



Sun Metals Corporation Pty Ltd

Modern Slavery Statement

This Modern Slavery Statement (“Statement”) is made in accordance with the provisions of the Modern Slavery Act 2018 (Cth) and identifies the steps taken by Sun Metals Corporation Pty Ltd (“SMC”) to address modern slavery risks in its business and supply chain.

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

SMC has a zero-tolerance approach to modern slavery (including human trafficking, child labour, offences relating to the withholding or deprivation of civil liberties and human rights breaches).

SMC is a registered operator of the London Metal Exchange (LME) and operates within the LME’s strict guidelines around modern slavery, bribery and corruption as part of this registration. Should instances of Modern Slavery be identified, SMC will take immediate and appropriate remedial action as required.

SMC is an Australian Private Company first registered on 3 June 1996. As an Australian subsidiary of Korea Zinc Company Limited, the Sun Metals Zinc Refinery was commissioned in 1999 and is located 15km south of the city of Townsville in North Queensland, Australia.

SMC is committed to the community and is a strong contributor to the local economy, employing over 350 staff and engaging contractors, primarily from the local community. SMC works with the community and as part of it, through sponsorships, educational tours, community projects and participation.

With a focus on being the safest, the most environmentally responsible and the most competitive zinc refinery in the world, Sun Metals’ track record includes advanced recycling of process water (designed so that no water leaves the site except via evaporation), building the largest (125MWac) integrated industrial use solar plant in Australia and, through a major expansion, introduction of a new process resulting in further environmentally friendly by-products.

SMC is one of the most technologically advanced zinc refineries in the world, producing Special High Grade Zinc metal, Zinc Alloy metal and by-products of Sulphuric Acid, Copper, Cadmium, Iron Oxide and LGLC with sales to both domestic and international markets.

Special High Grade Zinc is a premium product which meets stringent quality standards required under SMC’s registration with the London Metal Exchange.

Although a secondary product, Sulphuric Acid is a valuable output from SMC’s production and is sold to clients for the production of fertilisers and other industrial uses. Iron Oxide, LGLC and copper are also sold to the international and domestic markets.

Raw materials are sourced from within Australia and overseas with approximately 50% sourced domestically within Australia. The balance is imported from mines in Alaska and South America.

Approximately half of the raw materials sourced by SMC for use in the SMC Zinc Refinery can only be sourced from specific areas and mines. This creates a risk particularly for materials sourced within high risk areas.

Plant and equipment is sourced from around the world including Australia, Europe, USA, China and South Korea. Given the specialist nature of some essential plant and equipment, there is an inherent risk that specific items may only be able to be sourced from suppliers that operate in areas that are considered to be high risk for modern slavery.

SMC utilizes a world-wide freight and distribution network to transport materials, plant and equipment to the Refinery which may require these items to pass through ports in areas that are of high risk of modern slavery practices.

To mitigate the risk of Modern Slavery within SMC operations, SMC has set up a Modern Slavery working group to provide oversight on behalf of SMC's Board of Directors.

Due diligence is conducted on all of SMC's Suppliers and Contractors to identify modern slavery risks and all SMC Suppliers and Contractors are required to be pre-approved by SMC before providing goods and services. As part of this process each Supplier and Contractor must complete an application form that requires them to provide copies of all relevant employment policies, including any modern slavery policies (where applicable) and provide 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 Modern Slavery Act.

Where Suppliers and Contractors are identified as operating from within areas that are considered to be of a high risk for modern slavery practices, SMC uses a comprehensive management process to assess whether the risk of using these suppliers and contractors is acceptable to SMC.

While SMC has an expectation that Suppliers and Contractors will monitor their own use of suppliers and will carry out their own due diligence to mitigate any modern slavery risks, SMC aims to work with suppliers to assess this compliance.

SMC has commenced updating all of its contracts to incorporate applicable modern slavery provisions, including warranties by Suppliers and Contractors that they have taken reasonable steps to identify modern slavery risks within their own supply chains, and that they will operate in accordance with the principles of the Modern Slavery Act.

SMC is also working to conduct regular audits of suppliers and contractors to assess performance and to ensure that the risk of modern slavery is identified at any early stage and can be appropriately addressed.

SMC will continue to review and assess its response to Modern Slavery on an ongoing basis. In the short term, SMC's focus will be on:

- Developing internal policies and procedures including an SMC Code of Conduct.
- The ongoing assessment of SMC practices to ensure ongoing compliance with the requirements of the Modern Slavery Act.
- Regular training and updates for all relevant staff.
- Ongoing refinement of risk assessment and diligence processes of contractors and suppliers.
- Continual engagement with Suppliers and Contractors.
- Implementing feedback mechanisms for staff and suppliers.

This statement was approved by the Board of Directors of Sun Metals Corporation Pty Limited on 21 May 2021.



Mr Ki Won Park
Director and Secretary
Sun Metals Corporation Pty Limited