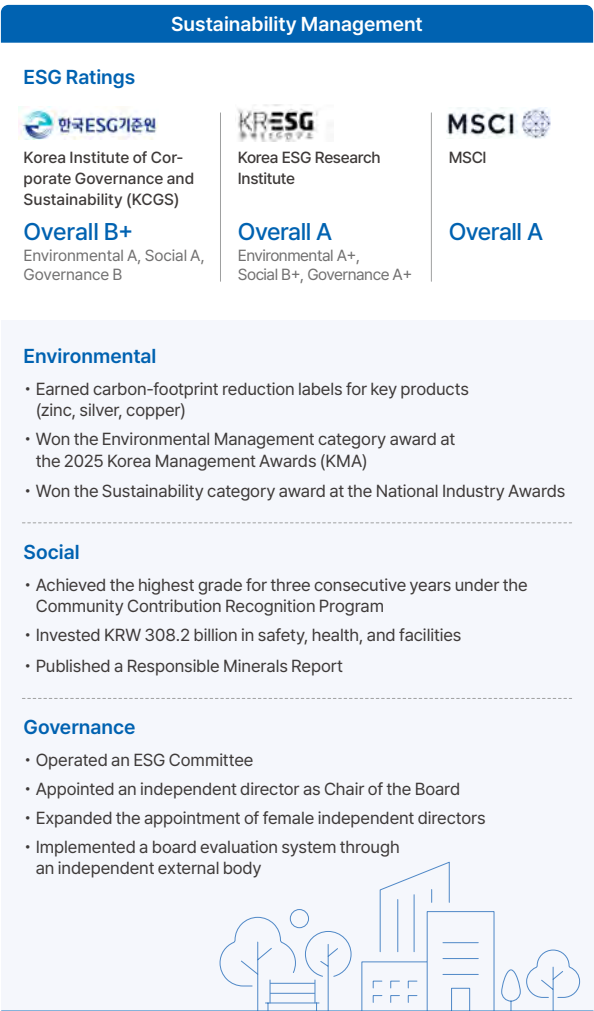
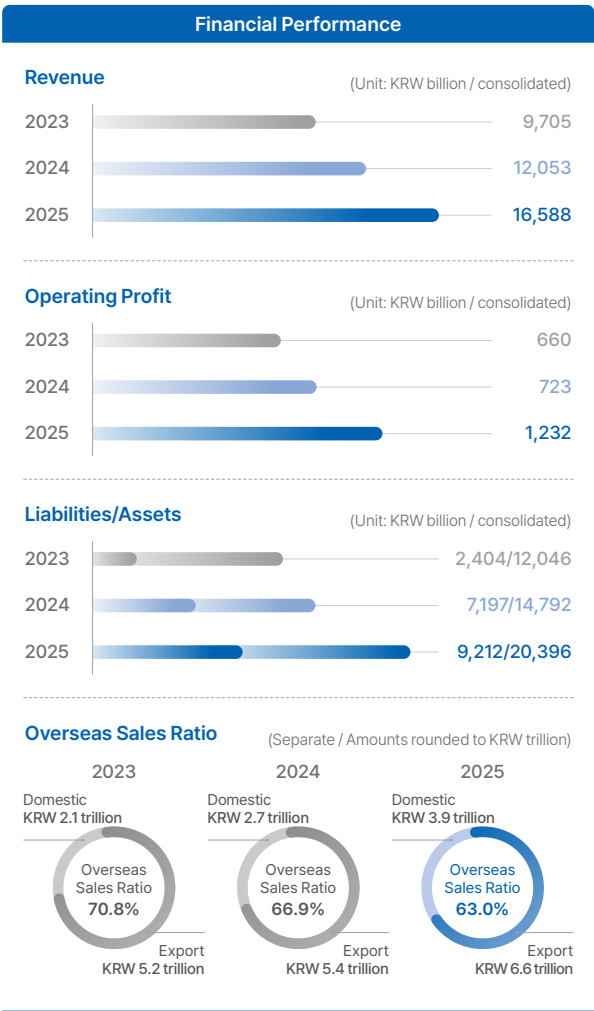
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Value Creation Model

Korea Zinc is a leading integrated non-ferrous smelting company, supplying the world with more than twenty non-ferrous metals — from base metals such as zinc, lead, and copper, to precious metals such as gold and silver, to rare metals including antimony, indium, and bismuth — as well as semiconductor-grade sulfuric acid. To keep pace with a changing era and industrial landscape, Korea Zinc is pursuing Troika Drive, a new business strategy built on three pillars: renewable energy and green hydrogen, secondary-battery materials, and resource recycling, through which it aims to become the world's No. 1 sustainable-materials company.

Core Business

Non-Ferrous Smelting Business World's No. 1

A global leader in non-ferrous metals

Korea Zinc is an integrated non-ferrous smelting company with world-class production capacity and smelting expertise, centered on zinc and lead. Each year, it produces some 1.2 million tons of more than twenty non-ferrous metals, spanning base metals, precious metals, rare metals, and critical minerals. Through the world's first integrated DRS process for zinc, lead, and copper, and the environmentally responsible TSL (Top Submerged Lance) process, it commands industry-leading profitability among smelters worldwide. Through continued technology development, we will maximize the recovery of rare metals such as antimony and indium, contributing to supply chain resilience.



Troika Drive

By 2050, we aim to achieve 100% Green Metal production, leading the way toward a cleaner, more prosperous future.



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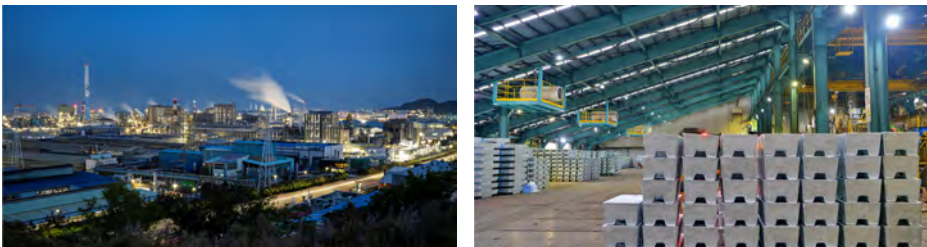
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Business Portfolio and Strategy: Troika Drive

Non-Ferrous Smelting Business

Non-Ferrous Smelting Business Model

Korea Zinc has established itself as the global No. 1 smelter in non-ferrous metals, including zinc, lead, gold, silver, and copper. Drawing on outstanding technology and quality competitiveness built over more than half a century, it supplies metals essential to industries around the world. Through high-tech and efficient production processes, it produces high-purity metals, leading the global market in competitiveness and providing core raw materials across a wide range of industries. Korea Zinc supplies the high-quality metals required across diverse sectors such as automotive, electronics, construction, and energy, contributing to the advancement of next-generation industries and building a sustainable future together with its global partners.



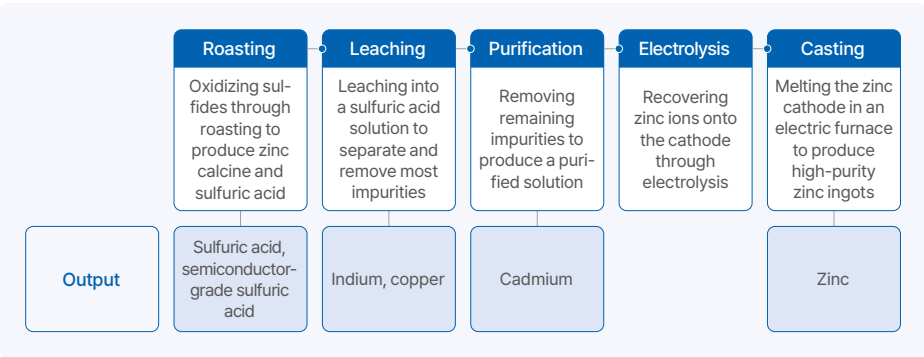
Key Products and Applications

Base Metals				
Zinc	Lead	Copper		
				
Corrosion-resistant galvanizing for steel, machine parts, brass production, automotive parts	Automotive batteries, cable sheathing, radiation shielding	Anode copper foil for secondary batteries, machine parts, construction materials, electrical wiring		
Precious Metals		Rare Metals / Critical Minerals		Other
Gold	Silver	Antimony	Indium	Semiconductor-grade sulfuric acid
				
Jewelry, electroplating, medical applications, semiconductors, displays, bonding wire	Solar cells, jewelry, electroplating, conductive electronics	Flame retardants, lead-acid battery plates, tin alloys	Transparent electrodes for light-emitting displays, LCD screens	Semiconductor wafer cleaning

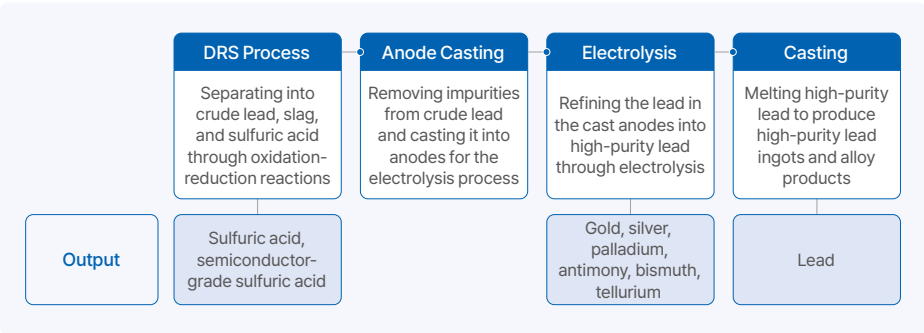
Smelting Processes and Key Products

Korea Zinc maximizes output by integrating all its smelting processes and enhances its competitiveness by recovering additional valuable metals. Building on this integrated smelting technology, it ranks first in the world in zinc, lead, and silver production and is Korea's sole producer of the rare metals such as antimony and indium.

Zinc Smelting Process



Lead Smelting Process



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Renewable Energy and Green Hydrogen Business

Renewable Energy and Green Hydrogen Business Model

As carbon neutrality has become a global priority, renewable energy and hydrogen are drawing attention as the energy sources of the future. In step with this shift, Korea Zinc is expanding its renewable energy business. To overcome the power-intensive nature of non-ferrous smelting and secure long-term sustainability, it is progressively replacing fossil-fuel-based power with renewable energy. Through its Australian subsidiaries, Korea Zinc develops and operates renewable energy and green hydrogen businesses. In 2018, it built and now operates a 124 MW solar power plant — the largest of its kind for commercial use in Australia — within the Sun Metals smelter, and in 2024, it expanded its wind power capacity through the MacIntyre Wind Farm, in which it acquired a 30% stake. That wind farm is targeting commercial operation in 2027, and Korea Zinc has established a one-stop management system spanning the entire renewable energy production process, from development to operational performance monitoring. In connection with its renewable energy development in Australia, Korea Zinc is securing a stable power supply and laying the groundwork for large-scale green hydrogen production. As a first step, Ark Energy, its Australian renewable energy development subsidiary, has built a facility under the SunHQ project capable of producing 140 tons of green hydrogen per year using a 1 MW PEM electrolyzer, with commercial operation and green hydrogen production planned to begin in 2026. Korea Zinc is also expanding the green hydrogen value chain through the Korea-Australia H2 Consortium, established with partners at home and abroad. On this basis, we plan to import more than 1 million tons of green ammonia (equivalent to 200,000 tons of green hydrogen) per year into Korea, accelerating the energy transition at our domestic sites and, ultimately, contributing to the growth of the hydrogen economy and opening new markets.

Renewable Energy and Green Hydrogen | History and Roadmap

Renewable Energy	
Sep. 2018	Built the Sun Metals Solar Farm in Australia
Jan. 2021	Established Ark Energy Corporation
Feb. 2021	Secured the right to acquire a 30% stake in the MacIntyre wind project ¹⁾
May 2022	Acquired Epuron, a renewable energy developer, through Ark Energy
Apr. 2024	Secured a 30% asset stake in the MacIntyre Wind Farm
Oct. 2024	Commenced partial operation of the MacIntyre Wind Farm
Mar. 2025	Acquired a 33.3% stake in Hanwha Shinhan Terawatt Hour, a renewable energy power-trading company

1) MacIntyre (Queensland): a 923 MW wind power project in which Ark Energy participated through a joint venture, acquiring a 30% stake.

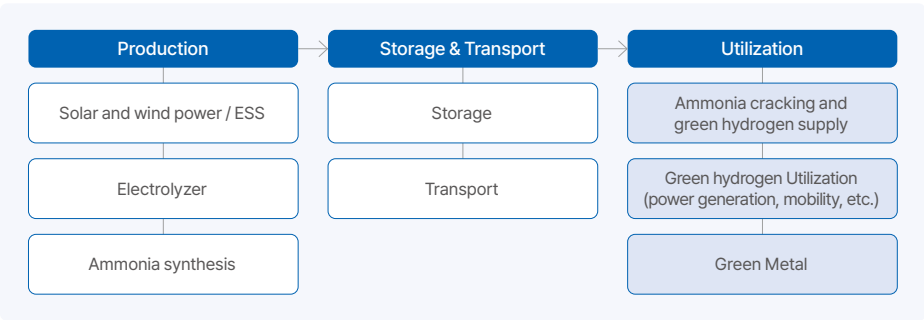
Green Hydrogen	
Sep. 2022	Launched the Korea-Australia H2 Consortium with Ark Energy, Hanwha Impact, and SK Gas
Oct. 2023	Began construction of a hydrogen fueling station for hydrogen fuel-cell forklifts
Nov. 2023	Broke ground on the SunHQ demonstration project ²⁾ (a 140 tpa green hydrogen production and utilization project)
Aug. 2024	Completed the hydrogen refueling station at the Onsan Refinery and began demonstration of hydrogen forklift operations
2026	Verify carbon-reduction effects through the SunHQ hydrogen mobility demonstration
2034	Begin importing green hydrogen and ammonia into Korea and producing Green Metal

2) SunHQ (Queensland): a green hydrogen mobility demonstration project using solar power and a 1 MW electrolyzer.

Green Hydrogen Production Process

Green hydrogen is produced by using renewable energy to electrolyze water and is distinctive in emitting no carbon during production. Drawing on Australia’s abundant renewable energy resources, Korea Zinc is advancing a green hydrogen business that harnesses solar and wind power. To use power more efficiently, it has also introduced energy storage system (ESS) technology, offsetting the variability of renewable energy. On this clean-energy foundation, we plan to establish a Green Metal production system by 2050 that realizes carbon neutrality across the entire product life cycle.

Renewable Energy and Green Hydrogen Value Chain



ESS	
Apr. 2018	Completed the ESS (Energy Storage System) at Onsan Refinery (32.5 MW / 150 MWh)
Mar. 2025	Signed a BESS supply agreement with Hanwha Energy for the Richmond Valley BESS project ³⁾ (275 MW / 2,200 MWh)
Dec. 2025	Signed a long-term energy supply agreement with the Government of New South Wales (NSW), Australia for the Bowmans Creek BESS project (250 MW / 2,000 MWh)

3) Richmond Valley BESS project (NSW): an ESS business conducted on a Build-Own-Operate (BOO) basis.

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Secondary-Battery Materials Business

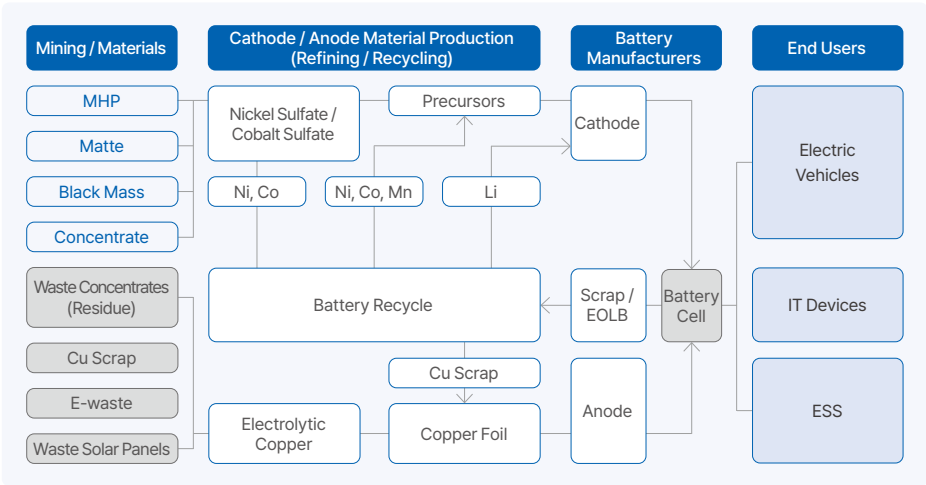
Secondary-Battery Materials Business Model

Drawing on the distinctive smelting technology accumulated over more than 50 years, Korea Zinc is strengthening its business competitiveness by establishing a secondary-battery core materials value chain that extends from nickel sulfate, precursors, and copper foil to spent-battery recycling. Building on KZAM's electrolytic copper foil production and KEMCO's high-purity nickel sulfate production, Korea Precursor Corporation (KPC) began full-scale mass production of high-nickel precursors in January 2025 and now has an annual precursor production capacity of approximately 22,000 tons. Notably, Korea Zinc's precursor manufacturing technology has been designated a National Core Technology and a National High-tech Strategic Technology, and its nickel-sulfate manufacturing technology a National Strategic Technology, further accelerating the technological self-reliance of Korea's battery industry.

Korea Zinc also continues to enhance the competitiveness of its core-materials production system on the foundation of its smelting technology. KEMCO is preparing the world's first All-in-One Nickel Refinery, capable of flexibly processing diverse nickel feedstocks at a single facility, enabling Korea Zinc to respond nimbly to price volatility and shifting supply conditions in the raw materials market. Korea Precursor Corporation plans to expand its domestic precursor supply capacity to 50,000 tons per year from 2028 onward. KZAM produces high-purity solutions and improves process efficiency through its distinctive melting process. By using 100% recycled-feed-stock electrolytic copper supplied by Korea Zinc to produce copper foil, it strengthens Korea Zinc's environmentally responsible production system and resource circulation competitiveness.

Secondary-Battery Value Chain

Korea Zinc extracts and smelts the core raw materials for secondary batteries, producing cathode and anode materials. Leveraging its distinctive technology and large-scale production capacity, it aims to play a leading role in sustainable mobility industries such as electric vehicles, IT devices, and ESS. Through this, Korea Zinc provides sustainable energy solutions and continues to strengthen its competitiveness in the global battery market.



Secondary-Battery Materials Business | History and Roadmap

KEMCO (Nickel Sulfate)		KPC (Precursors)		KZAM (Copper Foil)	
Jan. 2017	Established KEMCO	Aug. 2022	Established KPC	Mar. 2020	Established KZAM
Feb. 2018	Completed the KEMCO plant	Oct. 2022	Started construction of KPC plant	Mar. 2022	Started operation of KZAM plant
Nov. 2023	Held the groundbreaking ceremony for the All-in-One Nickel Refinery; signed a raw material and investment agreement with Trafigura	Mar. 2024	Completed the KPC plant	Jul. 2023	Completed approvals and mass-production preparations
2028	Scheduled operation of the All-in-One Nickel Refinery	Jan. 2025	Started full-scale mass production of precursors	2026	Begin supplying materials to major battery manufacturers

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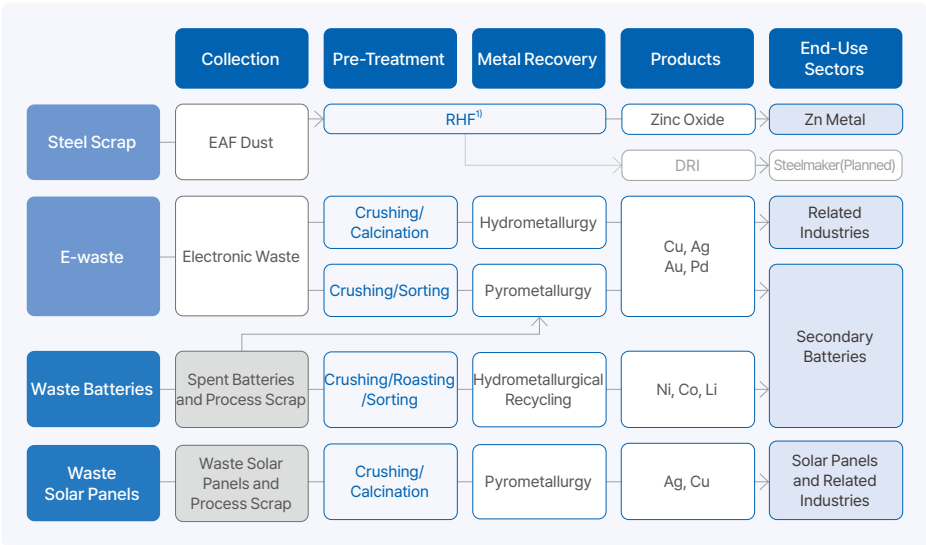
Resource Recycling Business

Resource Recycling Business Model

Korea Zinc operates a circular economy model that turns diverse waste streams — including EAF dust from steelmaking, electronic waste, and spent batteries — into feedstock, recovering valuable metals and recycling them into products such as secondary-battery materials. Its proprietary urban-mining technology consumes far less energy and fewer resources than conventional mining while maximizing metal recovery, charting a path toward a sustainable future. As such, it is recognized as an important alternative for addressing resource depletion and climate change. As part of advancing its resource circulation business in earnest, Korea Zinc is scaling up copper production, and by converting one of its existing Fumers at the Onsan Refinery into a dedicated copper dry smelting furnace (Cu Smelter), it has laid the foundation to expand its 100% recycled copper output.

Korea Zinc also continues to make strategic investments to secure resource circulation feedstock and expand its global network. In 2022, it acquired the U.S. e-waste recycler Igneo through its subsidiary PedalPoint Holdings; in 2024, it acquired Kataman, a trading company specializing in scrap and non-ferrous metals; and in 2025, it secured four additional MDSi hubs across the United States, again through PedalPoint. Together, these investments extend its reach beyond e-waste recycling to include IT asset disposition (ITAD) and resale solutions, further strengthening its resource circulation value chain. Korea Zinc is also applying artificial intelligence (AI) and robotics to improve the operational efficiency and recovery rates of its resource recycling business. Using ROBin, the AI waste-sorting robot developed by its consolidated subsidiary ROBOne, it is enhancing the crushing and sorting of electronic waste and raising sorting efficiency for recoverable materials such as PCBs and aluminum scrap.

Resource Recycling Value Chain



1) RHF (Rotary Hearth Furnace): an environmentally responsible recycling technology that recovers metals through reduction at lower temperatures and in shorter times than a Waelz kiln, thereby lowering energy consumption and minimizing greenhouse gas emissions.

Resource Recycling Business | History and Roadmap

100% Recycled Copper Production Capacity	
2024	Reached 40,000 tons of hydrometallurgical copper production capacity
2025	Converted the first Fumer to Cu Smelter #1
2026	Commence Cu Smelter operations

E-waste and Metal Scrap	
2022	Acquired SteelCycle SC
2022	Acquired Igneo, an E-waste recycling company
2024	Acquired Kataman, a metal scrap trading company
2024	Acquired ROBOne, a robotics solutions company
2025	Acquired MDSi, an IT asset disposition company

Waste Solar Panels	
2024	Began trial operation of the pre-processing process and commenced post-processing
2025	Expanded the collection network for waste solar panels
Waste Batteries	
Domestic post-processing facilities under construction	

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- Resource Recycling Business

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Our Mission

New Mission and Core Values

Since pioneering non-ferrous smelting in 1974, Korea Zinc has stayed the course for more than 50 years, building unrivaled competitiveness. We are confident that the experience and technology we have accumulated will provide a foundation for sustained growth amid the changes reshaping the materials and energy industries of the future. Today, Korea Zinc is driving a new phase of growth through Troika Drive, a strategy built on three pillars: renewable energy and green hydrogen, secondary-battery materials, and resource circulation. The mission and core values we have newly defined will steadily point our way through whatever changes lie ahead and serve as a compass guiding our journey toward a sustainable future. Our new mission — to convert diverse raw materials and energy sources into the forms of materials and energy the world needs, in the safest, most environmentally responsible, and most efficient way possible — captures the essence of what we do, the values we must uphold, and the priorities among them. By ensuring that all employees share and act on this commitment to our business and to sustainability, we will do our utmost to fulfill our role and responsibility in building a better world and a better future.

[KZ Mission Book](#)

Mission

Our mission is "to convert diverse raw materials and energy sources into the useful forms of materials and energy the world needs, and to do so in the safest, the most environmentally responsible, and the most efficient way in the world."

Achieving Our Mission Through Materials and Energy Conversion



Core Values

We have defined five core values to guide us in fulfilling our new mission. Together, our mission and core values will serve as essential standards and a guiding direction on the journey toward realizing our everyday work and our aspirations.

Core Values to Achieve Our Mission



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Sustainability Strategy

Sustainability Management Framework

Strategic Directions

Guided by a sustainability mission of driving continuous innovation, identifying new growth engines, and improving sustainability through ESG management, Korea Zinc operates its business along four strategic directions. These four directions are the advancement of governance, people-centered management, environmental management, and safety management; together, they aim not only to enhance corporate value but also to create positive social and environmental value.

Sustainability Mission	Driving continuous innovation, identifying new growth engines, and improving sustainability through ESG management			
Strategic Goal	Enhancing corporate value and creating social and environmental value			
Strategic Directions				
Advancing Governance	Advancing People-Centered Management	Advancing Environmental Management	Advancing Safety Management	
- Establishing an ESG decision-making framework - Enhancing board diversity and independence - Reinforcing the compliance system - Operating integrated risk management	- Building a corporate culture of mutual growth and cooperation - Protecting stakeholder human rights - Becoming a Great Work Place (GWP)	- Expanding the use of renewable energy - Saving energy and reducing greenhouse gas emissions - Minimizing the environmental impact of operations	- Achieving zero serious accidents - Introducing smart safety systems - Strengthening a frontline safety culture - Building a risk-management system for partners	

Sustainability Governance

Korea Zinc's Sustainability Management Division, which comprises the ESG Management Team, the Communication Team, and the Public Coordination Team, reports its sustainability activities regularly to the Sustainability Steering Committee, a management advisory body. To further strengthen the committee's expertise, Korea Zinc has appointed external experts as advisory members across the environmental, social, and governance domains. It has also established a structure whereby material matters discussed by the Sustainability Steering Committee are escalated to the board-level ESG Committee and the Board, strengthening both the follow-through on sustainability-related decisions and their alignment with governance.

Reporting Line



Sustainability Steering Committee Meetings

Meeting	Date	Agenda	
1st Meeting	Feb. 20, 2025	Resolution	Approval of the committee's operating regulations
		Report 1	The 2025 sustainability management action plan
		Report 2	2024 community engagement results and the 2025 plan
2nd Meeting	Apr. 30, 2025	Report 1	ESG Management Team progress update
		Report 2	Q1 2025 results and annual plans by business unit
		Report 3	Sustainability progress at subsidiaries and affiliates
3rd Meeting	Oct. 2, 2025	Report 1	First-half results and second-half plans by business unit
		Report 2	Key priorities by business unit

Integrated Risk Management

Korea Zinc conducts its business with comprehensive consideration of both financial and non-financial risks. By establishing a Compliance Division in 2025, it built the foundation for integrated risk management, allowing it to oversee not only internal controls but also legal compliance and audit risks across the board. To manage risk more systematically, Korea Zinc operates five board committees — Audit, Nomination, Compensation, Related Party Transactions, and ESG — that monitor financial and non-financial risks on a forward-looking basis. In 2026, it established a Management Committee chaired by the CEO, strengthening its framework for the integrated review and management of major risks, including financial, legal, regulatory, reputational, and ESG risks, alongside advance deliberation of investment and financial matters tied to its medium- and long-term growth strategy. Financial risks, which directly affect business operations and performance, are divided into market risk and financial risk and are managed by the finance, accounting, and sales functions. Non-financial risks are organized into the environmental, social, and governance domains and are managed collaboratively by the relevant units, including the Sustainability Management Division, the Safety & Environment Management Division (safety and environment), the Talent Management Division (human rights), the Raw Materials Division (supply chain), the Compliance Division (ethics and legal compliance), and the IR Team (governance).

Sustainability Risk Management Policy

Market Risk	Financial Risk	Environmental Risk	Social Risk	Governance Risk
Market volatility, price volatility	Exchange-rate and interest-rate volatility	Environmental regulation, environmental incidents, climate change, water resources	Safety, supply chain, human rights	Governance regulation, ethics, crisis management

Materiality Assessment

Materiality Assessment Overview

Materiality Assessment Process

Korea Zinc conducted a double materiality assessment to identify the issues most material to its sustainability. By integrating the results of internal and external analyses grounded in leading global disclosure and assessment standards, it derived an issue pool, assessed each issue for both its environmental and social impact and its financial materiality, and prioritized the issues to select its final material issues.

Step 1.

Issue Pool
Identification

- Derive a long-list of issues based on the impacts, risks, and opportunities (IROs) framework of the European Sustainability Reporting Standards (ESRS), comprehensively considering disclosure and assessment indicators, prior-year material issues, peer benchmarking, institutional-investor requirements, and media analysis
- Consolidate and refine the long-list into a short-list of 13 key issues, based on their business relevance and significance

Step 2.

Impact and
Financial Materiality
Assessment

Environmental and Social Impact Materiality Analysis

Disclosure and assessment indicators	Analyze disclosure and assessment indicators from an impact materiality perspective
Peer benchmarking	Analyze the material issues of major domestic and international peers and comparable industries
Media analysis	Analyze each issue's media exposure through media research
Stakeholder survey	Assess the severity and likelihood of each issue's impact through a survey of external stakeholders

Financial Materiality Analysis

Disclosure and assessment indicators	Analyze disclosure and assessment indicators from a financial materiality perspective
Institutional-investor requirements	Analyze the ESG evaluation criteria and key considerations of major domestic and international institutional investors
Legal and regulatory analysis	Analyze the laws and regulations relevant to each issue
Stakeholder survey	Assess the magnitude and likelihood of each issue's risks and opportunities through a survey of internal employees

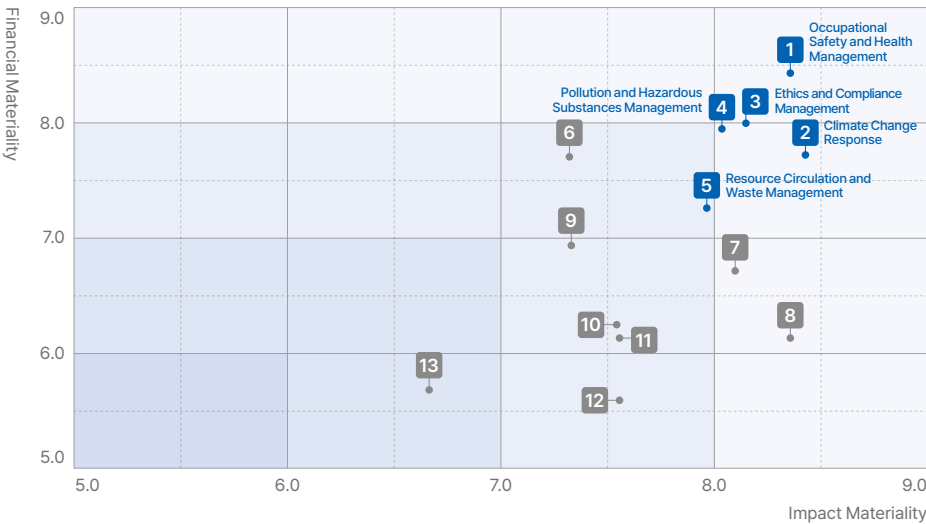
Step 3.

Material Issue Selection

- Quantify each issue's materiality to prioritize and select the final material issues (5 issues)

Materiality Assessment Results

Through the double materiality assessment, Korea Zinc comprehensively evaluated environmental and social impact with financial impact to identify a total of five material issues spanning the environmental, social, and governance domains. As in the prior year, Occupational Safety and Health Management and Climate Change Response were again identified as material issues, while the previous issue of Natural Environment Impact was disaggregated into Pollution and Hazardous Substances Management and Resource Circulation and Waste Management. Ethics and Compliance Management was newly identified as a material issue this year.



Material Issues Rank

Overall Rank	Issue	Impact Materiality Rank	Financial Materiality Rank	Location in Report
1	Occupational Safety and Health Management	2	1	p.57-64
2	Climate Change Response	1	4	p.22-32
3	Ethics and Compliance Management	4	2	p.85-90
4	Pollution and Hazardous Substances Management	6	3	p.33-38
5	Resource Circulation and Waste Management	7	6	p.39-44

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Materiality Assessment

Impacts, Risks, and Opportunities by Material Issue

The analysis of the impacts, risks, and opportunities (IROs) for each identified issue was reported to the board-level ESG Committee. Through the ESG Committee, Korea Zinc conducts a detailed review of the IROs of each issue and factors the resulting opportunities and risks into its management decision-making. This process strengthens its sustainability management system centered on the highest decision-making body and ensures consistency between strategic direction and execution. Going forward, Korea Zinc will proactively respond to the IROs for its identified material issues and manage them systematically.

Material Issue	Impact		Risk	Opportunity
	Positive Impact	Negative Impact		
Occupational Safety and Health Management	- Reduced risk of worker injury and death through industrial-accident prevention - Lower risk of occupational disease through stronger hazard management, helping protect workers' long-term health	- Serious casualties from worker injury or death if high-risk work continues and industrial accidents occur - Heightened worker anxiety and reduced organizational stability in the event of recurring accidents or serious accidents	- Greater financial burden, such as fines and penalties, and reduced corporate credibility in the event of safety and health regulatory violations - Operational shutdowns and production disruptions in the event of a safety accident	- Lower operating costs and higher worker productivity through industrial-accident prevention enabled by a safe working environment - Business continuity and minimized legal risk through a rapid emergency-response system
Climate Change Response	- Reduced power-sector emissions through expanded renewable energy use, contributing to national and regional decarbonization - Accelerated spread of technology across industry through investment in low-carbon processes and technologies	- Greater society-wide climate burden and wider harm to future generations and vulnerable groups if greenhouse gas reductions are delayed - Wider social harm to community safety and livelihoods as extreme weather intensifies	- Higher costs from production shutdowns and equipment repair or replacement as natural disasters such as heat waves and typhoons grow more frequent - Higher electricity costs from rising medium- to long-term power prices - Higher costs of purchasing greenhouse gas emission allowances	- Greater government and institutional subsidies and tax incentives for low-carbon industries - Entry into new low-carbon markets and revenue growth
Ethics and Compliance Management	- Stronger market trust and transaction transparency through the sound operation of anti-corruption and compliance systems - A healthier industrial ecosystem and greater regional economic stability as supplier transaction conditions improve through adherence to fair-trade standards	- Damage to fair market order and social trust in the event of bribery, corruption, or conflicts of interest - Economic harm to suppliers and greater supply-chain vulnerability and instability in the event of collusion, unfair trade, or abuse of power	- Costs such as surcharges, fines, litigation, and settlements in the event of violations of anti-corruption and fair-trade laws - Higher costs for internal-control overhaul and external legal and accounting advice and investigation response due to compliance gaps	- Prevention of cost leakage in procurement and contracting by deterring misconduct - Lower likelihood of fines, litigation, and investigation-response costs through an advanced ethics and compliance system
Pollution and Hazardous Substances Management	- Reduced worker exposure risk and protection of ecosystems near worksites through stronger hazardous-substance management - Improved local air quality and better protection of residents' health through the operation of pollution-control facilities and process improvements	- Greater exposure risk for workers and supplier personnel in the event of leaks during hazardous-substance handling - Environmental damage and reduced trust among environmental regulators and local communities in the event of a hazardous-substance environmental incident	- Higher investment and operating costs for pollution-control facilities and management systems as air, water, soil, and hazardous-chemical regulations tighten - Fines and penalties in the event of non-compliance with environmental laws on hazardous and polluting substances	- Lower likelihood and scale of incidents through stronger management of hazardous and polluting substances - Lower hazardous-substance treatment costs through process improvements and optimized pollution-control facilities
Resource Circulation and Waste Management	- Reduced demand for natural-resource extraction and less ecosystem damage and environmental burden through expanded metal and resource recovery - Reduced final waste volumes and a lighter landfill and incineration burden through the recycling of process by-products	- Environmental damage such as soil and groundwater contamination and reduced community trust from improper management of hazardous waste and smelting by-products - A worse living environment for nearby residents and more complaints in the event of leaks or scattering during waste transport and treatment	- Higher operating costs, including capital investment and labor, due to tighter hazardous-waste treatment standards and expanded waste-reporting obligations - Short-term cost increases from higher landfill and incineration levies and environmental charges	- Revenue growth and cost savings from improved recovery of valuable metals in by-products - Lower treatment and operating costs through minimized waste generation

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Management Status and Plans for Material Issues

For its top five material issues, Korea Zinc discloses in detail its response measures, key activities, and goals and plans.

Material Issue	Response Measures	Key Activities	Page Reference	Goals and Plans
Occupational Safety and Health Management	• Strengthening occupational safety and health risk management • Building a safety culture across worksites • Advancing systems through expanded safety and health investment	• Raising safety awareness through activities that embed an in-house safety culture • Implementing employee health-management measures, including special medical checkups and musculoskeletal hazard surveys • Operating a council and conducting safety-capability assessments to strengthen suppliers' safety and health capabilities • Encouraging hazard reporting through the safety and environment grievance channel and the suggestion-management system	p.57-64	• Goal: Zero serious accidents; a combined accident rate for employees and contractors of 0.2% or lower by 2026 • Plan: Improving management standards through safety and health evaluations and audits, creating a safe working environment, and continuing to expand safety and health investment
Climate Change Response	• Operating renewable energy and green hydrogen businesses • Enhancing greenhouse gas emissions data management • Reducing greenhouse gas emissions	• Operating solar and wind power facilities in Australia and pursuing their adoption in Korea • Introducing hydrogen refueling stations and hydrogen forklifts • Advancing Scope 3 emissions accounting to assess and reduce greenhouse gas emissions across the value chain • Establishing and advancing a carbon-neutrality roadmap	p.22-32	• Goal: Achieving carbon neutrality by 2050 • Plan: Building a Green Metal value chain and pursuing a renewable-linked power-storage business
Ethics and Compliance Management	• Advancing the internal-control system • Conducting internal audits to identify ethics and compliance risks • Operating reporting channels for employees and suppliers	• Conducting internal audits across 14 worksites of Korea Zinc and its affiliates • Providing ethics training for all employees and compliance training for relevant departments • Operating a supplier grievance channel by establishing supplier grievance-process rules • Conducting risk assessments and security reviews of information assets and systems • Conducting semiannual phishing-response drills and information-security training	p.85-90	• Goal: Expanding employee ethics and compliance training and broadening the practice of ethics and compliance • Plan: Holding regular ethics and compliance training four times a year and a regular compliance review once a year, with ongoing guidance on legal risks
Pollution and Hazardous Substances Management	• Reducing air pollutant emissions and water pollutant discharge • Managing chemical substances	• Reducing pollutants by introducing air-pollution-reduction equipment and wash-water treatment facilities • Inspecting key facilities and improving equipment to prevent chemical incidents • Strengthening the expertise of employees handling hazardous materials through adherence to hazardous-chemical handling rules and through training	p.33-38	• Goal: Zero chemical incidents; minimized air pollutant emissions and water pollutant discharge • Plan: Reducing SOx, NOx, and TSP emissions by 10% in 2026 against the 2023 baseline
Resource Circulation and Waste Management	• Minimizing waste generation • Expanding the use of recycled raw materials	• Expanding the use of recycled feedstock through equipment conversion (introduction of Cu Smelter) • Recovering and recycling metal resources through in-process reprocessing	p.39-44	• Goal: Reducing waste and expanding recycling • Plan: Securing technological stability by pursuing resource circulation pilot projects, and expanding recycling and resource recovery through additional metal recovery

Materiality Assessment

Stakeholder Engagement

Engagement Channels by Stakeholder Group

Korea Zinc identifies its stakeholders by considering their impact on Korea Zinc's business and Korea Zinc's impact on them, legal and economic relationships, and value-chain linkage, and on this basis defines shareholders and investors, employees, customers, suppliers, local communities, and the government as its key stakeholder groups. For these stakeholders, it conducts a range of communication activities tailored to each group's interests and characteristics, using digital platforms such as its website and YouTube channel to improve the accessibility and openness of information while reflecting the input gathered through these channels in its management activities. Going forward, we will continue to strengthen stakeholder communication to proactively identify and mitigate internal and external risks and to advance our sustainability efforts.

Stakeholder Group	Key Issues	Primary Communication Channels	Common Channels
Shareholders and Investors	• Highest-level decision-making structure • Management strategy and investment plans • Compliance • Financial and non-financial performance • Risk management	General Meeting of Shareholders	Website  Business Report  Sustainability Report  YouTube  Instagram 
		Investor relations (IR briefings)	
Employees	• Work-life balance • Labor-management relations • Performance evaluation and compensation • Strengthening job capabilities • Employee benefits	Labor-management council	
		Employee engagement survey	
		Internal communication platform	
Customers	• Product quality and safety • Product price competitiveness • Product contract terms • Brand reputation	Cyber Audit (website)	
		Voice of Customer (website)	
Suppliers	• Fair trade • Mutual growth • Mutual cooperation • Supply chain management policy	Mutual-growth programs	
		Seminars and training	
		Supplier grievance reporting (website)	
		Cyber Audit (website)	
Local Communities and NGOs	• Community impact • Community contribution • Revitalizing the industrial ecosystem	Local associations and councils	
		Cyber Audit (website)	
Government and Public Sector	• Participation in government policy • Job creation	Local government and administrative agencies	
		Industry meetings	



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Environmental • Material Issue 1

Climate Change Response

Why It Matters

Climate change response is one of the most urgent challenges of our time, and a systematic transition to carbon neutrality has become an essential management paradigm for companies. To strengthen its competitiveness, Korea Zinc is adopting environmentally responsible technologies and intensifying its greenhouse gas reduction efforts, thereby fulfilling its environmental responsibilities.



Social and Environmental Significance

Contribution to greenhouse gas reduction and the achievement of carbon-neutrality targets



Financial Significance

Improved product competitiveness through the adoption of low-carbon technologies, and proactive response to the financial impact of tighter environmental regulations

Key Achievements

- ESG Committee review of climate-related agenda items
- Carbon Trust Label for greenhouse gas reduction obtained for key products (zinc, silver, and copper)
- Climate scenario analysis and financial-impact assessment

Future Plans

- Building a Green Metal value chain and producing green hydrogen using renewable energy
- Pursuing a power-storage business by developing a renewable-linked BESS (battery energy storage system) project

Governance

Climate Change Governance

As Korea Zinc's highest decision-making body, the Board reviews climate-related risks and opportunities. The ESG Committee, established under the Board, receives regular briefings on the energy- and greenhouse gas-related strategies, performance, and plans driven by the working-level departments responsible for climate change response: the Strategies & Planning Team, the Energy Management Team, and the ESG Management Team. A separate management advisory body, the Sustainability Steering Committee, reviews agenda items before they are referred to the ESG Committee. In 2025, the ESG Committee addressed climate-related reporting items, including the climate change response report and Korea Zinc's response to both the carbon footprint and Phase 4 of the Emissions Trading Scheme. It also conducted board-level climate risk monitoring.

Climate Change Response Organization



Climate-Related Agenda Items Reported to the ESG Committee

Session	Date	Agenda
2nd ESG Committee Meeting	Jul. 16, 2025	Climate change response: Carbon Footprint and Response to Phase 4 of the Emissions Trading Scheme

Climate Change Response

Strategy

Identifying Climate Risks and Opportunities

Climate Risks and Opportunities

Korea Zinc identified the climate-related physical risks, transition risks, and opportunities expected to affect its business, and analyzed their impact across its business and value chain. Through a comprehensive review, it derived a pool of 28 risk and opportunity factors: 7 physical risks, 10 transition risks, and 11 opportunities. It then assessed their materiality by considering each factor's likelihood and the magnitude of its impact, and selected four climate risk factors and one opportunity factor as its key risks and opportunities.

Defining Time Horizons

Korea Zinc classified the time horizons over which climate-related risks and opportunities are expected to materialize as short, medium, or long term, aligning the target periods with those presented in the Korea Sustainability Standards Board (KSSB) standards.

