

Modern Slavery Statement

For Sun Metals Holdings Limited and
Sun Metals Corporation PTY LTD



Reporting Entities

This Modern Slavery Statement ('Statement') is made in accordance with the provisions of the *Modern Slavery Act 2018* (Cth) (the 'Act') for the period 1 January 2024 to 31 December 2024. Both Sun Metals Holdings Limited, ABN 30 051 538 580 ('SMH') and Sun Metals Corporation Pty Ltd, ABN 97 074 241 982 ('SMC') are reporting entities for the purpose of this Statement.

This Statement has been prepared on the basis that it will be published on the Modern Slavery Statements Register and registered with the Minister pursuant to the Act.

SMH

SMH is wholly owned by its Korean parent company, Korea Zinc Co., Limited.

SMH is the Australian holding company for SMC and Ark Energy Corporation Pty Ltd ('AEC'). SMH does not perform independent operations and has no function other than ownership of its subsidiaries.

As such, this Statement covers the activities of SMC and AEC and outlines the work done by SMC and AEC to identify and address modern slavery risks in its business operations and supply chains.

SMC

Overview of structure, operations and supply chains

SMC is wholly owned by SMH and has no subsidiaries.

The core business of SMC is operation of the Sun Metals Zinc Refinery ('Refinery'), located 15km south of the city of Townsville in Queensland, Australia, and the marketing and sale of products and by-products produced at the Refinery. The Refinery produces Special High Grade Zinc metal, Zinc Alloy metal and by-products of Sulphuric Acid, Copper, Cadmium, Iron Oxide and Lead Concentrate. Sales to domestic and international markets form the dominant source of SMC's earnings.

In order to operate the Refinery, SMC sources raw materials from within Australia and overseas with approximately 50% sourced domestically and the balance imported from mines in Canada, Alaska and South America.

SMC sources services, plant and equipment from around the world including Australia, Europe, USA, China and South Korea.

Risk of Modern Slavery practices in operations and supply chains

Operations

SMC's operations are located exclusively in Queensland, and all employees are engaged on terms and conditions that are subject to Australian laws including an approved enterprise agreement with Fair Work Commission.

Where labour is obtained through labour-hire providers or on other contract arrangements, SMC works with qualified and licensed providers, on terms and conditions that are subject to Australian law.

SMC's recruitment and employment functions are overseen by a dedicated Human Resources team that ensures support of our people and teams.

SMC has developed and is in the process of implementing a range of policies and procedures (including a Code of Conduct, Human Rights, Supplier Code of Conduct, Whistleblower Procedure and Grievance Procedure). This suite of policies and procedures support a formal framework for personnel and stakeholders to raise issues and complaints related to employment practices, conditions of work and conduct, including where relevant suspected instances of forced

labour or slavery-like offences in our operations and supply chains.

Given the location of our operations and our governance and employment practices in place, we consider the risk of modern slavery practices within our operations to be very low, however we continue to monitor and address our activities as outlined in this statement.

Supply Chains

As set out in SMC's previous modern slavery statements, while much of SMC's procurement is from Australian-based suppliers, given the specialist nature of some essential plant and equipment, specific items can only be sourced from suppliers that operate in areas that may be considered to be higher risk for modern slavery practices. Similarly, SMC utilizes a world-wide freight and distribution network to transport raw materials, plant and equipment to the Refinery which may require these items to pass through ports in some areas that are considered to be higher risk for modern slavery practices.

SMC has a Modern Slavery Procedure ('Procedure') that is managed by the dedicated Procurement team, who are continually assessing the effectiveness of our actions to identify, manage, and mitigate modern slavery risks in our supply chain. We evaluate the effectiveness of our actions by conducting thorough diligence under the Procedure to assess modern slavery risks across SMC's contractors and material suppliers before engagement, ensuring potential risks are identified.

SMC contractors and suppliers are generally pre-approved by SMC before providing goods and services. As part of this process, suppliers and contractors are required to provide copies of relevant employment policies, including any modern slavery policies, as well as various declarations to SMC, including declarations of any previous incidents of modern slavery within its business and that it will comply with and adhere to the provisions of the Act.

SMC continues to build relationships with both local and international suppliers to ensure they are committed to the same modern slavery principles and to share best practices for identifying and eliminating modern slavery risks. Specifically, the Procedure establishes a process for identifying international and local suppliers, industry categories, employees engagement practices, and other factors that may contribute to modern slavery risk. Part of the process involves a questionnaire being issued to pre-approved suppliers and contractors, with the responses used to assess indicative modern slavery practices risk based on scores against a risk matrix. If needed, further information is sought from a supplier or contractor.

Based on indicative risks identified, a determination is to be made regarding the mechanism for engaging and dealing with the supplier or contractor, including but not limited to requiring guarantees or an audit-mechanisms to mitigate any identified modern slavery practices risk, or more onerous obligations.

Actions taken during reporting period to assess and address risk and steps to measure effectiveness of actions

Within the reporting period, SMC:

- contracted with suppliers and contractors on terms requiring compliance with relevant modern slavery regulations, including the Act;
- continued to engage with suppliers and contractors regarding their management of modern slavery practices risk through the contracting and onboarding processes;
- developed and implemented auditing of contractors and suppliers to assess adherence to modern slavery standards;
- refreshed Procedure and practices to ensure continuous improvement in how SMC manages risks across the supply chain;
- developed a risk-assessment questionnaire to support a risk-based approach for the identification of modern slavery practices risks and audit;
- developed a framework for targeted engagement with a diligence assessment of suppliers and contractors; and
- provided training on legal compliance including for human rights, modern slavery and complaint management.