Time Horizons

Time Horizon	Target Period	Target Period (from the Current Year)
Short term	1 year	2026
Medium term	More than 1 year up to 5 years	2027-2030
Long term	More than 5 years	2031-2050

■ Key risk and opportunity factors ■ Upstream ■ Own Operation ■ Downstream

Category	Type	Risk and Opportunity Factor	Impact on Business Model and Value Chain	Expected Time Horizon		
				Short	Medium	Long
Physical Risks	Acute	Heat waves ■■■	• Production shutdowns and higher worksite cooling costs from heat waves	●	●	●
		Typhoons ■■■	• Overtime costs from typhoons and lower revenue from delays in raw and auxiliary materials	●	●	●
		Floods ■■■	• Equipment and facility repair costs from flooding of plants and equipment	●	●	●
		Wildfires ■■■	• Labor costs from plant shutdowns caused by wildfires near plant sites		●	●
	Chronic	Droughts ■■■	• Higher investment in water-conservation facilities to prepare for droughts	●	●	●
		Water scarcity ■■	• Higher investment in water-recycling facilities due to water shortages		●	●
		Changes in precipitation ■■■	• Disruptions to procurement of raw and auxiliary materials from localized rainfall		●	●
Transition Risks	Reputational	Lower stakeholder trust in climate response ■■■	• Higher financing costs from a downgrade in ESG ratings	●	●	●
		Spread of international carbon trade regulations ■■	• Lower revenue from reduced sales as high-carbon products lose price competitiveness		●	●
	Policy and Legal	Tighter direct emissions regulations ■■	• Costs of purchasing additional emission allowances as the free allocation ratio is reduced	●	●	
		Mandatory transition to low-emission corporate vehicles ■■	• Costs of purchasing new low-emission vehicles and investing in supporting facilities	●	●	
	Market	Rising medium- to long-term electricity prices ■■■	• Higher cost of sales and power-generation costs as industrial electricity prices rise to reflect climate and environmental costs		●	●
		Stronger demand for energy-efficiency infrastructure ■■	• Additional operating costs for smart facilities to improve energy efficiency	●	●	●
		Stronger demand for worksite energy transition ■■	• Investment costs to build renewable-based power generation (infrastructure)		●	●
	Market	Growing demand for low-carbon product development ■■■	• Higher costs of adopting low-carbon technologies to manufacture low-carbon products	●	●	●
		Broader transition demands across the supply chain ■■	• Additional carbon-reduction costs from a supply chain perspective		●	●
		Rising raw material prices from greenflation ■■■	• Higher costs of purchasing consumable supplies driven by green-procurement demands	●	●	
Opportunities	Market	Growing market demand for low-carbon products ■■■	• Higher revenue from low-carbon products based on carbon-reducing processes and renewable power		●	●
		Market premium for climate-response performance ■■	• Enhancement of corporate brand value and higher revenue driven by greenhouse gas reduction performance		●	●
		Growth of B2B demand-driven renewable energy trading markets ■■	• Revenue growth from meeting environmentally responsible demand, and lower ESG-based financing costs		●	●
	Market	Growing demand for low-carbon transition materials ■■■	• Entry into new markets for low-carbon recycled materials and revenue growth		●	●
		Stabilization of low-carbon transition raw material supply chains ●	• Higher revenue from expanded Green Metal sales			●
		Stronger product competitiveness based on carbon data ■■	• Higher revenue as market demand grows for low-carbon recycled raw materials	●	●	●
	Energy Sources	Broader decarbonization of power sources ■■■	• Cost savings from the renewable transition versus rising high-carbon energy costs		●	●
		Wider renewable energy deployment and market growth ■■	• Lower emission-allowance costs from emissions reductions through the renewable transition		●	●
		Improved energy-use efficiency ■■■	• Lower heat and steam costs from recycling waste steam and heat sources	●	●	●
	Resilience	Growing demand for infrastructure to address extreme weather ■■■	• Lower construction costs and greater government subsidies driven by rising demand for extreme-weather infrastructure		●	●
	Resource Efficiency	Expanded supply of low-carbon raw materials based on the circular economy ●	• Lower raw material procurement costs from circular-economy-based sourcing of key raw materials		●	●

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Climate Change Response

Strategy

Transition Plan

Renewable Energy Transition Plan

Korea Zinc aims to convert 100% of its total electricity use to clean energy by 2050 by producing green hydrogen with power generated at its overseas renewable energy plants and supplying it to the Onsan Refinery in Korea. To achieve this renewable energy transition strategy, Korea Zinc has invested in key overseas subsidiaries, building a foundation for securing sustainable energy. Considering power-market conditions such as rising domestic electricity prices, we plan to pursue reasonable ways to expand renewable energy while continuing to invest in securing renewable power.

Key Investments

2018	Built the Sun Metals Solar Farm, Australia's largest industrial solar plant (124 MW)
2021	Established Ark Energy
2022	Acquired Epuron, a renewable energy developer (through Ark Energy)
2023	Invested in Amogy, a U.S. specialist in ammonia-cracking ¹⁾ technology
	Broke ground on the SunHQ Hydrogen Hub, an integrated green-hydrogen production and refueling facility
2024	Secured a 30% stake (277 MW) in the 923 MW MacIntyre Wind Farm and began partial operation
2025	Acquired a 33.3% stake in Hanwha Shinhan Terawatt Hour, a renewable energy power-trading company

1) A key technology for converting green ammonia (to be produced in Australia and imported to Korea) into hydrogen.

Renewable Energy Investment¹⁾

Unit	2018	2019	2020	2021	2022	2023	2024	2025
KRW million	196,262	-	25,197	8,542	396,200	50,977	610,795	81,624

1) Investments denominated in foreign currencies (USD, AUD) were converted at the transaction-based exchange rate as of December 31, 2025.

Future Plans



Producing green hydrogen using local renewable energy in Australia, then building a Green Metal value chain by introducing green hydrogen at the Onsan Refinery



Pursuing a power-storage business and contributing to grid stability by developing a renewable-linked BESS project

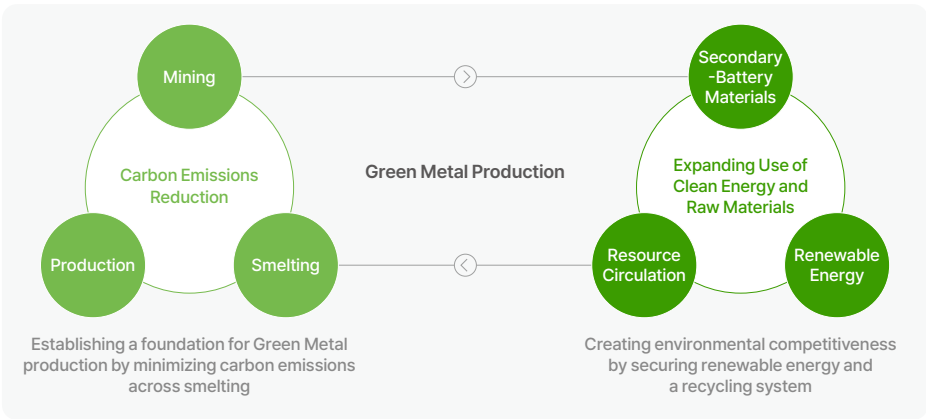
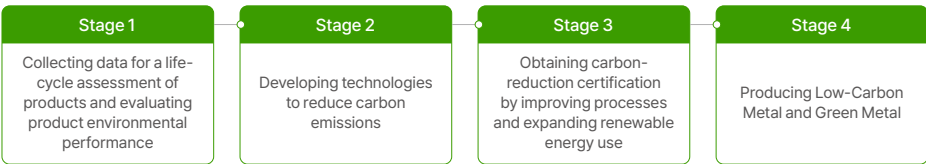


Achieving RE100 by 2050

Green Metal

Korea Zinc aims to produce Green Metal (metal that emits no carbon throughout its entire life cycle) by 2050. To this end, it has established a four-stage production plan and is advancing the necessary technologies step by step to achieve this goal. Using environmentally responsible methods powered by electricity from renewable sources such as solar and wind, Korea Zinc is developing its green hydrogen business to produce Green Metal using green hydrogen and achieve carbon neutrality.

Website: Green Metal [↗](#)



GHG Allowance Management

As a covered entity under the greenhouse gas Emissions Trading Scheme (ETS), Korea Zinc responds to the scheme by adjusting the volume of allowances it sells and banks each year according to its emissions and allocation. In preparation for Phase 4 of the ETS, which runs from 2026 to 2030, Korea Zinc traded allowances in 2025 with the aim of maximizing carryover volumes. To respond to a tighter ETS policy, including allocation cuts in line with the government's NDC (Nationally Determined Contribution) targets, Korea Zinc manages its greenhouse gas allowances with a focus on improving emissions efficiency, implementing phased reductions based on its carbon-neutrality roadmap, and reviewing the potential for additional allocation.

Climate Change Response

Strategy

Mitigation and Adaptation Measures

Product Carbon Footprint (PCF) Assurance and Reduction Performance

With the goal of producing low-carbon green metals, Korea Zinc has, since 2023, completed carbon footprint calculations and third-party verification for seven major products, including zinc, lead, and copper, based on a cradle-to-gate approach (from raw material extraction to product packaging). In particular, zinc, silver, and copper have not only achieved independent assurance from Carbon Trust Assurance but also obtained the Carbon Trust Label, signifying a reduction in their product carbon footprints. In addition, products such as lead, gold, and semiconductor-grade sulfuric acid have been verified in accordance with PAS 2050 and the Carbon Trust’s requirements for assurance. Through these efforts, Korea Zinc has enhanced the external credibility of its product carbon footprint data and is actively utilizing this data to respond to customer requirements and global carbon regulations.

About the Carbon Trust

The Carbon Trust is a global climate consultancy driven by the mission to accelerate the move to a decarbonized future. It has been pioneering decarbonization for more than 20 years for businesses, governments, and organizations. Through its independent assurance services, the Carbon Trust provides credibility and confidence in sustainability claims, helping organizations demonstrate transparency, avoid compliance risks, and build trust with stakeholders. The Carbon Trust label enables companies to communicate their assured sustainability claims to consumers and businesses with transparency and impact.



Expansion of PCF Calculations and Establishment of Management Framework

Korea Zinc is continuously expanding its carbon footprint calculations based on Life Cycle Assessment (LCA) for key products in order to better understand their carbon impact and systematically manage emissions generated during the production process. In 2026, Korea Zinc further expanded the scope of its carbon footprint management by conducting additional calculations for rare metals such as antimony and indium, extending coverage across the entire product portfolio. These calculations were performed based on 2024 data from the Onsan Refinery and in accordance with the PAS 2050 standard, thereby establishing a more systematic foundation for managing carbon emissions across all products, including other metals and by-products. This expansion is particularly meaningful, as it enables a broader understanding of product-specific emission characteristics and provides a stronger basis for responding to future customer and market demands.

Advancement of PCF Methodology

Korea Zinc is collaborating with the International Zinc Association (IZA¹⁾) and the International Antimony Association (i2A²⁾) to develop internationally aligned carbon footprint methodologies and establish industry benchmarks for zinc and antimony products. Through these efforts, it aims to enhance alignment with global industry standards and further advance its carbon footprint management framework. In addition, Korea Zinc is developing a carbon footprint calculation system integrated with its internal systems to automate data collection and verification processes, thereby improving the accuracy and efficiency of product-level carbon footprint assessments. Looking ahead, we plan to expand carbon footprint calculations to newly developed products and establish an integrated carbon footprint management system covering our entire product portfolio, enabling proactive responses to global climate disclosure requirements and evolving market expectations.

1) International Zinc Association
2) International Antimony Association



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Energy-Saving Investments

Korea Zinc has consistently made energy-saving investments each year. In 2024, it conducted a comprehensive assessment of energy use and an energy-efficiency improvement diagnosis across all facilities. In 2025, it invested approximately KRW 14.6 billion in energy-saving activities.

(Unit: KRW million)

Category	Investment Period	Investment
Electricity savings through the installation of high-efficiency cooling-tower fans	Aug. 2024 – Mar. 2025	610
Electricity savings by replacing aging air compressors with a high-efficiency, high-capacity system	Sep. 2024 – Jun. 2025	6,204
Energy-use optimization by introducing an advanced energy-monitoring system	Oct. 2024 – May 2025	523
LNG-consumption reduction by recycling exhaust-gas waste heat	Dec. 2024 – Jul. 2025	599
Energy-use efficiency improvement by increasing hot-water utilization	Jul. 2025 – Dec. 2026	6,438
Installation of a scale remover for cooling-tower cooling water	Nov. 2025 – Mar. 2026	207
Total		14,581

Recognized as a KEEP 30 Top Performer

Korea Zinc is participating in the government-led Korea Energy Efficiency Innovation Partnership (KEEP 30), under which it is pursuing a target to reduce energy intensity by at least 1% relative to the base year over the 2023–2027 program period. In 2023, the first implementation year, it exceeded the target, reducing energy intensity by 3.2% from the 2019 base year and earning an S grade along with certification as a top energy-saving company. In 2024, the second implementation year, Korea Zinc reduced energy intensity by 3.1% from the 2020 base year, earning an S grade for the second consecutive year. Korea Zinc continued its participation in the KEEP 30 program in 2025, further improving energy efficiency and advancing a range of energy-saving projects to enhance operational efficiency.

Hydrogen Refueling Station and Hydrogen Forklifts

As a leader in reducing carbon emissions within industrial complexes, Korea Zinc built Korea’s first hydrogen refueling station dedicated to hydrogen forklifts in a national industrial complex, at Plant 1 of the Onsan Refinery in Ulsan, in 2024, and began full-scale deployment of hydrogen forklifts. The station can supply 55 kg of hydrogen per hour and refuel 12 hydrogen forklifts per hour. It is an off-site station that receives externally produced hydrogen through a pipeline network, and the Korea Gas Safety Corporation verified its safety through a technical inspection. The hydrogen forklifts operating at the Onsan Refinery are fuel-cell models and zero-emission transport equipment that emit no carbon dioxide (CO₂). Since 2024, Korea Zinc has been transitioning from diesel to zero-emission hydrogen forklifts, with a target of deploying 30 units across its zinc and lead processes. Given that a conventional diesel forklift emits an average of 80 kg of CO₂-eq per day, 30 hydrogen forklifts are expected to reduce GHG emissions by an average of approximately 2.4 tons per day and approximately 880 tons per year.



Waste-Heat Recovery System

Korea Zinc has built an in-house circulation system that recovers waste heat from the flue gas generated in its processes, using waste-heat boilers to produce steam. Using or selling this recycled-heat steam as an energy source helps reduce total fuel consumption and improve energy efficiency.

Category	Unit	2023	2024	2025
Steam production ¹⁾	Ton	4,122,823	3,744,471	3,930,177
Sales volume	Ton	851,888	832,770	695,006
Volume used	Ton	3,270,935	2,911,701	3,235,171

1) Limited to steam produced from process waste heat

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Climate-Related Financial Impact Analysis and Resilience Assessment

Climate Scenario Analysis

Korea Zinc conducted a scenario analysis to assess the financial impact of potential risks and opportunities arising from climate change and to respond proactively. To analyze physical risks, it used the Jupiter Intelligence tool to review the effects of various climate hazards, applying the Shared Socioeconomic Pathways (SSP) scenarios defined in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). For heat-waves, it analyzed impacts mainly from production downtime costs and increases in annual cooling costs at worksites, while for typhoons, it analyzed damage to tangible assets. For transition risks, it analyzed the increase in allowance purchase costs driven by an increase in the paid allocation ratio under the Emissions Trading Scheme, as well as the rise in industrial electricity prices reflecting climate and environmental costs. For climate-related opportunities, it analyzed reductions in power-generation costs and climate-related costs through the diversification of power sources beyond fossil fuels to include LNG and renewable energy. For the analysis of transition risks and opportunities, Korea Zinc referred to the Current Policies Scenario (CPS), the Stated Policies Scenario (STEPS), and the Net Zero Emissions by 2050 Scenario (NZE) from the International Energy Agency (IEA) World Energy Outlook 2025. These scenarios represent different levels of policy and transition pathways, including current policies, stated policies, and a pathway to achieve net zero by 2050.

Category	Physical Risks	Transition Risks and Opportunities
Scenarios and Sources	[SSP1-2.6] • A sustainable-development scenario in which advances in renewable energy minimize fossil-fuel use and improve resource efficiency, bringing radiative forcing to around +2.6 W/m ² by 2100	[CPS, Current Policies Scenario] • Reflects only policies already in force or established in law (excluding those presented merely as official direction or still at the draft stage)
	[SSP2-4.5] • A scenario in which social and economic development continues at a level similar to today and some reduction policies are implemented, bringing radiative forcing to around +4.5 W/m ² by 2100	[STEPS, Stated Policies Scenario] • Reflects, beyond policies already in force or established in law, officially announced policy directions and medium- to long-term strategies
	[SSP5-8.5] • A high-emission scenario in which fossil-fuel use expands on a large scale and energy demand surges, bringing radiative forcing to around +8.5 W/m ² by 2100	[NZE, Net Zero Emissions by 2050 Scenario] • Analyzes the outlook for greenhouse gas allowance prices, assuming the achievement of global carbon-neutrality targets by 2050
Analysis Period	2026–2050	
Scope of Operations Analyzed	Onsan Refinery ¹⁾	
Risks and Opportunities Analyzed	• [Heat waves] Production downtime costs and increased electricity costs due to cooling • [Typhoons] Damage to tangible assets	• [Transition] Tighter direct emissions regulations • [Transition] Rising medium- to long-term electricity prices • [Opportunity] Broader decarbonization of power sources

1) Selected as a domestic production site with high exposure to typhoons and heat waves and subject to carbon emission systems such as the Emissions Trading Scheme.

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Climate-Related Financial Impact and Response Strategy

Korea Zinc analyzed the financial impact of climate-related risks and opportunities to better understand how climate issues could affect its financial performance. These results carry a degree of variability and uncertainty, however, because climate change unfolds in many ways over the long term and because numerous external factors interact: shifts in the policy and regulatory environment, swings in global energy and raw material markets, the pace at which low-carbon technologies reach commercial scale, and how customers and markets respond. Some figures may also change as conditions evolve. Korea Zinc will use these results to inform how it manages climate-related risks and opportunities, and will keep improving the underlying data and refining its analytical framework and methodology to make future estimates more accurate and useful over time.

KRW 5 billion or less

KRW 5–10 billion

KRW 10–30 billion

KRW 30–50 billion

More than KRW 50 billion

Type	Risk and Opportunity Factor	Expected Impact	Financial Impact ¹⁾			Response Strategy
			Short Term (2026)	Medium Term (2027-2030)	Long Term (2031-2050)	
Physical Risks	Heat waves	Lower revenue from heat-driven production shutdowns and higher electricity costs for facility cooling, resulting in at least approx. KRW 16 billion in short-term costs				Preventing efficiency loss in heat-vulnerable equipment by strengthening durability against extreme weather such as heat waves Reducing the risk of heat-related illness by enforcing heat-management standards through frontline safety and health activities that include contractors Strengthening capacity to handle compound disasters, including extreme heat, through frontline response infrastructure: an advanced worksite safety-management system, an integrated control center, and an in-house fire brigade
	Typhoons	Damage to tangible assets from typhoons, resulting in at least approx. KRW 1.2 billion in short-term financial impacts				Preventing asset losses by managing structures against the strong winds, heavy rain, and power outages that typhoons bring, improving drainage, reinforcing emergency power systems, and expanding worksite safety inspections and drills Minimizing asset damage and operational disruptions when typhoons and other disasters strike by advancing the disaster-response system: an integrated control center, an in-house fire brigade, building information signs and QR codes, and standardized maintenance and inspection cycles
Transition Risks	Tighter direct emissions regulations	Costs of buying additional allowances as the free-allocation ratio shrinks and the paid-allocation ratio grows				Driving emissions reductions through process improvements, a higher share of renewable and low-carbon self-generation, and the purchase of offset credits Minimizing allowance costs by closely monitoring allowance markets and policy changes, and by drawing on external reduction measures such as offset credits
	Rising medium- to long-term electricity prices	Higher energy costs, including from industrial electricity prices that rise to reflect climate and environmental costs				Pursuing cost savings and greater energy independence through a higher share of renewable and low-carbon self-generation Expanding the basis for domestic power purchase agreements (PPAs) and power-brokerage businesses through investments in renewable energy companies Transitioning to a low-carbon, low-volatility power supply by expanding overseas subsidiaries' renewable energy pipelines and tapping their generation and storage assets
Opportunity	Broader decarbonization of power sources	Cost and allowance savings from shifting to renewable-based power generation				Securing clean power and expanding low-carbon energy businesses by scaling up and launching overseas subsidiaries' renewable energy projects Advancing a carbon-free power transition and new growth engines by building a green hydrogen and green ammonia value chain

1) Physical risks were assessed using the SSP5-8.5, SSP2-4.5, and SSP1-2.6 scenarios, while transition risks and opportunities were assessed using the IEA's CPS, STEPS, and NZE scenarios. Financial impacts were estimated as period-specific annual averages, and impact ranges were classified based on the average of the minimum and maximum values across scenarios.

Climate Change Response

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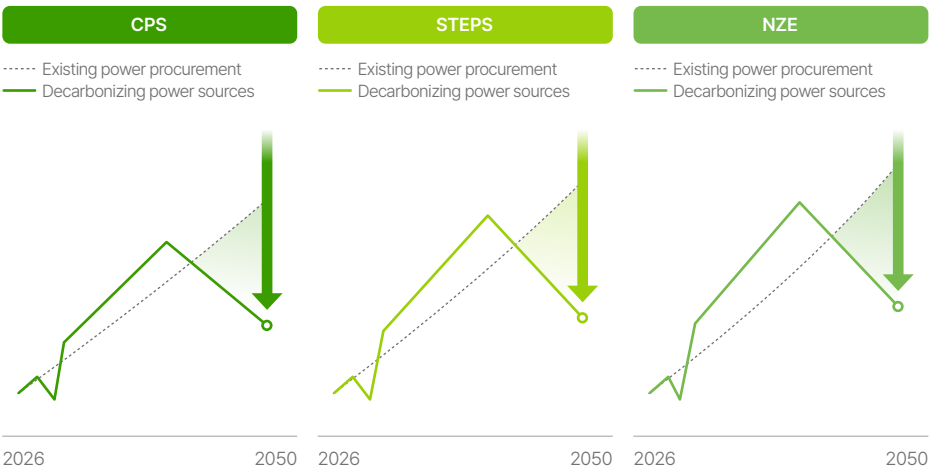
Climate-Related Financial Impact Analysis and Resilience Assessment

Climate Resilience Assessment

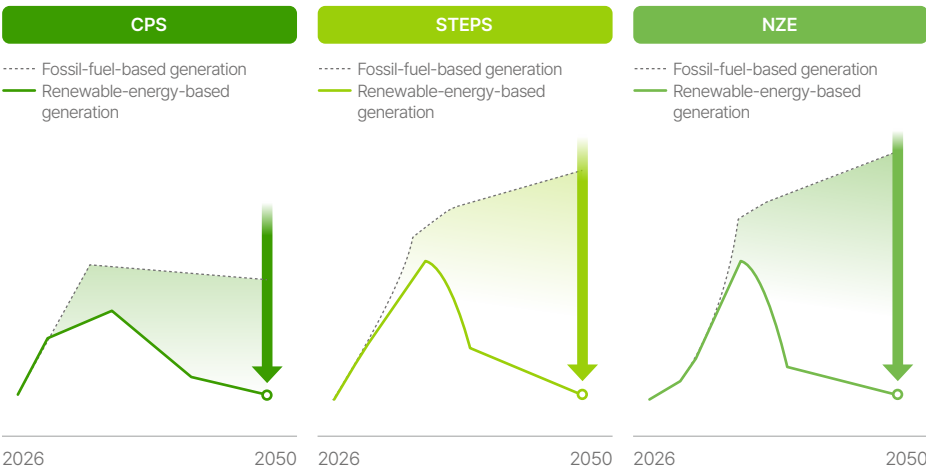
The tighter regulations accompanying the climate transition can raise costs and pose a short-term risk, but they also create medium- to long-term opportunities, such as a shift to a more sustainable business structure as Korea Zinc implements its response strategy. In particular, Korea Zinc expects that decarbonizing power sources and diversifying its energy procurement structure will increase savings in allowance purchase costs and electricity costs over the medium to long term, thereby strengthening its transition resilience. This assessment evaluated how transition opportunities affect financial resilience under three scenarios: the Current Policies Scenario, the Stated Policies Scenario, and the Net Zero Emissions by 2050 Scenario. The analysis found that the renewable transition and greater use of low-carbon power reduce electricity and allowance costs over the medium to long term, and that this effect becomes more pronounced as greenhouse gas reduction targets become more stringent.

Over the medium term, the wider adoption of renewable energy and a higher share of self-generation will ease the impact of external electricity-price fluctuations, gradually reducing the volatility of the cost of sales as well. This provides a foundation for maintaining more stable financial performance even amid external shocks such as rising electricity prices or surging allowance prices. Over the long term, decarbonizing power sources and reducing emissions will ease the cumulative cost burden, leading to improvements in operating cash flow and retained earnings. In particular, under the Net Zero Emissions by 2050 Scenario, short-term transition costs arise, but over the long term, the savings in allowance purchase costs and electricity costs expand significantly, making financial losses relatively less likely. By continuing to pursue the low-carbon transition of its power procurement structure and improvements in energy efficiency, Korea Zinc plans to maintain medium- to long-term financial soundness and competitiveness even amid the uncertainty of climate change.

Projected Electricity Costs by Power-Source Transition



Projected Emission Costs by Power-Source Transition



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Climate Change Response

Risk Management

Climate Risk and Opportunity Assessment

Climate Risk Management Process

Korea Zinc periodically identifies and assesses climate risks and opportunities and, by analyzing the financial impact of material risks and opportunities, proactively gauges their expected effect on its financial position. Climate risks and opportunities are managed company-wide through a process of identification, assessment, response, and monitoring, which strengthens the organization's resilience and capacity to respond to external change. This process is also continuously refined through consultation with internal stakeholders and in response to external changes. For material climate risks and opportunities, management and the Board enhance the effectiveness of the response strategy through their review and decision-making. In this way, Korea Zinc systematically manages the impact of climate change across its business and value chain from a medium- to long-term perspective, strengthening its foundation for sustainable management.

Step 1. Identifying Climate Risks and Opportunities

Identifying the risks and opportunities that may arise from business activities through analysis of the internal and external environment

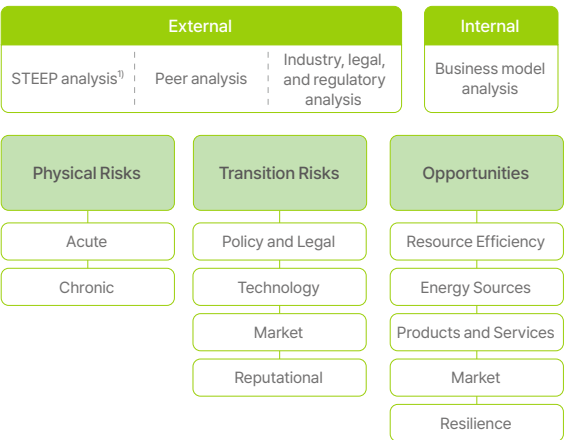
Step 2. Assessing and Prioritizing Climate Risks and Opportunities

Assessing the likelihood and magnitude of impact of the identified risks and opportunities

Step 3. Monitoring Climate Risks and Opportunities

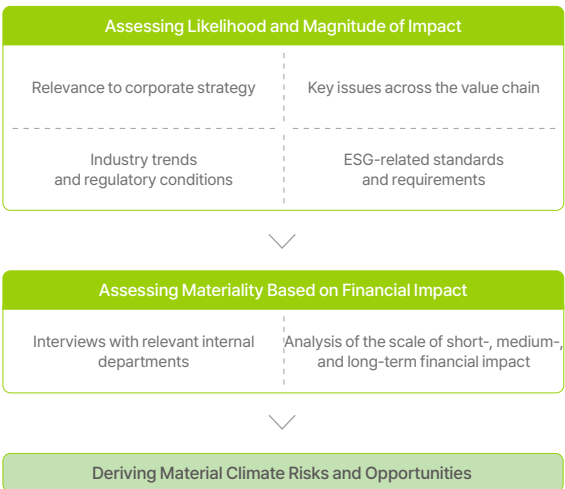
Identifying and assessing climate-related risks and opportunities each year to monitor and continuously report changes, such as the emergence of new risks and shifts in the significance of impacts

Deriving a Pool of Climate Risks and Opportunities

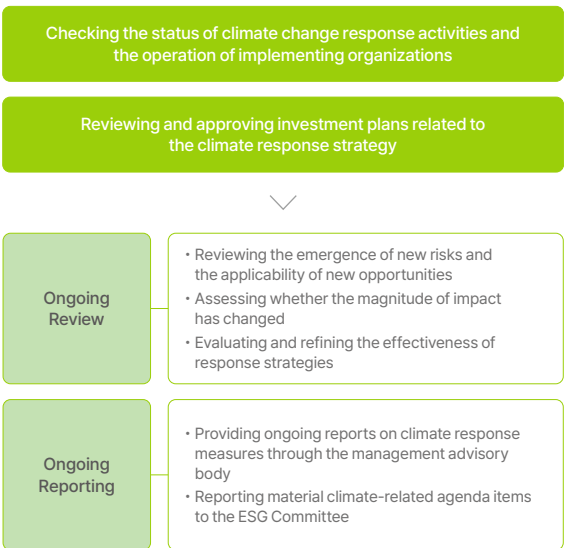


1) STEEP analysis is a method for assessing and analyzing the macro-level external factors that affect a company's competitiveness across five dimensions: social, technological, economic, environmental, and political.

Climate Risk and Opportunity Assessment Method



Types of Climate Risk and Opportunity Monitoring

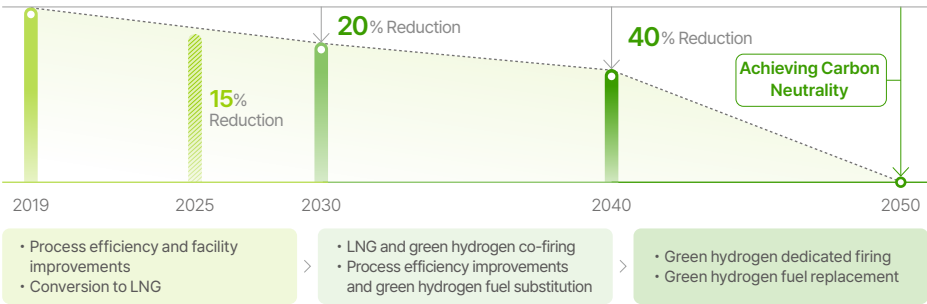


Climate Change Response

Metrics and Targets

Carbon Neutrality Roadmap

In 2023, Korea Zinc established a carbon neutrality roadmap, setting reduction targets and implementation plans in 10-year increments. Using 2019 greenhouse gas emissions as the baseline, the roadmap aims to reduce emissions by 20% from 2020 to 2030 and by 40% from 2031 to 2040, and to achieve net-zero emissions from 2041 to 2050, ultimately reaching carbon neutrality by 2050. To meet these goals, Korea Zinc is implementing a comprehensive, step-by-step reduction strategy, including process-efficiency improvements, facility upgrades, fuel conversion, and the introduction of green hydrogen co-firing and dedicated firing. It has also set greenhouse gas emissions as a key performance indicator, managing annual targets and performance with precision. Annual target emissions are set by considering each year's business plans and cumulative target reductions, and emissions are managed to ensure alignment with the carbon neutrality roadmap pathway. In 2025, Korea Zinc reduced emissions by approximately 590,000 tons from the baseline, achieving a 15.3% reduction and exceeding the path set in the initial roadmap. Going forward, we will make climate change response a core part of our sustainable growth strategy and take bold, effective reduction measures to lead the way toward carbon neutrality. To keep this progress transparent and accountable, we disclose our implementation status and performance in our sustainability report each year and submit an annual CDP Climate Change response.



Annual Scope 1+2 Greenhouse Gas Emission Targets

Category	Unit	2022	2023	2024	2025 ¹⁾
Target emissions	tCO ₂ eq	3,496,212	3,408,593	3,174,527	3,452,376
Actual emissions	tCO ₂ eq	3,450,416	3,277,964	3,178,524	3,255,000
Change from previous year	tCO ₂ eq	-102,867	-172,452	-99,440	76,476
Reduction rate from the baseline year	%	10.3	14.8	17.3	15.3

1) The target was raised in anticipation of the new resource-circulation facilities coming online and higher utilization of facilities that recover valuable metals from smelting by-products.

Greenhouse Gas Emissions and Intensity

Category		Unit	2023	2024	2025
Scope 1	Headquarters		226	245	311
	Onsan Refinery	tCO ₂ eq	2,574,200	2,572,422	2,634,184
	Total		2,574,427	2,572,667	2,634,495
Scope 2	Headquarters		286	264	626
	Onsan Refinery	tCO ₂ eq	703,253	605,594	619,879
	Total		703,539	605,858	620,505
Scope 1+2 ¹⁾	Total	tCO ₂ eq	3,277,964	3,178,524	3,255,000
Scope 3 ²⁾	Category 1. Purchased goods and services		1,456,758	1,389,849	2,031,026
	Category 2. Capital goods		15,727	445,582	27,851
	Category 3. Fuel- and energy-related activities not included in Scope 1 or Scope 2		243,958	238,822	297,680
	Category 4. Upstream transportation and distribution		249,870	75,299	301,207
	Category 5. Waste generated in operations		31,490	33,028	151,297
	Category 6. Business travel	tCO ₂ eq	979	707	616
	Category 7. Employee commuting		2,053	2,121	1,119
	Category 9. Downstream transportation and distribution		159,750	52,735	31,969
	Category 10. Processing of sold products		2,431,864	2,292,211	4,549
	Category 11. Use of sold products		25,846	-	-
	Category 13. Downstream leased assets		-	1,074	1,302
	Category 15. Investments		75,182	78,531	79,971
	Total		4,693,476	4,609,959	2,928,586
Intensity ³⁾	Scope 1		0.35	0.32	0.25
	Scope 2	1,000 tCO ₂ eq /KRW billion	0.10	0.07	0.06
	Scope 1+2		0.45	0.39	0.31
	Scope 3		0.64	0.57	0.28

1) Owing to rounding at the site level, site-by-site greenhouse gas emissions may not sum exactly to the totals.

2) Category 1: activity data supplemented; Category 2: activity-data scope redefined; Categories 4 and 9: emission factors disaggregated by transport mode, with downstream logistics for which Korea Zinc pays freight costs reclassified to Category 4; Categories 5, 6, 7, and 10: calculation methodology enhanced.

3) Recalculated using each year's standalone revenue rather than consolidated revenue, to maintain consistency with the data reporting boundary.

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Climate Change Response

Metrics and Targets

Enhancing Greenhouse Gas Emissions Calculation

Managing Scope 1 and 2 Greenhouse Gas Emissions

To manage greenhouse gas emissions efficiently, Korea Zinc has developed a system that automatically calculates Scope 1 and 2 emissions data through integration with its enterprise resource planning (ERP) system. Following further enhancement through review by the relevant departments, the system is scheduled for deployment in 2026.

Separately, to strengthen subsidiary ESG management, Korea Zinc carried out Scope 1 and 2 emissions calculation and third-party verification for its secondary-battery materials subsidiaries in 2024. It pursued this voluntarily to raise ESG management standards group-wide and to build a proactive response framework at the subsidiary level. The work gave Korea Zinc a clearer basis for tracking each subsidiary's emissions and brought greater definition to how it manages Scope 1 and 2 emissions. Conducted in parallel, training for subsidiary staff deepened their understanding of emissions calculation and strengthened the internal capabilities and operational base needed to put ESG into practice.

Going forward, we will continue to enhance our subsidiary ESG management framework to respond more effectively to internal and external stakeholder demands, including requirements for carbon information across the supply chain, customer requests, and disclosure and regulatory compliance. With this subsidiary-level foundation in place, we plan to broaden the scope of our emissions management over time and to strengthen integrated ESG and climate response capabilities at the group level.

Strengthening Scope 3 Greenhouse Gas Emissions Calculation

Korea Zinc calculates emissions by each Scope 3 category to manage greenhouse gas emissions across its entire value chain. In 2025, to improve the completeness and accuracy of its Scope 3 disclosure, it enhanced the existing calculation methodology and reorganized the calculation boundary and data quality. Following the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Korea Zinc selected material categories through a relevance assessment and refined the methodology for each one to reflect its business activities and emissions profile.

In 2025, some Scope 3 categories showed relatively large year-on-year changes due to broader data coverage and methodological improvements. For Category 2 (Capital Goods), activity data was redefined based on tangible and intangible fixed assets recognized for accounting purposes. For Categories 4 and 9 (Upstream and Downstream Transportation and Distribution), transportation modes, payment methods, and supplier address data were further segmented. For Category 10 (Processing of Sold Products), emissions decreased significantly following revisions to activity data and emission-factor application.

Korea Zinc prioritized ERP-based internal data where available and reviewed emission factors using national LCI databases, Ecoinvent, and other sources. These improvements enhanced the completeness and reliability of Scope 3 emissions, which were independently verified by a third party.

Reducing Energy Consumption

Energy Consumption Targets

Korea Zinc sets an annual energy consumption target as a key performance indicator and works steadily to meet that target. In 2025, it reduced energy consumption by 79,996 TOE from the previous year through projects to improve energy efficiency in its production processes and the introduction of energy-saving equipment.

Annual Energy Consumption Targets¹⁾

Category	Unit	2023	2024	2025	2026
Target consumption	TOE	1,230,126	1,240,679	1,325,189	1,176,533
Actual consumption	TOE	1,222,270	1,202,354	1,122,358	-
Change from previous year	TOE	-36,768	-19,916	-79,996	-
Target achievement rate	%	101	103	118	-

1) Limited to Onsan Refinery

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Pollution and Hazardous Substances Management

Why It Matters

Managing pollution and hazardous substances is essential to advancing corporate sustainability. By enhancing its emissions management system and improving process efficiency, Korea Zinc minimizes its environmental impact and fosters mutual growth with local communities.



Social and Environmental Significance

Protection of ecosystems near operating sites and prevention of environmental risk through the management of air pollutant emissions, water pollutant discharge, and hazardous chemicals



Financial Significance

Lower pollutant-treatment costs through proactive process improvement, and prevention of penalties and asset losses in the event of environmental incidents

Key Achievements

- Invested a total of KRW 110.9 billion in environmental facilities
- Reduced air pollutant emissions by approximately 27% (496 tons) year over year
- Reduced water pollutant discharge by approximately 16% (32 tons) year over year

Future Plans

- Reducing SOx, NOx, and TSP emissions by 10% in 2026 against the 2023 baseline
- Complete 7 Integrated Environmental Permit tasks (approximately 74% achievement rate)

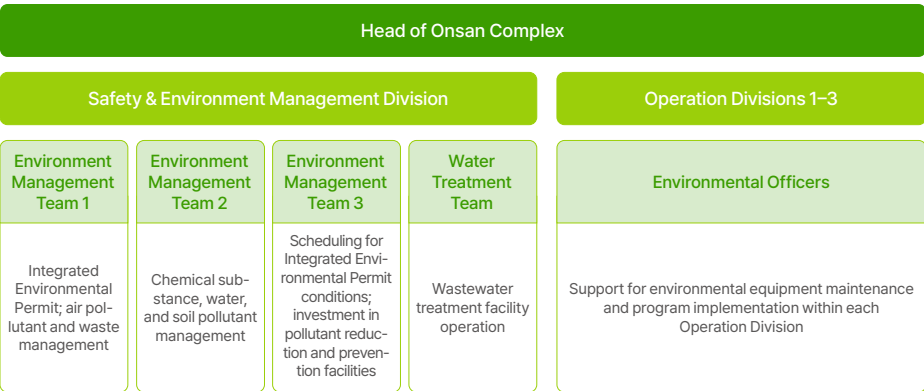
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Pollution and Hazardous Substances Governance

At Korea Zinc, the Safety & Environment Management Division is the dedicated organization responsible for managing environmental impacts under the oversight of the Head of Onsan Complex. Environment Management Teams 1 through 3 and the Water Treatment Team each draw on their specialized expertise to manage environmental pollutants efficiently.

Environment Management Team 1 handles air pollutants and waste management, along with the operation and planning of environment-related programs, including the Integrated Environmental Permit. Environment Management Team 2 focuses on managing chemical substances, water pollutants, and soil pollutants to minimize environmental risk, while Environment Management Team 3 coordinates the scheduling required to comply with Integrated Environmental Permit conditions and leads investment in pollutant reduction and prevention facilities. The Water Treatment Team manages water quality by operating the wastewater treatment facility and oversees equipment such as the purification processes that reduce pollutants generated during production, along with the stormwater (rainwater) ponds.

The Safety & Environment Management Division works closely with the environmental officers in each Operation Division to run environment-related programs and systems reliably. Through this collaboration, it minimizes pollutant emissions and advances systematic activities for sustainable environmental management. All environmental management activities and outcomes are reviewed regularly, and the results are reported to the Head of the Safety & Environment Management Division and the Head of Onsan Complex, driving rigorous management and improvement. In addition, compliance with Integrated Environmental Permit conditions is reported to the Head of the Safety & Environment Management Division each month, and compliance with environmental laws and regulations is reported to the Head of the Safety & Environment Management Division and the Head of Onsan Complex each month. Through these systematic management and reporting structures, Korea Zinc continues to build a robust foundation for sustainable environmental management.



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2025

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Pollution and Hazardous Substances Management

Strategy

Identifying Risks and Opportunities

Korea Zinc has identified the factors that could present opportunities and risks related to pollution and hazardous substances management and analyzed the potential impact of each. With the response to tighter environmental regulation emerging as a key priority, it is establishing proactive management measures.

Category	Classification		Risk and Opportunity Factor	Impact of the Opportunity or Risk		Response and Utilization Measures
	Opportunity	Risk		Financial Impact	Environmental and Social Impact	
Air		●	Air pollutant emissions exceeding permitted limits	Penalties and fines for non-compliance with environmental laws and regulations Cost burden from adjusting production rates Higher investment and operating costs for pollution reduction facilities	Health impacts on workers and local communities from deteriorating air quality Exposure to tighter regulatory oversight and community reputation risk	Introducing state-of-the-art air pollution control facilities Developing emission reduction technologies Strengthening monitoring by installing the stack tele-monitoring system (TMS) and additional measuring instruments Setting and implementing air pollutant emission reduction targets
		●	Fugitive dust emissions	Litigation costs in the event of harm to local communities Higher upfront investment and maintenance costs for pollution control facilities to meet environmental standards	Health risks to employees and contractor workers from fugitive dust Erosion of trust among environmental regulators and local communities	Installing fugitive dust reduction facilities, including concentrate-storage spray systems, air curtains, and slag-yard roof covers Strengthening environmental compliance and refining legal response processes
Water		●	Inadequate management of water pollutant discharge	Fines and administrative measures for exceeding discharge limits Higher regulatory compliance costs	River pollution from off-site release of non-point-source pollutants Loss of the aquatic ecosystem's self-purification capacity and a decline in biodiversity Erosion of trust among environmental regulators and local communities	Installing a waste-liquid collection tank to manage non-point-source pollution Strengthening the monitoring system to manage off-site release of non-point-source pollution Building a reverse osmosis (RO)-based water reuse system to reduce wastewater discharge and prevent water pollution incidents
Chemical Substances		●	Risk of hazardous chemical leaks	Incident-response and environmental remediation costs from chemical spills or leaks Higher investment and operating costs for prevention facilities and management systems due to tighter hazardous chemical regulation	Negative impact on corporate environmental and safety management assessments Widespread environmental damage from chemical incidents, and erosion of trust among environmental regulators and local communities	Strengthening hazardous chemical handling and management standards Building a chemical incident prevention system Conducting chemical incident emergency-response drills

Pollution and Hazardous Substances Management

Strategy

Environmental Investment

To minimize its environmental impact, Korea Zinc invested a total of KRW 110.9 billion across multiple areas in 2025. In the area of air, it installed air pollution control and wheel-washing facilities to reduce air pollutant emissions and fugitive dust. In the area of water, it installed stormwater tanks to store on-site stormwater and adopted wash-water treatment facilities for in-house use, enabling water reuse across the site. As key investments for 2026, Korea Zinc is installing wheel-washing facilities and a wet electrostatic precipitator (Mist EP) at the concentrate storage area within the Onsan Refinery, which are expected to reduce fugitive dust generated during raw material transport and air pollutant emissions from stacks.

Environmental Investment Costs

Category	Unit	2022	2023	2024	2025
Air	KRW million	9,593	27,893	11,722	67,024
Water	KRW million	2,085	10,866	38,126	15,551
Chemical Substances	KRW million	660	854	1,050	3,964
Other	KRW million	-	-	4,927	24,354
Total	KRW million	12,338	39,613	55,825	110,893

Risk Management

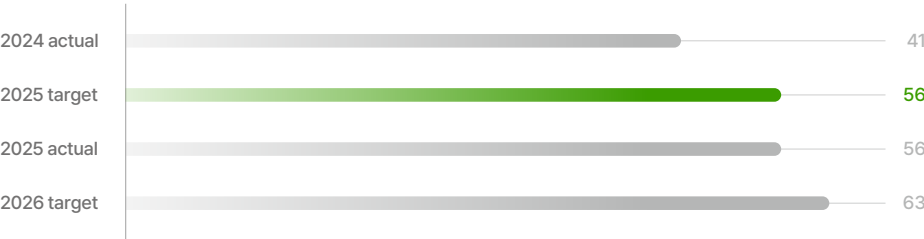
Advancing Integrated Environmental Permit Tasks

To fulfill its Integrated Environmental Permit obligations, Korea Zinc is working to complete a total of 85 tasks from 2023 to 2027 across multiple areas, including air, waste, and water. As of the end of 2025, it had completed a cumulative 56 tasks, for a 66% achievement rate.

In 2025, Korea Zinc completed 15 tasks over the year, investing KRW 110.9 billion in environmental facilities. Key tasks included installing bag filters, scrubbers, and wet electrostatic precipitators (Mist EP), as well as stormwater tanks and wash-water treatment facilities, which are expected to reduce air pollutant emissions and enable on-site water reuse.

For 2026, Korea Zinc aims to complete 7 Integrated Environmental Permit tasks over the year. Its key facility investment plans include installing additional wet electrostatic precipitators and gradually phasing in wheel-washing facilities at the on-site concentrate storage, thereby reducing air pollutant emissions and non-point-source pollution.

Cumulative Integrated Environmental Permit Tasks Completed



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Risk Management

Chemical Substances Management

Korea Zinc proactively responds to the evolving regulatory environment by continuously monitoring laws and regulations, and it manages chemical substances systematically. It rigorously complies with domestic and international requirements, including the Act on the Registration and Evaluation of Chemical Substances (K-REACH), the Chemical Substances Control Act, and EU REACH. In step with these regulations, Korea Zinc regularly reviews and updates its internal policies and management systems. Material Safety Data Sheets (MSDS) for its products are available on Korea Zinc's website. For new chemical substances, it conducts reviews based on relevant regulations, such as K-REACH and the Chemical Substances Control Act, throughout the entire process, from procurement to disposal. It also operates a comprehensive chemical management system covering inbound and outbound logistics, compliance with handling-facility standards, maintenance of management ledgers, and changes arising from the expansion or closure of handling facilities. In 2025, Korea Zinc analyzed chemical incident cases and conducted key facility inspections and equipment improvements. It also established a sound operating plan for emergency-response equipment cabinets, deploying them at the worksite and refining operating practices so they can be used immediately when an emergency arises. Through these efforts, Korea Zinc continues to strengthen its chemical incident prevention. At the Onsan Refinery, Korea Zinc also reviews contractors' chemical management practices, including whether they handle chemical substances, their use of personal protective equipment, emergency-response systems, and environmental safety training. It works to raise their management standards through continuous monitoring. To date, no chemical spills have occurred, and Korea Zinc plans to maintain rigorous prevention and management activities going forward.

Chemical Safety Training

Korea Zinc provides chemical-related training to strengthen its employees' chemical safety capabilities. It offers regular training to enhance chemical management skills for employees in relevant departments who perform chemical-related work, such as procuring and handling chemical substances, as well as for contractor workers. Each year, Korea Zinc also conducts training for handlers and workers of hazardous chemical substances, for both employees and contractors. In 2025, building on its ongoing collaboration with the Korea Environmental Engineers Association, it systematically delivered intensive training on the risks posed by the hazardous chemicals it handles, together with hands-on practice in wearing chemical protective clothing. Korea Zinc also provided customized training reflecting the characteristics of each department and process (lead and zinc), improving both training effectiveness and employees' chemical safety capabilities. To reinforce the training's effectiveness, it introduced a post-completion assessment to quantitatively measure participants' understanding and established a virtuous cycle in which the results are analyzed and improvements are reflected in the 2026 training curriculum. In addition, through collaboration between the Safety and Environment departments, Korea Zinc conducted emergency-response drills for chemical spills and leaks across 18 operating departments. By clearly defining and embedding individual roles and responsibilities (R&R) across the Safety, Environment, and Production departments, it continues to strengthen its capabilities in chemical incident prevention.

Hazardous Chemical Substance Training¹⁾

	Category	Unit	2023	2024	2025
Hazardous Chemical Handler Training	Participants (employees)	Persons	780	959	848
	Participants (contractors)	Persons	324	217	368
	Training hours	Hours	16	16	16
Hazardous Chemical Worker Training	Participants (employees)	Persons	94	103	104
	Participants (contractors)	Persons	205	223	236
	Training hours	Hours	2	2	2

1) Includes internal and external group training as well as online training

Chemical Substances Registration

Under K-REACH, chemical substances manufactured or imported in Korea must be registered with the Ministry of Climate, Energy and Environment (MCEE) before they are manufactured or imported. In line with these legal requirements, Korea Zinc completes the registration of the chemicals it imports and manufactures within the required deadlines. EU REACH is a regulatory framework that requires registration, evaluation, and authorization for chemical substances manufactured or imported in the European Union at 1 ton or more per year. By completing the relevant registrations for its European export products, including zinc, lead, and silver, Korea Zinc complies with global chemical regulations. It continues to strengthen its product credibility and regulatory response capabilities in overseas markets.

Registration Grace Periods for Existing Chemicals in Korea

To manufacture or import existing chemicals at 1,000 tons or more per year	by Dec. 31, 2021
To manufacture or import existing chemicals at 100 tons or more but less than 1,000 tons per year	by Dec. 31, 2024
To manufacture or import existing chemicals at 10 tons or more but less than 100 tons per year	by Dec. 31, 2027
To manufacture or import existing chemicals at 1 ton or more but less than 10 tons per year	by Dec. 31, 2030

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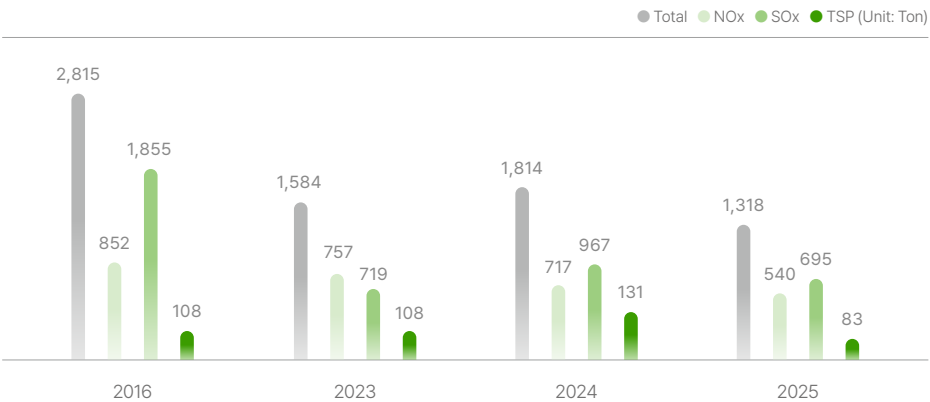
Risk Management

Managing Air Pollutants and Emissions Allowances

Korea Zinc has built an environmental management system that exceeds legal standards and has established and operates a mid- to long-term target to reduce its major air pollutants, SOx and NOx, by 20% by 2029 against the 2020–2024 average emissions baseline. Accordingly, it has strengthened self-measurement and monitoring and continues to invest in and improve air pollution control facilities. In 2025, its environment-related investments included additional control measures, such as filters and water spraying, for 171 emission facilities exempt from the requirement to install air pollution control equipment, along with 9 newly installed control facilities.

Under the Special Act on the Improvement of Air Quality in Air Control Zones, Korea Zinc implements the total air pollutant load management system at its worksite; as a regulated entity in the Southeast air control zone, it is allocated an annual cap on SOx, NOx, and TSP emissions, which it complies with rigorously. Beyond reducing emissions, it manages the cap efficiently, trading or banking part of its allowance to keep emissions below the allocated level. In addition, Korea Zinc signed the 2025 Voluntary Agreement for Particulate Matter Reduction, organized by Ulsan Metropolitan City and the regional environmental authority, and established a two-year roadmap to reduce total air pollutant emissions, including SOx, NOx, and TSP, by 10% from the 2023 level by 2026. This follows the achievement of the target set under the previous agreement — a 36% reduction in SOx, NOx, and TSP emissions by 2024 compared to 2016 — and the renewal of the voluntary agreement.

In addition, to link air pollutant reduction activities to organization-wide accountability and performance management systems, for executives, team leaders, and team members of the Safety & Environment Management Division, the performance evaluation indicators uniformly include air-pollutant-related items: compliance with environmental laws and regulations, any exceedances of emission limits, emission-reduction performance, and the operating level of control facilities. Through this, Korea Zinc further clarifies the responsibilities and roles of working-level staff.

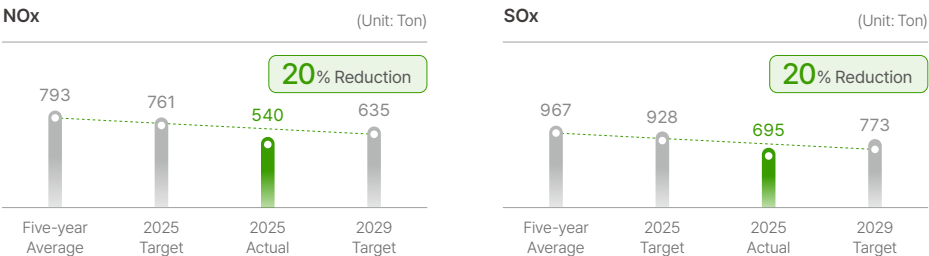


Metrics and Targets

Air Pollutant Reduction Indicators and Targets

Korea Zinc’s main air pollutants are sulfur oxides (SOx) and nitrogen oxides (NOx), which are emitted primarily from its cogeneration and combined-cycle power generation facilities. To reduce its negative environmental impacts, Korea Zinc maintains a mid- to long-term target to reduce SOx and NOx emissions by 20% by 2029, based on the five-year average emissions from 2020 to 2024. Air pollutant emissions are calculated in real time using 30 stack tele-monitoring systems (TMS), while locations without TMS are measured by an accredited third-party measurement agency at the legally mandated intervals, thereby maintaining a robust monitoring system to achieve its emissions reduction targets.

Korea Zinc signed the 2025 Voluntary Agreement for Particulate Matter Reduction, organized by Ulsan Metropolitan City and the regional environmental authority, and maintains a target to reduce SOx, NOx, and TSP emissions by 10% by 2026 compared to the 2023 level, while also setting an additional internal target to reduce emissions by 10% by 2025 compared to 2024. To achieve these short-, medium-, and long-term targets, Korea Zinc has carried out further strengthened reduction activities. Following its Integrated Environmental Permit approval in December 2022, Korea Zinc has operated its emission and pollution-control facilities under strengthened environmental management standards and has pursued reductions in pollutant emissions through investment in dry, wet-scrubbing, and wet dust collection facilities, together with outlet-specific emission targets. As a result, it reduced emissions of NOx, SOx, and TSP, the main contributors to fine particulate matter, by more than 27% year over year. Korea Zinc will continue to minimize environmental impacts and improve air quality through ongoing facility and operational improvements.



Air Pollutant Emissions

Category	Unit	2023	2024	2025
NOx	Ton	757.3	716.6	540.3
SOx	Ton	718.6	966.9	694.8
VOC	Ton	7.8	2.2	2.8
TSP	Ton	108.4	130.9	82.9
Total	Ton	1,592.0	1,816.6	1,320.8
Change from previous year	%	-11	14	-27

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Metrics and Targets

Water Pollutant Management Indicators and Targets

Korea Zinc treats the wastewater generated in its production processes through physical and chemical treatment, in compliance with the permitted discharge standards under its Integrated Environmental Permit. In addition, it operates stricter in-house water-quality standards, set at no more than 80% of the legal discharge limits. It is also conducting tests to reduce total nitrogen (T-N) among these pollutants and, if the tests prove effective, aims to install the relevant facilities by 2027. Furthermore, by continuously reducing non-point-source pollution across its worksites, Korea Zinc is progressively lowering pollutant levels and working toward an environmentally responsible worksite.

Water Pollutant Discharge

Category	Unit	2023	2024	2025
TOC	Ton	20.5	17.9	16.8
SS	Ton	120.3	41.8	38.5
BOD	Ton	6.0	7.7	3.8
T-N	Ton	141.9	130.9	107.3
T-P	Ton	0.1	0.2	0.4
Total	Ton	288.8	198.6	166.8
Change from previous year	%	-2	-31	-16

Hazardous Chemical Management Indicators and Targets

Korea Zinc systematically manages every stage of the use, storage, transport, and handling of hazardous chemical substances at its worksites, in accordance with relevant regulations and internal standards. Through prevention-focused management activities such as handling-facility inspections, handler training, and emergency-response drills, it prevents chemical incidents and works to minimize potential environmental and safety impacts. It also operates a management system centered on relevant departments and designated managers, and continuously conducts on-site inspections and training to advance its management standards. Going forward, we plan to continue strengthening our hazardous chemical management and risk reduction activities, taking into account our business characteristics and regulatory requirements.

Hazardous Chemical Management Targets

Category	Management Target ¹⁾	Mid- to Long-Term Target
Training	• 100% completion rate for handler and worker training on hazardous chemicals • At least 3 supplementary training sessions per year, beyond statutory training	Zero chemical incidents
Facility Inspection	• 1 statutory inspection of hazardous chemical handling facilities per year; • At least 12 facility inspections per year, beyond statutory periodic inspections	
Emergency Response	• Chemical spill and leak drills for all employees, twice a year	

1) Target worksite: Onsan Refinery

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Resource Circulation & Waste Management

Why It Matters

Improving the efficiency of resource circulation and waste management is a key driver of sustainable growth for Korea Zinc, a company in the non-ferrous smelting industry. Through its industry-leading waste-to-resource technologies, Korea Zinc has built a cross-industry resource circulation system, realizing a forward-looking strategy for long-term viability that goes beyond environmental protection to secure a stable supply of raw materials.



Social and Environmental Significance

Minimization of regional environmental impact and reinforcement of a proactive environmental management system through the resource recovery of process by-products.



Financial Significance

Reduction of raw material procurement costs and improvement of the profit structure by establishing a waste resource circulation system.

Key Achievements

- Converting the existing Fumer to a Cu Smelter to process secondary copper materials
- Improved the recycling rate by 5.2%p by diverting 3,500 tons of waste to recycling

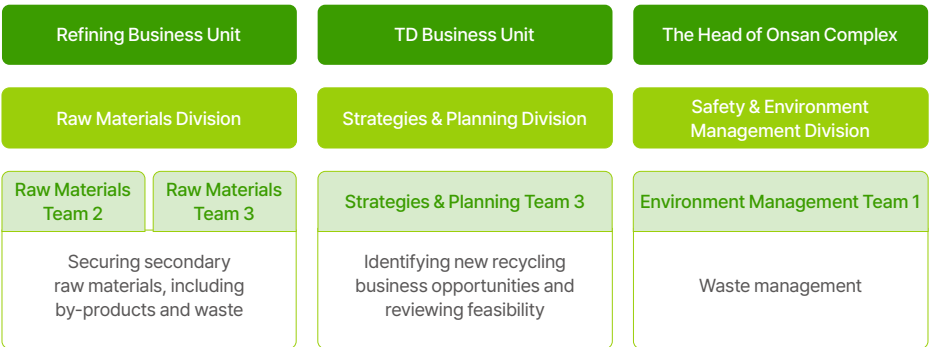
Future Plans

- Secure technological stability by advancing resource circulation demonstration projects
- Expand recycling and resource recovery by recovering additional metal resources

Governance

Resource Circulation and Waste Management Governance

To support resource circulation and waste management, Korea Zinc operates an organizational structure centered on business planning, raw material procurement, and treatment and management functions. Within the TD Business Unit, Strategies & Planning Team 3 of the Strategies & Planning Division identifies new recycling business opportunities and assesses their feasibility, and develops strategies to expand resource circulation. In the Refining Business Unit, the Raw Materials Division secures secondary raw materials, such as by-products, through Raw Materials Team 2, and waste resources, such as scrap, through Raw Materials Team 3, thereby strengthening the foundation for using circular resources. In addition, Environment Management Team 1 within the Safety & Environment Management Division systematically manages and treats the waste generated at the smelter, minimizing environmental impact. Each unit operates the resource circulation system efficiently through close collaboration, while simultaneously advancing the proper treatment and resource recovery. Through these efforts, Korea Zinc strengthens its sustainable resource circulation foundation and continuously enhances its environmental management.



Resource Circulation & Waste Management

Strategy

Identifying Risks and Opportunities

Korea Zinc identified the factors that could present opportunities and risks related to resource circulation and waste management, and analyzed the potential impact of each. With the response to tighter environmental regulation emerging as a key priority, it is establishing proactive management measures.

Category	Classification		Risk and Opportunity Factor	Impact of the Opportunity or Risk		Response and Utilization Measures
	Opportunity	Risk		Financial Impact	Environmental and Social Impact	
Waste	●		Expanded use of recycled raw materials	- Increased revenue and cost savings from improved recovery rates of valuable metals in by-products - Lower treatment and operating costs from minimized waste generation	- Reduced demand for natural resource extraction, and less ecosystem damage and environmental burden, from expanded metal and resource recovery - Reduced final waste generation and eased landfill and incineration burdens from the closed-loop recycling of process by-products	- Enhancing raw material self-sufficiency by expanding the resource recovery of industrial waste, such as electric arc furnace dust (EAFD), and reusing it within processes - Scaling up high-value recycling businesses (such as printed circuit boards and solar panels) based on pre-treatment technologies - Strengthening competitiveness in the environmentally responsible metals market through certification by SGS
		●	Inadequate treatment of smelting by-products	- Higher operating costs, including capital investment and labor, from stricter hazardous waste treatment standards and expanded waste reporting obligations - Short-term cost increases from higher landfill and incineration levies and environmental charges	- Environmental damage, such as soil and groundwater contamination, and erosion of community trust, from improper management of hazardous waste and smelting by-products - Worsened living conditions for nearby residents and community complaints from leakage or dispersion during waste transport and treatment	- Developing recycling technologies for smelting process by-products - Introducing valuable-metal recovery processes that use by-products and industrial waste to minimize waste generation

Raw Material Use

Korea Zinc classifies and manages the raw materials used in its production into primary, secondary, and auxiliary raw materials. Primary raw materials are non-renewable resources extracted from nature. Secondary raw materials, by contrast, are recycled feedstocks: by-products from mines or smelters, or materials that recycling companies collect and reprocess through closed-loop recycling. They include sludge, slag, scrap, waste printed circuit boards, spent batteries, and waste solar panels. Auxiliary raw materials, though not direct primary inputs, are necessary for the production process.

Major Raw Material Consumption

Category		Unit	2023	2024	2025
Raw Materials	Primary	Zinc Concentrate	1,176,475	1,080,762	1,034,703
		Lead Concentrate	567,455	625,834	624,264
		Subtotal	1,743,930	1,706,596	1,658,967
	Secondary	Ton	517,698	446,419	527,714
	Share of Secondary Raw Materials	%	23	21	24
Auxiliary Raw Materials	Petroleum coke	Ton	329,345	278,911	211,466
	Anthracite	Ton	181,969	144,182	278,158
	Limestone	Ton	83,142	91,565	107,187
	Mixed Alkali	Ton	181,970	85,844	92,037
	Caustic Soda	Ton	29,924	48,091	45,753

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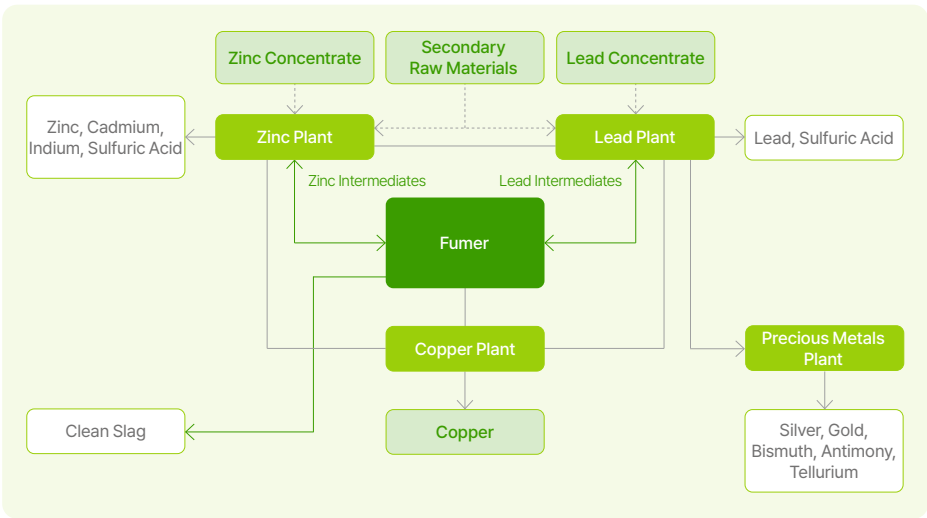
Resource Circulation & Waste Management

Strategy

Environmentally Responsible Products

Korea Zinc continuously works to minimize the environmental impact of its products, and it classifies products made with recycled raw materials as “environmentally responsible products.” Its copper and silver products currently fall into this category and have been officially certified by the global certification body SGS (Société Générale de Surveillance) as produced with 100% recycled raw materials (Post-Industrial Recycled, PIR).

Integrated Process Flow Diagram



Copper

Produced without separately purchasing copper concentrate, using only by-products generated in the zinc and lead smelting processes, and recycled raw materials recovered from sources such as the printed circuit boards (PCB) of waste electronic products

Silver

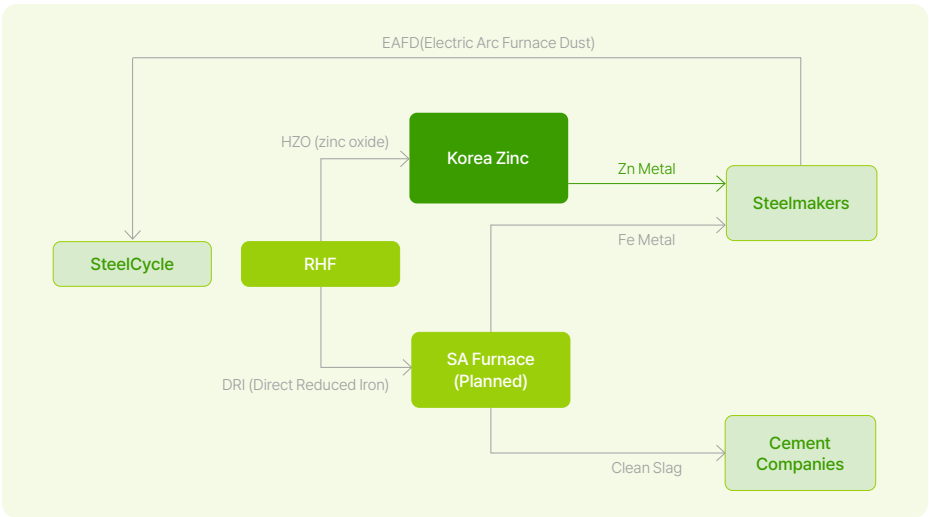
Produced using 100% Pb slime, a by-product of the zinc and lead processes, as the raw material



Building a Circular Economy Model

A Cross-Industry Circular Economy Between Smelting and Steelmaking

Korea Zinc leads in resource circulation with its distinctive closed-loop recycling technologies. Through its subsidiaries SteelCycle and SteelCycle SC, it recycles waste such as electric arc furnace dust (EAFD) generated in steelmakers’ production processes to produce zinc oxide, a raw material for zinc. These materials are then fed back into the zinc smelting process to produce recycling zinc. In addition, direct reduced iron (DRI), a by-product of crude zinc oxide production, can be used as a raw material in steelmaking processes. By applying its smelting technologies, Korea Zinc has built a cross-industry resource circulation ecosystem that runs from steelmaking to smelting and back to steelmaking, lowering landfill costs and the demand for raw material extraction, thereby contributing to the protection of the global environment.



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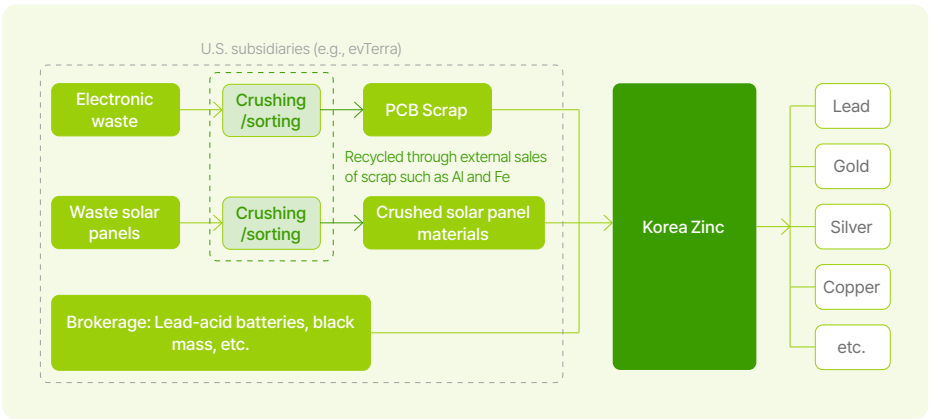
Resource Circulation & Waste Management

Strategy

Building a Circular Economy Model

A Circular Economy for Post-Consumer Waste

Since its acquisition of Igneo in July 2022, Korea Zinc has been pursuing post-consumer waste recycling, or urban mining, in earnest. Building on its existing network, Igneo has expanded from a business that collected and pre-processed (shredding and sorting) electronic waste before selling PCB scrap to Korea Zinc; it now also handles items such as waste solar panels, lead batteries, and black mass. In addition, by expanding into the IT Asset Disposition (ITAD) business, Igneo is broadening its electronic waste collection and pre-processing network and, on this basis, strengthening its foundation for securing valuable metals. These subsidiaries play a pivotal role: depending on market conditions, they not only procure the various post-consumer waste streams Korea Zinc requires but also pre-process them into secondary raw materials that Korea Zinc can process.



Expanding Resource Circulation Through Facility Conversion

As part of its resource recycling business, Korea Zinc is expanding copper production based on recycled raw materials. To this end, it has converted part of the existing Fumer facilities at the Onsan Refinery into a dedicated copper dry smelting furnace, the Cu Smelter. The Cu Smelter employs a state-of-the-art pyrometallurgical (dry) smelting process; compared with the conventional hydrometallurgical (wet) process, it can accept a wider range of secondary raw materials, providing greater flexibility in raw material management. This reduces the use of primary raw materials and expands the use of waste-based secondary raw materials, contributing to resource circulation while also improving smelting efficiency.

Regulatory Response and Demonstration Projects to Promote Resource Circulation

To operate the Cu Smelter and expand copper production, Korea Zinc has continuously worked to improve waste management regulations. In particular, to broaden the use of electronic scrap, such as waste printed circuit boards, as raw materials, it raised the need to extend permissible storage and treatment periods and proposed the relevant regulatory improvements at a 2025 Korea Business Council for Sustainable Development (KBCSD) policy roundtable. In response, the government reflected this need and, by amending the Enforcement Rule of the Wastes Control Act, extended the storage period for waste imported for use as recycled raw materials from 30 days to 180 days.

This reform lays the groundwork for the stable procurement and circular use of critical resources such as copper amid growing supply chain uncertainty, and Korea Zinc expects it to enhance both the stability of its raw material supply and its operational efficiency.

Korea Zinc is also participating in a regulatory sandbox demonstration project led by the Ministry of Climate, Energy and Environment (MCEE), extracting critical minerals from waste printed circuit boards (PCB). Building on the adoption of the Cu Smelter process, this initiative aims to produce critical minerals from electronic waste, such as PCB, and to stabilize raw material supply.

Korea Zinc received a regulatory exception confirmation in December 2025 and plans to run a two-year demonstration once the project begins. Through this, it plans to secure the technological stability and management systems needed to use waste derived from end-of-life electrical and electronic products as circular resources.

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Resource Circulation & Waste Management

Risk Management

Waste Management

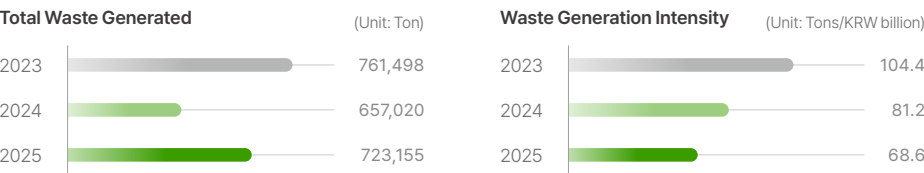
Managing Waste Generation and Expanding Recycling

Guided by the detailed standards under its environmental management policy, Korea Zinc continuously works to minimize waste generation at its worksites, expand closed-loop recycling by recovering additional metal resources, reduce its landfill and incineration rates, and raise its recycling rate. To reduce waste generation, it improves its processes and recovers additional metal resources through in-process reprocessing, contributing to closed-loop recycling.

To improve its waste recycling rate, Korea Zinc has also strengthened waste segregation and assessed the recyclability of waste previously sent to landfill or incineration, identifying additional recyclers to handle it and thereby diverting previously non-recycled waste into recycling. As a result of these efforts, in 2025, it diverted 3,500 tons of previously landfilled or incinerated waste to 100% recycling, improving its recycling rate by 5.2 percentage points year over year and reducing its waste disposal charge by 90%.

Korea Zinc classifies all waste by its source in accordance with the Wastes Control Act and contracts licensed transport and treatment companies to handle it. In this process, it uses the Allbaro System to systematically manage the entire process, from waste generation to treatment.

Before outsourcing waste treatment, Korea Zinc assesses prospective contractors' licensing status and treatment capacity in advance, and even after signing a contract, it conducts an annual self-assessment of their compliance with waste management regulations in line with its waste management guidelines. It reflects the results of these assessments when renewing contracts, managing and monitoring its contractors to ensure appropriate outsourced treatment.



Category	Unit	2022	2023	2024	2025
Change in waste generation ¹⁾	%	-12.6	6.1	-13.7	10.1

1) Target worksite: Onsan Refinery

Soil Contamination Management

Smelting metals inevitably generates by-products such as sludge and residues, which are typically either discarded or stored in facilities known as ponds. Through the Top Submerged Lance (TSL) process, Korea Zinc minimizes the by-products generated during smelting and operates a smelting system that does not rely on pond storage. TSL maximizes the recovery of valuable metals from various by-products and stabilizes even the remaining residues into clean slag before discharge, thereby minimizing the generation of waste that could cause soil contamination.

In addition, by managing the by-products generated during its processes more safely and efficiently through dedicated facilities equipped with non-point-source pollution controls, Korea Zinc preemptively eliminates the risk of soil contamination that can arise from conventional pond storage.

Mining Waste (Tailings)

Korea Zinc's business is centered on smelting: it procures a range of raw materials to manufacture its products and does not conduct direct mining operations. As such, the tailings generated by mining and the tailings ponds used to store them do not apply to Korea Zinc's operations.

Nonetheless, considering the environmental risks that can arise across its value chain, Korea Zinc recognizes the importance of safely managing tailings to prevent serious harm to health, wildlife, groundwater, surface water, and the environment, and has established a tailings policy that it works to implement actively. This policy is based on international standards, including the Global Industry Standard on Tailings Management (GISTM), which was developed by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP), and the UN-backed Principles for Responsible Investment (PRI). The policy also reflects the regulations of the regions where Korea Zinc operates.

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Resource Circulation & Waste Management

Metrics and Targets

Waste Management Indicators and Targets

Each year, Korea Zinc carries out activities to reduce waste and increase recycling. Although its waste generation rose by 10.1% year over year, its recycling rate increased by 5.2 percentage points. Going forward, we will continue our efforts to reduce waste and raise our recycling rate.

Waste Management Targets¹⁾

Category		2023	2024	2025
Waste Generation	Target	-3% YoY	-3% YoY	-3% YoY
	Actual	6.1%	-13.7%	10.1%
Recycling rate	Target	Min 85%	Min 85%	Min 85%
	Actual	90.3%	80.3%	85.5%

1) Onsan Refinery only

Resource Circulation Indicators and Targets

To expand resource circulation, Korea Zinc continuously works to increase the share of its revenue that comes from environmentally responsible products and the share of secondary raw materials in its raw material mix. It receives waste such as waste electrical and electronic products, scrap metals, waste solar panels, dust, and process sludge, from external parties under consignment arrangements for treatment, and uses this waste as raw material in its production processes.

It also classifies products made with recycled raw materials as “environmentally responsible products” and counts the revenue from copper and silver products that the global certification body SGS has certified as made with recycled raw materials toward its environmentally responsible product revenue. In this way, Korea Zinc strengthens its resource circulation base by expanding sales of products based on recycled raw materials and increasing its use of secondary raw materials, such as smelting by-products generated during production and recycled resources.

Waste Received for Treatment

Unit	2023	2024	2025
Ton	905,434	756,429	428,038

Revenue from Environmentally Responsible Products

(Separate basis)

Category	Unit	2023	2024	2025
Copper revenue	KRW million	343,877	389,411	465,223
Silver revenue	KRW million	1,924,177	2,383,624	3,477,640
Total	KRW million	2,268,054	2,773,035	3,942,863
Share of environmentally responsible product revenue in total revenue	%	31	34	37

Environmental Management

Environmental Policy

To clarify the direction of its environmental management and systematically manage the environmental impact of its business activities, Korea Zinc has established and operates the following policies: an Environmental Management Policy, a Tailings Policy, a No Deforestation Policy, a Biodiversity Protection Policy, a Water Use Policy, and a Green Purchasing Policy. These policies set out Korea Zinc's environmental management principles and detailed management standards, and it transparently discloses them to stakeholders on its website.

Based on its Environmental Management Policy, Korea Zinc takes an integrated approach to managing key environmental issues, including energy and greenhouse gases, water resources, air pollution, raw materials, hazardous substances, waste, and biodiversity. Through issue-specific policies that cover the safe management of tailings, deforestation prevention, biodiversity protection, water-use efficiency, and the expansion of green procurement, it also works to prevent environmental risks in advance and minimize environmental impact across its worksites and supply chain.

Going forward, building on the participation of stakeholders such as its employees and business partners, we will continue to advance our environmental management system. Through this, we aim to move beyond regulatory compliance to contribute to improved resource efficiency, pollution prevention, ecosystem protection, and the spread of a sustainable purchasing culture.

Environmental Management Policy 

Mine Waste Management Policy 

Deforestation Prevention Policy 

Biodiversity Policy 

Water Policy 

Sustainable Procurement Policy 

Environmental Management Principles

Our mission is to convert diverse raw materials and energy sources into the forms of materials and energy the world needs, in the safest, most environmentally responsible, and most efficient way possible. Recognizing that environmental management is a fundamental element in conducting sustainable business and securing a differentiated competitive edge, we have established this environmental management policy with the commitment of all employees and implement it rigorously.

- We make the environment the top priority in all business activities, strictly comply with laws and regulations, and identify and prevent risks in advance to create a safe and healthy workplace.
- We spread an autonomous and sustainable environmental management culture through the voluntary participation and consultation of all employees and strengthen every member's sense of responsibility.
- We minimize environmental risks throughout all management processes and enhance environmental value by transparently disclosing relevant information through active communication with stakeholders.
- We strengthen all members' capacity for environmental action through continuous and systematic education, training, and resource investment, and improve the organization's environmental management system.

All employees pledge to understand and practice all regulations to carry out this policy, and to make it available to stakeholders when necessary. This environmental management system shall be operated as a relationship of mutual cooperation with suppliers for the purchase and production of environmentally responsible products.

Environmental Management Organization

Korea Zinc manages its environmental impact and its responses to environmental legal requirements through dedicated environmental management departments under the Safety & Environment Management Division. Environment Management Teams 1, 2, and 3 carry out work to minimize the Onsan Refinery's environmental impact, including Integrated Environmental Permit and air pollutant management, chemical substance and waste management, and investment in pollution-control facilities. The Water Treatment Team manages Korea Zinc's water resources, including the purchase, treatment, reuse, and discharge of industrial water. The Energy Management Team at the subsidiary KZ GreenTech is an organization operated to enhance Korea Zinc's climate change response and energy management expertise, covering areas such as energy savings and greenhouse gas emissions management. With the establishment of an ESG Committee within the Board of Directors in 2024, environmental management status is now reported to the Board.



Environmental Management System

The Onsan Refinery, which accounts for 86% of Korea Zinc's total workforce¹⁾, first obtained ISO 14001 certification, the international standard for environmental management systems, in 2015 and has maintained it through renewal audits every three years. In 2025, it successfully passed the renewal audit and retained its certification, demonstrating the stability and effectiveness of its environmental management system. Going forward, Korea Zinc will continue to strengthen the adequacy and implementation effectiveness of its environmental management system through accredited external audits and continuous improvement activities.

1) Based on the 2025 employee count (Onsan employees / total Korea Zinc employees)

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Water Resources Management

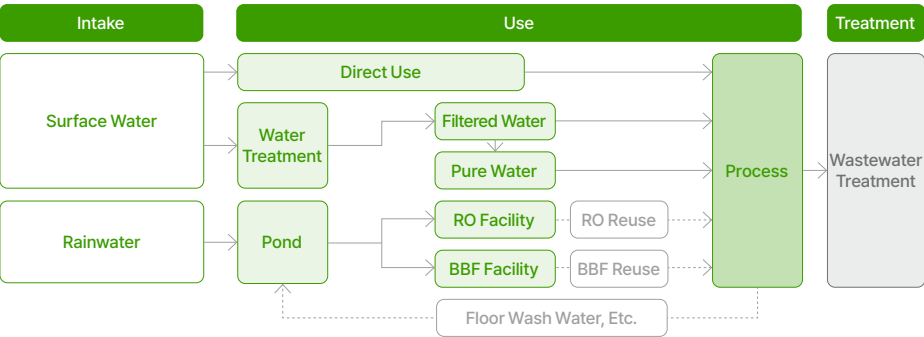
Korea Zinc uses approximately 40,000 tons of raw water per day on average, supplied by the Korea Water Resources Corporation (K-water), which provides industrial water to the Onsan National Industrial Complex. Most of the incoming raw water is used as makeup water for cooling towers and to produce pure water at its water treatment facility. Given the nature of the smelting industry, large volumes of cooling water are required to cool high-temperature furnace equipment and exhaust gases, operate wet scrubbing facilities, and cool products. In addition, Korea Zinc supplies steam within the Onsan complex through its district energy business: it converts raw water into pure water at its own water treatment facility and uses this to generate steam, which it supplies to customers.

Water Resources Management Targets

Category	2023	2024	2025
Water use target	-3% YoY	-3% YoY	+2% YoY
Actual change	+9% YoY	+2% YoY	+13% YoY ¹⁾

1) From 2025, water intake and usage were recalculated on a basis that combines tap water and rainwater. Because rainwater intake data has only been compiled since 2025, the year-over-year increase in 2025 usage is high.

Onsan Refinery Water Use Flow Diagram



Collaborative Activities to Address Water Resource Issues

Korea Zinc communicates with relevant agencies and local communities to ensure the stable use of industrial water within the Onsan National Industrial Complex and to address regional water resource issues. In 2025, it held an industrial water roundtable with the Korea Water Resources Corporation (K-water), relevant departments and agencies of Ulsan Metropolitan City, and major water-consuming companies within the Onsan National Industrial Complex, to review water demand, industrial water supply capacity, and future supply stability. The discussion also covered peak summer demand and measures to secure additional water supply.

Water Resource Risk Management

Korea Zinc uses the Water Risk Atlas developed by the World Resources Institute (WRI) to measure the physical water stress in the regions where its headquarters and its production site, the Onsan Refinery, are located. WRI's Aqueduct 4.0 is a platform for analyzing water risk by comprehensively considering a range of factors, including water supply instability and rising water demand driven by climate change. Korea Zinc conducted its analysis based on the optimistic and pessimistic scenarios provided by WRI. As of 2025, the water stress level in the regions where its headquarters and the Onsan Refinery are located was assessed as Medium-High for both. Furthermore, the 2030 and 2050 projections showed that this level is maintained across both the optimistic and pessimistic scenarios.

To reduce its dependence on limited water resources, Korea Zinc continuously seeks ways to secure alternative water sources and reuse water. At the Onsan Refinery, wash water and rainwater generated within the smelter are filtered through BBF and RO (reverse osmosis) facilities and reused as process water. In winter, Korea Zinc continuously pursues water-saving activities, such as minimizing makeup water use through cooling tower operation management and scale removal. Going forward, we will continue to strengthen related investments and management activities, including the expansion of water reuse.

WRI Water Resource Risk Analysis Results

Site	Location	Water Stress		
		Current (2025)	2030	2050
Onsan Refinery	Ulsu-gun, Ulsan	Medium - High	Optimistic: Medium - High (20 - 40%) Pessimistic: Medium - High (20 - 40%)	Optimistic: Medium - High (20 - 40%) Pessimistic: Medium - High (20 - 40%)
Headquarters	Jong-no-gu, Seoul	Medium - High	Optimistic: Medium - High (20 - 40%) Pessimistic: Medium - High (20 - 40%)	Optimistic: Medium - High (20 - 40%) Pessimistic: Medium - High (20 - 40%)

Total number of sites	Number of sites in high-water-stress (High Stress) areas	Volume of water consumed in high-water-stress areas
2 (Headquarters, Onsan Refinery)	0	0

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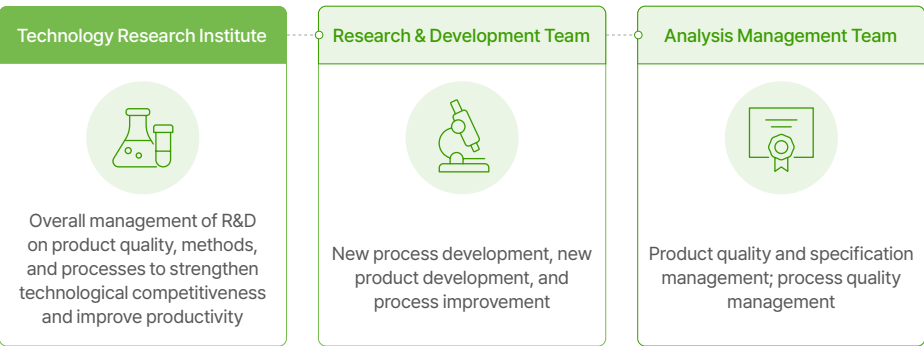
R&D and Intellectual Property

R&D

Since establishing its Technology Research Institute in 1982, Korea Zinc has continuously conducted research and development not only to improve product quality but also to advance its overall methods and processes, and has steadily expanded its investment in these efforts. Building on these R&D capabilities, Korea Zinc has achieved technological achievements in a range of areas, from improving the process efficiency of its existing smelting business to developing precursor manufacturing technology for secondary batteries.

In 2025 in particular, Korea Zinc developed a total of 32 technologies, of which it completed patent applications and registrations for 22. Key examples include technology to recover strategic metals (such as Sb, In, Ge, and Ga) from smelting process by-products, environmentally responsible waste treatment technology, the development of secondary battery materials (nickel sulfate, manganese sulfate, large- and small-particle precursors, and high-strength copper foil), and green ammonia-based technology for storing and transporting green hydrogen.

Going forward, Korea Zinc plans to advance its technology for recovering strategic metals, which are a key resource for national industrial and economic security, and to continue developing low-carbon, environmentally responsible smelting technology. In the first half of 2026, it broke ground on an R&D center in Songdo, Incheon, investing approximately KRW 150 billion to expand its research capacity. By strengthening the technological competitiveness of our new growth businesses, such as renewable energy, green hydrogen, secondary batteries, and resource circulation, we will secure future growth engines and further solidify our technology leadership in the global market.



Category	Unit	2023	2024	2025
R&D expenses	KRW 100 million	106	112	178

Intellectual Property

Korea Zinc files overseas applications immediately upon completing its domestic applications, making every effort to ensure full protection of its patent rights. As of the end of 2025, based on registration dates, it holds 19 trademarks and 47 patents (including utility model rights), and it registered 13 new patents in 2025. Through active investment in R&D and the protection of intellectual property, we will continue our efforts to maintain and secure our competitiveness in our existing smelting business and the Troika Drive business.

National Core Technology and National Strategic Technology

In 2024, Korea Zinc's high-nickel (High-Ni) precursor manufacturing technology was designated as a National Core Technology in the electrical and electronics field by the Ministry of Trade, Industry and Energy (MOTIE) under the Act on Prevention of Divulgence and Protection of Industrial Technology, and it was also recognized as a National High-tech Strategic Technology under the National High-tech Strategic Industries Act. This differentiated technology raises the nickel content of the precursor (the material used to produce cathode, a key component of secondary batteries) to 80% or more, thereby improving energy density and output characteristics. Through this, Korea Zinc has further solidified the foundation for stably building a domestic, self-sufficient supply chain for precursors, a key material for secondary batteries, based entirely on domestic technology.

In addition, in 2025, the metal compound manufacturing and processing technology for cathode related to nickel sulfate was designated as a National Strategic Technology under the Restriction of Special Taxation Act, making it eligible for tax credits. That same year, Korea Zinc carried out the procedures for the new designation of its high-purity zinc manufacturing technology, the hematite process, as a National Core Technology, and it was included in the proposed amendment to the relevant public notice. The hematite process maximizes the zinc recovery ratio to 98.5% or more during zinc smelting and removes iron impurities efficiently and economically. Compared with the conventional iron-removal methods used at other smelters, it is Korea Zinc's unique technology, with the lowest loss of zinc and valuable metals.

Meanwhile, the rare metal concentration and recovery technology, which produces strategic critical mineral resources such as antimony, bismuth, indium, and tellurium as products with a purity of 99.99% or more, is also under review for designation as a National Core Technology. Building on these core technologies, Korea Zinc has demonstrated its technological competitiveness not only in its existing smelting business but also in the secondary battery materials business, and by reducing the Korean battery industry's dependence on China and helping secure a domestic supply chain, it is also contributing to the strengthening of national economic security.

Environmental Management

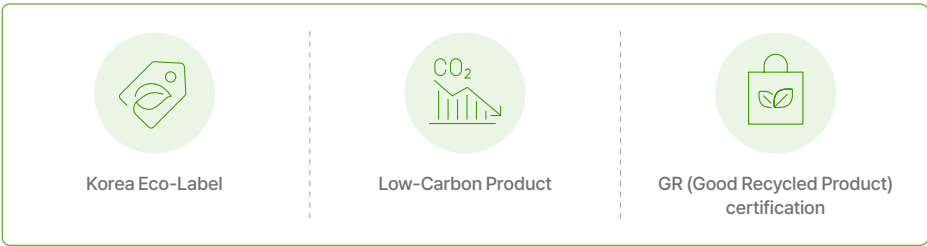
Green Procurement

Korea Zinc has established a Green Procurement Policy and actively reviews ways to promote green purchasing in accordance with its green guidelines. The scope of items subject to green procurement covers all goods that Korea Zinc purchases, including auxiliary materials consumed in business operations, maintenance, repair, and operations (MRO) supplies, and civil engineering materials. Going forward, we will consider environmental responsibility throughout our business operations and work to expand green purchasing.

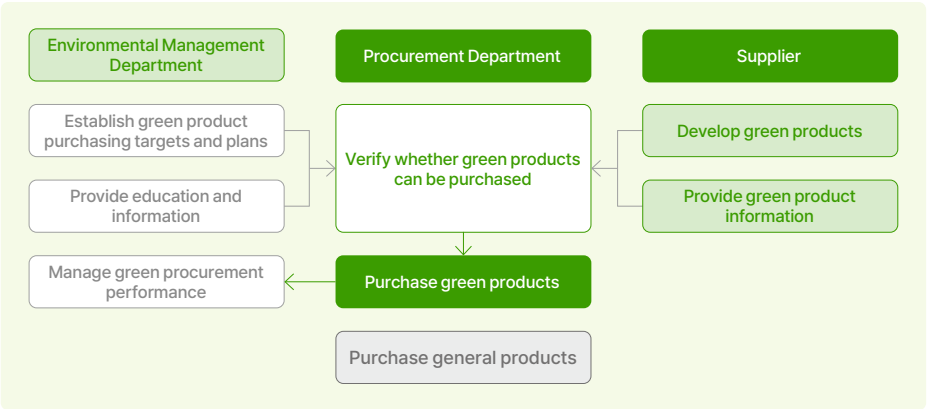
Green Procurement Criteria

For domestically produced products, Korea Zinc recognizes as green products those that have obtained certification under Article 66(4) of the Framework Act on Carbon Neutrality and Green Growth. Accordingly, products holding certifications such as the Korea Eco-Label, Low-Carbon Product certification, and Good Recycled (GR) Product certification are recognized as green products. In contrast, for products with overseas certifications, Korea Zinc determines whether to recognize them for green procurement through a separate internal review.