SMC will continue to review and assess the effectiveness of our actions in response to modern slavery, with a focus on:

- further imbedding the Procedure;
- conducting audits of SMC's contracting and engagement practices;
- monitoring and examining trends in cases of identified modern slavery risk;
- refining risk assessment and diligence processes of contractors and suppliers;
- tracking the actions SMC has taken and measuring their impact; and

- monitoring, implementing, educating and supporting our employees and stakeholders in compliance with our policies and procedures (including Code of Conduct, Human Rights, Supplier Code of Conduct, Whistleblower Procedure and Grievance Procedure) that set a framework for employees, contractors and suppliers to raise concerns, including in relation to potential modern slavery practices in SMC's operations and supply chains.

Based on the results of these processes, SMC will adapt and strengthen its actions to continually improve its response to modern slavery risk.

Consultation with group entities

SMC has no subsidiaries and its parent company, SMH, does not operate as a distinct operating entity. SMC and SMH share a common Board of Directors and receive identical information and updates on operational and compliance matters.

AEC is a related body corporate to SMC and a subsidiary of SMH and shares common directors and office holders to SMC and SMH.

AEC

Overview of structure, operations and supply chains

SMH owns more than 90% of the shares of AEC. AEC has a range of subsidiaries that function as special purpose vehicles to hold AEC's interest in its various renewable energy projects and investments.

AEC's primary business is to develop, construct and operate renewable energy (wind and solar) generation assets, battery energy storage assets and hydrogen production assets.

The principal activities of AEC comprise the greenfield development of renewable energy generation and storage projects in New South Wales, Queensland and Tasmania, the operation of solar energy generation projects in Queensland and the Northern Territory, and the construction and operation of the SunHQ H2 Hub, a renewable hydrogen production, storage and heavy vehicle refueling facility in Townsville.

AEC's supply chains involves the procurement of asset management services associated with operating solar farms, as well as consultancy services and construction contractors related to development activities, including for the SUNHQ project.

Risk of Modern Slavery practices in Operations and Supply Chains

Operations

AEC's operations are located exclusively in Australia, and all employees are engaged on terms and conditions that are subject to Australian law.

Where labour is obtained through contract arrangements, AEC works with qualified and licensed providers, on terms and conditions that are subject to Australian law.

AEC's recruitment and employment functions are overseen by dedicated People, Culture and Performance personnel that ensure support of our people and teams.

Given the location of its operations, the nature and location of its activities and governance and employment practices in place, AEC considers the risk of modern slavery practices within its operations to be low, however AEC continues to monitor and address the effectiveness of our actions as outlined in this statement.

Supply Chains

AEC's supply chains of service providers, consultants and construction contractors engaged by AEC are predominantly Australian-based and highly specialised in renewable energy development. AEC have assessed the modern slavery practices risk related to procurement in these areas to be low. AEC have dedicated Procurement personnel, responsible for procurement of all goods and services by AEC and conducting due diligence on providers, consultants and contractors.

Where AEC procures goods from suppliers that may be determined as high risk of modern slavery or overseas manufacturers, it undertakes additional due diligence, including requiring the supplier to complete an additional Modern

Slavery Questionnaire and sending AEC personnel to attend and visit overseas manufacturing locations.

AEC maintains a supplier assessment register of its supply chains on an ongoing basis and seeks to engage with suppliers with modern slavery risk management practices aligned with AEC's commitments and AEC have assessed the modern slavery practices risk related to procurement to be low.

Actions taken during reporting period to assess and address risk and steps to measure effectiveness of actions

In this reporting period, AEC has rolled out its Modern Slavery Procedure which provides detailed instructions to AEC and its internal Procurement team, so that they may properly identify, assess, and eliminate or mitigate risk of modern slavery practices in AEC's supply chain.

In addition to the Modern Slavery Procedure, AEC has also implemented and provided employee education on the following policies and procedures that set a framework for employees, contractors and suppliers to raise concerns, including in relation to potential modern slavery practices in AEC's operations and supply chains:

- Code of Conduct; and
- Supplier Code of Conduct.

AEC is also developing and will shortly implement additional updated policies and procedures including a Human Rights Policy and a Whistleblower Procedure and Grievance Procedure.

To assist with its onboarding processes and modern slavery risks, AEC has rolled out Rapid Global, which follows the Modern Slavery Procedure and requires all contractors to step through the Modern Slavery Procedure, allowing AEC to identify and mitigate any modern slavery risks in its supply chain or its supplier's engagement.

AEC is committed to continuing its development and refinement of its procurement policies, risk assessments and contract commitments on modern slavery to support its activities and modern slavery management practices. AEC will continue to review and assess the effectiveness of our actions in response to modern slavery, with a focus on:

- further developing and implementing the Modern Slavery Procedure;
- implementing the Rapid Global contractor onboarding and Modern Slavery screening tool for high risk / high value suppliers;
- conducting audits of the risk assessment and diligence processes of contractors and suppliers;
- monitoring and examining trends in cases of identified modern slavery risk;
- tracking the actions AEC has taken and measuring their impact; and
- monitoring, implementing, educating and supporting our employees and stakeholders in compliance with our policies and procedures that set a framework for employees, contractors and suppliers to raising concerns, including in relation to potential modern slavery practices in AEC's operations and supply chains.

Consultation with group entities

Noting that AEC and SMC are very different businesses, to the extent relevant AEC will leverage the systems and capability of its related body corporate, SMC, to ensure that it operates in a way that proactively manages modern slavery practices risk in its operations and supply chains in its activities.

Approval of this Statement

This statement was approved by the Board of Directors of each of Sun Metals Holdings Limited and Sun Metals Corporation Pty Limited on 26 June 2025.

Signed,



Mr Sung Chae (Ron) Lee

Director

Sun Metals Holdings Limited and Sun Metals Corporation Pty Limited