Sustainable Procurement Policy 



Green Procurement Process



Environmental Compliance

Korea Zinc manages and discloses data on environmental law violations across all of its worksites (its headquarters and the Onsan Refinery). There were 2 environmental law violations in 2022 (fines and administrative fines: KRW 51,440,000) and 3 cases in 2023 (administrative fines: KRW 4,000,000), and in 2024, there were 5 non-monetary sanctions and 1 monetary sanction (administrative fine: KRW 2,400,000). In 2025, there were no environmental law violations, which can be viewed as a result of its strengthened environmental management system and preventive activities. Going forward, Korea Zinc will proactively manage environmental risks through facility investments, continuous monitoring, and enhanced compliance awareness among employees.

Product Recalls

In 2025, Korea Zinc had no recalls due to product safety or health reasons. When a customer requests a product exchange, Korea Zinc reviews the relevant reasons and responds in accordance with its internal standards. In addition, through each of its smelting processes, Korea Zinc removes impurities and produces products that maintain a high level of purity, and it manages quality-related risks based on this process control and these quality standards.

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Biodiversity Conservation

Biodiversity Approach and Framework

Korea Zinc recognizes that biodiversity conservation is an important foundation for sustainable development across its business activities, and it works to minimize negative impacts on natural capital, including in areas near its worksites. To this end, it has established a Biodiversity Protection Policy and operates a related governance system to ensure that the policy and its management principles translate into practical implementation.

Korea Zinc reports its biodiversity conservation strategy and implementation plans to the ESG Committee, a committee within the Board of Directors, and the Board reviews biodiversity issues. In 2025, it reviewed plans to advance biodiversity conservation activities near the Onsan Refinery, a major worksite, and plans to continue strengthening the management and protection of ecosystems near its worksites.

ESG Committee Report

Category	Date	Agenda
2nd ESG Committee Meeting	Jul. 16, 2025	Review of biodiversity project implementation plans

Biodiversity Policy

Korea Zinc has established a Biodiversity Protection Policy and applies it across all of its worksites. It has also established related policies to prevent deforestation and protect ecosystems, and it does not operate in areas of high conservation value or in international protected areas. Furthermore, by systematically managing the impacts of its business activities across all worksites, Korea Zinc aims to achieve, at minimum, No Net Loss and, ultimately, a Net Positive Impact.

Biodiversity Policy 

Deforestation Prevention Policy 

Natural Capital Risk Management Framework

To systematically identify nature-related dependencies, impacts, risks, and opportunities in its smelting operations and to establish response strategies, Korea Zinc has built a risk and opportunity management process based on the LEAP approach recommended by Taskforce on Nature-related Financial Disclosures (TNFD).

Natural Capital Risk Analysis and Management Process Based on TNFD LEAP Approach

Locate	Evaluate	Assess	Prepare
Selecting Analysis Targets and Identifying Sensitive Locations Assessment scope definition - Identifying key business activities - Identifying key value chains based on the SBTN¹⁾ HICL²⁾ and business structure - Selecting key smelting worksites for analysis Biodiversity-sensitive locations analysis - Identifying overlaps between target worksites and protected areas using the Q-GIS spatial-analysis tool and IBAT³⁾ - Surveying the status of endangered species within the worksites' regions - Selection of key worksites by value chain in the smelting sector(9 sites) - Identification of overlaps between worksites and protected areas, and of protected species	Assessing Dependencies and Impacts Integrated ENCORE⁴⁾ × WWF⁵⁾ analysis based on industry and worksite characteristics - Referencing the International Standard Industrial Classification (ISIC) to reflect target worksites' economic activities and locational characteristics, and analyzing each worksite's dependence on ecosystem services and level of ecosystem impact - For worksites identified as having high dependencies and impacts, conducting an in-depth analysis of what the key factors mean for business operations and of their potential impacts - Comprehensive findings on dependencies and impacts by industry and location across the value chain, derived by combining the ENCORE and WWF-BRF results	Identifying and Analyzing Natural Capital Risks and Opportunities Material natural capital risk and opportunity identification - Identifying a pool of risks and opportunities based on the TNFD recommendations and the Evaluate results, assessing their likelihood and impact - TNFD recommendations and sector guidance - Analysis of domestic and international laws - Benchmark company analysis - Dependency and impact assessment results Natural capital scenario analysis - Defining internal and external conditions for each TNFD scenario and analyzing potential business impacts by risk and opportunity factor - Derivation of natural capital risk and opportunity factors - Analysis of potential impacts by scenario	Establishing and Implementing Strategies to address Natural Capital Impacts - Strategy development and implementation for negative natural capital impacts, based on the SBTN AR3T⁶⁾ framework - Key natural capital based management indicator setting and management - Biodiversity conservation activities - Disclosure and stakeholder communication enhancement aligned with the TNFD framework - Establishment of response strategies for key risks and opportunities - Establishment of key natural capital performance indicators

1) SBTN (Science Based Targets Network): An initiative that helps companies set science-based targets for biodiversity and nature
2) HICL (High Impact Commodity List): A list of commodities identified as having a significant impact on biodiversity loss and prioritized for management
3) IBAT (Integrated Biodiversity Assessment Tool): A tool for analyzing species and protected areas
4) ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A natural capital dependency and impact analysis tool jointly developed by the United Nations Environment Programme Finance Initiative (UNEP FI), the Natural Capital Finance Alliance (NCFA), and others, which rates on a five-level scale how much industrial activities depend on and affect natural capital
5) WWF-BRF (World Wide Fund for Nature-Biodiversity Risk Filter): A biodiversity risk assessment tool developed by WWF that assesses the location-specific physical and reputational biodiversity risks associated with a company's worksites.
6) AR3T: An approach for companies to minimize impact on nature and restore ecosystems, comprising Avoid, Reduce, Restore & Regenerate, and Transform

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Biodiversity Risk Assessment

[Locate] Setting the Assessment Scope

Centered on its directly operated non-ferrous metal smelting business, Korea Zinc identified the key business activities and representative worksites across its value chain and, on this basis, set the analysis scope by stage: upstream, own operations, and downstream. In particular, it determined that the upstream stage has a high potential for direct impact on nature, given activities linked to raw material mining and procurement, and therefore performed additional screening using the SBTN High Impact Commodity List (HICL) in addition to a general value chain analysis. Using the HICL, it first identified the purchased raw materials with a high impact on nature and refined the upstream analysis scope around the worksites linked to their procurement.

Value Chain Site List

Value Chain		Worksite	Industry Sector	Region
Upstream	Raw material procurement	Partner A	Mine Development	Peru
		Partner B ¹⁾	Lead-Zinc mine	Mexico
Own Operation	Smelting and Production	Korea Zinc Headquarters	Headquarters Operations	Jongno-gu, Seoul
		Onsan Refinery	Non-Ferrous Metal Smelting	Ulju-gun, Ulsan
Down stream	Logistics	Partner C	Storage and Transport	Australia
		Partner D	Storage and Transport	Australia
	Sales	Partner E	Trade and Wholesale/Retail	Jongno-gu, Seoul
		Partner F	Trade and Wholesale/Retail	Yeonsu-gu, Incheon
		Partner G	Trade and Wholesale/Retail	Gangseo-gu, Busan

1) Based on Korea Zinc's FY25 purchased items, the top items by inbound value were selected; by identifying whether they are included in the SBTN HICL, the procurement regions for zinc and lead were derived as the regions targeted for analysis.

[Locate] Analyzing Spatial Overlap with Biodiversity-Sensitive Locations

To identify sensitive locations at the 9 worksites identified through its value chain analysis and their surrounding areas, Korea Zinc conducted a GIS-based analysis of natural environment. The assessment used the World Database on Protected Areas (WDPA) and Key Biodiversity Areas (KBA). For KBAs, it used the key biodiversity areas defined by the global KBA Partnership; for the WDPA, it used domestic and international protected-area databases, including those of the IUCN and UNEP-WCMC, as well as Korea's water-source protection areas and environmental conservation sea areas. Following IBAT guidance, it applied a 50 km radius to mining-related worksites and a 5 km radius to other worksites to assess the level of spatial overlaps across the value chain.

For its own-operations worksites (Korea Zinc's headquarters and the Onsan Refinery), it conducted further analysis using the Environmental Geographic Information Service, based on the protected-area classification system of the national biodiversity information-sharing system. Separate from the WDPA and KBA overlap analysis, it examined the distribution of major domestic protected areas near the worksites; it assessed the distance from the worksites and proximity status for five types of protected areas in total: Ecological and Scenery Conservation Areas, Wetland Protection Areas, Specified Islands, Natural Parks, and Wildlife Protection Districts.

Overlap Analysis Results

① WDPA-KBA Overlaps Area Analysis

Headquarters



Onsan Refinery



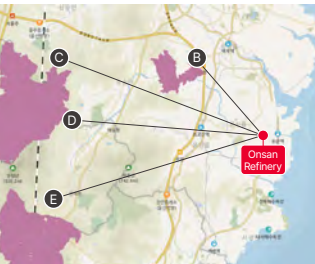
Analysis of Overlap Areas with Biodiversity-Sensitive Locations			
Worksite	Overlap Ratio	Radius	Characteristics
Head-quarters	Approx. 6.7%	5km	Partial overlap confirmed with domestic protected areas (WDPA) such as Bukhansan National Park, and the "Hangang River" KBA Given the non-manufacturing nature of the worksite, the likelihood of direct environmental impact is low
Onsan Refinery	Approx. 0.16%	5km	Partial overlap with nearby protected areas, such as Water-source Protection Areas and Provincial parks
	Approx. 9.3%	50km	Located within a large national industrial complex, so the degree of physical overlap with sensitive areas is not high

② Locations of Major Nearby Protected Areas

Headquarters



Onsan Refinery



Major Ecosystem Protected Areas Near Worksites				
Worksite	Marker	Protected Area Name	Distance	Protected Area Type
Headquarters	A	Bukhansan Mountain	Approx. 5 km	National Parks
	B	Hoeya Dam	Approx. 8 km	Water-source Protection Areas
	C	Moojechi Wetland	Approx. 18 km	Wetland Protection Areas
Onsan Refinery	D	Gajisan Mountain	Approx. 16 km	Provincial National Parks
	E	Upper Suyeonggang River	Approx. 18 km	Water-source Protection Areas

Biodiversity Conservation

Biodiversity Risk Assessment

[Evaluate] Analyzing Natural Capital Dependencies and Impacts

Following the Evaluate process recommended by the TNFD, Korea Zinc used the WWF's Biodiversity Risk Filter (WWF-BRF) and ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) to identify the potential dependencies and impacts of each worksite's activities on nature. Dependency refers to the extent to which a business relies on the ecosystem services provided by natural capital. In contrast, impact refers to the negative effects that a business's activities may have on natural capital. By linking the WWF-BRF and ENCORE indicators and comprehensively considering each worksite's location, business sector, and importance, it identified factors rated "High" or above as material dependency and impact factors. These analysis results are then used in the subsequent Assess phase to identify natural capital risks and opportunities.

Impact Identification

- Disturbance from noise and light was identified as the most significant potential impact. This suggests that the noise and artificial light from activities such as mining and the operation of smelting facilities may affect the habitat-use patterns of nearby ecosystems.
- Given that the Onsan Refinery is located within an industrial complex, the impact of noise and light disturbance is assessed to be limited relative to the analysis results; nonetheless, Korea Zinc recognizes the potential impact and plans to continue its management efforts to minimize environmental impacts going forward. In addition, Korea Zinc continues to manage emissions of air pollutants and soil and water pollutants to minimize potential environmental impacts.

Dependency Identification

- Water resource management factors, such as rainfall pattern regulation and water supply, were identified as the main dependency factors. Vegetation's evapotranspiration and moisture recycling contribute to drought mitigation and a stable water supply, and rainfall also temporarily washes out pollutants such as airborne dust.
- To improve water resource management efficiency, Korea Zinc operates rainwater-utilization and wash-water recycling systems. These strengthen water savings and the resource circulation system, while ongoing process optimization sustains its water conservation efforts.

Results of Natural Capital Dependency and Impact Analysis by Worksite

Very Low Low Medium High Very High N/A

Worksite Information		Impact Factors								Dependency Factors					
No.	Worksite	Disturbance (noise, light, etc.)	Area of fresh- water use	Area of seabed use	Emissions of non-GHG air pollutants	Other abiotic resource extraction	Emissions of toxic soil and water pollutants	Generation and release of solid waste	Volume of water use	Water purification	Flood mitigation services	Global climate regulation	Water supply	Water flow regulation	Rainfall pattern regulation
Upstream	Partner A	High	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
	Partner B	High	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Own Operation	Headquarters	Low	None	None	Low	None	Low	Low	Low	None	Low	Low	Low	Low	None
	Onsan Refinery	High	None	None	Low	None	Low	Low	Low	Low	Low	Low	Low	Low	Low
Downstream	Partner C	Low	None	None	Low	None	Low	Low	Low	None	Low	Low	Low	Low	Low
	Partner D	Low	Low	Low	Low	None	Low	Low	Low	None	High	Low	Low	Low	Low
	Partner E	Low	None	None	Low	None	Low	Low	Low	None	Low	Low	Low	Low	Low
	Partner F	Low	None	None	Low	None	Low	Low	Low	None	Low	Low	Low	Low	Low
	Partner G	Low	None	None	Low	None	Low	Low	Low	None	Low	Low	Low	Low	Low

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Biodiversity Risk Assessment

[Assess] Identifying Natural Capital Risks and Opportunities

Korea Zinc constructed a pool of natural capital risks and opportunities based on the TNFD recommendations and the TNFD's Additional Sector Guidance for Metals and Mining. It then analyzed the potential impacts on its business activities and the timing of those impacts for each risk and opportunity factor, drawing on the ENCORE × WWF-BRF analysis results, regulatory analysis, peer analysis, and input from internal stakeholders. For the key risk and opportunity factors, it quantified likelihood and impact on a five-point scale and combined the two results to derive 2 physical risk factors, 3 transition risk factors, and 2 opportunity factors.

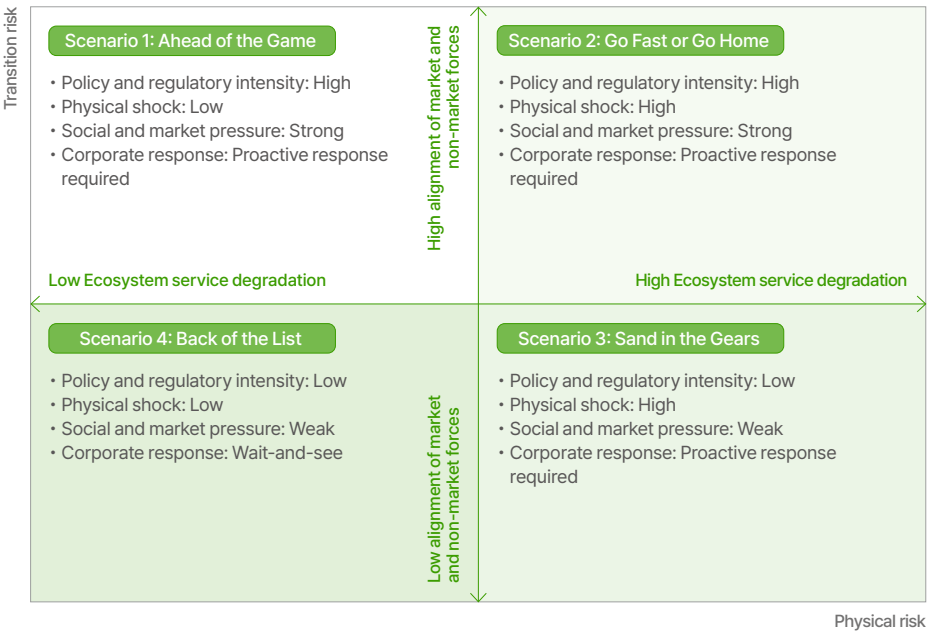
● Short-term ● Medium-term ● Long-term

Category		Key Risks and Opportunities		Potential Financial Impact	Timing
Physical Risk	Chronic	R1	• Increased scarcity of key natural inputs	• Higher procurement costs for water, energy, and mineral raw materials • Lower operational efficiency due to production planning adjustments	●
	Chronic	R2	• Deterioration of water supply and water quality due to business activities or climate change	• Additional water treatment costs to secure process water • Higher operating costs due to production disruptions	●●
Transition Risk	Policy/Legal	R3	• Development and permitting constraints and expanded restoration obligations from stronger biodiversity protection policies and regulations	• Operational constraints in the upstream supply chain and increased procurement costs • Reduced business growth opportunities and increased costs to secure raw materials	●
	Reputation	R4	• Operational shutdowns and reduced business continuity due to community conflict	• Lost sales from permitting delays and operational shutdowns • Costs for community consultation and dispute response	●●
	Reputation	R5	• Decline in corporate reputation from concerns over ecosystem damage and stronger demands for ecosystem conservation	• Decline in brand value • Reduced long-term corporate value from lower customer and investor trust	●●
Opportunity	Resource Efficiency	O1	• Transition to low-energy-intensity infrastructure and to an efficient circular production system and value chain	• Lower energy and raw material use • Lower operating costs and stronger long-term competitiveness	●●●
	Products/Services	O2	• Expanded use of recycled raw materials	• Reduced dependence on natural resources • Stabilized raw material procurement costs	●●●

[Assess] Natural Capital Scenario Analysis Process

Using the nature-related scenario analysis framework presented in the TNFD recommendations, which is designed around two axes of transition risk and physical risk, Korea Zinc analyzed the impact of natural capital risks and opportunities on its business. It defined scenarios according to four key drivers: policy and regulatory intensity, physical shock, social and market pressure, and corporate response. Considering the characteristics of each scenario, it selected the factors under which the impact of natural capital risks and opportunities is greatest. On this basis, it qualitatively analyzed the impacts that each risk and opportunity could have on Korea Zinc, and the resilience of its response strategies, under three situations: maximized social and institutional change, extreme climate events, and the simultaneous occurrence of both.

Natural Capital Scenario Definitions



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Biodiversity Risk Assessment

[Assess] Natural Capital Risk and Opportunity Scenario Analysis Results

Korea Zinc strategically matched each natural capital risk and opportunity factor to the scenario under which it is most affected, and analyzed the expected impacts and the actual risk-mitigation effect of its response strategies from a value chain perspective.

● External Environment (Upstream, Downstream) ● Own Operations

Risk & Opportunity Factor			Scenario Applied	Scenario Analysis Results			
				Stakeholders	Related Business Model	Value Chain	Value Chain Impacts & Response Strategy
Physical Risk	Chronic	Increased scarcity of key natural inputs	Scenario 3	• Suppliers	• Smelting Business • Resource Recycling Business	● ●	• If access to key raw materials deteriorates due to physical ore depletion, production planning adjustments and reduced utilization of some processes may lead to lost sales opportunities and weaker profitability. → Build a circular economy model using urban mining technology that recovers valuable metals, reducing dependence on ore and expanding the base of alternative raw materials.
Physical Risk	Chronic	Deterioration of water supply and water quality due to business activities or climate change	Scenario 3	• Local residents, local governments	• Smelting Business	●	• If the external supply of industrial water is restricted by water-related disasters such as floods and droughts, disruptions in industrial water procurement may lead to production planning adjustments and lower productivity. → Strengthen water and disaster-prevention systems and reuse rainwater through RO, reducing dependence on external water and mitigating the related operational risks.
Transition Risk	Policy/Legal	Development and permitting constraints and expanded restoration obligations from stronger biodiversity protection policies and regulations	Scenario 1	• Suppliers, government and regulators	• Smelting Business	● ●	• Stronger biodiversity protection regulations may restrict mining and tighten permitting requirements, narrowing raw material sourcing options, intensifying competition to secure raw materials, raising procurement unit costs, and increasing supply chain restructuring costs. → Establish environmental compliance systems and legal response processes, manage human rights and environmental risks through supply chain due diligence, and disclose related information through the Responsible Minerals Report.
Transition Risk	Reputation	Operational shutdowns and reduced business continuity due to community conflict	Scenario 1	• Local residents, local governments	• Smelting Business	●	• If inadequate environmental management escalates into community conflict, a negative image may spread among key stakeholders such as investors and local governments, increasing the likelihood of reputational decline. → Proactively install pollution-reduction facilities to minimize environmental impacts and improve community acceptance.
Transition Risk	Reputation	Decline in corporate reputation from concerns over ecosystem damage and stronger demands for ecosystem conservation	Scenario 1	• Government and regulators, investors, customers	• All business divisions	●	• As regulators and capital markets expand demands for disclosure on the ecosystem impacts of business activities, monitoring and management costs rise, and insufficient or inconsistent disclosure may create reputational risk. → Systematically identify and assess biodiversity risks based on the TNFD LEAP approach, and enhance credibility and verifiability through structured disclosure in the sustainability report.
Opportunity	Resource Efficiency	Transition to low-energy-intensity infrastructure and to an efficient circular production system and value chain	Scenario 2	• Investors	• Smelting Business • Renewable energy and green hydrogen business	●	• Stronger environmental regulations and an accelerating energy transition may increase the volatility of raw material and energy procurement costs, weaken cost competitiveness due to external dependence, and erode stakeholder trust if environmentally responsible requirements are not met. → Pursue renewable energy and green hydrogen businesses to reduce external dependence for energy supply, lower costs by operating energy-efficiency facilities and circular production systems, and secure operational stability and external trust based on environmentally responsible business models.
Opportunity	Products / Services	Expanded use of recycled raw materials	Scenario 2	• Suppliers, government and regulators	• Smelting Business • Resource Recycling Business	● ●	• Rising raw material prices from natural resource depletion and stronger supply chain environmental regulations, such as the Carbon Border Tax may raise raw material procurement costs, lowering profitability and weakening business sustainability. → Diversify raw material sources through recycling technology that recovers valuable metals from waste and by-products, reducing dependence on mined raw materials, defending against raw material price volatility, and strengthening the basis for creating new revenue streams.

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Biodiversity Risk Assessment

[Prepare] Response Strategies and Status for Natural Capital Risks and Opportunities

To effectively manage the key risk and opportunity factors identified in the Assess phase, Korea Zinc has organized its response strategies according to the SBTN AR3T framework and is implementing them accordingly.

Risk & Opportunity Factor		AR3T Framework	Response Strategies & Status	
R3	Development and permitting constraints and expanded restoration obligations from stronger biodiversity protection policies and regulations	Avoid	Strengthening environmental compliance and improving response processes - Continuously monitors requirements arising from regulatory changes and supplements them in a timely manner in cooperation with relevant departments when changes occur. - Provides input through industry consultations and other channels, contributing to amendments to the Enforcement Rule of the Wastes Control Act, to improved raw-material supply efficiency for copper-scrap wastes such as waste PCBs and waste wires, and to expanded waste-based raw material sourcing.	Using responsible minerals and publishing the Responsible Minerals Report - Operates responsible mineral sourcing principles that account for potential human rights violations, links to terrorism, and environmental destruction in the mining process. - Specifies the principles and status of responsible minerals use through the Responsible Minerals Report, enhancing transparency for stakeholders.
O1	Transition to low-energy-intensity infrastructure and to an efficient circular production system and value chain		Building energy-transition infrastructure Prepares the foundation for on-site fuel conversion by scaling up the installation of hydrogen-charging facilities and the demonstration of hydrogen forklift operation at the Onsan Refinery.	
R2	Deterioration of water supply and water quality due to business activities or climate change	Reduce	Operating an emergency-response and monitoring system to prevent the spread of pollution Strengthens physical disaster-prevention systems, including water-barrier facilities to protect areas near equipment in the event of rainwater inflow or flooding.	Reusing water through RO facilities Expands the capacity to manage water supply risks by introducing RO technology for rainwater reuse.
R4	Operational shutdowns and reduced business continuity due to community conflict		Building dust-reduction facilities Minimizes the external spread of dust by installing spray facilities, air curtains, covers, and similar measures to reduce fugitive dust that may arise during the storage and handling of raw materials.	
R5	Decline in corporate reputation from concerns over ecosystem damage	Restore & Regenerate	Conserving terrestrial and marine ecosystems Expands major green spaces at home and abroad through the “leum Forest” (Forest of Connection) tree-planting program, contributes to improving coastal ecosystems through a cleanup activity of the adopted beach at Ganjeolgot, Ulju-gun.	Identifying biodiversity risks and monitoring issues based on the TNFD LEAP approach - Identifies overlap areas with biodiversity-sensitive areas (such as protected areas and Key Biodiversity Areas) within a 50 km radius of worksites and monitors potential issues. - Identifies biodiversity-related risks and opportunities and discloses the analysis results through the sustainability report.
R1	Increased scarcity of key natural inputs	Transform	Diversifying raw materials based on circular resources and transitioning to a resource circulation model - Strengthens the buffer against supply risks related to the scarcity and price volatility of natural raw materials through “urban mining” technology that recovers valuable metals from various wastes, such as EAF dust, electronic waste, and waste batteries. - Advances a business model that contributes to addressing resource depletion and climate change as a way to reduce resource depletion risk and environmental burden simultaneously.	
O1	Transition to low-energy-intensity infrastructure and to an efficient circular production system and value chain		Building resource circulation infrastructure and reducing energy use through the conversion to the Cu Smelter - Converts one existing Fumer unit at the Onsan Refinery to the Cu Smelter, a pyrometallurgical process, easing raw material input constraints relative to the existing process and expanding the use of waste-based secondary raw materials over primary raw materials. - Improves process efficiency, also contributing to reducing carbon emissions and energy use.	
O2	Expanded use of recycled raw materials		Obtaining global third-party certification (SGS) for products based on recycled raw materials Obtains certification from the global certification body SGS (Société Générale de Surveillance) for the use of 100% recycled raw materials (PIR, Post-Industrial Recycled) in copper and silver products.	

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Biodiversity Risk Assessment

[Prepare] Natural Capital Management Targets

To systematically manage the potential risks and opportunities related to natural capital, Korea Zinc is advancing its TNFD-based natural capital assessment system. Going forward, it plans to enhance analytical consistency and management effectiveness by progressively expanding the scope of this risk assessment, centered on key raw materials and major business areas. In addition, in cooperation with internal and external stakeholders, we aim to continue strengthening our natural capital management foundation by pursuing biodiversity conservation activities, including the conservation of endangered and legally protected species.

Natural Capital Management Targets

Category	Short-term (2025)	Medium-term (2027 onward)	Long-term (2030 onward)
Biodiversity Risk Assessment	Conduct analysis for one key business area (smelting) Conduct biodiversity risk assessments for major upstream worksites related to two key raw materials (lead and zinc)	Expand the analysis scope to two business areas Expand the assessment targets to three key raw materials	Build an analysis framework covering all business areas Expand the assessment targets to key raw materials overall
	Establish a plan for endangered species conservation activities Establish a plan for ecosystem conservation activities	Carry out biodiversity conservation activities and analyze their effectiveness Identify additional improvement measures	Build a system to monitor long-term ecosystem change from biodiversity conservation activities and a corresponding management system

[Prepare] Natural Capital Management Metrics

To assess and manage its impacts on natural capital, including land, freshwater, the ocean, and biodiversity, Korea Zinc has established the core metrics recommended by the TNFD and the sector metrics of the TNFD's Additional Sector Guidance for Metals and Mining.

Natural Capital Management Core Metrics

Core metrics

Sector metrics

No.	Driver of Natural Change	GBF ¹⁾ Target	Type	Management Metrics	Relevant Data
C1.1	Land/freshwater/ocean use change	GBF Targets 1, 2, 5, 11		Area of conservation land placed under formal protection through designation as a protected area recognized locally, nationally, or internationally	Overlap areas identified with biodiversity-sensitive areas (KBA, WDPA) • Headquarters: approx. 5.26 km ² (within a 5 km radius, approx. 79 km ²) • Onsan Refinery: approx. 0.12 km ² (within a 5 km radius); approx. 731 km ² (within a 50 km radius, approx. 7,854 km ²)
				Scope of application of biodiversity management plans or strategies that target No Net Loss or Net Gain	Scope specified in the Biodiversity Protection Policy: "all Korea Zinc worksites and stakeholders in business relationships, including partners"
C2.1	Water pollution and reduction	GBF Targets 7, 11		Total volume of water discharged (m ³)	Water (freshwater) discharge: 3,165,271 m ³
				Total volume of freshwater discharged (m ³)	
C2.2	Waste pollution and reduction	GBF Targets 7, 11		Hazardous and non-hazardous waste generated (tons)	• Designated (hazardous) waste: 99,582 tons • Non-hazardous waste: 623,573 tons
				Hazardous and non-hazardous waste incinerated (tons)	• Designated (hazardous) waste: 119 tons • Non-hazardous waste: 0 tons
				Hazardous and non-hazardous waste landfilled (tons)	• Designated (hazardous) waste: 92,527 tons • Non-hazardous waste: 218 tons
				Hazardous and non-hazardous waste treated by other methods (tons)	• Designated (hazardous) waste: 0 tons • Non-hazardous waste: 12,212 tons
				Hazardous and non-hazardous waste recycled (tons)	• Designated (hazardous) waste: 6,935 tons • Non-hazardous waste: 45,813 tons
C2.4	Air pollution and reduction	GBF Targets 7, 11		Nitrogen oxide emissions	• NOx: 540.3 tons
				Volatile organic compound emissions	• VOC: 2.8 tons
				Sulfur oxide emissions	• SOx: 694.8 tons
C3.0	Resource use/replenishment	GBF Target 11		Water withdrawal and consumption from areas of water scarcity (m ³)	• Share of worksites in high-water-stress areas: 0% • Withdrawal in such areas: 0% of total withdrawal
				Water withdrawal in areas of water scarcity as a percentage of the total water withdrawn (%)	
				Number and share of worksites located in areas of water scarcity (%)	
C3.1	Resource use/replenishment	GBF Targets 5, 9, 11		Status of sustainable management and certification for the sourcing of high-risk natural raw materials	Regular LBMA ²⁾ and RMI ³⁾ audits of precious metal products
C5.0	State of nature	GBF Targets 1, 2, 3, 4, 11		Level of ecosystem condition by ecosystem type and business activity	IUCN Red List species inhabiting areas within a 50 km radius of worksites • Headquarters: 8 Critically Endangered, 36 Endangered, and 56 Vulnerable species • Onsan Refinery: 12 Critically Endangered, 41 Endangered, and 58 Vulnerable species
				Species extinction risk	

1) GBF (Global Biodiversity Framework): A global target framework for protecting biodiversity, adopted at COP15 of the CBD (Convention on Biological Diversity) officially known as the Kunming-Montreal GBF, it comprises four goals for 2050 and 23 targets for 2030.

2) LBMA (London Bullion Market Association): An authoritative international trade association for the global precious metals market

3) RMI (Responsible Minerals Initiative): A global nonprofit organization promoting responsible mineral sourcing through supply chain transparency.

Biodiversity Conservation

Biodiversity Conservation Activities

Adopt-a-Beach Cleanup Activities

To help address the local marine litter problem and contribute to protecting the local marine ecosystem, Korea Zinc carried out an “Adopt-a-Beach cleanup volunteer activity” at Pyeongdong Beach in Ganjeolgot, Ulju-gun, Ulsan, near the Onsan Refinery. Adopt-a-Beach is an environmental campaign in which a company or organization adopts a specific beach for one year to manage and protect it on an ongoing basis; Korea Zinc adopted Pyeongdong Beach at Ganjeolgot in September 2025.

Through this activity, employees collected a total of 254 kg of marine litter left along the shore over the year, including PET bottles, waste wood, nets, and vinyl, of which 121 kg was marine plastic in rigid, foam, and fiber forms. This is equivalent to roughly 10,100 PET bottles of 500 ml each, and it contributed to reducing the risk of harm to marine life from plastic ingestion and entanglement, and to mitigating coastal habitat pollution, while also reducing marine waste inflow and improving the beach environment.

The types and quantities of collected marine litter are recorded on the “Adopt-a-Beach web and mobile app.” They will be used as baseline data for future marine environmental policymaking and research. In keeping with the purpose of the activity, Korea Zinc added a resource-circulation dimension by using reusable cotton cloth that requires no printing instead of banners made of synthetic plastic fiber, and by producing hand-held picket-style signs from recycled discarded boxes. Going forward, we plan to continue our marine environmental conservation efforts through environmentally responsible community-linked social contribution activities.



Endangered Species Conservation Project

To contribute to biodiversity conservation and ecosystem recovery in the Ulsan region, where the Onsan Refinery is located, Korea Zinc is pursuing a project to restore endangered insect species. Through cooperation among Korea Zinc, the National Institute of Ecology, and a social enterprise in Ulju-gun, Ulsan, the project aims to develop a model to spread ecological value and enhance local biodiversity.

Korea Zinc supports the technology transfer and breeding infrastructure needed to propagate endangered species, and we plan to progressively carry out surveys of habitats and suitable release sites in the Ulsan region. In addition, by operating endangered wildlife conservation campaigns for employees and the local community, we aim to raise awareness of biodiversity and to continue expanding ecosystem recovery activities in partnership with the local community.



Marine Forest Cultivation and Coastal Ecosystem Restoration

As a company that operates worksites in the Ulsan region along the East Sea coast, Korea Zinc is pursuing a “public-private marine forest cultivation project” together with the Korea Fisheries Resources Agency (FIRA) to restore coastal ecosystems and conserve the marine environment. Centered on the replanting and transplanting of seaweed, improving the environment for seaweed spore dispersal, and collecting marine waste, the project aims to restore coastal ecosystems and strengthen the habitat base for marine life.

Through this, Korea Zinc expects recovery effects across the marine ecosystem, including the mitigation of whitening events (sea desertification) and improved species diversity as seaweed-based habitats expand. Marine forests serve not only to improve ecosystems but also as a carbon sink, with a reported reduction effect of approximately 337 tons of carbon dioxide per km² per year.¹⁾

After these activities, the project will monitor the target sites to continuously assess seaweed growth and distribution, changes in biota, and vegetation condition. Through cooperation with the local community and expert institutions, we will expand our marine ecosystem conservation activities and help create a sustainable marine environment.

1) Korea Fisheries Resources Agency and POSTECH (2019)

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Occupational Safety and Health Management

Why It Matters

As an essential element of management that protects the lives and health of all employees of Korea Zinc, occupational safety and health management stands at the core of sustainable management. In the smelting industry, where diverse safety risks are inherently ever-present, creating a safe working environment and preventing industrial accidents go beyond a simple legal obligation and are recognized as a core corporate social responsibility. Korea Zinc has established and operates a systematic occupational safety and health management system aligned with international standards, setting worker safety as the foremost value in all its management activities and decision-making.



Social and Environmental Significance

Protection of worker health and improvement of the working environment through stronger occupational safety and health management and a firmly established safety culture



Financial Significance

Improved productivity through a safe working environment, and prevention of financial risks such as legal penalties related to industrial accidents

Key Achievements

- Achieved Zero serious accidents in 2025
- Invested approximately KRW 308.2 billion in safety, health, and process-facility stabilization
- Revised the KZ Safety Golden Rules and advanced their ongoing management

Future Plans

- Maintain Zero serious industrial accidents
- Keep the combined accident rate for employees and contractors at or below 0.2% in 2026

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Occupational Safety and Health Policy and Principles

Korea Zinc regards occupational safety and health as its foremost value, with the core goal of ensuring that all stakeholders, including its employees, contractors, and customers, can work in a safe and comfortable environment. Through its occupational safety and health management and process safety management systems, it complies with relevant safety and health requirements, identifies and eliminates potential hazards, and reinforces its risk management framework. Building on worker participation, Korea Zinc continues to enhance the safety and health capabilities of all employees through ongoing training and resource investment, and it supports contractors in building their own safety and health management systems to achieve mutual growth. Grounded in this safety and health management philosophy, Korea Zinc has established and operates its occupational safety and health principles.

[Safety & Health Policy](#)

Occupational Safety and Health Management Principles

As a global leader in the non-ferrous metals industry, we recognize occupational safety and health as the foremost value in all our business activities. To create a safe and comfortable working environment in compliance with the law and fundamental principles, we practice the following:

- We comply with occupational safety and health laws and stakeholder requirements by continuously improving our safety and health management and process safety management systems, and we prevent serious accidents through regular monitoring and improvement activities.
- By making pre-work risk assessment a routine practice, we strengthen a risk-prevention management system that systematically identifies and eliminates potential hazards and risks.
- Building on worker participation, we strengthen all members' safety and health capabilities through continuous, systematic training and investment in human and material resources, enhancing the organization's safety and health management system.
- Through mutual cooperation, we support contractors in building their safety and health management systems and strengthening their capacity to prevent industrial accidents, achieving mutual growth.

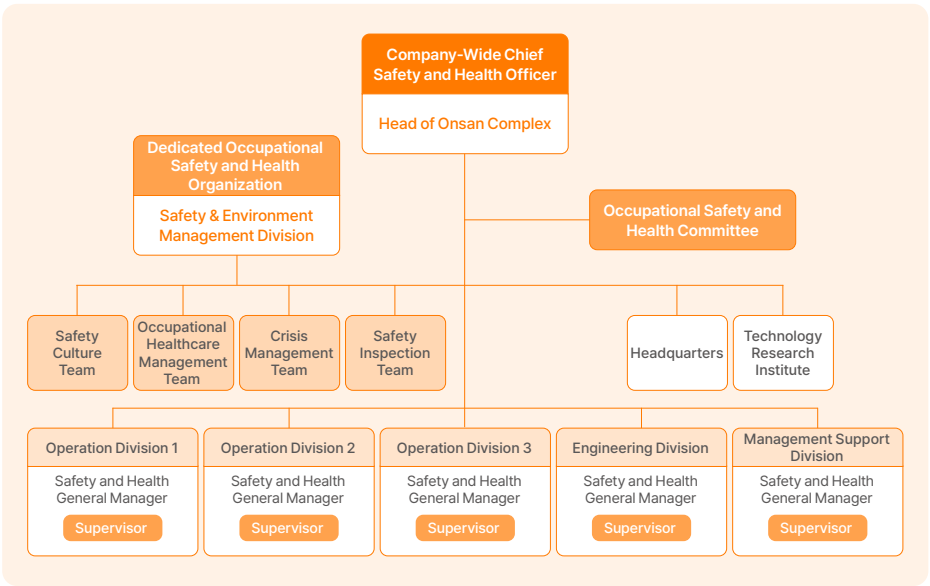
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Occupational Safety and Health Organization

Korea Zinc has designated the Head of Onsan Complex as its company-wide Chief Safety and Health Officer and established the Safety & Environment Management Division as a dedicated organization for occupational safety and health, systematically carrying out a wide range of safety and health activities and devoting its full efforts to preventing industrial accidents. In particular, Korea Zinc appoints each Division Head as the supervisor in overall charge of safety and health, so that each division analyzes hazards on its own and implements appropriate preventive measures, sustaining detailed and effective improvement management. In addition, each year the CEO establishes an occupational safety and health plan and reports it to the Board for approval; in 2025, the CEO reported the implementation status of that plan, originally presented at the start of the year, to the Board's ESG Committee. As of the fourth quarter of 2025, Korea Zinc had implemented 113 of the 115 planned activities, achieving an implementation rate of 98.3%, and is carrying the 2 activities not yet completed forward into 2026.

Occupational Safety and Health Management Organization



Occupational Safety and Health Committee

The Occupational Safety and Health Committee comprises members representing both management and the labor union, and through quarterly meetings, labor and management jointly share safety and health information and identify improvement measures. In doing so, it plays an important role in embedding a safety culture and developing joint solutions to safety and health issues. Going forward, Korea Zinc plans to continue developing these activities to strengthen field-centered safety management and deliver tangible results.

2025 Occupational Safety and Health Committee Meetings

Quarter	Key Topics
Q1	- Establishment of occupational safety and health targets and action plans - Measures to strengthen safety management for forklift accident prevention - Traffic-environment survey for traffic accident prevention
Q2	- Training for occupational safety and health supervisors - General and special health examinations and comprehensive health screenings
Q3	- Enhanced medical care and treatment support for accident victims - Improvement of personal protective equipment (enhanced wearability, ease of use, and protective performance) - Measurement of exposure to harmful factors such as workplace noise and dust
Q4	- Voluntary safety inspections of hazardous machinery and equipment - Reporting of regular risk-assessment results and implementation of mitigation measures - Measurement of occupational safety and health management system performance and review of corrective-action results

Occupational Safety and Health Management System

Korea Zinc's Onsan Refinery has obtained and maintains certification to ISO 45001, the global occupational safety and health management system standard. The scope of this management system covers all employees and contractor workers based at the Onsan Refinery.

Occupational Safety and Health Management System Coverage

Category	Unit	2023	2024	2025
Korea Zinc (Onsan Refinery)	%	100	100	100
Contractors	%	100	100	100

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Strategy

Risk and Opportunity Identification

Korea Zinc has identified the risk and opportunity factors related to occupational safety and health, along with their impacts. The most significant risk it is currently addressing is regulatory risk; as domestic occupational safety laws and regulations tighten, Korea Zinc intends to establish response measures to manage this proactively.

Type	Category		Risk and Opportunity Factor	Impact of the Risk or Opportunity		Response and Utilization Measures
	Opportunity	Risk		Financial Impact	Environmental and Social Impact	
Regulatory and Institutional Changes		●	Stronger occupational safety and health regulations and growing legal requirements	- Higher financial burden from fines and penalties - Higher costs from expanded safety investment	- Greater risk of worker accidents and health harm where safety management falls short - Tighter regulatory oversight and diminished external trust from noncompliance with legal standards	- Proactively incorporating legal requirements by advancing the occupational safety and health management system - Continuously improving regulatory compliance by strengthening training and internal inspection systems
Contractor and Outsourcing Management		●	Greater accident risk from variation in contractors' safety management levels	- Production disruptions and higher costs in the event of an accident - Greater potential for legal liability	- Greater accident risk where contractor workers' safety is inadequately assured - Spread of safety management risk across the supply chain and diminished corporate credibility	- Strengthening the evaluation and follow-up management of contractors' safety practices - Providing incentives and training support to contractors that comply with safety standards
Facility and Technology Management	●	●	- Greater accident risk from aging facilities and inadequate safety devices - Broader adoption of new technologies	Production halts and higher recovery costs from equipment failures and accidents	- Greater worker-safety risk from equipment faults and inadequate safety management - Reduced process-operation stability and potential work stoppages	- Continuously securing facility safety through voluntary safety inspections and pre-inspection systems - Reviewing new technologies and automated equipment for on-site application
Working Environment and Worker Health		●	Greater worker health risks from inadequate working-environment management, shift work, and accumulated fatigue	- Higher treatment and compensation costs in the event of industrial accidents - Reduced productivity	- Poorer worker health and potential occupational illness from exposure to harmful factors - Lower workplace satisfaction and reduced long-term employee retention	- Operating worker health programs based on workplace monitoring and health examinations - Strengthening on-site safety awareness through hands-on and tailored safety training
Productivity and Operational Stability	●	●	- Improved productivity from building accident-free worksites - Risk of production disruptions where safety management falls short	- Facility damage and higher recovery costs - Losses from operational disruptions	- Greater potential for production disruptions and delivery delays where safety management falls short - Reduced on-site work efficiency and impaired organizational stability	- Securing production stability by strengthening prevention-focused safety activities and on-site inspection systems - Building a sustainable operational foundation by embedding a safety culture
Emergency Response and Disaster Management		●	Risk of emergencies such as fires and natural disasters	- Facility damage and higher recovery costs - Losses from operational disruptions	- Greater potential for harm to workers and local communities in the event of fires or disasters - Wider damage and greater business-continuity risk from delayed initial response	- Refining the response system through fire-safety planning and emergency-response drills - Continuously strengthening rapid-response capabilities through regular inspections and manual improvements

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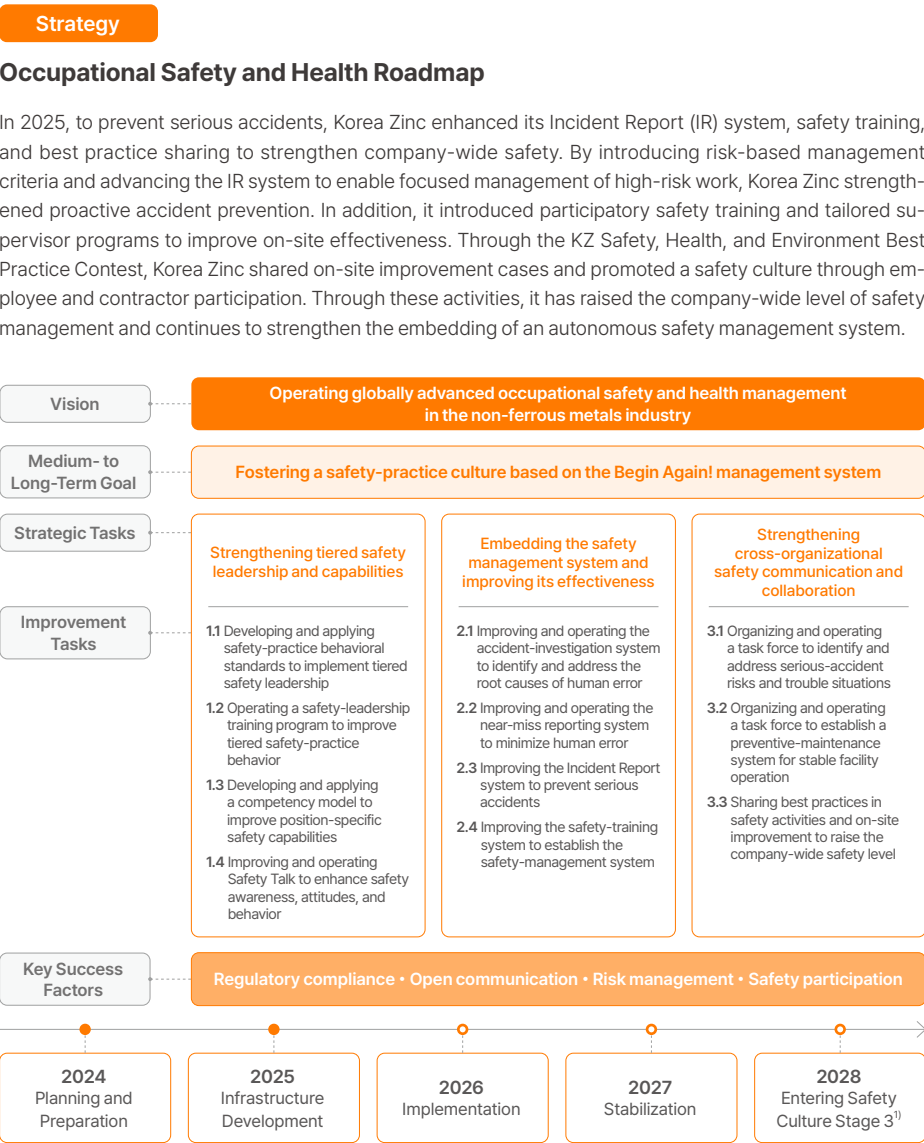
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1) Safety culture stages
Stage 2: Passive safety participation centered on reactive response; Stage 3: Situational safety participation centered on system compliance; Stage 4: Active safety participation centered on proactive prevention

Risk Management

Process Safety Management (PSM)

In accordance with the Occupational Safety and Health Act, Korea Zinc undergoes an evaluation of its Process Safety Report implementation status every four years. Korea Zinc was recognized for the adequacy of its implementation across the 12 elements of Process Safety Management (PSM)¹⁾, including process hazard analysis, facility maintenance and management, and contractor safety management, and obtained Grade S (Good) in 2023.

By strengthening foundational PSM capabilities, Korea Zinc develops and manages specialized personnel and advances its PSM system. To prevent major industrial accidents by deepening workers' understanding of process safety and strengthening their capabilities, it provided foundational capability training to the system operators in the operations, supervisory, and safety departments covered by PSM. In 2025, it delivered this training five times in total, covering an overview of process safety management, the components of the Process Safety Report and related practical exercises, and management-of-change procedures. Through this training, personnel in the operations, supervisory, and safety departments strengthened their understanding of, and practical ability in, Process Safety Management (PSM).

In addition, Korea Zinc conducts PSM self-audits to strengthen its PSM system. The 2025 self-audit was conducted by an external specialized institution. For the nonconformities identified through the audit, Korea Zinc is strengthening its recurrence-prevention management system by establishing improvement plans and implementing corrective actions. Separately, Korea Zinc conducts company-wide emergency-response capability-building drills quarterly and semiannually. Each department independently selects and prepares emergency scenarios suited to its own characteristics, and drills based on these scenarios are conducted systematically across all departments under the supervision of the safety department.

1) The 12 elements of PSM: ㉠ process safety information, ㉡ process hazard analysis, ㉢ safe operating procedures, ㉣ facility maintenance and management, ㉤ contractor safety management, ㉥ safe work permits, ㉦ worker training, ㉧ pre-startup safety review, ㉨ management of change, ㉩ process incident investigation, ㉪ self-audit, ㉫ emergency action plans

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Occupational Safety and Health Training

Operating the Safety Experience Center

To move beyond theory-centered training and strengthen field-oriented, practical response capabilities, Korea Zinc completed a state-of-the-art safety experience center at the Onsan Refinery in February 2025. Comprising 6 zones and 39 types of hands-on facilities, the center has added field-oriented experiential equipment for scenarios such as gas explosions, falls, and fire escape to its existing safety training facilities. This enables workers to intuitively recognize hazards and contributes to a tangible reduction in accident rates in high-risk work environments.

In 2025, Korea Zinc provided experience-based occupational safety and health training to 1,579 of its employees and 512 contractor workers. In July 2025, as part of regional safety cooperation activities, it also delivered safety experience training to member companies of the Onsan Industrial Complex Council, helping to spread Korea Zinc's advanced safety culture to the local community. In 2026, it plans to expand the regular experience-training program to include on-site contractor workers and to have instructors from the Safety Division teach process-specific accident cases and safety and health rules, delivering further-improved experience-based training.

Training Zone	Key Experiences
General Safety	CPR practice, AED training, and airway-obstruction (choking) response training
Personal Protective Equipment Safety	Hard-hat and safety-shoe impact experience, dust-mask fitting, and protective-equipment display and fitting
Plant Safety	Chemical (piping) leak experience, gas-explosion experience, and conveyor-guard experience
Construction Safety	Safety-harness fall and floor-opening fall experience, crane experience, and controlled descent device experience
Fire Safety	Fire-suppression and escape experience, alarm-system experience, and emergency-reporting experience



Qualification Training

Korea Zinc operates both statutory and in-house qualification training programs. Through its in-house qualification programs, such as confined-space watch, fire watch, signaling, and crane operation, it has trained 4,012 qualified personnel (including duplicate counts and contractor workers). In addition, since April 2025, it has introduced forklift safety training and a qualification system to strengthen all workers' safety awareness, and 329 people have completed the program to date. In particular, in collaboration with the Korea Occupational Safety and Health Agency (KOSHA), Korea Zinc introduced virtual reality (VR) experiences to deliver realistic accident-response training, enhancing training engagement and practical capabilities. Through the ongoing development of qualification programs, Korea Zinc seeks to strengthen its employees' occupational safety and health expertise and the safety level of its worksites.

Strengthening Safety-Management Capabilities through Public-Private Cooperation

Joint Fire Drills and On-Site Inspections

Korea Zinc continuously strengthens its fire prevention and emergency response capabilities at its plants through close cooperation with public agencies, such as fire departments. In a joint drill with the Nam-Ulju Fire Station, the fire station with jurisdiction, participants from the operations and support departments (including the Safety & Environment Management Division), KZ GreenTech, and contractors verified the access routes for specialized fire vehicles such as pumper trucks, chemical trucks, and aerial ladder trucks and conducted water-discharge drills. In addition, together with the Nam-Ulju Fire Station, it inspected safety-management sites such as fire-safety and hazardous-materials areas and battery processes at each plant and, in response to the feedback obtained, is improving on-site guidance.

Advancing Fire-Safety Management through Public-Private Cooperation

Building on close cooperation with the local fire station, Korea Zinc strengthened its safety management system. In November 2025, Korea Zinc held a Fire-Safety Cooperation Roundtable with the fire headquarters to review fire-safety management, emergency response plans, and recurrence-prevention measures.

In addition, together with the Ulsan Fire Headquarters and external experts, it formed a Fire-Safety Consulting task force to identify site-specific fire risk factors, establish optimized safety standards, and strengthen fire prevention. Through close cooperation with the local fire station and expert feedback, Korea Zinc strengthened emergency response and safety management.



Community Chemical-Safety Prevention Activities

Korea Zinc pursues chemical safety activities in cooperation with relevant institutions to raise chemical safety awareness in the community and improve the safety management level at worksites. In 2025, together with the Nakdong River Basin Environmental Office, the Korea Environment Corporation, and the Ulsan Green Environment Center, it advanced the Chemical Safety ON Campaign by providing chemical safety consulting and prevention activities for small- and medium-sized enterprises (SMEs). Through this, it is strengthening the autonomous safety-management capabilities of SMEs that have difficulty preventing and responding to chemical incidents.

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Embedding a Safety Culture

Revising the KZ Safety Golden Rules

Placing the lives and safety of its employees as its foremost value, Korea Zinc comprehensively overhauled its existing Safety Golden Rules to improve the effectiveness of serious-accident prevention. It revised the Safety Golden Rules, previously centered on six general, basic safety rules, into three action-focused core safety rules that can immediately control actual on-site hazards.

Company-Wide Safety-Practice Campaign, Begin Again: Safety

In January 2025, Korea Zinc launched the Begin Again: Safety (B.A.) campaign to build a culture of safety in practice. Designed to encourage all members to voluntarily participate in safety practices, the campaign was conducted in conjunction with the Onsan Refinery's New Year event. With participation from executives, the labor union, team leaders, the Safety & Environment Management Division, and contractor representatives, it raises safety awareness across the workforce. The campaign helps spread a voluntary, practice-oriented safety culture.

KZ Occupational Safety and Health Video Contest

To foster a culture of voluntary safety practice at its worksites and raise members' safety and health awareness, Korea Zinc held the 5th Occupational Safety and Health Video (UCC) Contest, open to all members, including contractor workers. The contest featured original works addressing key on-site safety management topics such as best practices in risk assessment, Safe Work Procedures (SWP), and Material Safety Data Sheets (MSDS). A total of 24 works were submitted across the long-form and short-form categories, confirming strong on-site safety awareness and enthusiastic participation. Selected for their creativity and practical applicability, the award-winning entries are used as materials for Korea Zinc's safety and health training and internal communications.

KZ Safety, Health, and Environment (SHE) Improvement Best Practice Contest

To identify on-site hazards proactively and roll out improved best practices company-wide, Korea Zinc held the 2025 KZ Safety, Health, and Environment (SHE) Best Practice Contest for employees and contractors. A total of 39 teams took part, including 31 in the safety and health field (such as facility upgrades and protective equipment improvements) and 8 in the environmental field (such as water, air, and waste management), proposing practical on-site improvement ideas. Best practices were selected through a first-round document review and a second-round presentation session, and awards were given to all participating teams to encourage voluntary safety practice. The best practices identified are used as company-wide training materials.



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Health Management Activities

Korea Zinc operates a systematic health management program to promote the health of its employees and contractor workers. While conducting annual statutory general and special health checkups under the Occupational Safety and Health Act, it broadly supports comprehensive health checkups for employees and their spouses. Korea Zinc provides all workers, including contractor workers based at the Onsan Refinery, with task-specific protective equipment such as hard hats, safety shoes, and protective clothing. It provides production workers with appropriate hearing protection and conducts ear-fit testing to ensure proper use, enabling early identification and prevention of noise-induced hearing loss. Furthermore, through proactive, tailored health programs such as job-stress assessments and cerebro-cardiovascular disease risk assessments, Korea Zinc identifies potential health hazards early and manages them through continuous tracking.

Key Health Management Activities

Activity	Details
Comprehensive Health Checkup	• Providing support to employees and their spouses
General and Special Health Checkups	• Conducting follow-up checkups based on the results of special health checkups to identify health risk factors at an early stage
Biological Indicator Testing	• Conducting indicator testing alongside annual special health checkups to precisely measure workers' internal concentrations of hazardous substances • Establishing health-management criteria and follow-up management for exposed workers • Providing tailored health services by exposure level and preventing occupational diseases • Applying a tracking system and immediate administrative measures for workers with abnormal findings
Health Management for Older Workers	• Strengthening the health-management system for workers aged 65 and above • Requiring older workers to submit basic-fitness measurement results • Tracking to ensure work performance and physical ability meet on-site safety standards
Cerebro-Cardiovascular Risk Assessment	• Selecting individuals in the high-risk group for cerebro-cardiovascular disease • Pursuing individualized health management and fundamental improvements in lifestyle habits • Conducting follow-up examinations of key indicators such as blood pressure
Job-Stress Assessment	• Conducting a first-round job-stress assessment for all employees in 2025 • Selecting subjects for secondary assessment and follow-up based on the results • Analyzing job demands and stressors to seek organization-level improvements
Musculoskeletal Hazard Survey	• Conducting a full survey of musculoskeletal-burden tasks and implementing improvements • Combining a checklist with a hazard-symptom survey • Selecting subjects for follow-up and providing medical management
Heat-Illness Prevention in Hot Weather	• Strengthening on-site temperature management through perceived-temperature and precise measurements at designated and work locations for each process • Distributing training materials company-wide, including emergency-kit usage and basic safety rules
Provision of Hot-Weather Supplies	• Placing salt-and-glucose supplements in each plant cafeteria • Distributing various cooling items such as ice vests in advance

Contractor Occupational Safety and Health Management

Operating Contractor Councils and Strengthening Safety Capabilities

Believing that the occupational safety and health of its contractors is directly linked to its own, Korea Zinc supports contractors in building autonomous occupational safety and health management systems. Each month, it operates a Contractor Occupational Safety and Health Council and a Safety Personnel Working-Level Council to provide guidance on occupational safety and health activities and to resolve on-site safety issues and strengthen safety capabilities, including improving nonconformities, selecting outstanding worksites, and collecting safety concerns and improvement suggestions. In 2025, it held quarterly Roundtable for Contractors with Frequent Incident Reports to analyze risk factors, establish countermeasures, and provide training on safe work practices. In addition, Korea Zinc provides annual safety training for contractor workers at the Onsan Refinery on essential safety rules, emergency response, and MSDS before allowing on-site work.

Contractor Occupational Safety and Health Evaluation and Management

Korea Zinc conducts semiannual occupational safety and health evaluations of both new and existing contractors. In 2025, it evaluated 130 contractors in the first half and 146 in the second half on occupational safety and health management and on-site inspections. It rewards high-performing contractors and imposes bidding restrictions on those scoring below the threshold, encouraging continuous safety improvements. In addition, for contractors newly bidding at the Onsan Refinery, Korea Zinc evaluates safety levels such as the occurrence of industrial accidents, the presence of supervisors, and the status of occupational safety and health management system certification, according to a new-contractor registration evaluation sheet; registration as a contractor is possible only if deemed suitable.

Mutual-Growth Occupational Safety and Health Seminar

Korea Zinc holds an annual Mutual-Growth Occupational Safety and Health Seminar with its contractors to share key safety and health issues and seek improvements. Beyond information sharing, the seminar serves as a key communication channel for establishing a mutual-growth safety culture. At the 3rd seminar, held at the Onsan Refinery in April 2025, representatives of work and construction contractors shared recent safety and health activities and discussed the operation of the safety and health council. In-depth discussions covered practical topics, including key changes in safety and health legislation, on-site accident case analysis, and ways to advance risk assessment. The seminar also identified improvement measures, including a joint response system for major high-risk work and standardized contractor safety management.

Contractor Occupational Safety and Health Mutual Cooperation Support Program

To improve contractors' safety management systems, Korea Zinc participates each year in the mutual co-operation program for large enterprises and SMEs run by the Korea Occupational Safety and Health Agency (KOSHA). In 2025, it carried out the support program for about 130 contractors. Under this program, the government and the parent company match costs to support contractors, enabling them to strengthen their safety and health capabilities at no cost, while the government promotes outstanding cooperation models to raise safety-management levels across the industry.

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Metrics and Targets

Industrial Safety and Accident Metrics

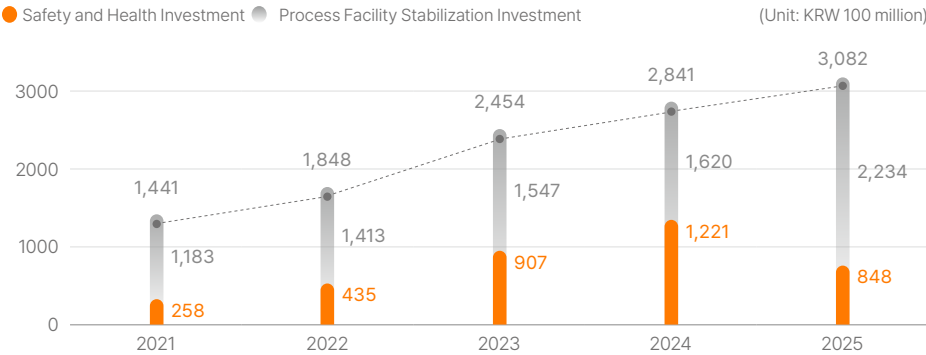
Korea Zinc sets annual combined accident-rate targets and manages its performance to achieve Zero serious accidents at its worksites. It has set its medium- to long-term occupational safety and health goal as holding the combined accident rate for employees and contractors at or below 0.2% in 2026, through strengthening leadership to prevent serious accidents, achieving Zero serious accidents, enhancing the accident-prevention system, and strengthening field-centered safety management. Korea Zinc plans to improve company-wide occupational safety and health standards through periodic management of each initiative.

Metric		Unit	2023 ¹⁾	2024	2025
Number of Accidents	Korea Zinc	Cases	11	8	14
	Contractors		10	11	20
Number of Workers Injured	Korea Zinc	Persons	11	9	14
	Contractors		10	11	20
Number of Fatalities	Korea Zinc	Persons	0	0	0
	Contractors		0	1	0
Lost Work Hours	Korea Zinc	Hours	7,246	7,712	11,158
	Contractors		5,668	69,320	12,329
	Combined		12,914	77,032	23,487
Number of Near-Miss Suggestions	Korea Zinc	Cases	659	336	224
Number of Near-Miss Occurrences ¹⁾	Korea Zinc	Cases	525	156	90
Accident Rate	Korea Zinc	%	0.64	0.51	0.76
	Contractors		0.45	0.55	0.71
	Combined		0.53	0.53	0.73
Severity Rate	Korea Zinc	Lost work hours per 1,000 work hours	0.22	0.23	0.31
	Contractors		0.13	1.82	0.23
	Combined		0.17	1.07	0.26
Total Recordable Injury Frequency Rate (TRIFR)	Korea Zinc	Recordable injuries per 1,000,000 work hours	2.65	1.90	3.15
	Contractors		1.88	2.31	2.94
	Combined		2.22	2.11	3.02
Lost Time Injury Rate (LTIR)	Korea Zinc	Lost-time injuries per 200,000 work hours	0.53	0.38	0.63
	Contractors		0.38	0.46	0.59
	Combined		0.44	0.42	0.60
Near-Miss Frequency Rate (NMFR)	Korea Zinc	Near-misses per 1,000,000 work hours	126.37	36.95	20.26

1) Number of near-misses submitted and adopted after review through the 'Korea Zinc Suggestion Management System'. Figures were revised as some 2024 cases were classified as 2025 in the system and omitted from the aggregation.
2) Data was revised based on the timing of occupational accident recognition in 2023.

Occupational Safety and Health Investment

Placing the safety and health of its employees as its foremost value, Korea Zinc continues to expand its occupational safety and health investment. In 2025, it invested KRW 84.8 billion in safety and health and KRW 223.4 billion in process facility stabilization, achieving total investment of KRW 308.2 billion, about KRW 70 billion more than originally planned. In 2026, it plans to invest KRW 77.9 billion in safety and health and KRW 177.6 billion in process facility stabilization. Building on efficient budget allocation, Korea Zinc will enhance the effectiveness of its investments and focus on building a more systematic occupational safety and health system.



Operating the Safety and Environment Grievance Channel and Suggestion Management System

To gather the opinions of its employees and contractors and strengthen communication and participation, Korea Zinc operates a Cyber Safety and Environment Grievance Channel and discloses its operating results. In addition, to proactively prevent and address even minor risks, it collects and logs suggestions on occupational safety and health improvements and near-misses through its Suggestion Management System; for cases adopted after review, it provides rewards to the reporters, thereby encouraging the reporting of hazards and advancing a culture of safety in practice.

Safety and Environment Grievance Channel Handling Status

Category	Unit	2023	2024	2025
Cases Received	Cases	45	52	23
Cases Processed	Cases	45	52	23
Processing Rate	%	100	100	100

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Supply Chain Sustainability

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Supply Chain Management Policy

To build a sustainable, trust-based supply chain with its suppliers, Korea Zinc established its Supply Chain Policy in 2024. The policy aims to establish a fair and transparent trading culture through mutual growth and cooperation with suppliers and to realize sustainable value throughout the entire transaction process. Korea Zinc has also established a Supplier Code of Conduct and obtains suppliers' voluntary agreement to it. The Code provides direction for suppliers to conduct responsible management across various areas such as ethics, human rights, safety, and the environment, and suppliers pledge to implement it by signing a compliance commitment.

[Supplier Code of Conduct](#)

[Supply Chain Management Policy](#)

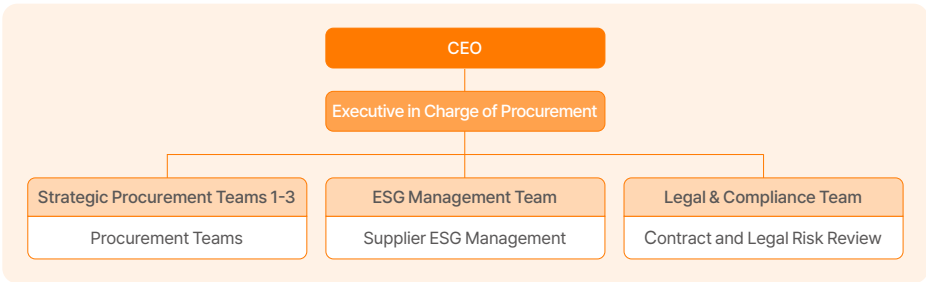
Supplier Code of Conduct

Human Rights and Labor Protection	Prohibition of forced labor, protection of young workers compliance with working hours, adherence to wage policies, humane treatment, non-discrimination, and respect for freedom of association
Safety and Health	Accident prevention, emergency preparedness, prevention of industrial accidents and illnesses, provision of a clean working environment, and safety and health communication
Environmental Protection	Compliance with environmental laws, establishment of environmental management goals, development of environmentally responsible products and services, climate change response, prevention of waste pollution, and natural capital management
Ethical Management	Maintenance of integrity in business practices, fair trade, information security, information disclosure, intellectual property protection, and whistleblower protection
Responsible Minerals	Establishment of a responsible mineral sourcing process, identification of supply chain risks, and supply chain management

Supply Chain Management Organization

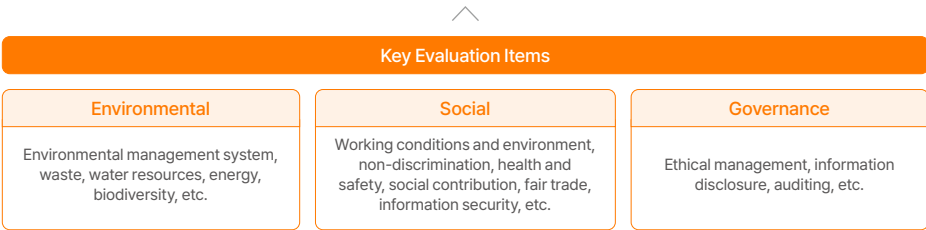
Korea Zinc operates a supply chain management system led by the executive responsible for overseeing procurement. The Strategic Procurement Teams follow transparent and fair procedures in their transactions with suppliers, while the ESG Management Team is responsible for suppliers' ESG management and support for sustainable management. The Legal & Compliance Team is responsible for reviewing contracts and legal risks. Meanwhile, when dealing with suppliers, employees sign a pledge on the guidelines they must follow and comply with the standards for fair trade and conflict-of-interest prevention. Going forward, Korea Zinc will continue to work closely to ensure the sustainable development of its suppliers and the thorough management of internal procedures. It will continuously improve its supply chain system.

Supply Chain Management Organization



Supply Chain Management Process

To strengthen the sustainability of its supply chain, Korea Zinc conducts ESG evaluations of its suppliers and effectively mitigates risks by enhancing suppliers' response capabilities.



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Supply Chain Management Framework

Direction for Supply Chain Management

To advance its supply chain management, Korea Zinc is expanding the scope of its ESG management, building systematic frameworks, and supporting the development of practical implementation plans. Going forward, it intends to gradually expand ESG evaluation to all its suppliers and pursue comprehensive ESG risk management. It also plans to efficiently operate ESG assessments and improvement measures by establishing supply chain management standards and advancing its management framework. By supporting suppliers in developing implementation plans so that they can carry out practical improvements based on their ESG assessment results, Korea Zinc will raise the level of sustainable management across its supply chain.

Supply Chain and Broader Value Chain Analysis

Value Chain Stage	Business Partner Type	Related ESG Issues
Upstream	Procurement	Raw and auxiliary material suppliers
	Transport and Storage	Marine, land, and other transport service providers; logistics and storage service providers
Downstream	Distribution and Sales	Customers in industries such as semiconductors, batteries, construction, and steel
	Waste and By-Product Processing	Companies processing slag, other heavy-metal by-products, and waste

Supply Chain ESG Management

Supply Chain ESG Evaluation

To strengthen its supply chain ESG risk management, Korea Zinc expanded the scope of suppliers subject to self-assessment and on-site verification in 2025. Since the first evaluation in 2023, Korea Zinc has advanced its management capabilities by conducting self-assessments based on accumulated experience and data and by selecting priority management targets according to internal criteria. Beyond expanding the number of suppliers subject to evaluation, it improved the convenience of evaluation through data collection using an online platform and provided management support programs and guidebooks based on the evaluation results.

In 2025, Korea Zinc conducted self-assessments of 60 suppliers and completed evaluations of the 10 suppliers identified as requiring on-site due diligence and corrective actions. In the ESG management assessments of suppliers, indicators for legal requirements such as human rights, employment, and safety scored highly, whereas the areas of voluntary environmental protection and ESG management systems showed relatively lower performance.

Supply Chain ESG Evaluation Results

Period: April–October 2025 / Scope: 60 key suppliers

Supply Chain ESG Evaluation	Improvement and Corrective Actions
Suppliers that completed self-assessment	60 suppliers
Suppliers subject to on-site due diligence	10 suppliers
Target suppliers	10 suppliers
Suppliers supported	10 suppliers

Area	Items Requiring Improvement
Environmental	Environmental impact management goals; environmentally responsible product and service management
Social	Human rights policy; worker rest-facility management system; employee training management system
Governance	Compliance policy; reporting and approval system

Supply Chain Sustainability

Supply Chain ESG Management

Supplier Support Programs

Korea Zinc operates various support programs to strengthen its suppliers' sustainability management capabilities. By reinforcing supply chain assessment and management measures, it expands supplier participation and continuously broadens education and communication channels so that suppliers recognize the importance of ESG management and assessment. In particular, Korea Zinc aims to ease suppliers' management burden by providing support in areas that are difficult for them to implement in practice, such as ESG disclosure and organizational operations.

To this end, Korea Zinc promotes participation in external management support programs to help resolve suppliers' management challenges. In 2024, it enrolled two suppliers in the FKI Center for Large & Small Business Cooperation's "Management Doctor" program; in 2025, three suppliers participated. The Management Doctor program is a management consulting program that helps participating suppliers increase profitability, reduce procurement costs, build crisis management capabilities, and improve corporate culture. In addition, to raise suppliers' ESG awareness and strengthen their own management capabilities, Korea Zinc produced a guidebook and distributed it in the fourth quarter of 2024, helping suppliers build their own sustainability management systems.

Partner Grievance Handling

As part of mutual cooperation and mutual growth with its partner companies, Korea Zinc opened a partner grievance channel on its website in 2025 and operates it to promptly resolve disputes that may arise in the course of business. It also established a Partner Grievance Reporting Process Policy and conducted compliance training for personnel from the Partner Contracting Council to explain the scope and procedures for reporting and to promote the system.

Reportable matters include legal violations by Korea Zinc or its employees against partner companies, covering breaches of relevant laws and internal regulations such as the Fair Trade Act, the Subcontracting Act, and the Mutually Beneficial Cooperation Act, as well as partner grievances and disputes between the two parties. Once a report is received, it undergoes a fact-finding investigation, and the results are reported to the Dispute Mediation Committee. The Committee notifies the parties to the dispute of the review schedule and then conducts its review; where the review clearly identifies a legal violation, corrective actions are taken.

Partner Grievance Channel

Partner Grievance Handling Status

Grievances received	2 cases
Completion rate	100%

Responsible Minerals Management Framework

Responsible Minerals Policy

Korea Zinc recognizes the negative impacts on society and the environment arising from mineral extraction, including human rights abuses, environmental destruction, and terrorism, and works to address the negative impacts of conflict minerals. To reduce violence and exploitation in conflict-affected areas by preventing business revenues from flowing to armed groups, and to raise consumer awareness and transparency regarding conflict minerals, Korea Zinc actively supports the conflict-minerals prohibition efforts led by the Responsible Minerals Initiative (RMI).

Korea Zinc's Responsible Minerals Policy applies to all of its worksites and to the stakeholders with which it has business relationships. As a non-ferrous smelting company, Korea Zinc extends its responsible management beyond the conflict minerals 3TG (tantalum, tin, tungsten, and gold) to include its main products: zinc, lead, silver, and copper. In addition, for responsible supply chain management, it manages minerals based on the OECD Due Diligence Guidance¹⁾ and, in line with Annex II of the OECD guidance, does not do business with suppliers that fail to comply with the principles and standards for conflict-mineral management.

1) OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Basic Principles of the Responsible Minerals Policy

- 1

We refrain from engaging in severe abuses associated with mining, transporting, or trading minerals.
- 2

We abstain from using minerals that directly or indirectly support non-state armed groups.
- 3

We abstain from sourcing minerals that provide direct or indirect support to public or private security forces.
- 4

We eschew minerals acquired through bribery and fraudulent misrepresentation of their origin.
- 5

We avoid minerals acquired through non-payment of taxes, fees, and royalties to governments.
- 6

We steer clear of minerals acquired through money laundering and the financing of terrorism.

Responsible Minerals Policy

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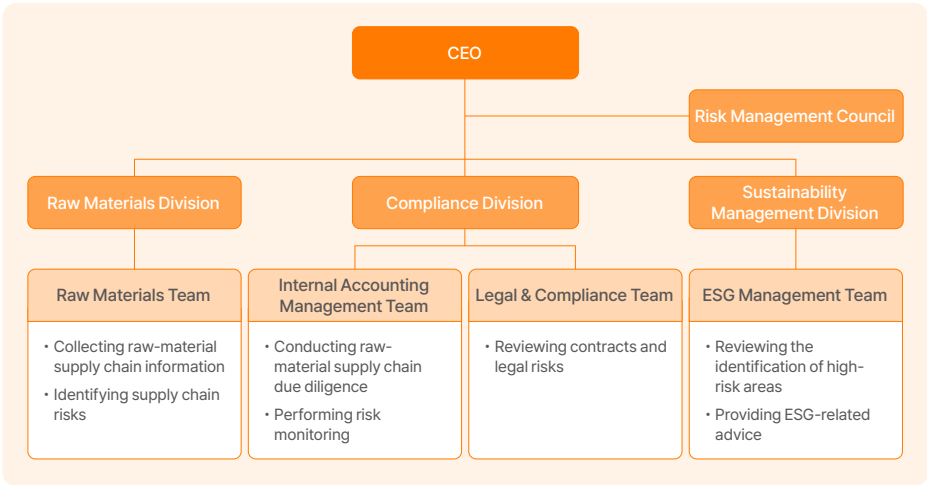
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Responsible Minerals Management Framework

Responsible Minerals Management Organization

Korea Zinc has designated its CEO as the chief officer overseeing responsible minerals management and has established a dedicated organization to build a responsible raw-material supply chain management capability, thereby strengthening its management framework. The chief officer manages and oversees the raw-material supply chain, covering raw-material purchasing, supply chain risk, compliance, and ESG. The dedicated organization manages raw-material supply chain risks systematically, in accordance with internal regulations.

Responsible Minerals Management Organization



Responsible Minerals Management Process

Following a five-step management process based on the OECD Due Diligence Guidance, Korea Zinc ensures that the minerals used in its products are ethically sourced and recommends that its suppliers also adopt the OECD Guidance. It conducts preliminary risk assessments of its suppliers to identify risk factors such as conflict-affected and high-risk areas (CAHRAs), irregular declarations of origin, failure to pay taxes owed to governments, and unethical sourcing. When risk factors are identified, it conducts enhanced due diligence on the suppliers concerned and, where necessary, performs on-site due diligence. Based on the assessment results, Korea Zinc takes actions such as maintaining transactions, requesting improvements, suspending transactions, or terminating them.



Stage		Details
Stage 1	Raising Supplier Awareness	- Requesting tier-1 suppliers to sign a compliance agreement on not using conflict-affected and high-risk area minerals - Distributing a guide on conflict-affected and high-risk area minerals and providing practical training - Requiring lower-tier suppliers to extend and implement the policy of not using conflict-affected and high-risk area minerals
Stage 2	Surveying Conflict-Affected and High-Risk Area Minerals in the Supply Chain	Surveying and monitoring tier-1 suppliers' information on conflict-affected and high-risk area minerals and their use across the supply chain
Stage 3	Systematic Due Diligence and Verification of Survey Results	Conducting on-site inspections of the information submitted by suppliers
Stage 4	Identifying and Assessing Risk Factors in the Supply Chain	Reviewing risk factors and conducting follow-up management based on on-site inspection results
Stage 5	Establishing Risk-Improvement Plans and Reporting Related Information	- Imposing sanctions on transactions with suppliers based on on-site inspection results - Publishing its responsible supply chain management policy on the website and operating a VOC (Voice of Customer) system

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Responsible Minerals Risk Management

Responsible Minerals Report

Korea Zinc annually revises and publishes its Responsible Minerals Report, reflecting the requirements of tightening global supply chain regulations and of major international initiatives such as the London Metal Exchange (LME), the London Bullion Market Association (LBMA), and the Responsible Minerals Initiative (RMI). Through this report, Korea Zinc transparently discloses its responsible raw-material sourcing system and management practices.

The 2025 Responsible Minerals Report was prepared to reflect the operation of Korea Zinc's internal Raw Material Supply Chain Due Diligence Regulations, which incorporate the OECD Due Diligence Guidance and other international standards. The report covers supply chain risk management activities across the board, including the criteria for identifying conflict-affected and high-risk areas (CAHRAs)¹⁾, the review of sanctioned countries, the risk assessment and due diligence procedures for suppliers, and risk-mitigation strategies. The Responsible Minerals Report is published on the official website and is continuously updated and maintained to reflect changes in global regulations and the requirements of international initiatives.

1) CAHRA: Conflict-Affected and High-Risk Area

Responsible Minerals Report 

Identifying High-Risk Areas

Korea Zinc identifies conflict-affected and high-risk areas (CAHRAs) in line with the guidance of global initiatives (RMI, LME, and LBMA) and has updated its CAHRAs annually since publishing its first report in 2023. In 2025, it updated its list of CAHRAs using six criteria. As a baseline, Korea Zinc reviewed the Dodd-Frank Act and the EU CAHRA list to screen for money laundering and the financing of terrorism, and it designated high-risk areas based on additional criteria covering governance, financial risk, human rights risk, and conflict risk. Korea Zinc conducts preliminary risk assessments (red-flag identification) of its raw-material suppliers and actively manages supply chain risks through stepwise risk-response measures when high-risk indicators are identified. Risk factors identified during mineral sourcing are entered into the internal approval system and classified by risk level, and, on this basis, Korea Zinc establishes and implements strategies to mitigate these risks.

Assessing Supply Chain Risk Factors

To manage responsible minerals risks, Korea Zinc recommends obtaining a pledge from suppliers on responsible minerals principles when purchasing raw materials, and it supports the distribution of mineral guides and related training across the supply chain. Korea Zinc operates a regular and ad hoc monitoring system to strengthen supply chain risk management. For sanctions risks, Korea Zinc heightens management rigor through screening tools and an internal self-assessment checklist. To prevent sanctions-related sourcing disruptions, it closely monitors international developments and responds with due diligence and other measures when necessary.



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Responsible Minerals Risk Management

Responsible Minerals Partnerships

The zinc and lead produced by Korea Zinc are registered with the London Metal Exchange (LME). As a company whose brands are internationally recognized for their credibility, Korea Zinc, together with global companies, builds responsible mineral management systems and participates in a range of partnerships through industry councils that work to standardize certification, to ensure responsible mineral sourcing and minimize the social and environmental impacts of its supply chain. As part of these efforts, for gold, Korea Zinc undergoes assessment under the Responsible Minerals Assurance Program (RMAP) of the Responsible Minerals Initiative (RMI), conducts due diligence based on the OECD Guidance, and publishes an annual report. RMAP assessments are conducted on a three-year cycle, and the 2026 assessment is currently underway. Korea Zinc also obtains and renews certification from the London Bullion Market Association (LBMA) under the Responsible Silver Guidance.

LME Approved Brand



LBMA Responsible Silver Certificate



RMI Gold Recognition Certificate

Responsible Minerals Training

Korea Zinc provides training on the basic concepts of responsible minerals, conflict minerals, and sustainability to its employees and raw-material suppliers. This training deepens understanding of the international state of responsible minerals management and Korea Zinc's own response, strengthening internal capabilities while also raising the responsible minerals management capabilities of the raw-material supply chain. Using online video training materials developed based on the OECD Due Diligence Guidance, Korea Zinc conducts training for personnel engaged in responsible minerals work. In 2026, to raise awareness of responsible raw-material sourcing, the training audience was expanded to include the precious-metals production department and new employees, and the course is now mandatory. Korea Zinc also provides training materials to strengthen its raw-material suppliers' capabilities and has uploaded the course to KZ School, its online training platform, so that all employees can take it at their own discretion.

Mutual Growth

Mutual Growth Support Framework

Over five decades of continuous growth, Korea Zinc has carried out support activities on multiple fronts to spread the values of mutual growth and mutual cooperation with its partner companies. Building on a systematic mutual-growth operating framework, it continuously advances partner support activities. Korea Zinc has established a Mutual Growth Committee, chaired by the President of the Refining Business Unit, and has assigned dedicated personnel across the finance, management, and technology functions to carry out a range of activities. In particular, since first deciding to provide financial support to its partner companies, Korea Zinc has consistently operated a KRW 40 billion Mutual Growth Fund; in 2025, it signed new or renewed agreements with 45 companies and carried out a range of support activities.

Mutual Growth Committee

Chair	President of the Refining Business Unit
Vice Chair	The Head of Onsan Complex
Members	Head of the Compliance Division, Head of the Procurement Division, Head of the Safety & Environment Management Division
Secretary	Head of the Legal & Compliance Team, Head of the General Affairs Team

Finance Subcommittee

The Onsan Part Leader of Strategic Procurement Team 1, Head of the Strategic Procurement Team 1, Head of the Finance Team, Head of the Accounting Team (Onsan)

Management Subcommittee

Head of the GA & EA Team, Head of the General Affairs Team, Head of the HR Team, Head of the Industrial Relations & Culture Team, Head of the Environment Management Team 1, Head of the Environment Management Team 2, Head of the Safety Culture Team, Head of the Crisis Management Team

Technology Subcommittee

Head of the Production Planning Team, Head of the Technology Team



Financial support Improved transaction terms



Management support Training support Welfare and benefits support



R&D support Quality improvement Technology protection

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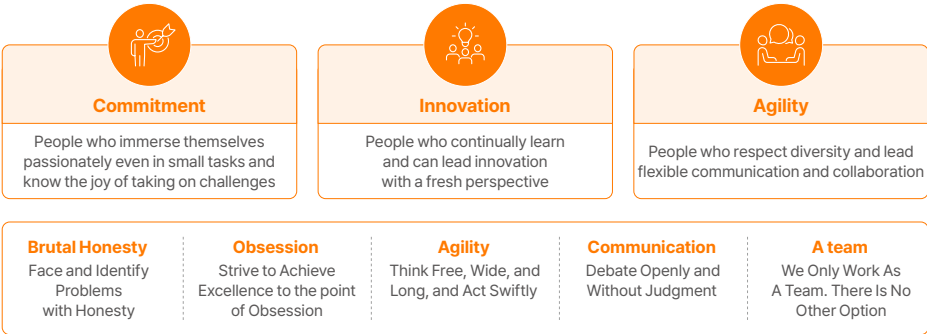
Talent Recruitment

Recruiting Outstanding Talent

Korea Zinc works to recruit outstanding talent and cultivate a healthy organizational culture, thereby enhancing the expertise of each of its employees. By selecting talent aligned with the five core values newly established on the basis of its talent profile of Commitment, Innovation, and Agility, it has strengthened organizational adaptability and synergy. In 2025, Korea Zinc introduced and enhanced a Culture Fit-based talent acquisition strategy for sustainable growth. Drawing on employee surveys and personality assessment data, it identified the behavioral traits the organization requires and defined "Right People" as those with responsible execution, collaborative capabilities, and flexibility in responding to change. This established a recruitment framework that considers alignment with organizational values, not competencies alone.

To prevent discrimination in recruitment, Korea Zinc conducts fair, job-competency-focused hiring, including by excluding religion, physical characteristics, marital status, and family details from application documents, and collects only essential information, such as age verification to prevent child labor. Korea Zinc also broadens contact with talent from diverse backgrounds by expanding campus recruiting and hiring briefings, and strengthens employer branding centered on its core values and ways of working to realize responsible hiring grounded in diversity and inclusion.

Talent Profile and Core Values



New Hires

Category	Unit	2023	2024	2025
Number of new hires	Persons	239	195	211

HR Management Process

Korea Zinc secures outstanding talent promptly by combining regular open recruitment with job-family-based rolling recruitment. Preferential policies for socially vulnerable groups, such as persons eligible for veterans' benefits and persons with disabilities, are applied uniformly across all worksites, expanding diversity within the organization and fulfilling its social responsibility. In 2025, Korea Zinc enhanced its assessment system to improve the objectivity and reliability of recruitment. An AI-based competency assessment was introduced to pre-screen candidates' attitudes and mindsets through role- and situation-specific questions, and organizational fit is evaluated from multiple angles in conjunction with structured interviews. Korea Zinc also adopted a relay recruitment approach, building a process that deepens candidates' understanding of the organization through experience sharing and referrals from current employees, and that selects well-suited, field-oriented talent. Candidate evaluation is conducted comprehensively through aptitude and personality tests and structured interviews, following a competency-based recruitment methodology. After hiring, placements reflect each individual's competencies, aptitudes, and preferences. Through its career development system, Korea Zinc supports the continuous growth and capability development of its employees, and promotion and advancement are administered fairly and transparently based on individual performance and competencies. These systematic HR management processes allow Korea Zinc to realize talent management grounded in fairness, diversity, and transparency while strengthening sustainable organizational competitiveness.

Recruitment	· Application submission → Document screening → Aptitude and personality test → Interview → Notification of acceptance · Selecting candidates by fairly assessing their qualities, potential, and character
Placement and Transfer	· Facility support · Production/R&D · Procurement/Sales · Management support · Placing employees in the right roles based on ability, aptitude, and preference · Operating a career development request program that enables employees to fully develop their aptitude and ability
Grade/Rank Promotion	· Manager → Senior Manager → General Manager → Executive · Supporting individual capability development through a fair grade and rank promotion system based on ability and performance evaluation, and through the expansion of fast-track promotions

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Talent Development and Capability Enhancement

Korea Zinc operates systematic training programs that reflect the characteristics of each job grade and role to support the growth and career development of its employees. Through capability-development courses by job grade for executives, team heads, senior managers, and managers, together with job-specific specialized training and technical-track capability courses, it provides customized learning opportunities suited to each employee’s stage of growth. Training programs are designed based on the medium- to long-term talent-development strategy and internal needs, and a range of special lectures and courses is run in parallel to respond to industry trends and changes in the business environment. In particular, Korea Zinc continuously operates timely programs, such as training on critical-mineral policy, supply chain response, and AI, to address shifts in the global landscape and the digital transition.

In addition, through KZ SCHOOL, its in-house learning management system (LMS), Korea Zinc enables employees to directly apply for and take the training they need, thereby spreading a culture of self-directed learning and improving access to training. It also conducts satisfaction surveys across all courses after each program to review training effectiveness. Through these surveys, it gathers employees’ views on course content, lecture quality, and practical applicability, and incorporates the feedback into program improvements. On this basis, Korea Zinc continuously enhances the effectiveness of its training and strengthens the capabilities of the organization and its members.

Training Program Framework¹⁾

Training Area	Key Participants	Description
Onboarding	· New employees · New experienced hires	Supporting organizational adaptation and building understanding of corporate culture
Leadership	· Newly promoted employees · Team heads and executives	Strengthening leadership capabilities and developing role-specific capabilities
Job	· All employees	Developing essential job-specific capabilities and enhancing expertise
Global	· All employees	Strengthening global and foreign-language capabilities
Statutory/Other	· All employees	Providing statutory training, external training, online training, special lectures, and more

1) Organized around the main training programs; detailed courses are also operated by job grade and job function.

Leadership Training

Korea Zinc operates a range of leadership programs to enhance its employees' leadership capabilities. Through courses and coaching programs for new leaders and training for newly promoted employees, it supports greater role awareness and required competencies. In particular, to strengthen the leadership pipeline, Korea Zinc established the Leadership Academy in 2025, building capabilities around three pillars: organizational, performance, and relationship management. This enables the company to proactively secure and develop the leadership needed for continuous growth and to drive organizational performance.

Key Leadership Training in 2025

Category	Participants	Completions	Key Content
New Executive Training	Newly appointed executives	4	Recognizing the shift in one’s role as an executive Learning leadership capabilities and cultivating business insight
Leadership Academy	Selected senior managers in their sixth year or above in the job grade	29	Developing leaders systematically by building relationship (leadership) and performance (strategy/problem-solving) capabilities on a foundation of organizational understanding A total of four weeks at Korea University Business School
Promotion Training	Employees promoted to general manager, senior manager, or manager	72	Recognizing changed roles Learning the capabilities required for each role

Job Training

Korea Zinc supports employees' job capabilities by identifying the capabilities required for each role and providing the necessary training for all employees. Through an in-house instructor development program, it also accumulates job-related knowledge and skills and disseminates them across the organization.

Global Training

Korea Zinc provides online and offline language-learning programs for all employees to strengthen their global business capabilities. Employees can freely select and take the courses they want. In addition, it supports smooth local adjustment by providing training for employees taking up overseas assignments.

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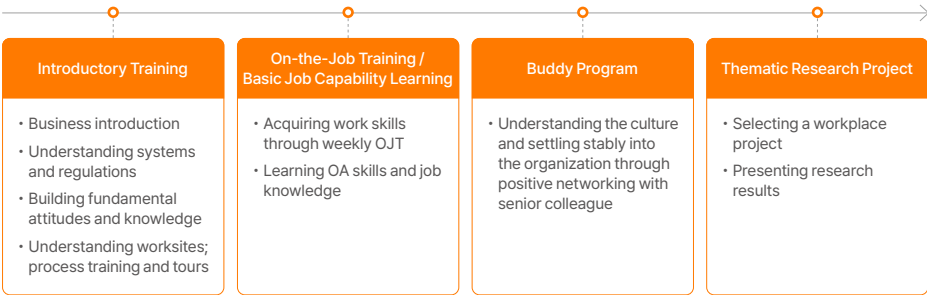
Talent Development and Capability Enhancement

New Hire Onboarding Training

Korea Zinc operates a new-hire onboarding program to support new employees’ organizational adaptation and career development. During the introductory training period, new employees come to understand Korea Zinc’s history and business and acquire the knowledge and skills expected of new employees. Over the following year, they participate in a range of programs that strengthen their job capabilities as new employees and offer opportunities to understand Korea Zinc’s culture.

Korea Zinc also operates a separate onboarding program for experienced hires. Periodic Experienced Hire Welcome Days help them expand their networks with existing employees and deepen their understanding of the organization, its business, and key systems, while a two-day plant tour program strengthens their understanding of the field. In this way, Korea Zinc actively supports the rapid readiness of experienced hires.

New-Hire Introductory Training Process



View the Video

YouTube channel, Korea Zinc TV: 2026 New Employee Introductory Training video

Career and Self-Development Training

Korea Zinc supports a range of training to develop its employees’ careers. Employees can establish their own self-development plans and apply for the training they need. Korea Zinc operates an online learning platform that enables learning anywhere, on devices such as PCs and smartphones, and works to build a culture in which employees can grow by supporting external training and the pursuit of degrees at domestic universities when needed.

Support for Domestic Graduate Degree Programs

Category	Unit	2023	2024	2025
Employees supported ¹⁾	Persons	17	15	13

1) Employees with three or more years of service whose desired major is relevant to their role and who have received a top performance-evaluation grade at least twice in the past five years.

Retirement Support Training

Korea Zinc operates a training program to support employees reaching retirement age. In 2025, it provided 18 hours of career and life-design training over three days to 24 retiring employees. In addition, it offered about five months of one-on-one career consulting, providing actual-cost support for learning expenses and connections with employers to help retirees explore new careers and achieve new career goals after retirement.

Retirement Support Training Overview

Category	Time/Duration	Description
Retiree Life-Design Training	18 hours	Change management (embracing change, the need for future planning); unemployment benefits
		Financial and asset management, career exploration (re-employment, entrepreneurship, return to farming)
		Career-design practice, health management
One-on-One Job-Placement Consulting and Learning Support	5 months	Setting career goals (self-exploration, competency analysis)
		Executing career goals (resume clinic, job-search strategy, etc.)
		Providing recruitment information (employer connections, course recommendations)

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Organizational Culture

Fostering Organizational Culture

To strengthen Communication, one of its core values, Korea Zinc fosters a culture of voluntary, active communication among employees and operates a range of programs to support employees' work-life balance. Specifically, it holds biennial workshops to invigorate team-level communication and, building on these, runs a Communication Leader program. In 2025, in particular, it expanded the program into a more everyday, casual format, promoting natural exchange among employees through low-pressure activities such as Culture Days and impromptu inter-team meals.

In addition, Korea Zinc broadens opportunities for communication both inside and outside the organization through a range of activities in which employees and their families can take part together, such as one-day experience classes, sports-viewing programs, and Family Month events. It also encourages mutual communication by creating open dialogue between management and employees and, through workshop programs that bring management and new employees together, deepens new employees' understanding of the organization and sense of belonging while expanding opportunities for cross-generational communication.

Types of Organizational Culture Programs¹⁾



1) Detailed programs are operated for each type.

Organizational Diversity

Given the nature of the manufacturing industry, Korea Zinc has a workforce structure centered on field-based technical roles, so the proportion of women in its workforce is relatively low. Nonetheless, centered on headquarters staff, its female workforce has grown steadily from 44 in 2022 to 84 in 2025, and the proportion of women has risen from 5.3% to 6.3%. Building on this upward trend, Korea Zinc has set medium- to long-term goals to enhance organizational diversity and is working to raise the proportion of women in its workforce to 8% by 2035. In addition, in line with the increase in women in management positions since 2022, it is developing a pool of female candidates for management positions and expanding promotion opportunities, aiming to raise the proportion of women in team-head or higher positions to 5% by 2035.

Employee Diversity

Category		Unit	2023	2024	2025
Percentage of women in management positions ¹⁾	By worksite				
	Headquarters	%	11.59	13.45	17.00
	Onsan Refinery	%	0.85	1.15	2.84
	All management positions	%	5.26	6.27	8.71
	By job grade				
	Upper management tier	%	2.61	3.66	4.26
Head of Team	Entry management tier	%	6.91	7.78	11.56
		%	1.32	1.47	2.63
		%	1.32	1.47	2.63
Percentage of women in revenue-generating departments ²⁾		%	1.25	1.73	0.53
Percentage of women in STEM departments ³⁾		%	17.91	16.18	16.67
Number of employees by nationality ⁴⁾	United States	Persons	-	3	3
	Australia	Persons	-	3	3

1) Management positions: those at the Senior Manager grade or above (Upper: General Manager grade and above, including executives; Entry: Senior Manager grade)

2) Revenue-generating departments: departments that directly produce products and departments that sell products through sales activities

3) STEM departments: departments performing technology- and research-related work

4) Number of employees by nationality: tracked since 2024

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Performance Evaluation and Compensation

Performance Evaluation

Using an OKR system, Korea Zinc sets challenging goals for each employee every year and reviews performance against each key objective on an ongoing basis through one-on-one meetings. These records of ongoing feedback serve as supporting evidence in the year-end final evaluation, enhancing the objectivity of assessment. The final evaluation follows a process in which each leader conducts an initial assessment based on the evaluatee's self-assessment, after which division-level calibration provides a final review of each employee's evaluation results. In addition, Korea Zinc operates an appeals procedure for final evaluation results to enhance the fairness and acceptance of the assessment. Performance evaluation results are reflected in an individual's base pay, performance pay, and promotion mileage, and in a differentiated performance-based reward system, through which Korea Zinc reasonably rewards employees' contributions and efforts.

Meanwhile, Korea Zinc reflects not only financial performance but also non-financial performance indicators, such as safety and environmental performance, in its executive performance evaluation and compensation system. In particular, for production-related executives, performance in reducing carbon emissions intensity is included as an evaluation factor. Through this approach, Korea Zinc encourages management to achieve financial performance and sustainability management goals in a balanced manner, while strengthening accountability and execution capabilities for ESG management.

Multi-Rater Assessment

Through its multi-rater assessment system, Korea Zinc comprehensively evaluates employees' capabilities and, based on feedback from multiple angles, helps individuals objectively identify areas for improvement so they can continue to grow and develop. Once a year, team members receive feedback on Korea Zinc's core values and their job and organizational capabilities through peer assessments, while team heads and executives receive feedback from diverse perspectives through annual upward and downward leadership assessments. After reviewing the assessment results, HR actively provides follow-up support, such as training and coaching, to strengthen capabilities, enabling employees to grow in a desirable direction when needed.

Fair Compensation Policy

To ensure that all directly employed workers are paid at or above a living wage that reflects the local cost of living, Korea Zinc revised its Fair Compensation Policy to specify that a living wage be paid to all workers who provide labor to the organization, including all employees at its worksites and all types of workers.

Fair Compensation Policy

Employee Compensation

Category		Unit	2023	2024	2025
Average pay per person	Total	KRW million	102	111	115
	Male	KRW million	105	114	117
	Female	KRW million	60	67	77
Ratio of CEO compensation to the average compensation of all employees excluding the CEO		Times	13.7	8.9	8.6
Ratio of the CEO's compensation increase to the median compensation increase of all employees excluding the CEO ¹⁾		Times	3.6	-4.6	0.6
Ratio of female to male base pay (new employees)		%	100	100	100
Ratio of entry level wage to the statutory minimum wage	Male	%	230	226	232
	Female	%	230	226	232

1) CEO compensation is the average of the representative directors' compensation at year-end; the compensation of executives, including representative directors, is disclosed on p. 415–417 of the Business Report.

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Human Resource Management

HR Systems and Employee Benefits

HR Systems

Flexible work system	A flexible work system available to all employees, allowing them to independently adjust their working hours and work format; options include staggered work hours, selective working hours, and holiday substitution
Family-friendly programs	A range of programs for childbirth, childcare, and family care, including maternity leave, paternity leave, parental leave, reduced working hours, and family care leave

Parental Leave Status

Category		Unit	2023	2024	2025
Parental leave taken	Users	Male	Persons	6	9
		Female	Persons	6	8
		Total	Persons	12	17
Return after parental leave	Scheduled to return in the year	Male	Persons	4	7
		Female	Persons	3	4
		Total	Persons	7	11
	Actually returned in the year	Male	Persons	3	7
		Female	Persons	1	3
		Total	Persons	4	10
	Return rate	Male	%	75	100
		Female	%	33	75
		Total	%	57	91
Retention after parental leave	Retained 12+ months after return ¹⁾	Male	Persons	8	3
		Female	Persons	4	1
		Total	Persons	12	4
	Retention rate	Total	%	100	100

1) Retained 12+ months after return: of those who returned in the previous year, the number retained for 12 or more months through the given year

Employee Benefits

Tuition assistance	Educational expense support for all employees and their children, including tuition, childcare allowances, school-entrance congratulatory payments, and enrollment fees
Medical expense support	Medical expense support for employees and their families (spouses and children), and biennial comprehensive health checkups for employees and their spouses
Company housing and dormitories	Housing support for employees through company housing in the Onsan and Seoul areas
Workplace daycare center	Childcare support for employees' children through a workplace daycare center in the employee apartment complex at the Onsan Refinery
Housing loan support	Low-interest housing loans of up to KRW 100 million to support employees' housing stability
Employee stock ownership plan (ESOP)	Support for employees' asset building and sharing of the gains from corporate growth through an employee stock ownership plan
Summer leave	Five days of paid leave per year for all employees, for rest and refreshment
Special leave	Special leave for family events and family care

Group Insurance and Retirement Pension

To prepare for accidents, illnesses, or injuries that may occur at work and to provide appropriate compensation, Korea Zinc has taken out group insurance. To help employees maintain a stable life after retirement, it has enrolled in defined benefit (DB) and defined contribution (DC) retirement pension plans.

Labor-Management Cooperation

Under the Trade Union and Labor Relations Adjustment Act, Korea Zinc recognizes the right to form and join trade unions. It has achieved 38 consecutive years without a labor dispute through 2025, an accomplishment underpinned by diverse communication and activities to strengthen labor-management relations. As of 2025, the union membership rate stood at 57.8% of all employees, and through collective bargaining with the union, Korea Zinc concludes collective agreements and determines wage increase rates.

Trade Union Membership

Category	Unit	2023	2024	2025
Number of union members	Persons	1,147	1,169	1,207
Union membership rate ¹⁾	%	61.0	59.4	57.8

1) Union-eligible workers and those covered by the collective agreement: technical (skilled) workers

Human Rights Management

Human Rights Policy

Building on respect for the labor principles recommended by the International Labour Organization (ILO) and ratified by the government, Korea Zinc practices human rights management across its business. In 2022, it established a policy reflecting international standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and ILO conventions. The policy covers fundamental labor-rights, such as the prohibition of discrimination and forced labor and the guarantee of freedom of association, together with principles for protecting vulnerable groups, including women, children, persons with disabilities, and indigenous peoples, and for respecting local communities. In 2024, Korea Zinc revised the policy to specify its scope and implementation standards and extended its coverage to external stakeholders, including suppliers. By having all employees share responsibility for compliance, it strengthened the foundation for human rights management.

[Human Rights Policy](#)

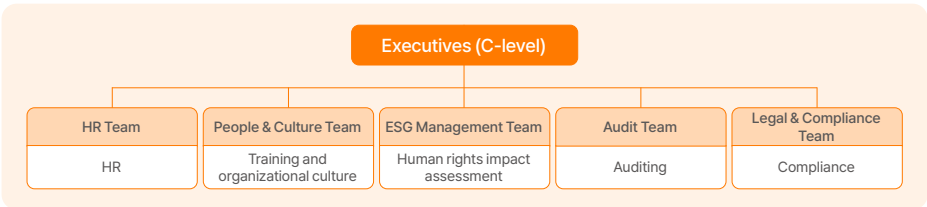
Human Rights Policy Principles

1 No discrimination	2 Humanitarian treatment	3 Prohibition of forced labor	4 Women and child labor	5 Working hours
6 Wages and benefits	7 Freedom of association and collective bargaining	8 Safety and health assurance	9 Respect for and Engagement with Local Communities	10 Security personnel and human rights

Human Rights Governance

Korea Zinc conducts human rights management through a function-based system, addressing issues that may arise in each area of work. By overseeing the human rights issues such as employment, organizational culture, compliance, and auditing within each function, it responds to company-wide risks. Based on key risks identified through human rights impact assessments, Korea Zinc derives improvement tasks and drives their implementation in collaboration with relevant departments. It also continuously reviews the level of risk management and progressively advances its human rights management system.

Human Rights Management Organization



Human Rights Impact Assessment Process

To identify human rights risks in advance and manage them systematically, Korea Zinc conducts a human rights impact assessment once a year and maintains a management process that runs from risk identification through corrective action, monitoring, and disclosure. The assessment is conducted for key stakeholders, including employees, suppliers, and local communities, and evaluates human rights risks by considering impacts on a range of stakeholders, including vulnerable groups. Identified risks are prioritized with reference to international human rights standards, and a range of mitigation measures is established, such as training, policy improvements, and enhancements to operating processes. Improvement tasks derived from the assessment are managed through ongoing monitoring, and key human rights risks and response status are reviewed and reported through internal decision-making processes. In addition, assessment results and management status are disclosed in the Sustainability Report, strengthening transparent communication with stakeholders.



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Human Rights Management

Human Rights Impact Assessment

To systematically review human rights risks, Korea Zinc conducts a human rights impact assessment once a year for key stakeholders, including employees, suppliers, and local communities. A total of 335 stakeholders including employees participated in the 2025 assessment, and Korea Zinc expanded its scope to capture not only human rights awareness but also risks grounded in actual experience. The survey centered on the human rights management system, prevention efforts, risk factors, a culture of respect, and experiences of violations, and analyzed impacts on vulnerable groups, including non-managerial employees, employees with shorter tenure, and women, taking into account respondents' job grade, years of service, and gender. The assessment consistently identified risks related to workplace harassment and discrimination and to occupational safety and health, and also revealed a need to improve awareness of certain systems, such as the guarantee of union activities, the right to rest, and the prohibition of forced labor. In addition, local communities called for improvements in how information is provided and consultation is conducted, while for suppliers, areas requiring improvement were identified in certain transactions and work processes. Accordingly, Korea Zinc is progressively pursuing follow-up measures to enhance the effectiveness of its human rights risk response, including establishing a reporting system, strengthening human rights training, and improving the grievance-handling process.

Period	November 2025 – December 2025	
Participants	Key stakeholders, including employees, suppliers, and local communities	
Respondents	335 in total (Employees: 295; Suppliers: 29; Local communities: 11)	
Assessment areas	Awareness of the human rights management system - General - Prohibition of forced labor - Prohibition of child labor - Humane treatment - Assurance of occupational safety and health - Personal data protection - Employee training - Protection of freedom of association	Workers' experience of human rights violations - Basic human rights and prohibition of discrimination - Wages - Prohibition of forced labor - Safety and health - Information protection - Workplace sexual harassment - Workplace harassment

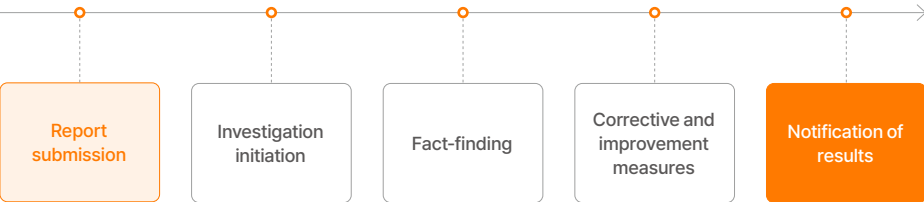
Human Rights Risk Mitigation and Improvement Measures

To respond to the key human rights risks identified through the human rights impact assessment, Korea Zinc derives improvement tasks for each risk and pursues mitigation measures across its systems and operations. The 2025 assessment identified, as key improvement tasks, human rights risks related to workplace harassment and discrimination and to working conditions, along with insufficient awareness of human rights-related systems. To mitigate these risks, Korea Zinc is strengthening human rights training and improving its guidance and communication on related systems. Working-hours management, including overtime management, is being reinforced to address working-condition risks, and the grievance-handling system is being improved through an anonymous reporting channel to address workplace harassment and sexual harassment.

Human Rights Grievance Handling

Korea Zinc operates an online cyber-audit channel through which employees, suppliers, and external stakeholders can raise a range of grievances, including those involving human rights violations. When a report related to a human rights violation is received, it is forwarded to the HR Team, and investigation and follow-up measures are carried out in accordance with the relevant rules and procedures. Reports are investigated fairly in accordance with the relevant procedures, and protective measures are taken for victims and reporters when necessary. In addition, corrective and improvement measures and recurrence-prevention activities are carried out based on the findings of the fact-finding process, and the identity and personal data of reporters and related parties are strictly protected. The outcome is communicated in accordance with the relevant procedures.

Grievance Handling Process



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Human Rights Risk Mitigation and Improvement Measures

Employee Engagement Survey (KZ Culture Survey)

For organizational culture diagnosis and improvement activities, Korea Zinc conducts an employee engagement survey every two years. The survey consists of questions on employee engagement and ways of working from an organizational perspective, through which Korea Zinc listens to employees' views and analyzes trends in the rate of positive responses. The survey results serve as a basis for setting organizational culture goals and planning related activities.

Employee Assistance Program (EAP)

Korea Zinc provides a counseling service, conducted by professional counselors, for employees and their families to help resolve concerns they may face in daily life and at work. Employees can discuss a wide range of topics without hesitation, from work and interpersonal stress to psychological conditions such as depression and anxiety, and from family and childcare concerns to financial and legal advice. In this way, the service helps Korea Zinc's employees find emotional stability and well-being.

Human Rights Risk Prevention

To prevent human rights risks in advance and manage them systematically, Korea Zinc is progressively advancing its human rights management system. Through 2024, the foundation for human rights management was built by revising human rights policies, establishing procedures to improve the human rights impact assessment, and reorganizing the grievance-handling system. In 2025, this system is being further advanced by establishing a reporting channel, reviewing the effectiveness of risk mitigation measures, and strengthening the linkage between impact assessment and grievance handling. Over the medium to long term, Korea Zinc plans to expand the scope of human rights impact assessments and due diligence, and to strengthen training to raise employees' human rights awareness, thereby embedding human rights management throughout the organization and building a proactive response system.

Medium- to Long-Term Goals for Human Rights Management

Through 2024	>	2025	>	2026 onward
Advancing the Human Rights Management System · Enhancing policies · Establishing procedures for implementing human rights impact assessment improvement measures · Institutionalizing grievance-handling procedures		Completing the Human Rights Management System · Establishing an online anonymous human rights reporting channel · Measuring the effectiveness of human rights risk mitigation measures · Establishing human rights management governance		Embedding Human Rights Awareness · Expanding human rights due diligence · Expanding human rights training programs

Human Rights Training

Through statutory training, such as sexual harassment prevention, workplace harassment prevention, and disability awareness training, Korea Zinc raises employees' human rights awareness and, in line with its medium- to long-term human rights management goals, plans to continue expanding these programs.

Category	Unit	2023	2024	2025
Participants ¹⁾	Persons	1,926	1,945	2,073
Total training hours ¹⁾	Hours	5,778	5,835	6,219
Completion rate	%	100	100	100

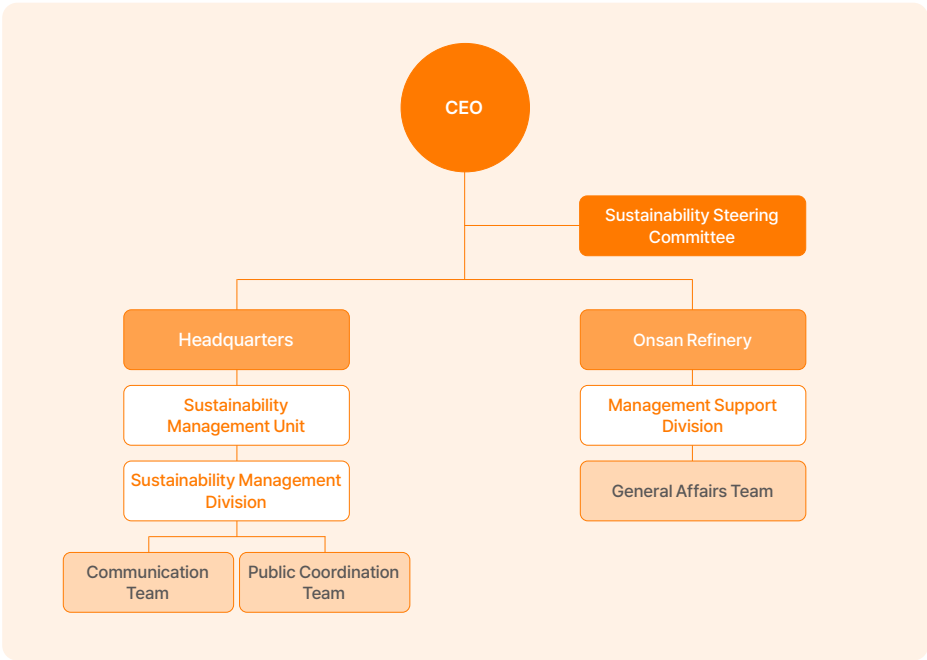
1) Previously disclosed data were corrected due to data re-aggregation

Community Engagement

Community Engagement Governance

Korea Zinc communicates with local communities through social contribution programs, participation in relevant industry associations, and forums. As participation in events such as association activities, forums, and seminars spans a range of fields, it is handled on a case-by-case basis by the relevant departments, while social contribution work is handled by the Communication Team and the Public Coordination Team at headquarters, and by the General Affairs Team at the Onsan Refinery.

Community Engagement Organization



Donation and Sponsorship Policy

In accordance with its Donation and Sponsorship Policy, Korea Zinc manages donations and sponsorships so that they are made through appropriate procedures. Donations and sponsorships must not be made or provided in connection with auctions, bids, contract renewals, or future business relationships, and Korea Zinc does not enter into donation or sponsorship agreements to secure favorable terms from the organizations, affiliates, or related parties involved. In addition, domestic law includes provisions to prevent misconduct involving political funds; accordingly, under no circumstances does Korea Zinc make political donations to influence government officials' decisions or obtain undue benefits. Any direct or indirect provision of financial or other support for political purposes to politicians, political parties, affiliated organizations, party officials, or political candidates is therefore prohibited.

[Donation and Sponsorship Policy](#)

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Community Engagement

Participation in Domestic and International Associations and Forums

As the world's No. 1 comprehensive non-ferrous smelting company and an environmentally responsible energy and materials company engaged in renewable energy and green hydrogen, secondary battery materials, and re-source recycling business, Korea Zinc participates in a range of industry associations and forums at home and abroad. In the smelting industry, its memberships include the Korea Non-Ferrous Metals Association, the International Zinc Association (IZA), the International Lead Association (ILA), the International Antimony Association (i2a), and the Korea Rare Earth Industry Association. For its Troika Drive businesses, Korea Zinc also participates in the Korea Metal Recycling Industry Association, the Korea Battery Industry Association, and the Korean Hydrogen and New Energy Society, among others. These association activities expand opportunities for industry networking and collaboration, provide insight into the latest industry trends and market developments, and strengthen Korea Zinc's ability to respond to domestic and global policy developments. Korea Zinc also takes an active part in industry exhibitions and expos, creating opportunities to broadly promote its business and communicate with stakeholders. In 2024, in support of sustainable management, it joined the UN Global Compact (UNGC), committing to embed the Ten Principles of the UNGC, which cover human rights, labor, the environment, and anti-corruption, into its operations. As a member of the Korea Business Council for Sustainable Development (KBCSD), Korea Zinc practices sustainable management.

Davos Forum	IEA (International Energy Agency)	APEC	InterBattery	Critical & Strategic Minerals Forum
2023 Joined the World Economic Forum (WEF) as an official Partner 2024 Attended the Davos Forum 2025 Executive Chairman Yun B. Choi was appointed as a member of the Davos Forum's Mining and Metals Steering Committee 2026 Executive Chairman Yun B. Choi served as an official speaker in the "Minerals Strategic Partnerships and Investments" session on critical minerals 	2023 Attended the Critical Minerals and Clean Energy Summit as the only Korean business leader invited 2024 Attended the session on securing critical minerals and clean energy supply chains 2026 Served as chair of the Critical Minerals Supply Chain session 	2025 Attended the Asia-Pacific Economic Cooperation (APEC) CEO Roundtable 	2022-2026 Participated in InterBattery for five consecutive years 	2025 Participated in the Critical & Strategic Minerals Forum 
			World Climate Industry Expo (WCE) 2023-2025 Participated in the World Climate Industry Expo (WCE) for three consecutive years 	

Community Engagement

Community Contribution Activities

Since launching KZ Clover, its community contribution strategy and brand, Korea Zinc has donated around 1% of annual operating profit to four areas (giving and volunteering, talent development, culture and the arts, and environmental stewardship) and supported related activities. In particular, these contributions in the Ulsan area, home to its worksite, earned the highest rating in the Ministry of Health and Welfare's Community Social Contribution Recognition program for three consecutive years, from 2023 to 2025. To fulfill its corporate social responsibility, Korea Zinc will continue to expand these efforts and serve as a steadfast pillar of support for vulnerable members of local communities.



Talent Development

Korea Zinc has grown into a world-class non-ferrous smelting company thanks to the talented people who contributed their skills and capabilities to its growth. Believing in the power of education to develop people, Korea Zinc devotes itself to related social contribution programs.



Philanthropy and Volunteer Work

Korea Zinc believes that a future of possibility opens up when we act "together." Each person's life is connected to the lives of others, allowing us to become a community that stands together. Korea Zinc's employees also actively participate in a range of social contribution activities, joining together.



Culture and the Arts

The diverse materials Korea Zinc produces enhance our quality of life. Going a step further, Korea Zinc supports the potential of culture and the arts for a happier, better life.



Environmental Stewardship

Building on the world-class technology developed through its smelting business, Korea Zinc is advancing the transition to, and expansion of, environmentally responsible resource recycling business. To harness the benefits of nature and circulate them in ways that are harmless to people and the environment, Korea Zinc carries out a range of social contribution activities in the environmental field.

KZ Together: Philanthropy and Volunteer Work

KRW 3 Billion Donation to the Community Chest of Korea (Fruit of Love)

Since 2007, Korea Zinc has made charitable donations to the Community Chest of Korea (Fruit of Love), and at the end of 2022, it joined the Hope Sharing Campaign's KRW 30 Billion Club. As of December 2025, cumulative donations to the Fruit of Love totaled KRW 39.7 billion. The donations are used to provide in-kind assistance and scholarship for socially vulnerable groups, including children, adolescents, older adults, persons with disabilities, and families in crisis.

Donations to the Korean Red Cross and Employee Volunteer Activities

Korea Zinc also continues donations and employee volunteering through the Korean Red Cross, which mainly support the delivery of "Hope Windmill – Goods Support for Vulnerable Groups," a demand-tailored integrated service to improve the quality of life of vulnerable community members. In addition, it supports Tongyeong Red Cross Hospital's free mobile medical services for older adults in remote island and mountainous areas with limited access to medical facilities.



For more than a decade, Korea Zinc has continued a range of volunteering activities, including scholarship programs, an Energy Save Campaign, food support for vulnerable groups such as side-dish support and kimchi-making and distribution, and coal-briquette sharing. In 2025, the Onsan Refinery newly launched social contribution activities for employees and their families, including making goods kits for single-parent families and older adults living alone, producing upcycled hygiene-product kits, a blood donation campaign, donating to the workplace daycare center's flea market, and plogging. Korea Zinc has also expanded support to vulnerable groups, including North Korean defectors, crime victims, probationers, and abused children in Ulsan.

Expanded Support for People with Developmental and Severe Disabilities

Since 2024, Korea Zinc has provided ongoing support to the Purme Foundation, an organization that supports people with disabilities. Its volunteer corps makes rehabilitation-therapy teaching aids for children with speech disabilities and delivers them to the Purme Children's Development and Rehabilitation Center. It also volunteers at the cherry-tomato smart farm (Purme Social Farm), built to support the economic independence of young people with developmental disabilities. To put "One Company, One Facility Warmth Sharing" into practice, the Onsan Refinery conducts joint public-private volunteer activities at the Suyeon Rehabilitation Center, a disability welfare facility in the area, together with the Ulsan Metropolitan City government. In March 2025, Korea Zinc signed a public-private volunteering partnership with Ulsan Metropolitan City and now conducts quarterly volunteer activities at the center. Joined by both Onsan Refinery employees and Ulsan Metropolitan City officials, the program has been recognized as a model case of public-private community volunteering.

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Community Contribution Activities

KZ Progress: Talent Development

School Development Fund Donations in Ulsan

Since 2008, Korea Zinc's Onsan Refinery has donated approximately KRW 100 million annually in school development funds to sister and local schools, supporting student welfare and school development in the Ulsan area. In recognition of this sustained support, the Onsan Refinery received an outstanding educational donor award from the Ulsan Metropolitan Office of Education in 2025.

Support for Vulnerable Children and Youth

Korea Zinc supports for children at the Dongmyeong Child Welfare Center by running cultural-experience activities in which its employees take part. The Onsan Refinery provides approximately KRW 80 million for cultural, historical, and career-exploration programs for around 80 children, including those with migrant backgrounds, and supports after-school education for vulnerable children. Meanwhile, headquarters launched the "Koryo to Koryo" support program to help Koryoin (ethnic Koreans from the former Soviet Union) young caregivers who take on household duties in place of parents too busy earning a living. In October 2025, it donated KRW 35 million to Child-Fund Korea, and in January and February 2026, employees took part in volunteering for the children, including making new-semester kits and participating in a sledding-park outing.

It also provides KRW 50 million to KRW 100 million in support through organizations including the Dongmyeong Child Welfare Center, the Seoul Self-Reliance Support Center, and the Eastern Social Welfare Society.

Scholarship Program in Nowon-gu, Seoul

Each year, Korea Zinc provides around KRW 200 million in scholarships to around 170 young people from low-income households, including high school and university students, in Nowon-gu, Seoul, helping them overcome financial hardship and pursue their dreams.

KZ Sustainability: Environmental Stewardship

Carbon-Neutral "Ieum Forest" and Wildfire Recovery Support

Following a forest-creation agreement with Tree Planet in 2022, Korea Zinc provided tree-growing kits to students near the Onsan Refinery. In 2023, it planted 10,000 tulip trees in the Uljin area of North Gyeongsang, which had suffered wildfire damage, and 20,000 coffee trees in the Lombok region of Indonesia. In 2024, these efforts continued with the planting of 15,000 mangroves around Nusa Lembongan in Bali, Indonesia, creating "Korea Zinc Ieum Forest No. 3." In addition, in 2025 Korea Zinc made an earmarked donation of KRW 500 million to the Community Chest of Korea for the recovery of areas damaged by large-scale wildfires. On the 81st Arbor Day in April 2026, its employees took part in a tree-planting event organized by the Korea Forest Service in Andong, North Gyeongsang, helping to plant 4,800 oriental raisin trees across an area of 1.6 hectares.

Adopt-a-Beach and Marine Cleanup Activities

To join efforts to address the community's marine-litter problem, Korea Zinc's Onsan Refinery has adopted Pyeongdong Beach at Ganjeolgot in Ulju-gun, Ulsan, under the Adopt-a-Beach program and carries out beach-cleanup volunteering. Adopt-a-Beach is an environmental campaign in which a company or organization adopts a specific beach for one year to manage and protect it on an ongoing basis. Employees and labor representatives jointly participate in beach cleanups three times a year.

Recycling and Upcycling Using Old Work Uniforms

Korea Zinc's Onsan Refinery carried out a community contribution activity, making recycled and upcycled bags from retired work uniforms and delivering them filled with hygiene kits containing sanitary pads for vulnerable adolescent girls in the Ulsan area. This activity gave discarded work uniforms new value while providing hygiene products to vulnerable adolescents.

KZ Happiness: Culture and the Arts

Metalwork & Jewelry Award

To support creative work in the field of metal craft, Korea Zinc has sponsored the Metalwork & Jewelry Award since 2013. Each year, the award selects two metal craft artists under the age of 45 with more than ten years of experience. Since 2023, Korea Zinc has hosted the event itself, providing broad support for creative work in contemporary metal craft. In recognition of these efforts, it received a commendation from the Minister of Culture, Sports and Tourism in December 2023.

Sponsorship of the Huddling Youth Choir Festival

For several years, Korea Zinc has steadily sponsored the Huddling Youth Choir Festival, in which students from multicultural and non-multicultural families cultivate a sense of community through choral singing.

Sponsorship of the Ulsan Industrial Festival

Korea Zinc's Onsan Refinery continuously sponsors local cultural and arts initiatives, including the Ulsan Industrial Festival, Mecenat performances at the Ulsan Festival for Artists with Disabilities, and the YMCA Christian Youth Association Choir, contributing to the creation of a cultural ecosystem together with the local community. Through its support for various cultural and arts activities, the Onsan Refinery promotes the sustainable development of local culture, expands opportunities for citizens to enjoy culture, and contributes to community integration.

Other Culture and Arts Sponsorship

Each year, Korea Zinc provides tens of millions of won in sponsorship to organizations such as opera companies, ensuring that artists facing financial hardship can continue their work without constraint.

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Community Engagement

Philanthropy

Korea Zinc aims to steadily expand its community contribution activities over the medium to long term for people in need across society, including children, older adults, and people facing housing insecurity, as well as youth preparing for independence, persons with disabilities, single-mother families, multicultural families, and children of incarcerated parents. Its annual goal is to donate around 1% of operating profit each year for local communities and vulnerable groups. In 2025, so that employees could also take part in giving in line with this goal, Korea Zinc ran a matching-grant program in which it contributed a matching amount whenever an employee donated 1% of their salary, raising approximately KRW 270 million across Korea Zinc and its affiliates. This amount will be used in 2026 to make donations to neighbors in need.

In addition, Korea Zinc broadened the scope of volunteering participation from its own employees to those of affiliates, expanding participation and further strengthening the significance of these activities. In 2026, as a company that fulfills its environmental responsibility, it plans to expand its environmentally focused community initiatives and continue raising public awareness.

Community Contribution Goals



Volunteering Participation¹⁾

Category		Unit	2023	2024	2025
Headquarters	Annual participants	Persons	56	72	125
	Total hours	Hours	312	288	519
Onsan Refinery	Annual participants	Persons	22	101	351
	Total hours	Hours	77	541	896
Total	Annual participants	Persons	78	173	476
	Total hours	Hours	389	829	1,415
	Hours per person	Hours	5	4.8	3

1) Includes major affiliates

Community Contribution Spending

Category	Unit	2023	2024	2025
Headquarters	KRW million	6,994	6,526	7,812
Onsan Refinery	KRW million	940	1,263	1,296
Total	KRW million	7,934	7,790	9,108

Community Contribution Spending by Type

Category	Unit	Headquarters	Onsan Refinery
Talent Development	KRW million	1,075	160
Philanthropy and Volunteer Work	KRW million	5,426	665
Culture and the Arts	KRW million	345	85
Environmental Stewardship	KRW million	303	24
Other	KRW million	663	363
Total	KRW million	7,812	1,296

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Ethics and Compliance

Management

Why It Matters

Ethics and compliance form an essential management foundation that every company must establish to grow steadily and sustain its competitiveness over the long term. Violations of laws or unethical conduct may bring short-term cost savings or gains, but over time they invite risks such as fines, litigation, and business restrictions that can severely damage corporate trust and reputation. As stakeholder expectations rise and the regulatory environment grows more complex, companies that fail to establish sound ethics and compliance are more likely to face a weaker market position and difficulty attracting investment. Ethics and compliance are therefore more than simple rule-following: they are a vital management framework that prevents risk and supports sound decision-making across the organization, and an indispensable element for achieving sustainable management.



Social and Environmental Significance

Stronger corporate credibility and reputation in the market



Financial Significance

Proactive prevention of risks such as fines, litigation costs, and business restrictions

Key Achievements

- Conducted regular and ad hoc compliance training
- Distributed monthly compliance newsletters to all employees
- Conducted compliance reviews
- Revised the Code of Ethics and enacted related regulations

Future Plans

- Holding regular compliance training four times a year, plus ad hoc training as needed
- Distributing monthly compliance newsletters to all employees
- Conducting a regular compliance review once a year, plus ad hoc reviews as needed
- Enacting and amending internal rules related to ethics and compliance
- Providing ongoing guidance on legal risks

Governance

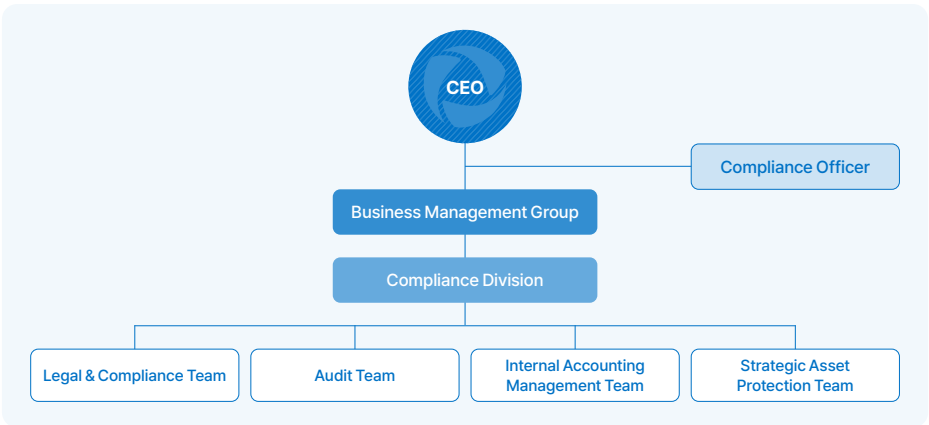
Ethics and Compliance Framework

Ethics and Compliance Organization

Korea Zinc's ethics and compliance organization comprises the independent Audit Committee under the Board, together with the Legal & Compliance Team, the Audit Team, the Internal Accounting Management Team, and the Strategic Asset Protection Team, which operate under the oversight of the Compliance Officer. The CEO is responsible for establishing, maintaining, operating, and supervising the compliance control standards and compliance control system. The Board determines the Compliance Control Standards and related material matters and oversees whether the CEO effectively maintains and operates the compliance control system.

The Legal & Compliance Team oversees legal, fair-trade, and ethics matters, while the Audit Team manages corruption risks through internal and on-site audits. The Internal Accounting Management Team operates the internal accounting control system to prevent fraud and accounting errors. Established in 2026, the Strategic Asset Protection Team operates a protection framework for national core technologies and key technology assets, conducting advance reviews and risk management in compliance with the Industrial Technology Protection Act to prevent technology leaks and strengthen the company's sustainable competitiveness. The Compliance Officer establishes the Compliance Control Standards and prepares and implements related activities and procedures. In addition, under the relevant regulations, the activities and results of compliance support are reported to the Board each year. In 2025, the Compliance Officer conducted compliance training and reviews, updated internal regulations, distributed standard contract forms, and provided guidance on proposed legislation and administrative rulemaking.

Ethics and Compliance Organization



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Ethics and Compliance Framework

Korea Zinc's ethics policy sets out detailed guidelines for the organization and its employees to follow, and the policy serves as a shared ethical standard for all employees. Since establishing the Code of Ethics in 2003, Korea Zinc has continuously revised the policy to strengthen compliance among employees, expanding the range of stakeholders covered in line with its business scope and regions, and reflecting major overseas anti-corruption laws in addition to domestic legislation.

Korea Zinc's fair trade policy encompasses customers, suppliers, and competitors, addressing the protection of customers' and suppliers' rights and interests and fair competition with competitors. Its anti-corruption policy upholds a fair trading order across all transactions and mandates compliance with domestic and overseas anti-bribery and anti-corruption laws as well as international standards, with detailed guidelines established to help employees comply. The policy covers employees and those acting on behalf of Korea Zinc, and Korea Zinc encourages compliance by all affiliates and business partners with which it has business relationships. To foster a corporate culture of mutual growth, it sends a 'no gifts given or received' letter to all companies with ongoing dealings, including suppliers and construction contractors. In ordinary times and during holiday seasons alike, it explains its ethics-management principles to employees and suppliers to ensure that not even small gifts are accepted.

Ethics Policy

Fair Trade Policy

Anti-Corruption Policy

Code of Ethics

- 1

We place customer satisfaction as our top priority and earn customer trust through the quality enhancement of our products and services, pursuing transparent and reliable corporate management.
- 2

We conduct our duties in good faith, comply with applicable laws and regulations, and uphold the ethics and order of fair commercial transactions.
- 3

We perform our duties with honesty, integrity, and passion, and lead business innovation based on professional knowledge.
- 4

We protect the company's reputation and our personal dignity, and do not request or accept any form of financial or non-financial benefit from customers or business partners.
- 5

We do not use the company's assets for personal gain, and where personal interests conflict with those of the company in the course of our duties, we place the company's interests first in making decisions and taking action.
- 6

We uphold ESG values, including environmental protection, respect for human rights, fair labor relations, and anti-corruption, as principles of management, and practice responsible management that contributes to the sustainable development of society and the nation.

Strategy

Identifying Risks and Opportunities

Category	Classification		Risk and Opportunity Factor	Impact of the Opportunity or Risk		Response and Utilization Measures
	Opportunity	Risk		Financial Impact	Environmental and Social Impact	
Regulation		●	Legal sanctions, fines, and penalties resulting from violations of laws and regulations	• Higher costs from fines, surcharges, and litigation • Lower revenue from a business suspension imposed as a legal sanction	• Social harm from violations of environmental, safety, and labor laws • Impaired fair competition across the supply chain and the broader industry	• Strengthening compliance management and the regulatory-monitoring framework • Advancing the internal-control system
			Decline in corporate trust and reputation from unethical conduct	• Lower revenue from customer attrition caused by reputational damage	• Greater social conflict from growing distrust among local communities and stakeholders	• Conducting internal audits • Continuously advancing the ethics regulations
Reputation			Higher corporate value and greater investor attraction from stronger trust	• Lower funding costs from greater trust among financial institutions and investors • Higher corporate value from a rising share price	• Sustained long-term partnerships through greater external transparency	• Continuously improving external ESG ratings
		●				
			Greater management stability from fostering a fair and transparent corporate culture	• Fewer asset losses, such as those from embezzlement and breach of trust, by preemptively blocking potential corruption risks • Higher productivity from stronger employee morale, and lower costs from greater workforce efficiency	• Higher employee satisfaction from preventing workplace harassment and providing fair performance-based rewards • Attraction of top talent and a stronger sense of belonging among employees	• Providing ethics and compliance training for employees • Operating reporting channels
Corporate Culture	●					

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Risk Management

Ethics and Compliance Risk Management

Advancing the Internal-Control System

Korea Zinc continues to advance its internal-control system to manage fraud risk. To prevent incidents such as embezzlement and minimize any resulting damage, it established a systematized internal-control framework in 2024. Its anti-corruption regulations define conduct that breaches compliance, integrity, and ethical standards, and any employee who becomes aware of a possible violation must report the matter immediately to the Audit Team. The Audit Team then investigates the facts, and internal-control procedures assign the Personnel Committee responsibility for deciding any disciplinary action based on the findings.

Korea Zinc has further strengthened this framework in several ways. To ensure compliance with the laws on information exchange with competitors, it issued guidelines to all employees, enacted internal rules that route any violation to the Personnel Committee for disciplinary review, and clarified in advance the laws and internal rules applicable to transactions with distributors so they are reflected in daily work, thereby preventing legal risk in these transactions. In addition, monthly legal and fair-trade newsletters keep all employees informed, and regular and special compliance training helps cultivate and embed a compliance mindset among employees.

Worksite Internal Audits

Korea Zinc conducts internal audits each year to identify ethics and compliance risks. It carries out document audits and on-site audits in parallel across headquarters, the Onsan Refinery, and subsidiaries. These audits verify management practices across the organization, identifying areas for improvement in business processes and recommending enhancements. Alongside regular team-by-team operational audits, the audit scope spans a broad range of work, including reviews of tangible-asset investment effectiveness, safety-management status, document security, and corruption cases.

Beyond internal audits, Korea Zinc also identifies risks through Cyber Audit, the official channel on its web-site, where reports of misconduct are received and handled. Cyber Audit covers unethical conduct, abuse of power, and fair-trade violations, among others. The Audit Team investigates the reports received and, where an actual violation is confirmed, forwards the findings to the HR Team, which takes action under the disciplinary rules to prevent recurrence and raise internal awareness. In 2025, internal audits covered 14 worksites¹⁾ across Korea Zinc and its subsidiaries, with field audits at two of them reviewing overall team operations.

1) All Korea Zinc worksites plus subsidiaries

Worksite Internal Audit Status

Category	Unit	2023	2024	2025
Worksites audited internally	Sites	12	14	14
Worksites audited on-site (field)	Sites	2	1	2
Cyber Audit reports received	Cases	2	2	1

Ethics and Compliance Training

Grounded in the Code of Ethics, the standard for sound thinking and conduct that employees are expected to uphold, every employee submits an annual ethics-management pledge. In 2025, senior management sent an integrity letter to domestic affiliates to encourage employees to put ethics management into practice. Each year, Korea Zinc also provides ethics-management training, including anti-corruption content, to all employees, including board members and contract employees.

In 2025, two regular compliance-training sessions for employees in relevant departments covered economic sanctions and export controls as well as supply-chain sustainability management, while six ad hoc sessions addressed matters such as amendments to the Commercial Act and guidance on the supplier grievance channel.

Ethics-Management Training Completion Status

Category	Unit	2023	2024	2025
Participants ¹⁾	Persons	1,926	1,945	2,073
Completion Rate	%	100	100	100

1) Previously disclosed data have been corrected due to data re-aggregation

Ethics and Compliance Management

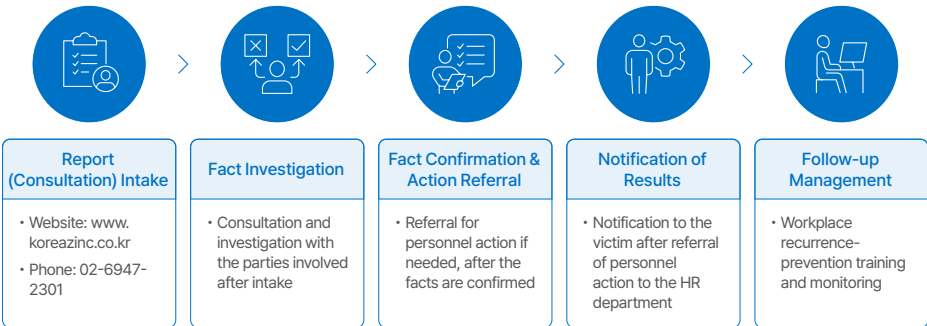
Risk Management

Reporting Channels and Actions

Korea Zinc operates a report-handling process to manage ethics and compliance risks. It investigates the facts of reports received through its website and by phone, thoroughly protecting reporters' identities throughout the process. Where the facts are confirmed, the HR Team convenes the Personnel Committee to take personnel actions such as disciplinary measures and provides ethics training to prevent recurrence. In 2025, as part of fostering a corporate culture of mutual growth, Korea Zinc enacted the Supplier Grievance Reporting Process Rules and now operates a supplier grievance channel. It also conducted compliance training for members of the supplier subcontracting council, providing guidance on the scope and procedures of the supplier grievance channel and promoting the related system.

Website: [Cyber Audit](#)

Report-Handling Process



Personnel Committee Results

Category	Unit	2022	2023	2024	2025
Disciplinary actions completed ¹⁾	Cases	1	2	1	4

1) Limited to cases related to anti-corruption and other ethics and compliance matters

Tax Transparency

To manage tax risk systematically, Korea Zinc has appointed a Chief Financial Officer (CFO) to oversee its tax affairs. In line with Korea Zinc's business activities, the CFO ensures lawful tax payments through compliance with the tax laws of each country at home and abroad and reports any tax issue with a material impact on the business to senior management and the Board. In keeping with its self-established tax principles, Korea Zinc transparently manages and discloses tax information, and the details are available in its sustainability report and on its website. Going forward, Korea Zinc will continue to practice transparent tax management without engaging in tax avoidance, by complying with OECD guidelines and respecting tax authorities.

Tax Policy [↗](#)

Tax Payment Status

Category	Unit	2023	2024	2025
Profit before tax	KRW 100 million	7,281	2,925	10,290
Income tax expense	KRW 100 million	1,947	977	2,587
Effective tax rate	%	26.74	33.41	25.14
Income tax paid	KRW 100 million	2,010	1,688	2,637
Cash tax rate	%	27.61	57.71	25.63

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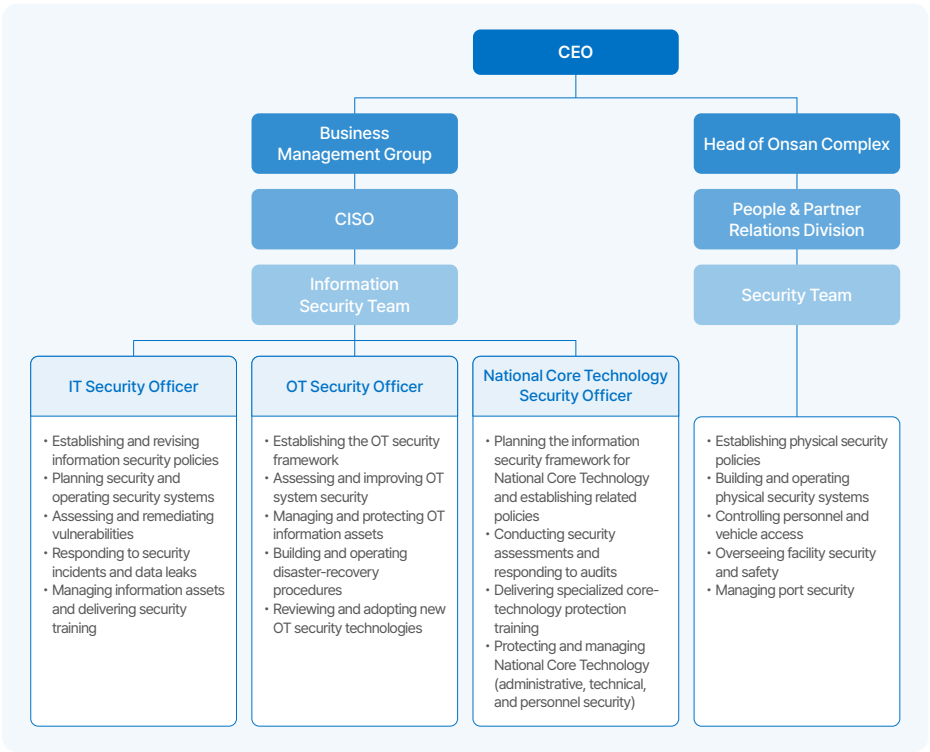
Risk Management

Information Security

Information Security Organization

Korea Zinc recognizes information security as an essential foundation for sustainable management and cyber resilience, and continuously advances its company-wide security management system. Led by IT and OT security officers, the Information Security Team operates a real-time anomaly detection and response system while strengthening access controls and protecting critical information against evolving cyber threats. To fulfill its protection obligations for National Core Technologies, Korea Zinc has strengthened its organizational structure by adding dedicated personnel at headquarters.

The Security Team at the Onsan Refinery carries out refinery security management with a focus on physical security. It strictly controls access to the refinery through an access control system and operates an on-site security response system that prevents security incidents through 24-hour CCTV monitoring at the Information Security Center and enables rapid response when needed.



Information Security Activities

To safeguard its information assets and systems against external cyberattacks, Korea Zinc conducts an annual risk assessment and ad hoc security reviews and continuously reinforces protection through a bug bounty program. TISAX Level 3, a European information security certification first obtained in 2023, has been maintained ever since. In 2024, Korea Zinc’s technology for manufacturing and processing cathode active material precursors with a nickel content exceeding 80%, used in lithium secondary batteries, was designated both a National Core Technology and a National High-tech Strategic Technology. In 2025, its hematite process technology was additionally designated a National Core Technology. As these technologies are expected to contribute to national security and the economy, Korea Zinc plans to continuously strengthen the information security measures and activities in order to prevent technology leakage.

To enhance the transparency of its information security management and earn the trust of customers and society, Korea Zinc makes disclosures under the Act on the Promotion of Information Security Industry. Details of its security activities are available through the KISA Information Security Disclosure Portal.



Training and Awareness Activities

As part of raising information security awareness among employees, in 2025 Korea Zinc conducted a company-wide phishing email response drill once in each half of the year and provided follow-up training based on the results. As part of National Core Technology protection, it also delivered dedicated training led by external experts for executives and staff who handle such technology.

Information Security Status

Category		Unit	2023	2024	2025
Customer information loss	Data breaches	Cases	0	0	0
	Data thefts	Cases	0	0	0
	Data losses	Cases	0	0	0
Information security issues		Cases	0	0	0
Customers affected by breaches		Persons	0	0	0
Information security investment		KRW million	2,886	2,715	2,830

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Ethics and Compliance Management

Metrics and Targets

Ethics and Compliance Metrics and Targets

To strengthen ethics and compliance management, Korea Zinc is expanding ethics and compliance training for employees, rigorously complying with relevant laws and regulations, and reinforcing preventive and control measures against fraud and corruption. It also aims to raise overall compliance across its supply chain by clarifying compliance requirements for suppliers and embedding responsible business practices.



Sound Governance

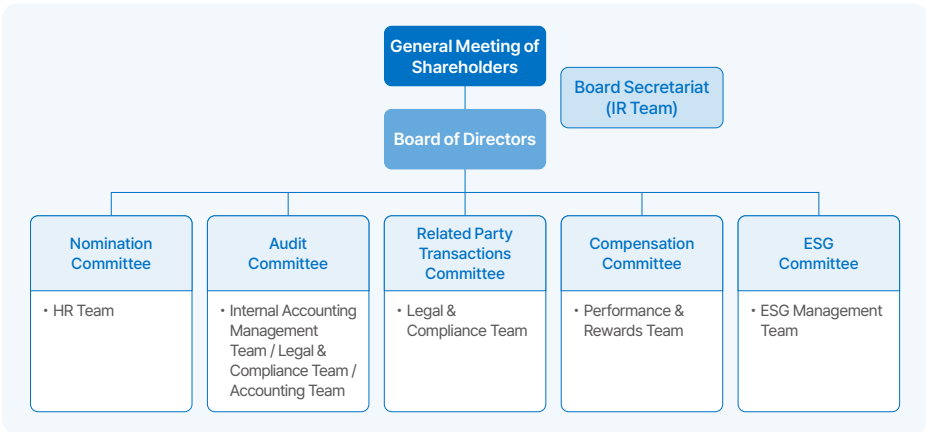
Building an Advanced Governance System

To achieve transparent and trustworthy management, Korea Zinc continuously advances its responsible governance framework. It strengthens board-centered decision-making while expanding the Board's independence and diversity to enhance corporate sustainability and stakeholder trust. At the 51st Annual General Meeting of Shareholders, Korea Zinc amended its Articles of Incorporation to allow an independent director to serve as Chairperson of the Board and, accordingly, appointed independent director Deog N. Hwang as Chairperson. This marks the first independent and female Chairperson of the Board in Korea Zinc's history, simultaneously strengthening the Board's independence and diversity. Korea Zinc also continues to strengthen the Board's expertise and balanced composition by appointing foreign independent directors, adding more female directors, and appointing new directors.

Under the Board, Korea Zinc operates five committees: Audit, Nomination, Related Party Transactions, Compensation, and ESG. Through each committee's expert review process, it advances board functions. In particular, Korea Zinc is establishing a system for board reporting and deliberation that covers not only financial performance but also key sustainability issues such as occupational safety and health and climate change. To enhance the objectivity and effectiveness of board operations, Korea Zinc has pursued the introduction of a board evaluation system conducted by an external professional body, and it strengthens governance transparency by disclosing its Articles of Incorporation and the regulations of its major committees. Going forward, we will continue to strengthen the Board's oversight function and, through a board that combines expertise and diversity, establish an advanced governance system.

[The Corporate Governance Report](#)

Board and Committee Organization



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Board Composition and Roles

Korea Zinc's Board of Directors is the highest decision-making body, deliberating on and overseeing corporate strategy and major management matters, and it represents the interests of shareholders and a range of other stakeholders. As of December 2025, the Board comprised 3 internal directors, 13 independent directors, and 3 other non-executive directors, with independent directors making up a majority (68.4%) of its members. At the Annual General Meeting of Shareholders in March 2026, five directors were newly appointed or reappointed: Yun B. Choi, Deog N. Hwang, Walter Field McLallen, Yon S. Choi, and Sun S. Lee. The Board was thereby reorganized into 18 members: 2 internal directors, 12 independent directors, and 4 other non-executive directors. This reorganization was carried out in stages to balance expertise and independence while meeting the requirement for the separate election of Audit Committee members under the amended Commercial Act, and the appointment of some directors was deferred to fulfill the related requirements.

To secure the Board's independence and expertise and enhance governance transparency, Korea Zinc appoints directors in accordance with clear guidelines and legal procedures. As of June 2026, the Board comprised 14 directors: 2 internal directors, 8 independent directors, and 4 other non-executive directors. All directors are ultimately appointed by resolution of the General Meeting of Shareholders. Independent directors are selected from candidates who have undergone rigorous qualification screening and recommendation by the Nomination Committee established within the Board, reinforcing transparency and fairness. By thoroughly verifying candidates' independence, diversity, and expertise, Korea Zinc helps ensure that the Board can perform its oversight function independently and objectively.

Website: Board of Directors

Category		Unit	2022	2023	2024	2025	Jun. 2026
Total registered directors		Persons	11	11	12	19	14
Board composition	Internal directors	Persons	4	3	3	3	2
	Independent directors	Persons	6	6	7	13	8
	Other non-executive directors	Persons	1	2	2	3	4
	Proportion of independent directors	%	54.5	54.5	58.3	68.4	57.1
Board gender diversity	Male	Persons	10	10	10	16	10
	Female	Persons	1	1	2	3	4
	Female registered directors who are not the controlling shareholder or their relatives	Persons	1	1	2	3	4
	Proportion of female directors	%	9.1	9.1	16.7	15.8	28.6

(As of June 1, 2026)

Category	Name	Position	Standing / Non-standing	Gender	Term	First Appointed
Internal director	Yun B. Choi	Executive Chairman	Standing	Male	Mar. 24, 2028	Mar. 21, 2014
	Ki D. Park	President and CEO	Standing	Male	Mar. 28, 2027	Mar. 17, 2023
Independent director	Deog N. Hwang	Chairperson of the Board; Nomination Committee member; Related Party Transactions Committee member	Non-standing	Female	Mar. 24, 2028	Mar. 19, 2024
	Bo Y. Kim	ESG Committee Chair; Audit Committee member	Non-standing	Female	Mar. 28, 2027	Mar. 24, 2021
	Dae W. Suh	Audit Committee Chair; Nomination Committee member; Related Party Transactions Committee member	Non-standing	Male	Mar. 28, 2027	Mar. 17, 2023
	Soon B. Kwon	Audit Committee member; Compensation Committee member	Non-standing	Male	Mar. 28, 2027	Mar. 17, 2023
	James Andrew Murphy	ESG Committee member	Non-standing	Male	Mar. 28, 2027	Mar. 28, 2025
	Tammy Chung	Related Party Transactions Committee member; Compensation Committee member	Non-standing	Female	Mar. 28, 2027	Mar. 28, 2025
	Kwang S. Kwon	Nomination Committee member; ESG Committee member	Non-standing	Male	Mar. 28, 2027	Mar. 28, 2025
	Sun S. Lee	Compensation Committee member	Non-standing	Female	Mar. 24, 2028	Mar. 24, 2026
Other non-executive director	Sung D. Kang	Other non-executive director	Non-standing	Male	Mar. 28, 2027	Mar. 28, 2025
	Gwang I. Kim	Other non-executive director	Non-standing	Male	Mar. 28, 2027	Mar. 28, 2025
	Walter Field McLallen	Other non-executive director	Non-standing	Male	Mar. 24, 2028	Mar. 24, 2026
	Yon S. Choi	Other non-executive director	Non-standing	Male	Mar. 24, 2028	Mar. 24, 2026

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Board Operations

Korea Zinc holds regular board meetings each quarter and convenes ad hoc board meetings whenever significant issues arise. Over the course of 2025, the Board met nine times and deliberated on and resolved key management matters, including a review of the operation of the internal accounting control system, the retirement of treasury shares, and approval of business plans, including attracting investment from the U.S. government and others and constructing a smelter in the United States. It also actively addressed governance-improvement items, including reports on the 2024 board and committee evaluation results and improvement proposals, the plan for an external board evaluation, and the implementation status of the Corporate Value-up Plan.

Board of Directors Regulations

Board and Committee Meetings

Category		Unit	2023	2024	2025
Board of Directors	Meetings held	Times	13	13	9
	Attendance rate	Internal directors	%	96.2	100
		Independent directors	%	94.9	87.6
	Agenda items	Cases	28	40	64
	ESG-related agenda items	Cases	-	3	1
Audit Committee	Meetings held	Times	4	6	7
	Attendance rate	%	100	100	100
Nomination Committee	Meetings held	Times	2	3	1
	Attendance rate	%	100	83.3	100
Compensation Committee	Meetings held	Times	3	2	3
	Attendance rate	%	100	100	91.8
Related Party Transactions Committee	Meetings held	Times	6	7	5
	Attendance rate	%	100	96.4	78.3
ESG Committee ¹⁾	Meetings held	Times	-	-	3
	Attendance rate	%	-	-	100

1) The ESG Committee was established at the end of 2024, so there are no meeting records for prior years.

Board Evaluation

Under Article 3 of the Board Regulations, directors have conducted an annual board evaluation since 2023 to review the effectiveness and independence of board operations.

In 2025, in addition to the existing annual board evaluation, Korea Zinc introduced an independent external evaluation covering the Board, its committees, and individual directors, thereby enhancing the reliability and transparency of board operations.

In the 2025 evaluation, the Board scored 76.8 points, while committees and individual directors received average scores of 85.3 and 71.5, respectively. Based on these results, and in response to the need for more time to review Board agenda items in advance, Korea Zinc revised the notice period for convening the Board from one day to three days in advance. It also established a training roadmap reflecting training needs to strengthen the expertise of independent directors and is reinforcing specialized training on key issues.

Board Compensation¹⁾

Korea Zinc pays its board members' compensation within the director compensation limit set at the Annual General Meeting of Shareholders, and the compensation structure and levels are determined through an objective and thorough review by the Compensation Committee. Internal directors' compensation follows a performance-linked structure tied to management performance and evaluation, while independent directors' compensation is not linked to performance evaluation, in consideration of the independence of their duties.

Category		Standards	Notes
Internal directors	Salary	• Determined individually based on a comprehensive assessment of job grade, role, scope of work, performance, and competencies under the Executive Compensation Regulations • Paid as a fixed monthly base salary equal to one-twelfth of the contractual compensation	Determined within the annual compensation limit, subject to Compensation Committee review
	Bonus	Short-term incentive • Company-wide shared targets (safety/environmental and financial indicators) and individual strategic targets are set at the start of each year, and incentives are paid at year-end based on target achievement Medium- to long-term incentive • Incentives are paid based on the achievement of financial and ESG targets over the following three years, relative to performance in the preceding three years	• Financial indicators: revenue, adjusted EBITDA, share price, net income, etc. • Target setting, performance evaluation, and incentive payout amounts are determined subject to Compensation Committee review and approval
	Other employment income	Welfare-support costs such as medical expenses and tuition, in accordance with company regulations	
	Salary	Individual contractual compensation determined within the compensation limit, comprehensively reflecting assigned duties and expertise	
Independent directors	Other	Role-based pay and activity allowances to strengthen independent directors' expertise and support the smooth performance of their duties	

1) For more details on executive compensation, refer to the Business Report (p. 386) and the Corporate Governance Report.

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Board Committees

Board Composition

Korea Zinc enhances the efficiency of board operations by establishing multiple committees within the Board. The Board currently comprises five committees: the Audit, Nomination, Related Party Transactions, Compensation, and ESG Committees. Each committee deliberates on and resolves matters delegated to it by board resolution, supporting prompt and efficient management decision-making and effectively performing both decision-making and management-oversight functions.

Board Committee Meeting Details

Board Committee Roles and Composition

(As of June 1, 2026)

Committee	Roles and Functions	Members
Nomination Committee	Reviewing independent director candidates' qualifications and competencies and recommending them to the Board	3 independent directors Deog N. Hwang, Dae W. Suh, Kwang S. Kwon
Audit Committee	Auditing accounting and key management operations, evaluating the operation of the internal accounting control system, and overseeing management's performance of duties	3 independent directors Dae W. Suh (Chair), Soon B. Kwon, Bo Y. Kim
Related Party Transactions Committee	Enhancing management transparency by establishing a voluntary fair-trade compliance system and managing significant related-party transactions among affiliates	3 independent directors Deog N. Hwang, Dae W. Suh, Tammy Chung
Compensation Committee	Ensuring the objectivity and transparency of director compensation and reviewing the registered director compensation limit to be submitted to the General Meeting of Shareholders	3 independent directors Soon B. Kwon, Tammy Chung, Sun S. Lee
ESG Committee	Reporting on and approving sustainability matters and establishing ESG policies, strategies, and medium-to long-term targets	3 independent directors Bo Y. Kim (Chair), Kwang S. Kwon, James Andrew Murphy

ESG Committee

In 2024, Korea Zinc established an ESG Committee under the Board. The ESG Committee holds a regular meeting once a year in principle and flexibly discusses key agenda items through ad hoc meetings as needed. The committee has established itself as a core decision-making body that deliberates on the direction and performance of sustainability management and key issues across environmental, social, and governance areas.

ESG Committee Meetings

Session	Date	Attendees / Members	Agenda	Outcome
1st, 2025	Feb. 25, 2025	3/3	Resolution: Appointment of the Chair of the ESG Committee	Approved
			Report 1: Korea Zinc's 2025 sustainability management Implementation plan	Reported
			Report 2: Double materiality assessment results and risks & opportunities Report 3: Board/committee evaluation results and improvement proposals	
2nd, 2025	July 16, 2025	3/3	Resolution: Appointment of the Chair of the ESG Committee	Approved
			Report 1: Publication of the sustainability report	Reported
			Report 2: Climate change response, addressing the carbon footprint and Phase 4 of the Emissions Trading Scheme Report 3: Review of biodiversity project implementation	
3rd, 2025	Nov. 21, 2025	4/4	Report 1: Implementation status and response measures for the 2025 occupational safety and health plan Report 2: Scope 3 inventory completion and utilization plan	Reported

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Board Independence, Diversity, and Expertise

Board Independence

Korea Zinc separates the roles of CEO and Chairperson of the Board to strengthen the Board’s independence and oversight function. At the 51st Annual General Meeting of Shareholders, the relevant regulations were amended to allow an independent director to serve as Chairperson, and in May 2025, the Board appointed independent director Deog N. Hwang to the role. Deog N. Hwang was subsequently reappointed as an independent director at the 52nd Annual General Meeting of Shareholders in 2026 and, at the regular board meeting held on May 6, 2026, was reappointed as Chairperson of the Board, a position currently held. To thoroughly ensure director independence, Korea Zinc considers internal director candidates who have expertise in their respective fields, meet the statutory qualification requirements, and are free of disqualifying grounds. Independent directors are selected in compliance with the Commercial Act and the Act on Corporate Governance of Financial Companies, under independence review criteria that reflect global standards, and a candidate is deemed independent only when all ten criteria are met.

The Nomination Committee under the Board reviews each candidate’s independence from multiple angles before recommending them to the Board, with the final appointment made by the General Meeting of Shareholders. Throughout this process, the Board considers whether any material relationship exists between an individual director and Korea Zinc, and operates a management system to sustain independence after appointment. To this end, it limits independent directors’ terms to two years and monitors their tenure to prevent long-term consecutive service. To further establish transparent governance, Korea Zinc has adopted Independent Director Independence Criteria and Board Regulations that prevent conflicts between an individual director’s interests and those of the organization, and it verifies whether an independent director has a business relationship with Korea Zinc or its affiliates or holds a concurrent executive position, thereby preventing potential conflicts of interest.

Policy on Independence Criteria for Independent Directors

Board Diversity

As a global company, Korea Zinc treats board diversity as an important principle of board composition. Accordingly, it has established Board Diversity Principles and, in recommending and appointing director candidates, evaluates them based on work experience and expertise, regardless of nationality, gender, educational background, regional ties, or family ties. The Board also draws on multiple recommendation channels to identify candidates and checks whether its composition is well balanced in terms of diversity.

As of June 1, 2026, the Board includes four female directors and two foreign directors, and female or foreign directors account for 43% of all directors. By composing the Board of individuals with diverse backgrounds in gender, nationality, career, and age, Korea Zinc strives to ensure that more inclusive and balanced perspectives inform its decision-making.

Board Expertise

Korea Zinc’s Board of Directors comprises individuals with expertise across a range of fields, including leadership and management, industry (non-ferrous metals), finance and accounting, legal, audit and risk, global capabilities, and ESG and sustainability. As stakeholders have shown growing interest in the Board’s practical capabilities to effectively perform its role, Korea Zinc prepares and discloses a Board Skills Matrix to more clearly identify each director’s capabilities and experience. Based on the skills matrix required by international proxy advisory firms, Korea Zinc systematically reviews the core competencies needed for director appointments and board composition, thereby continuously strengthening the expertise and diversity of the Board and its committees.

Board Skills Matrix (BSM)

Category	Name	Leadership/Management	Finance/M&A	Operations	Risk	Audit	Global Capabilities	Industry/Technology	Strategic Planning	Government	Legal	ESG	Academia
Internal director	Yun B. Choi												
	Ki D. Park												
	Deog N. Hwang												
	Bo Y. Kim												
	Dae W. Suh												
Independent director	Soon B. Kwon												
	James Andrew Murphy												
	Tammy Chung												
	Kwang S. Kwon												
	Sun S. Lee												
Other non-executive director	Walter Field McLallen												
	Sung D. Kang												
	Gwang I. Kim												
	Yon S. Choi												

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CEO Succession Policy

To respond swiftly to changes in the business environment and ensure stable management succession through the systematic development and identification of CEO candidates, Korea Zinc established the CEO Succession Regulations in December 2023 and has operated under them since. These regulations set out standards for CEO succession policy and procedures. The CEO must possess outstanding management capabilities, including professional expertise and leadership to maximize performance, and must be able to present Korea Zinc's vision to shareholders and other internal and external stakeholders.

To manage executive succession systematically, Korea Zinc selects key executive positions each year under the leadership of the Talent Management Division and maintains a corresponding candidate pool. It identifies these positions in light of the year's business conditions and key issues and selects candidates against the qualification requirements and competencies for each position, such as expertise, leadership, and potential. Candidates are identified through both internal talent development and external recruitment, and short- and long-term succession candidates are recommended to the Board after a structured verification process. In accordance with Article 389 of the Commercial Act, Article 30 of the Articles of Incorporation, and Article 10 of the Board Regulations, the Board reviews candidates' management capabilities before recommending them as director nominees to the General Meeting of Shareholders, where the appointment is finalized by resolution.

Separately, to strengthen the capabilities of its CEO candidate pool, Korea Zinc operates tailored development plans and growth-support programs. In 2025, it provided external specialized training, including business school programs and safety-related training. These initiatives form part of Korea Zinc's ongoing effort to cultivate next-generation management talent capable of responding to future changes in the business environment.

Directors' Liability Insurance

Korea Zinc maintains directors and officers (D&O) liability insurance for all board members, protecting them from legal risks that may arise in the course of their duties and enabling them to focus on their work in a stable environment. The D&O insurance provides coverage for legal liability when a registered director or executive officer causes economic loss to shareholders or third parties through a breach of duty or negligence in carrying out their responsibilities. This secures the independence and stability of management and helps establish sustainable governance.

Independent Director Training

Reflecting independent directors' schedules, Korea Zinc establishes an annual training plan and operates a range of programs to deepen their understanding of the industry and strengthen their expertise. It also continuously works to provide the information and resources they need to perform their duties effectively. In 2026, we plan to develop a detailed training roadmap for independent directors and pursue more systematic and specialized training.

Key Training Sessions

Date	Attendees	Main Content
May 21, 2025	12	Company overview and history, key products and technologies, etc.
Sep. 19, 2025 ¹⁾	4	Online briefing on practical issues and responses related to the second round of amendments to the Commercial Act
Oct. 16, 2025	11	Smelter process training

1) Training for the Audit Committee

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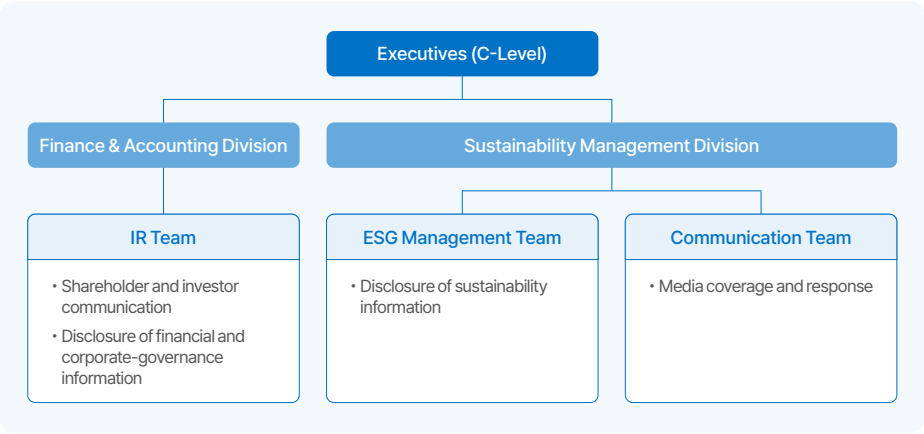
Strengthening Shareholder Communication

Information Disclosure Organization

At Korea Zinc, information disclosure and shareholder communication are shared between the Finance & Accounting Division and the Sustainability Management Division. Through key channels such as corporate disclosures, quarterly earnings calls, and investor information on the website, the IR Team within the Finance & Accounting Division discloses financial performance and business status to shareholders and investors. It also broadens engagement with investors by regularly conducting domestic roadshows and non-deal roadshows (NDRs) for institutional investors at home and abroad. In particular, it actively holds investor meetings attended directly by C-level executives, as well as Governance NDRs focused on governance improvement, thereby strengthening direct communication with investors on key governance issues such as board independence and shareholder return policy. The IR Team also gathers inquiries and requests from shareholders and investment institutions and provides feedback.

The ESG Management Team discloses non-financial environmental, social, and governance performance to stakeholders through the sustainability report and engagement with ESG rating agencies, and gathers related feedback, while the Communication Team manages communication with a broad range of stakeholders through multiple channels, including media coverage.

Information Disclosure Organization



Strengthening Information Disclosure

Korea Zinc regularly assesses the positive or negative impacts of its business activities on stakeholders, attentively gathering their input through a range of channels and sharing its management performance and key activities. The investor information page on the official website is available in both Korean and English. It publishes materials from the electronic disclosure system, covering governance, financial and stock information, disclosures, and quarterly results, and further helps investors obtain timely and accurate information about Korea Zinc's business activities.

As a securities-market-listed company with consolidated total assets of KRW 10 trillion or more, Korea Zinc has been subject to mandatory English disclosure since 2024. Accordingly, for disclosures subject to this requirement, Korea Zinc submits English-language disclosures through the Korea Exchange disclosure system (KIND) within three trading days of the Korean disclosure, and from 2026, it does so on the same day in accordance with the same-day submission requirement. Beyond legally required disclosures, it also voluntarily issues English-language disclosures for matters deemed significant to management, expanding the information available to foreign shareholders.

Alongside stronger disclosure on its website, Korea Zinc communicates through social media channels such as YouTube and Instagram. These platforms help it connect with a broad range of stakeholders, including local communities and potential customers, and create opportunities to reflect stakeholders' expectations and requests in management. In addition, through the annual publication of the sustainability report and the operation of Cyber Audit, an online grievance channel, Korea Zinc actively gathers the views of employees as well as external stakeholders. Ahead of extraordinary and annual general meetings of shareholders, Korea Zinc operated a dedicated campaign page that explained key agenda items, position statements, and management performance, addressing stakeholders' questions in detail. In particular, fact-check materials helped resolve potential misunderstandings and supported investors in making decisions based on accurate information. Going forward, to strengthen communication with stakeholders, we will actively gather their opinions through a range of channels and continuously provide transparent and reliable information to all stakeholders, thereby building trust.

[Campaign Website](#)

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Strengthening Regulations and Processes

Disclosure Information Management System

To provide accurate information promptly to shareholders, investors, and other stakeholders, Korea Zinc has established Disclosure Information Management Regulations and built a management system to faithfully fulfill its securities-market disclosure obligations. It designated a Disclosure Officer and separately appointed dedicated disclosure specialists within the IR organization, reporting them to the Exchange. Through disclosure specialists who have completed specialized securities training, Korea Zinc also continuously monitors changes in securities-market regulations and rules and maintains and updates a system for sharing key developments company-wide. The Disclosure Officer oversees overall disclosure work, while disclosure staff carry out related tasks in support. By completing regular training required under the relevant laws, the Disclosure Officer and disclosure staff familiarize themselves in advance with revised standards and perform disclosure duties in compliance with the law.

Korea Zinc also manages disclosure information systematically in accordance with the Disclosure Information Management Regulations. It has established internal delegation-of-authority rules according to the type and nature of disclosures, such as periodic and ad hoc disclosures, and operates an internal control system so that each business unit, after prior discussion with disclosure staff when a potential disclosure item arises, can make mandatory disclosures promptly. It also provides training to improve business units' understanding of disclosure, while the disclosure department reviews disclosure standards and legal compliance and conducts advance checks to ensure disclosures are made within deadlines. In particular, at the start of each year, Korea Zinc informs all departments and subsidiaries about the ad hoc disclosure system and threshold amounts and prevents omissions or violations through advance communication.

Going forward, we will continuously enhance the accuracy, completeness, fairness, and timeliness of disclosure information, thereby building market trust and practicing transparent disclosure.

Strengthening Disclosure Training and Interdepartmental Cooperation

Korea Zinc implemented measures to strengthen its disclosure-related systems, including improvements to its training and internal control processes, to prevent omissions and delays in disclosure.

Led by the IR department, it conducted regular online and offline training for relevant departments and executives who hold source information, enhancing their understanding of disclosure obligations and key disclosure rules. This ensures that, when significant management situations arise, the relevant departments recognize disclosure items promptly and share information with the IR department.

In addition, Korea Zinc improved its internal control processes to enable rapid information gathering and determination of whether a matter is subject to disclosure, and, to strengthen compliance, established a cooperation framework between source-information departments and IR disclosure staff. In particular, because the risk of disclosure-related issues can increase without cooperation from relevant departments in determining whether to place items on the agenda for the Board and its committees, Korea Zinc designates a contact in each source-information department and operates a system to share information with the IR Team on an ongoing basis.

Going forward, Korea Zinc will rigorously monitor the status of disclosure compliance and take immediate action when necessary, thereby further strengthening management transparency and enhancing the trust of investors and stakeholders.

Improving Compliance with the Corporate Governance Report's Core Indicators

Korea Zinc continuously strengthens the transparency and reliability of its governance by complying with the core indicators of the Korea Exchange Corporate Governance Report. In 2025, its compliance rate reached 80%, well above the listed-company average of 55%. The rate then rose to 100% in 2026, as Korea Zinc met additional shareholder-rights indicators, such as avoiding peak dates for general meetings and complying with convocation notice requirements. Through these efforts, Korea Zinc continues to pursue shareholder-friendly governance and an advanced governance system.



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General Meeting Operations

Voting Rights System

To protect shareholders' rights and ensure transparent decision-making, Korea Zinc applies the principle of one share, one vote. Apart from legal restrictions such as those on the voting rights of cross-shareholdings, public-interest corporations, and treasury shares, there are no other provisions that restrict shareholders' voting rights. It also operates a range of measures to protect shareholder rights and ensure the fair exercise of voting rights, such as disclosing the number of shares voted for and against each major agenda item and presenting major agenda items as separate agenda items. For the 52nd Annual General Meeting in March 2026, Korea Zinc resolved to convene the meeting and sent the convocation notice four weeks in advance, in accordance with the Commercial Act and its Articles of Incorporation. Under the amended Enforcement Decree of the Commercial Act, the Business Report and audit report are disclosed on the electronic disclosure system and posted on the website at least one week before the general meeting, enabling shareholders to understand the agenda in sufficient time.

Electronic Voting System Operations

To make shareholders' exercise of voting rights more convenient and transparent, the Board resolved to adopt an electronic voting system in March 2020, and Korea Zinc has implemented electronic voting since the 46th Annual General Meeting. Through this system, shareholders can exercise their voting rights online without attending the general meeting in person, and may also vote by proxy when necessary.

Status of General Meetings of Shareholders Held

Category	50th General Meeting	Extraordinary General Meeting	51st General Meeting	52nd General Meeting
Meeting date	Mar. 19, 2024	Jan. 23, 2025	Mar. 28, 2025	Mar. 24, 2026
Convocation notice date	Feb. 19, 2024	Dec. 24, 2024 (initial submission)	Mar. 13, 2025 (initial submission)	Feb. 23, 2026 (initial submission)
Audit report disclosure	Mar. 11, 2024	N/A	Mar. 20, 2025	Mar. 13, 2026
Avoided the concentrated AGM date	Yes	Yes	No	Yes
Written voting held	No	No	No	No
Electronic voting held	Yes	Yes	Yes	Yes
Proxy solicitation conducted	Yes	Yes	Yes	Yes
Cumulative voting adopted	No	No	Yes	Yes

Adoption of Cumulative Voting

Korea Zinc adopted cumulative voting to strengthen minority shareholders' rights. Under cumulative voting, when directors are elected, shareholders may exercise voting rights in proportion to the number of shares they hold and concentrate their votes on a particular director candidate. This allows shareholders to exert greater influence on behalf of the candidates they support. By allowing minority shareholders to participate more actively and effectively in management and to voice their views, Korea Zinc aims to strengthen shareholder trust.

General Meeting Results

Korea Zinc discloses the voting results of general meetings on its website, transparently communicating key decision-making information to shareholders. It also makes periodic and ad hoc disclosures in accordance with the relevant laws and regulations and works to improve information accessibility, including by providing additional information on a general meeting microsite so that shareholders can fully understand the agenda. At the extraordinary general meeting in January 2025, the approved proposals included amendments to the Articles of Incorporation: the adoption of cumulative voting, a cap on the number of directors, a stock split, appointment of an independent director as Chairperson of the Board, a change to the dividend record date, and the introduction of quarterly dividends, together with a director-election proposal premised on the cap. However, among the approved items, those other than the adoption of cumulative voting were suspended in effect, and the exercise of duties was halted by court ruling.

Subsequently, at the 51st Annual General Meeting in March 2025, the approved proposals included partial amendments to the Articles of Incorporation: a cap on the number of directors, appointment of an independent director as Chairperson of the Board, a change to the dividend record date, and the introduction of quarterly dividends, together with the election of directors by cumulative voting premised on the cap and the appointment of Audit Committee members. These changes improved governance, strengthening the diversity and independence of the Board and expanding the influence of minority shareholders' voting rights. At the 52nd Annual General Meeting in March 2026, Korea Zinc pursued institutional improvements to strengthen governance transparency and accountability and enhance shareholder value, reflecting the intent of the amended Commercial Act. The approved proposals included partial amendments to the Articles of Incorporation: protecting minority shareholders' rights, codifying directors' duty of loyalty, adopting an electronic general meeting system, and enabling sustainable quarterly dividends, together with the election of five directors by cumulative voting and the appointment of an independent director who serves as an Audit Committee member. Going forward, we will continue to make improvements, treating the advancement of governance as a core value of our long-term management philosophy.

Website: Annual General Meeting of Shareholders

52nd Annual General Meeting Results

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Protecting Shareholder Rights and Interests

Enhancing Corporate Value

Korea Zinc has established a medium- to long-term strategy to enhance corporate value and discloses it transparently, thereby strengthening trust with shareholders. Its voluntary disclosure of the Corporate Value-up Plan in October 2024, followed by disclosure of the plan’s implementation status and further strategic initiatives in September 2025, clarified its ongoing commitment to execution. Through these disclosures, Korea Zinc has set out its key management strategies in concrete terms: its medium- to long-term shareholder-return policy, financial soundness, and plans to advance its governance structure, and it is steadily strengthening communication with investors.

Alongside the expansion of new-growth businesses centered on the construction of a U.S. smelter and Troika Drive, Korea Zinc aims to enhance both corporate and shareholder value through stable earnings generation and efficient capital management. Going forward, we will further strengthen market trust through the continued implementation and regular disclosure of the Corporate Value-up Plan, and continuously enhance corporate value based on medium- to long-term growth and profitability.

Corporate Value-up Plan Disclosure

Website: Value-Up Roadmap

Shareholder Returns

Korea Zinc continues to strengthen its shareholder-return policy in line with its Corporate Value-up Plan. Announced in October 2024, this plan set an enhanced shareholder-return policy targeting an average total shareholder return ratio of at least 40% and a reserve ratio of no more than 8,000% on a consolidated basis from 2024 to 2026. Accordingly, in 2025, Korea Zinc retired a total of 2,040,030 treasury shares in June, September, and December, reinforcing its execution capacity for enhancing shareholder value; on the back of this policy implementation, the total shareholder return ratio reached 268% as of the end of 2025, continuing an active shareholder-return stance. Meanwhile, with the reserve ratio at around 9,504%, Korea Zinc plans to continue optimizing the balance between financial soundness and shareholder returns through a range of measures, such as expanding returns. Going forward, we will continue to pursue stable earnings generation and efficient capital management based on the Corporate Value-up Plan, and steadily expand our shareholder-return policy.

Shareholder Return Performance

	Category	Unit	2021	2022	2023	2024	2025
Cash dividends	Par value	KRW	5,000	5,000	5,000	5,000	5,000
	Dividend per share	KRW	20,000	20,000	15,000	17,500	20,000
	Total dividends	KRW 100 million	3,535	3,973	3,027	3,418	4,079
	Dividend yield	%	3.75	3.5	3.0	1.7	1.5
	Dividend payout ratio (consolidated)	%	43.8	50.9	57.4	179.0	52.6
Retirement of treasury shares ¹⁾		KRW 100 million	0	0	0	990	16,689
Total shareholder return ratio ¹⁾		%	43.8	50.9	57.4	230.9	268.0

1) Previously reported in the prior year’s report based on when treasury-share retirements were decided; the 2023 and 2024 figures have been restated after the basis was changed to when the shares were actually retired.

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Economic

Category		Unit	2021	2022	2023	2024	2025
Financial Performance (consolidated basis)							
Assets	Current assets	KRW 100 million	56,890	60,711	55,717	75,671	120,693
	Non-current assets	KRW 100 million	42,750	60,268	64,744	72,252	83,264
	Total	KRW 100 million	99,640	120,979	120,461	147,923	203,957
Liabilities	Current liabilities	KRW 100 million	17,705	23,191	19,028	63,663	61,275
	Non-current liabilities	KRW 100 million	4,593	5,471	5,012	8,306	30,840
	Total	KRW 100 million	22,298	28,662	24,041	71,969	92,115
Equity	Capital stock	KRW 100 million	944	993	1,045	1,045	1,156
	Capital surplus	KRW 100 million	573	10,859	16,217	16,190	44,426
	Capital adjustment	KRW 100 million	-535	-150	-669	-20,927	-4,075
	Accumulated other comprehensive income	KRW 100 million	-89	-808	-1,125	1,019	2,442
	Retained earnings	KRW 100 million	75,184	79,534	78,434	76,010	65,428
	Non-controlling interests	KRW 100 million	1,265	1,890	2,518	2,618	2,465
	Total	KRW 100 million	77,342	92,317	96,420	75,954	111,842
Total liabilities and equity		KRW 100 million	99,640	120,979	120,461	147,923	203,957
Equity ratio (equity/assets)		%	77.62	76.31	80.04	51.35	54.84
Debt ratio (liabilities/equity)		%	28.83	31.05	24.93	94.75	82.36
Revenue		KRW billion	9,978	11,219	9,705	12,053	16,588
Operating profit		KRW billion	1,096	919	660	723	1,232

Category		Unit	2021	2022	2023	2024	2025
R&D Investments							
R&D expenditures		KRW 100 million	47.30	75.59	105.80	112.00	177.91

Category			Unit	2021	2022	2023	2024	2025
Key Product Performance								
Production volume	Base metals	Zinc	Ton	640,372	640,067	640,020	630,151	600,006
		Lead	Ton	426,415	412,432	413,328	445,040	413,721
		Copper	Ton	27,363	26,419	31,050	32,121	33,001
	Precious metals	Gold	Ton	14	12	9	7	12
		Silver	Ton	2,202	2,075	1,974	2,010	2,090
		Sulfuric acid	Ton	1,298,192	1,257,802	1,397,519	1,479,552	1,479,964
Revenue breakdown	Domestic		KRW million	2,494,490	2,560,819	2,125,409	2,676,833	3,902,693
			%	34.83	31.69	29.15	33.11	37.05
	Export		KRW million	4,668,016	5,520,559	5,165,660	5,412,183	6,631,548
			%	65.17	68.31	70.85	66.89	62.95
Revenue share	Base metals	Zinc	%	31.84	37.53	33.74	31.65	24.25
		Lead	%	16.81	16.63	17.84	17.56	12.27
		Copper	%	2.60	3.68	4.72	4.81	4.42
	Precious metals	Gold	%	12.83	11.01	10.36	9.25	18.52
		Silver	%	29.04	22.72	26.39	29.47	33.01
	Others	%	6.88	8.42	6.95	7.25	7.54	

Category		Unit	2021	2022	2023	2024	2025
Income Tax Paid (consolidated)							
Profit before tax		KRW 100 million	11,391	8,815	7,281	2,925	10,290
Income tax expense		KRW 100 million	3,280	832	1,947	977	2,587
Effective tax rate		%	29	9	27	33	25
Income tax paid		KRW 100 million	2,934	4,543	2,010	1,688	2,637
Cash tax rate		%	26	52	28	58	26

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Environmental

Category		Unit	2021	2022	2023	2024	2025
Energy Consumption and Intensity							
Energy Consumption	Headquarters	TJ	8	8	9	9	18
	Onsan Refinery	TJ	50,360	49,773	46,565	44,416	44,186
	Total	TJ	50,368	49,781	46,574	44,425	44,204
Energy intensity ¹⁾	Headquarters	TJ/KRW billion	0.0011	0.0010	0.0012	0.0011	0.0017
	Onsan Refinery	TJ/KRW billion	7.03	6.16	6.39	5.49	4.19
	Total	TJ/KRW billion	7.03	6.16	6.39	5.49	4.20

1) Recalculated based on separate revenue for the reporting year, replacing the previously used consolidated revenue, to align with the data reporting scope.

Category		Unit	2021	2022	2023	2024	2025
Energy Consumption by Source ¹⁾							
Renewable energy	Solar power	TOE	6.5	6.5	6.3	5.7	15.3
		TJ	0.27	0.27	0.26	0.21	0.64
Non-renewable energy	Electricity	TOE	603,246	551,236	350,357	301,339	308,352
	City gas (LNG)	TOE	202,105	35,903	37,649	33,489	35,728
	Natural gas (LNG)	TOE	-	232,202	366,290	377,698	342,103
	Bituminous coal	TOE	99,236	80,239	89,785	98,968	96,081
	Anthracite	TOE	134,923	80,850	82,627	79,300	130,018
	Petroleum coke	TOE	103,695	195,842	213,240	226,789	132,602
	Refined oil	TOE	399	527	515	696	431
	LPG	TOE	7,397	8,305	8,337	8,100	8,990
	Diesel	TOE	90	87	76	87	70
	Exhaust gas	TOE	75,166	73,840	73,388	75,883	67,968
Total		TOE	1,226,264	1,259,038	1,222,270	1,202,354	1,122,358
Share of renewable energy consumption		%	0.0005	0.0005	0.0005	0.0005	0.0014

1) Limited to Onsan Refinery

Category		Unit	2021	2022	2023	2024	2025
Scope 1, 2 Greenhouse Gas Emissions							
Scope 1	Headquarters	tCO ₂ eq	154	173	226	245	311
	Onsan Refinery	tCO ₂ eq	2,342,375	2,343,708	2,574,200	2,572,422	2,634,184
	Total	tCO ₂ eq	2,342,529	2,343,881	2,574,427	2,572,667	2,634,495
	Intensity ²⁾	1,000 tCO ₂ eq/KRW billion	0.33	0.29	0.35	0.32	0.25
Scope 2	Headquarters	tCO ₂ eq	284	253	286	264	626
	Onsan Refinery	tCO ₂ eq	1,210,471	1,106,283	703,253	605,594	619,879
	Total	tCO ₂ eq	1,210,755	1,106,536	703,539	605,858	620,505
	Intensity ²⁾	1,000 tCO ₂ eq/KRW billion	0.17	0.14	0.10	0.07	0.06
Scope 1+2 ¹⁾	Total	tCO ₂ eq	3,553,283	3,450,416	3,277,964	3,178,524	3,255,000
	Intensity ²⁾	1,000 tCO ₂ eq/KRW billion	0.50	0.43	0.45	0.39	0.31

1) Owing to rounding at the site level, site-by-site greenhouse gas emissions may not sum exactly to the totals.
2) Based on revenue for the reporting year (separate basis)

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Category	Unit	2021	2022	2023	2024	2025
Scope 3 Greenhouse Gas Emissions ¹⁾						
Category 1. Purchased goods and services	tCO ₂ eq	1,597,486	1,439,329	1,456,758	1,389,849	2,031,026
Category 2. Capital goods	tCO ₂ eq	12,578	33,809	15,727	445,582	27,851
Category 3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	tCO ₂ eq	173,332	230,939	243,958	238,822	297,680
Category 4. Upstream transportation and distribution	tCO ₂ eq	245,959	207,803	249,870	75,299	301,207
Category 5. Waste generated in operations	tCO ₂ eq	24,756	32,726	31,490	33,028	151,297
Category 6. Business travel	tCO ₂ eq	128	684	979	707	616
Category 7. Employee commuting	tCO ₂ eq	1,696	1,901	2,053	2,121	1,119
Category 9. Downstream transportation and distribution	tCO ₂ eq	149,683	149,399	159,750	52,735	31,969
Category 10. Processing of sold products	tCO ₂ eq	2,435,293	2,655,653	2,431,864	2,292,211	4,549
Category 11. Use of sold products	tCO ₂ eq	28,371	32,071	25,846	-	-
Category 13. Downstream leased assets	tCO ₂ eq	-	-	-	1,074	1,302
Category 15. Investments	tCO ₂ eq	83,180	75,700	75,182	78,531	79,971
Total	tCO ₂ eq	4,752,462	4,860,014	4,693,476	4,609,959	2,928,586
Intensity ²⁾	1,000 tCO ₂ eq/ KRW billion	0.66	0.60	0.64	0.57	0.28

1) Category 1: activity data supplemented; Category 2: activity-data scope redefined; Categories 4 and 9: emission factors refined by mode of transport; downstream transportation and distribution for which Korea Zinc bears the freight costs has been reclassified to Category 4; Categories 5, 6, 7, and 10: calculation methodology enhanced.

2) Based on revenue for the reporting year (separate basis)

Category	Unit	2021	2022	2023	2024	2025
Air Pollutant Emissions						
NOx	Emissions	Ton	900.2	819.7	757.3	716.6
	Intensity ¹⁾	Ton/KRW billion	0.13	0.10	0.10	0.09
SOx	Emissions	Ton	1,053.8	842.7	718.6	966.9
	Intensity ¹⁾	Ton/KRW billion	0.15	0.10	0.10	0.12
VOC		Ton	1.2	2.5	7.8	2.2
TSP		Ton	92.3	112.8	108.4	130.9
Total		Ton	2,047.6	1,777.7	1,592.0	1,816.6

1) Based on revenue for the reporting year (separate basis)

Category	Unit	2021	2022	2023	2024	2025
Water Pollutant Discharge						
TOC	Ton	-	32.6	20.5	17.9	16.8
COD ¹⁾	Ton	11.8	-	-	-	-
SS	Ton	14.4	103.9	120.3	41.8	38.5
BOD	Ton	12.8	8.2	6.0	7.7	3.8
T-N	Ton	75.4	150.7	141.9	130.9	107.3
T-P	Ton	0.10	0.06	0.10	0.20	0.44
Total	Ton	114.5	295.5	288.8	198.6	166.8

1) COD was replaced with TOC starting in 2022.

Category	Unit	2021	2022	2023	2024	2025
Water Consumption						
Headquarters	Water use	Tap water	m ³	3,106	3,452	4,590
Onsan Refinery	Freshwater withdrawal	Surface water ¹⁾	m ³	13,595,789	13,505,918	14,389,650
		Groundwater	m ³	0	0	0
		Tap water ²⁾	m ³	96,644	66,711	83,108
		Rainwater ³⁾	m ³	-	-	-
	Seawater withdrawal		m ³	0	0	0
Total	Total		m ³	13,692,433	13,572,629	14,472,758
	Water use ⁴⁾		m ³	11,125,980	10,686,177	11,657,012
	Water discharge		m ³	2,566,453	2,886,452	2,815,746
	Water use		m ³	11,129,086	10,689,629	11,661,602
	Intensity ⁵⁾		m ³ /KRW billion	1,553.8	1,322.7	1,599.4
Water reuse ³⁾⁶⁾			m ³	1,208,202	1,001,313	976,505
Water reuse rate			%	-	-	-

1) Supplier: Korea Water Resources Corporation, Source of withdrawal: Nakdong River

2) Newly disclosed from 2025; previously disclosed data have been corrected accordingly.

3) Newly calculated from 2025

4) Water use = water withdrawal – water discharge; includes evaporation

5) Based on revenue for the reporting year (separate basis)

6) Water reuse: rainwater and cleaning water treated through BBF and RO facilities and reintroduced into the process

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ESG DATA

Environmental

Category	Unit	2021	2022	2023	2024	2025
Chemicals						
Hazardous chemical handling volume ¹⁾	Ton	1,917,148	1,898,730	1,856,091	1,999,474	2,034,163
Hazardous chemical handling intensity ²⁾	Ton/ KRW billion	268	235	255	247	193
Chemical emissions ³⁾	Ton	96.210	21.877	15.324	8.579	6.977

1) The hazardous chemical handling volume reported to the River Basin Environmental Office in accordance with the Chemicals Control Act is scheduled to be finalized in August and may be subject to change.
2) Based on revenue for the reporting year (separate basis)
3) The chemical emissions reported to the River Basin Environmental Office in accordance with the Chemicals Control Act are scheduled to be finalized in August and may be subject to change.

Category	Unit	2021	2022	2023	2024	2025
Hazardous Chemical Substance Training						
Hazardous chemical handler training	Participants (employees)	Persons	495	1,081	780	959
	Participants (contractors)	Persons	532	687	324	217
	Training hours	Hours	16	16	16	16
Hazardous chemical worker training	Participants (employees)	Persons	233	92	94	103
	Participants (contractors)	Persons	646	108	205	223
	Training hours	Hours	2	2	2	2

Category			Unit	2021	2022	2023	2024	2025		
Waste										
Waste generation	Total waste generated	Total non-hazardous waste generated	Ton	769,577	647,920	696,423	529,630	623,573		
		Total designated (hazardous) waste generated	Ton	51,295	69,682	65,075	127,391	99,582		
		Total	Ton	820,873	717,602	761,498	657,020	723,155		
	Intensity	Waste generation intensity ¹⁾	Ton/ KRW billion	114.6	88.8	104.4	81.2	68.6		
		Designated (hazardous) waste generation intensity ¹⁾	Ton/ KRW billion	7.2	8.6	8.9	15.7	9.5		
Waste treatment	Head-quarters ²⁾	Non-hazardous waste	Recycling	Ton	-	-	-	4	13	
			Other	Ton	11	9	9	14	25	
			Total	Ton	11	9	9	17	38	
	Onsan Refinery	Non-hazardous waste	Landfilling	Ton	261	430	946	564	218	
			Incineration ³⁾	Ton	1,638	2,090	5,425	3,277	0	
			Recycling	Ton	26,931	27,049	25,868	32,243	45,800	
			Other ³⁾	Ton	8,304	3,510	2,715	6,054	12,186	
			Total	Ton	37,134	33,079	34,953	42,139	58,205	
			Designated (hazardous) waste	Landfilling	Ton	49,632	67,770	64,931	119,123	92,527
				Incineration	Ton	1,563	1,795	66	85	119
		Recycling		Ton	100	117	76	8,168	6,935	
		Slag	Other	Ton	0	0	2	14	0	
			Total	Ton	51,295	69,682	65,075	127,391	99,582	
			Total	Recycling	Ton	732,432	614,832	661,461	487,474	565,330
		Total		Ton	820,861	717,593	761,489	657,004	723,117	
		Total		Landfilling	Ton	49,893	68,200	65,877	119,687	92,745
				Incineration	Ton	3,201	3,885	5,491	3,362	119
	Recycling			Ton	759,463	641,998	687,405	527,889	618,079	
	Other			Ton	8,315	3,519	2,725	6,082	12,212	
	Total			Ton	820,873	717,602	761,498	657,020	723,155	
Waste recycling rate			%	92.5	89.5	90.3	80.3	85.5		

1) Based on revenue for the reporting year (separate basis)
2) Waste recycling volume at the headquarters has been calculated starting from the second half of 2024, following the relocation of the office building. The 2024 figures for Other and Total were corrected due to reporting errors.
3) The 2021 data was corrected due to a reporting error.

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ESG DATA

Environmental

Category	Unit	2021	2022	2023	2024	2025
Environmental Compliance						
Instances of non-compliance	Cases	2	2	3	6	0
Monetary sanctions	KRW million	2	51	4	2	0

Category	Unit	2021	2022	2023	2024	2025
Environmental Investment Costs						
Air	KRW million	2,818	9,593	27,893	11,722	67,024
Water	KRW million	1,401	2,085	10,866	38,126	15,551
Chemical substances	KRW million	7,217	660	854	1,050	3,964
Other	KRW million	-	-	-	4,927	24,354
Total	KRW million	11,436	12,338	39,613	55,825	110,893

Category	Unit	2021	2022	2023	2024	2025
Share of Low-Emission Vehicles ¹⁾						
Headquarters	%	-	-	-	43.59	47.62
Onsan Refinery	%	-	-	-	34.48	15.28
Total	%	-	-	-	39.71	27.19

1) Calculated from 2024; limited to company-owned and leased vehicles.

Category	Unit	2021	2022	2023	2024	2025
Revenue from Environmentally Responsible Products						
Copper revenue	KRW billion	291	298	344	389	465
Silver revenue	KRW billion	2,080	1,836	1,924	2,384	3,478
Total	KRW billion	2,371	2,134	2,268	2,773	3,943
Share of environmentally responsible product revenue in total revenue ¹⁾	%	33	26	31	34	37

1) Based on revenue for the reporting year (separate basis)

Social

Category			Unit	2021	2022	2023	2024	2025
Workforce								
Total number of employees	Headquarters		Persons	154	196	244	276	294
	Onsan Refinery		Persons	1,400	1,546	1,637	1,693	1,795
	Total		Persons	1,554	1,742	1,881	1,969	2,089
By gender	Headquarters	Male	Persons	124	152	181	205	210
		Female	Persons	30	44	63	71	84
	Onsan Refinery	Male	Persons	1,365	1,497	1,593	1,646	1,747
		Female	Persons	35	49	44	47	48
By age	Headquarters	Under 30	Persons	25	28	40	44	40
		Age 30-50	Persons	101	133	156	184	207
		Over 50	Persons	28	35	48	48	47
	Onsan Refinery	Under 30	Persons	276	366	383	381	379
		Age 30-50	Persons	855	893	942	977	1,051
		Over 50	Persons	269	287	312	335	365
	Employees by type of employment ¹⁾	Headquarters	Male	Persons	124	152	181	204
Female			Persons	30	43	61	70	83
Total			Persons	154	195	242	274	287
Male			Persons	0	0	0	1	6
Female			Persons	0	1	2	1	1
Total			Persons	0	1	2	2	7
Part-time		Total	Persons	0	0	0	0	0
		Male	Persons	1,269	1,366	1,502	1,546	1,602
Onsan Refinery		Female	Persons	35	45	42	46	47
		Total	Persons	1,304	1,411	1,544	1,592	1,649
		Male	Persons	96	131	91	100	145
		Female	Persons	0	4	2	1	1
		Total	Persons	96	135	93	101	146
		Part-time	Total	Persons	0	0	0	0
Employees with disabilities			Persons	25	24	27	28	22

1) Outsourced employees are disclosed through the business report on page 401.

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Social

Category		Unit	2021	2022	2023	2024	2025
New Hires ¹⁾							
Number of new hires		Persons	187	296	239	195	211
By gender	Male	Persons	174	258	206	178	191
	Female	Persons	13	38	33	17	20
By age	Under 30	Persons	153	213	144	130	153
	Age 30-50	Persons	33	79	93	65	54
	Over 50	Persons	1	4	2	0	4

1) Includes temporary employees

Category		Unit	2021	2022	2023	2024	2025
Employee Turnover ¹⁾							
Number of employee departures		Persons	78	118	125	86	85
By gender	Male	Persons	73	108	106	81	78
	Female	Persons	5	10	19	5	7
By age	Under 30	Persons	30	69	53	44	39
	Age 30-50	Persons	24	27	53	23	27
	Over 50	Persons	24	22	19	19	19
Turnover	Total turnover rate	%	5.0	6.8	6.6	4.4	4.1
	Voluntary turnover rate	%	3.7	6.1	5.8	3.5	3.2

1) Includes temporary employees

Category		Unit	2021	2022	2023	2024	2025
Trade Union Membership							
Number of union members		Persons	1,000	1,052	1,147	1,169	1,207
Union membership rate ¹⁾		%	64.4	60.4	61.0	59.4	57.8

1) Union-eligible workers and those covered by the collective agreement: technical (skilled) workers

Category		Unit	2021	2022	2023	2024	2025
Training and Development ¹⁾							
Total training hours (accumulated hours)		Hours	61,538	84,582	107,929	101,149	122,315
Average training hours per person	Total	Hours	40	49	57	51	59
	By gender	Male	Hours	-	-	56	50
		Female	Hours	-	-	81	71
	By position	Managerial positions ²⁾	Hours	-	-	78	47
		Non-managerial positions	Hours	-	-	56	52
	Total training expenses		KRW 1,000	436,300	1,584,000	2,924,266	1,930,379
Average training cost per person		KRW 1,000	281	909	1,555	980	1,436

1) Data by gender and job position has been managed since 2023.

2) Managerial positions: team leaders and executives

Category		Unit	2021	2022	2023	2024	2025
Share of Employees Subject to Regular Performance Evaluation ¹⁾							
Total		%	91.8	93.0	94.2	91.4	93.3
By gender	Male	%	92.1	93.6	95.2	93.1	95.5
	Female	%	84.6	82.8	75.7	63.6	61.4
By age	Under 30	%	79.5	89.8	94.6	88.5	92.1
	Age 30-50	%	97.3	95.9	94.5	92.9	95.1
	Over 50	%	89.9	88.8	92.0	91.1	89.1

1) Employees who joined in the second half of the year, assistants, contract-based employees, and those on leave are not subject to the regular performance evaluation.

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Category		Unit	2021	2022	2023 ²⁾	2024	2025
Occupational Safety Indicators							
Number of accidents	Korea Zinc	Cases	7	8	11	8	14
	Contractors		14	16	10	11	20
Number of workers injured	Korea Zinc	Persons	8	8	11	9	14
	Contractors		14	16	10	11	20
Number of fatalities	Korea Zinc	Persons	0	0	0	0	0
	Contractors		0	0	0	1	0
Lost work hours	Korea Zinc	Hours	123,048	6,296	7,246	7,712	11,158
	Contractors		6,504	13,728	5,668	69,320	12,329
	Combined		129,552	20,024	12,914	77,032	23,487
Number of near-miss occurrences ¹⁾	Korea Zinc	Cases	1,335	869	525	156	90
	Korea Zinc		0.54	0.49	0.64	0.51	0.76
Accident rate	Contractors	%	0.83	0.76	0.45	0.55	0.71
	Combined		0.70	0.64	0.53	0.53	0.73
Severity rate	Korea Zinc	Lost work hours per 1,000 work hours	4.38	0.20	0.22	0.23	0.31
	Contractors		0.20	0.34	0.13	1.82	0.23
	Combined		2.14	0.28	0.17	1.07	0.26
Total Recordable Injury Frequency Rate (TRIFR)	Korea Zinc	Recordable injuries per 1,000,000 work hours	1.98	2.04	2.65	1.90	3.15
	Contractors		3.45	2.96	1.88	2.31	2.94
	Combined		2.77	2.56	2.22	2.11	3.02
Lost Time Injury Rate (LTIR)	Korea Zinc	Lost-time injuries per 200,000 work hours	0.40	0.41	0.53	0.38	0.63
	Contractors		0.69	0.63	0.38	0.46	0.59
	Combined		0.55	0.53	0.44	0.42	0.60
Near-Miss Frequency Rate (NMFR)	Korea Zinc	Near-misses per 1,000,000 work hours	378.40	221.05	126.37	36.95	20.26

1) Number of near-misses submitted and adopted after review through the 'Korea Zinc Suggestion Management System'. Figures were revised as some 2024 cases were classified as 2025 in the system and omitted from the aggregation.

2) Data was revised based on the timing of occupational accident recognition in 2023.

Category		Unit	2021	2022	2023	2024	2025
Health and Safety Training							
Statutory training	Total training hours	Hours	41,733	48,378	50,290	49,624	59,390
Non-statutory training	Total training hours	Hours	5,332	22,445	17,933	15,277	18,477
	Total training hours ¹⁾	Hours	47,065	70,823	68,223	64,901	77,867
Total	Average training hours per person ²⁾	Hours	32	43	39	37	42

1) Training hours by course x number of participants

2) Total training hours / number of ordinarily employed workers. The number of participants by training course may include duplicate counts and supplier employees. The average per-person figure is calculated based on Korea Zinc's ordinarily employed workers count.

Category		Unit	2021	2022	2023	2024	2025
Health and Safety Investment							
Investments in health and safety		KRW 100 million	258	435	907	1,221	848
Investments in process facility stabilization		KRW 100 million	1,183	1,413	1,547	1,620	2,234
Total		KRW 100 million	1,441	1,848	2,454	2,841	3,082

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Governance

Category		Unit	2021	2022	2023	2024	2025
Board of Directors							
Board composition	Total registered directors	Persons	11	11	11	12	19
	Internal directors	Persons	4	4	3	3	3
	Independent directors	Persons	6	6	6	7	13
	Other non-executive directors	Persons	1	1	2	2	3
	Proportion of independent directors	%	54.5	54.5	54.5	58.3	68.4
Board gender diversity	Male	Persons	10	10	10	10	16
	Female	Persons	1	1	1	2	3
	Female registered directors who are not the controlling shareholder or their relatives	Persons	1	1	1	2	3
	Proportion of female directors	%	9.1	9.1	9.1	16.7	15.8

Category		Unit	2021	2022	2023	2024	2025
Shareholder Return							
Cash dividends	Par value	KRW	5,000	5,000	5,000	5,000	5,000
	Dividends per share	KRW	20,000	20,000	15,000	17,500	20,000
	Total dividends	KRW 100 million	3,535	3,973	3,027	3,418	4,079
	Dividend yield	%	3.8	3.5	3.0	1.7	1.5
	Dividend payout ratio (consolidated)	%	43.8	50.9	57.4	179.0	52.6
Retirement of treasury shares ¹⁾		KRW 100 million	0	0	0	990	16,689
Total shareholder return rate ¹⁾		%	43.8	50.9	57.4	230.9	268.0

1) Previously reported in the prior year's report based on when treasury-share retirements were decided; the 2023 and 2024 figures have been restated after the basis was changed to when the shares were actually retired.

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GRI Content Index

Statement of use	Korea Zinc has reported the information cited in this GRI content index for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards 2021.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)	Sector Standards were not considered.			

GRI Standards	Disclosure	Page	Remarks
GRI 2: General Disclosures 2021	2-1	Organizational details	p.6-7
	2-2	Entities included in the organization's sustainability reporting	p.2
	2-3	Reporting period, frequency and contact point	p.2
	2-4	Restatements of information	p.2
	2-5	External assurance	p.116-117
	2-6	Activities, value chain and other business relationships	p.6, 9-13, 66
	2-7	Employees	p.105
	2-8	Workers who are not employees	p.105
	2-9	Governance structure and composition	p.90-94
	2-10	Nomination and selection of the highest governance body	p.90, 91, 94, 95
	2-11	Chair of the highest governance body	p.90, 91, 94
	2-12	Role of the highest governance body in overseeing the management of impacts	p.90, 93
	2-13	Delegation of responsibility for managing impacts	p.16, 93
	2-14	Role of the highest governance body in sustainability reporting	p.16, 93
	2-15	Conflicts of interest	p.94
	2-16	Communication of critical concerns	p.16, 93
	2-17	Collective knowledge of the highest governance body	p.94
	2-18	Evaluation of the performance of the highest governance body	p.92
	2-19	Remuneration policies	p.92
	2-20	Process to determine remuneration	p.92
	2-21	Annual total compensation ratio	p.75
	2-22	Statement on sustainable development strategy	p.4
	2-23	Policy commitments	p.65-68, 77-79, 120
	2-24	Embedding policy commitments	p.65-68, 77-79, 120

GRI Standards	Disclosure	Page	Remarks
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	p.78
	2-26	Mechanisms for seeking advice and raising concerns	p.64, 78, 87-88
	2-27	Compliance with laws and regulations	p.48, 105
	2-28	Membership associations	p.120
	2-29	Approach to stakeholder engagement	p.20, 96-99
	2-30	Collective bargaining agreements	p.76
Refer to p.425-427 of the business report for matters related to sanctions, etc.			

GRI Standards	Disclosure	Page	Remarks
GRI 3: Material Topics 2021	3-1	Process to determine material topics	p.17
	3-2	List of material topics	p.17-19

Material Topic 1: Climate Change Response			
GRI 3: Material Topics 2021	3-3	Management of material topics	p.22-32

GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	p.23, 27-29

GRI 302: Energy 2016	302-1	Energy consumption within the organization	p.32, 102
	302-3	Energy intensity	p.102

GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p.31, 102
	305-2	Energy indirect (Scope 2) GHG emissions	p.31, 102
	305-3	Other indirect (Scope 3) GHG emissions	p.31, 103
	305-4	GHG emissions intensity	p.31, 102-103
	305-5	Reduction of GHG emissions	p.31-32, 102

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GRI Content Index

GRI Standards		Disclosure	Page	Remarks
Material Topic 2: Pollution and Hazardous Substances Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.33-38	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	p.38, 103	
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p.37, 103	
Material Topic 3: Resource Circulation and Waste Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.39-44	
GRI 301: Materials	301-1	Materials used by weight or volume	p.40	
	301-2	Recycled input materials used	p.40	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	p.40-41, 43	
	306-2	Management of significant waste-related impacts	p.39-43, 120	
	306-3	Waste generated	p.104	
	306-4	Waste diverted from disposal	p.104	
	306-5	Waste directed to disposal	p.104	

GRI Standards		Disclosure	Page	Remarks
Material Topic 4: Occupational Safety and Health Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.57-64	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	p.57-58, 60	
	403-2	Hazard identification, risk assessment, and incident investigation	p.59-60, 64	
	403-3	Occupational health services	p.63	
	403-4	Worker participation, consultation, and communication on occupational health and safety	p.58, 64	
	403-5	Worker training on occupational health and safety	p.61-62, 107	
	403-6	Promotion of worker health	p.63	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.63	
	403-8	Workers covered by an occupational health and safety management system	p.58	
	403-9	Work-related injuries	p.60, 64, 107	

GRI Standards		Disclosure	Page	Remarks
Material Topic 5: Ethics and Compliance Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.85-90	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	p.87	
	205-2	Communication and training about anti-corruption policies and procedures	p.87	
	205-3	Confirmed incidents of corruption and actions taken	p.88	
GRI 207: Tax 2019	207-1	Approach to tax	p.88	
	207-2	Tax governance, control, and risk management	p.88	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.89	

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GRI Standards		Disclosure	Page	Remarks
Economy				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	p.6, 8, 101	
Environment				
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	p.49	
	101-2	Management of biodiversity impacts	p.49, 54-56	
	101-4	Identification of biodiversity impacts	p.50-51	
	101-5	Locations with biodiversity impacts	p.50	
	101-6	Direct drivers of biodiversity loss	p.54	
	101-8	Ecosystem services	p.53	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	p.46	
	303-3	Water withdrawal	p.103	
	303-4	Water discharge	p.103	
	303-5	Water consumption	p.103	
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	p.66	

GRI Standards		Disclosure	Page	Remarks
People				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	p.82-83	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	p.106	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.76	
	401-3	Parental leave	p.76	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	p.106	
	404-2	Programs for upgrading employee skills and transition assistance programs	p.72-73	
	404-3	Percentage of employees receiving regular performance and career development reviews	p.106	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	p.91, 94, 105, 108	
	405-2	Ratio of basic salary and remuneration of women to men	p.75	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During the reporting period, no significant violations or risks were identified at business sites or among suppliers regarding freedom of association and collective bargaining, child labor, or forced and compulsory labor.	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken		p.66-67

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SASB Index

Topic	Code	Category	Metric	Unit	Page
Greenhouse Gas Emissions	EM-MM-110a.1	Quantitative	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Ton, %	p.31, 102
	EM-MM-110a.2	Discussion and analysis	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	p.31, 102
Air Quality	EM-MM-120a.1	Quantitative	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter, (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Ton	p.37, 103
Energy Management	EM-MM-130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	TJ	p.32, 102
Water Management	EM-MM-140a.1	Quantitative	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	m ³ , %	p.46, 103
Waste & Hazardous Materials Management	EM-MM-150a.7	Quantitative	Total weight of hazardous waste generated	Ton	p.104
	EM-MM-150a.8	Quantitative	Total weight of hazardous waste recycled	Ton	p.104
Biodiversity Impacts	EM-MM-160a.1	Discussion and analysis	Description of environmental management policies and practices for active sites	-	p.45
Workforce Health & Safety	EM-MM-320a.1	Quantitative	(1) All-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) direct employees and (b) contract employees	%	p.64, 107
Business Ethics & Transparency	EM-MM-510a.1	Discussion and analysis	Description of the management system for prevention of corruption and bribery throughout the value chain	-	p.87-88
Activity Metrics	EM-MM-000.B	Quantitative	Total number of employees, percentage contractors	Number, %	p.105

IFRS S2 Index

Pillar	Metric	Page
Governance	The governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related ROs (risks and opportunities).	
	1 The governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	p.22
	2 Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related ROs.	p.22
Strategy	The strategy for managing climate-related risks and opportunities, and the effects of those ROs on its business model and value chain, strategy and decision-making, and financial position, performance, and cash flows over the short, medium, and long term.	
	1 The climate-related ROs that could reasonably be expected to affect the entity's prospects.	p.23
	2 The current and anticipated effects of climate-related ROs on the business model and value chain.	p.23
	3 The impact of climate-related ROs on strategy and decision-making, including information on transition plans.	p.23-26
	4 The effects of climate-related ROs on the entity's financial position, performance, and cash flows for the reporting period, as well as the anticipated financial impacts over the short, medium, and long term.	p.27-29
	5 The climate resilience of the entity's strategy and business model in response to climate-related changes, scenarios, and uncertainties.	p.29
Risk Management	Processes used to identify, assess, prioritize, and monitor climate-related ROs, including whether and how these processes are integrated into and inform the overall risk management process.	
	1 The processes and related policies the entity uses to identify, assess, prioritize, and monitor climate-related risks.	p.30
	2 The processes the entity uses to identify, assess, prioritize, and monitor climate-related opportunities.	p.30
	3 The extent to which, and how, the processes for identifying, assessing, prioritizing, and monitoring climate-related ROs are integrated into and inform the entity's overall risk management process.	p.16, 30
Metrics and Targets	The performance in relation to its climate-related ROs, including progress towards any climate-related targets it has set and any targets it is required to meet by law or regulation.	
	Cross-industry metrics	
	1 Scope 1, 2, and 3 GHG emissions and measurement approach	p.31, 102-103
	2 Amount and share of assets or business activities exposed to climate-related transition risks.	-
	3 Amount and share of assets or business activities exposed to climate-related physical risks.	-
	4 Amount and share of assets or business activities aligned with climate-related opportunities.	-
	5 Capital expenditure, financing, or investment allocated to climate-related ROs.	p.24, 26
	6 Whether and how the entity applies an internal carbon price in its decision-making, and the price per metric tonne of GHG emissions it uses to evaluate the associated costs.	-
	7 Whether and how climate-related considerations are incorporated into executive remuneration, and the percentage of executive management remuneration in the current period linked to climate-related considerations.	-
	Industry-based metrics	
	1 Reference to industry-based metrics associated with disclosure topics, as described in the Industry-based Guidance on Implementing IFRS S2.	-
	Climate-related metrics	
	1 Quantitative and qualitative climate-related targets, including those required by law or regulation, and the applicable timeframes and scopes to which the targets apply.	p.24, 31-32
	2 The approach to setting and reviewing targets, the methods and indicators used to monitor progress, and the processes for reviewing or revising targets.	p.24, 31-32
	3 The types of GHG emissions covered by the target, the gross GHG emissions reduction target, and, in the case of a net emissions target, the entity's planned use of carbon credits.	p.24, 31-32

UN Guiding Principles Reporting Framework Index

Topic	Code	Metric	Page
PART A: Governance of Respect for Human Rights			
Policy Commitment	A1	What does the company say publicly about its commitment to respect human rights?	p.77
	A1.1	How has the public commitment been developed?	p.77
	A1.2	Whose human rights does the public commitment address?	p.77
	A1.3	How is the public commitment disseminated?	p.77
Embedding Respect for Human Rights	A2	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	p.77
	A2.1	How is day-to-day responsibility for human rights performance organized within the company, and why?	p.16, 77
	A2.2	What kinds of human rights issues are discussed by senior management and by the Board, and why?	p.77-78
	A2.3	How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	p.77-79
	A2.4	How does the company make clear in its business relationships the importance it places on respect for human rights?	p.77
	A2.5	What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	p.77-79
PART B: Defining the Focus of Reporting			
Statement of salient issues	B1	State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	p.78
Determination of salient issues	B2	Describe how the salient human rights issues were determined, including any input from stakeholders.	p.77-78
Choice of focal geographies	B3	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	p.68
Additional severe impacts	B4	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	N/A

Topic	Code	Metric	Page
PART C: Management of Salient Human Rights Issues			
Specific Policies	C1	Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	p.77, 120
	C1.1	How does the company make clear the relevance and significance of such policies to those who need to implement them?	p.65, 77
Stakeholder Engagement	C2	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	p.20, 77-79
	C2.1	How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	p.20
	C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	p.20
	C2.3	During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	p.20
Assessing Impacts	C3	How does the company identify any changes in the nature of each salient human rights issue over time?	p.77-79
	C3.1	During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	p.78
	C3.2	During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	-
Integrating Findings and Taking Action	C4	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	p.77-79
	C4.1	How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	p.16
	C4.2	When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	p.16
	C4.3	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	p.78
	C5	How does the company know if its efforts to address each salient human rights issue are effective in practice?	p.78
	C5.1	What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	p.75-76
Remediation	C6	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	p.78-79
	C6.1	Through what means can the company receive complaints or concerns related to each salient issue?	p.78-79
	C6.2	How does the company know if people feel able and empowered to raise complaints or concerns?	p.78-79
	C6.3	How does the company process complaints and assess the effectiveness of outcomes?	p.78-79
	C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	p.78-79
	C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	Not reported

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UN SDGs

UN SDGs	Activities of Korea Zinc	Page
 1 End poverty in all its forms everywhere	Carrying out social contribution activities to support socially vulnerable and marginalized groups in overcoming poverty	p.82-84
 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Supporting stable access to meals for vulnerable groups in local communities and helping address nutritional imbalances	p.82-84
 3 Ensure healthy lives and promote well-being for all at all ages	Strengthening occupational health and safety systems for employees and contractor workers and operating related programs; conducting health-promotion activities such as blood donation campaigns for local communities and the production of hygiene supplies	p.61-63, 82-83
 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Providing competency-building support for contractor workers, training by job grade for employees and retiree life-design training	p.70, 72-73
 5 Achieve gender equality and empower all women and girls	Establishing targets to increase the percentage of women in management position and monitoring the ratio of women in revenue-generating departments and STEM departments	p.74-75
 6 Ensure availability and sustainable management of water and sanitation for all	Treating process wastewater in accordance with Integrated Environmental Permit emission standards and carrying out activities to reduce water pollutants, such as managing non-point-source pollution	p.38
 7 Ensure access to affordable, reliable, sustainable and modern energy for all	Developing and continuously expanding renewable energy businesses, including solar, wind and hydrogen	p.11, 24, 26
 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Creating new jobs through new business initiatives and continuously recruiting talent	p.9-13, 71
 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Expanding investments to minimize environmental impacts and participating in industry memberships and associations to build a healthy industrial ecosystem	p.9-13, 120

UN SDGs	Activities of Korea Zinc	Page
 10 Reduce inequality within and among countries	Supporting the self-reliance of vulnerable groups through employee-participation charitable donations and helping reduce social inequality	p.82-83
 11 Make cities and human settlements inclusive, safe, resilient and sustainable	Strengthening safety management at worksites and disaster response capabilities in local communities through public-private cooperative safety management activities	p.61
 12 Ensure sustainable consumption and production patterns	Producing sustainable products through resource recycling business within processes and across industries	p.13, 41-42
 13 Take urgent action to combat climate change and its impacts	Promoting the transition to renewable energy through energy-saving measures, greenhouse gas emissions reduction and RE100 initiatives	p.22-32
 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Conserving local marine ecosystems through cleanup activities under the Adopt-a-Beach program	p.56
 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Applying biodiversity conservation policies across operations and contributing to ecosystem restoration through domestic and international habitat restoration and forest conservation activities	p.49-56
 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Conducting internal audits to prevent corruption and strengthening transparent and accountable management systems through whistleblowing channels	p.87-88
 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Expanding global partnerships through membership in and participation in domestic and international associations and forums, and contributing to a sustainable industrial ecosystem	p.81, 120

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UNGC

The Ten Principles of the UN Global Compact

Korea Zinc joined the United Nations Global Compact (UNGC) in 2024 to contribute to the global pursuit of sustainable development. Korea Zinc supports the UNGC's Ten Principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption, and is committed to integrating them into its management practices to advance sustainable business.



Topic	Principle	Page
Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	p.77
	Principle 2 make sure that they are not complicit in human rights abuses.	p.77-79
Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	p.76
	Principle 4 the elimination of all forms of forced and compulsory labour;	p.65, 77
	Principle 5 the effective abolition of child labour; and	p.65, 77
	Principle 6 the elimination of discrimination in respect of employment and occupation.	p.71, 77
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges;	p.45-48
	Principle 8 undertake initiatives to promote greater environmental responsibility; and	p.45-48
	Principle 9 encourage the development and diffusion of environmentally friendly technologies.	p.41, 47
Anti-Corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	p.85-86

Independent Assurance Opinion Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of KOREA ZINC

Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the 2025 KOREA ZINC Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to KOREA ZINC and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the KOREA ZINC's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the KOREA ZINC. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

KOREA ZINC is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to KOREA ZINC only.

The Assurer is responsible for providing KOREA ZINC's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of KOREA ZINC. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with KOREA ZINC includes the following:

- Report contents during the period from January 1st 2025 to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by KOREA ZINC.

- [Universal Standards]**
2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)
- [Topic Standards]**
101-1&2, 101-4~6, 101-8, 201-1&2, 203-1, 205-1~3, 207-1&2, 301-1&2, 302-1, 302-3, 303-1~5, 305-1~5, 305-7, 306-1~5, 308-2, 401-1~3, 403-1~9, 404-1~3, 405-1&2, 407-1, 408-1, 409-1, 414-2, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of KOREA ZINC's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ of KOREA ZINC to confirm the data collection processes, record management practices.



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Independent Assurance Opinion Statement

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by KOREA ZINC. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with KOREA ZINC. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain KOREA ZINC's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards. On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

• Inclusivity: Stakeholder Engagement and Opinion

KOREA ZINC categorizes its key stakeholders, who exert a significant influence on the company's business activities, into the Shareholders, Investors, Employees, Customers, Partners, Local Communities, NGOs, Government & Public Sector and operates tailored communication channels for each group. Through these communication channels, the company regularly collects stakeholder feedback and requirements to reflect them in its management activities, including strategy formulation and implementation, and transparently discloses this entire process through the report.

• Materiality: Identification and reporting of material sustainability topics

Korea Zinc has established a process to formulate sustainability strategies and identify key reporting issues. An issue pool was derived by comprehensively analyzing internal and external factors, including major global disclosure guidelines and assessment standards. Following this, the final material issues were selected and prioritized by evaluating the environmental, social, and financial materiality of each issue. Through this process, a total of five material issues were identified across the Environmental, Social, and Governance pillars. The key activities and future plans related to these issues are transparently disclosed in this report.

• Responsiveness: Responding to material sustainability topics and related impacts

KOREA ZINC operates a management process for key material issues identified within the context of sustainability through its materiality assessment. To effectively reflect the expectations of relevant key stakeholders, the organization utilizes its unique, established management methodology. In accordance with this approach, the company transparently discloses its major response performances including the management methodologies, outcomes, and improvement plans related to the reported material issues through the Report.

• Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

KOREA ZINC has established a process to identify and assess the impacts of its core reporting issues on the organization and its stakeholders. The results of the analysis regarding the impacts, risks, and opportunities associated with these core reporting issues are utilized in decision-making to formulate tailored response strategies for each specific issue, and this entire process is transparently disclosed through the Report.

Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- To effectively respond to global ESG regulations and supply chain due diligence requirements, implementing regular ESG training programs for the Board of Directors can contribute to further advancing the corporate sustainability management system.

GRI-reporting

KOREA ZINC has self-declared compliance with GRI Standards. Based on the data and information provided by KOREA ZINC, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 16/06/2026

For and on behalf of BSI (British Standards Institution):

BSI representative

Doowon Kim
Lead Assurer (LCSAP)

김도원

Seonghwan Lim
Managing Director of BSI Korea

Lim

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 806605



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GHG Emission Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Korea Zinc Co., Ltd("Company") to perform third party verification for the Company's Greenhouse Gas Inventory Report for the calendar year 2025 ("the report"). Company is responsible for the preparation of the GHG emissions data on the basis set out within "the guidelines on the operation of GHG emission trading scheme ("ETS) (Notification No. 2025-64 of Ministry of Environment)" based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Objective and Scope of Verification

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows;

- Organizational Boundary : Domestic business sites of Company
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with "Verification Guideline for GHG ETS (Notification No. 2025-165, Korean Ministry of Environment)" based on ISO 14064-3, under a Reasonable Level of Assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection, emission calculation and report process for the GHG inventory report
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

2025	GHG Emissions (ton CO ₂ eq)			Energy consumption (TJ)		
	Scope 1	Scope 2	Total	Fuel	Electricity	Total
Korea Zinc Co., Ltd	2,634,495.440	620,505.579	3,255,000	31,238.782	12,966.295	44,204

* The total greenhouse gas emissions above may differ by less than ± 1 tCO₂eq due to decimal point truncation to report as a whole number by business site.

2026.06.02

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.



This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

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GHG Emission Verification Opinion

1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

2. Verification Scope

Korean Standards Association conducted a limited assurance verification of Korea Zinc Company, Ltd.'s Scope3 GHG statement.

- Reporting Target : Headquarters, Onsan Refinery
- Boundary : Scope3(Other Indirect emissions)
 - Category 1. Purchased goods and services
 - Category 2. Capital goods
 - Category 3. Fuel and energy-related activities(not included in scope 1 or scope 2)
 - Category 4. Upstream transportation and distribution
 - Category 5. Waste generated in operations
 - Category 6. Business travel
 - Category 7. Employee commuting
 - Category 9. Downstream transportation and distribution
 - Category 10. Processing of sold products
 - Category 13. Downstream leased assets
 - Category 15. Investments
- Year : January 1, 2025 to December 31, 2025

3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to the procedures stipulated in ISO 14064-3 : 2019.

- Calculation criteria
 - KS I ISO 14064-1 : 2018
 - Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System Ministry of Environment No. 2025-64)
 - 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines
 - WRI (World Resources Institute) Greenhouse Gas Protocol
 - Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI)
 - Technical Guidance for Calculating Scope3 Emissions

4. Level of assurance verification and Responsibility

Korea Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to Korea Zinc Company, Ltd. Headquarters
 - Method of confirmation
 - Interview with greenhouse gas emissions manager and field staff
 - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
 - Tracking review of internal documents and basic data
- Korea Zinc Company, Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

6. Verification Conclusion

Korean Standards Association confirmed that the GHG emissions calculated by Korea Zinc Company, Ltd. meet the level of assurance and the materiality threshold (less than 10%) in accordance with the verification criteria. No evidence was found to suggest that the GHG data and information were unfairly presented. Korea Zinc Company, Ltd. has taken appropriately corrective actions on the major findings identified by the verification team. Based on the verification results, including the absence of material errors of omissions, the data and processes are considered to meet the verification and guidelines. Therefore, a 'Unmodified opinion' is issued.

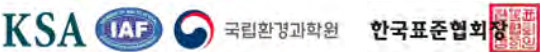
Appendix. GHG Emissions in 2025 (Scope3)

(Unit : tCO₂eq)

	Category	GHG Emissions
Category 1	Purchased goods and services	2,031,026
Category 2	Capital goods	27,851
Category 3	Fuel and energy-related activities (not included in scope 1 or scope 2)	297,680
Category 4	Upstream transportation and distribution	301,207
Category 5	Waste generated in operations	151,297
Category 6	Business travel	616
Category 7	Employee commuting	1,119
Category 9	Downstream transportation and distribution	31,969
Category 10	Processing of sold products	4,549
Category 13	Downstream leased assets	1,302
Category 15	Investments	79,971
Total		2,928,586

※ Note : The final GHG Emissions were calculated by summing each category and removing decimal points

May 13, 2026



Benjamin Moon

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Memberships and Associations

Memberships and Associations		
Korea Listed Companies Association	Ulsan Mutual Growth Cooperation Council	Korea Nonferrous Metal Association
Korea International Trade Association	Ulsan Environmental Engineers Association	Korea Metal Recycling Industry Association
Seoul Chamber of Commerce and Industry	Ulsan Metropolitan City Plant Managers Council	Korea Mining Association
Ulsan Chamber of Commerce and Industry	Ulsan Regional Safety Communication Committee	Korea Urban Mining Association
Korea Customs Logistics Association	Ulsan Regional Research Directors Council	Korea Overseas Resources & Energy Industry Association
Korea-America Association	Ulsan-Yangsan Employers Federation	Korea Battery Industry Association
Listed Company Audit Committee	Ulsan Shippers Logistics Council	Future Energy Forum
Korea Industrial Technology Association	Ulsan Port Development Council	The Korean Hydrogen and New Energy Society
Korea Construction Engineers Association	Ulsan Electrical Engineers Association	The Korean Society of Clean Technology
Korea Personnel Improvement Association	Bubsarang Ulsan Regional Federation	The Korean Electrochemical Society
Korea Industrial Safety Association	Bubsarang Industrial Safety Committee Council	Korea Explosion-Proof Association
Industrial Security Council	Onsan Industrial Complex Association	Korea Rare-earth Industry Association
Korea Council of Chief Information Security Officers	Onsan Industrial Complex Safety Management Association	International Antimony Association
Korean Chemical Society	Onsan Industrial Complex Environmental Management Association	International Lead Association
Korean Nursing Association	Onsan Industrial Complex Plant Managers Council	International Zinc Association
Civil Defense Council	Onsan Industrial Complex General Affairs Department Heads Council	UN Global Compact Network Korea
Reserve Forces Council	Onsan Industrial Complex Scholarship Committee	RE100
Emergency Planning Council	Namulju Fire Station Volunteer Fire Brigade	Carbon Free Alliance
Environmental Protection Council	Busan-Ulsan-Gyeongnam Forum	Korea Business Council for Sustainable Development
Korea Emissions Market Association		
KRX Emissions Market		

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