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TOTAL STEEL OF AUSTRALIA
2026 MODERN SLAVERY STATEMENT

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This statement was prepared by Total Steel of Australia Pty Ltd (referred to herein as 'TSA', 'Total Steel' or 'we') (ABN: 34 001 201 850) as a reporting entity under the *Modern Slavery Act (Cth) 2018* ('the Act'). It describes the modern slavery risks and risk management actions conducted across TSA's operations and supply chain during the period 1 April 2025 to 31 March 2026. TSA's registered office and principal place of business is Suite 10, 35-37 Railway Parade, Engadine, NSW, Australia.

TSA is owned and controlled by Marubeni-Itochu Steel Inc. (MISI) which is 50% owned by Marubeni Corporation and 50% owned by ITOCHU Corporation. Our approach to the management of human rights risks, including modern slavery risks, is governed by the policies and procedures maintained by our parent company MISI. TSA does not own or control any other entities and therefore it was not necessary for us to consult with any other entities in preparing this statement.

This statement was approved by Total Steel of Australia Pty Ltd's Board of Directors in their capacity as principal governing body of Total Steel of Australia Pty Ltd on 21st August 2026.

This statement is also signed by Stephen McHugh in his role as the managing director of Total Steel of Australia Pty Ltd on 24th August 2026

Stephen McHugh	Shinichi Kimura	Senri Okazawa
Managing Director	Director	Director

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Message from our Managing Director

I am pleased to present Total Steel's 2026 modern slavery statement. This statement has been developed in accordance with Australia's Modern Slavery Act and outlines our company's modern slavery risks and the actions that we have taken to mitigate them. 2026 is the sixth year that we have met the Modern Slavery Act's definition of a reporting entity and therefore this is our company's sixth modern slavery statement.

In this reporting period we have continued to improve our approach to assessing and addressing modern slavery. We have implemented new processes for assessing modern slavery risk by more closely engaging with suppliers and asking them to participate in an online self-assessment questionnaire. In 2026 we saw a significant scale-up of the assessment program, with the expansion from 175 suppliers assessed in the previous reporting period to 304 suppliers assessed in 2026.

We recognise that nearly all companies, regardless of where they operate and what they do, are likely connected to modern slavery through their direct operations, investments or supply chains. We understand the importance of understanding the modern slavery risks that we are exposed to, as well as the importance of developing appropriate measures to address them. In light of this, we have identified several initiatives that will further develop our approach to managing modern slavery risks.

Yours sincerely,

Stephen McHugh

Managing Director

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TSA's structure, operations and supply chain

Total Steel is one of Australia's leading wholesaler and distributor of steel products. We are specialist steel distributors and offer services to the mining, engineering and general fabrication industries.

Total Steel is an Australian private company that is wholly owned by Marubeni-Itochu Steel Inc. (MISI), an entity domiciled in Japan. MISI's main business activities include the processing, import, export, and sales of steel products; supply chain management and investment in steel-related industries. MISI is headquartered in Tokyo, Japan and is 50% owned by ITOCHU Corporation and 50% owned by Marubeni Corporation.

Our operations

Our head office is in Engadine, Sydney. We have warehouses in Sydney, Melbourne, Perth, Brisbane, Darwin and a satellite office in Townsville.

As at 31 March 2026, we employed around 127 individuals across Australia. Of our employees:

- 49% of staff work in an office-based corporate capacity and 51% work in our operations.
- Approximately 96% of our staff are employed on a permanent basis and 4% are employed on a casual basis.



The diagram below details how our business model creates value:



Our supply chain

We purchase goods and services from a range of Australian and international suppliers. The main categories of the goods and services we procured in 2026 are detailed in the below table.

Supply chain segment	Category	Description
Trade suppliers – merchandise for sale and distribution	Raw Steel	Suppliers of steel that is cut by Total Steel Australia into sellable product. These suppliers range from steel traders to direct providers.
	Value adding service suppliers	Suppliers that Total Steel engage with to provide services that are typically provided off site. These services are provided as required to enhance or refine Total Steel's final sellable product, such as galvanising, bending, laser cutting etc.
Non-trade suppliers – goods and services not for resale	Hardware and Machinery	On site machinery and hardware as well as construction materials that are purchased by Total Steel to enable our steel processing operations.

Supply chain segment	Category	Description
	Indirect Goods	Goods that are purchased by Total Steel to facilitate the day-to-day back-office operations and support services. Goods include office stationery and hardware, uniforms, phones etc.
	Onsite services	Services that Total Steel engage with that are typically performed on Total Steel's sites. These services include cleaning, facilities management services, security, etc.
	Professional services	Services that facilitate the back office or financial aspect of Total Steel's operations such as IT, recruitment, marketing, legal etc.
	Transportation & logistics	Suppliers that provide fleet or freight services including tyres and fuel.
	Utilities	Suppliers that provide energy, gas and phone services to Total Steel's sites.

Our trade suppliers are predominantly based in Australia, with smaller amounts of raw steel provided by international suppliers from Asia and the European Union. The vast majority of our non-trade suppliers are based in Australia.

Risks of Modern Slavery

We recognise that modern slavery may impact our business activities, and we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery through our operations and supply chains.

Risk assessment methodology

Total Steel has continued to improve its risk assessment methodology by engaging with suppliers and, with the support of third-party providers, asking them to participate in an online self-assessment questionnaire.

Following a review of responses to this questionnaire, suppliers have been categorised into the following categories:

		Inherent risk		
		Low	Moderate to High	Very high
Risk control	Adequate	Low-risk (Low levels of inherent risk)	Low-risk (Adequate risk control)	High-risk (High levels of inherent risk)
	Partial		Medium-risk (Partial risk control)	
	Inadequate		High-risk (Inadequate risk control)	

In determining the appropriate risk category for each supplier – an assessment was undertaken of:

- risks inherent to their operations, production and sourcing based on geographical, type of goods, industry, sector, and workforce factors; and
- risk controls implemented by that supplier to mitigate their risks.

We have had significant cooperation and participation from our suppliers during the online self-assessment questionnaire process. In total, 304 of our suppliers have completed the questionnaire. Suppliers who did not complete the assessment were still considered for modern slavery risks, however this was determined through a desktop assessment, as in previous reporting periods.

Our enhanced assessment has confirmed that our operations and supply chain have a medium risk for modern slavery.

Our overall categorisation of supplier risk categorisation is set out below:

Risk Category	**% of suppliers per risk category**	**# of suppliers per risk category**
Low-Risk (No inherent risk)	12.5%	38
Low-Risk (Adequate risk control)	20.1%	61
Medium-Risk (Partial risk control)	53.3%	162
High-Risk (Inadequate risk control)	14.1%	43
High-Risk (High levels of inherent risk)	0%	0

We note that while the high-risk (inadequate risk control) category of supplier has increased from *11.4% (20 suppliers)* to *14.1% (43 suppliers)*, this is largely attributed to the broader pool of assessed suppliers in 2026.

Suppliers operate across dozens of countries including Australia (297), New Zealand (18), United States (13), United Kingdom (8), China (8), Singapore (7), India (5), Malaysia (5), and many others

Some suppliers who have operations in higher risk countries such as Bangladesh, China, Papua New Guinea and Russia.

These countries are recognised as having a higher prevalence of modern slavery due to factors such as poor governance, compromised rule of law, conflict and socio-economic weaknesses such as poverty.

A number of our suppliers also operate in **high risk sectors or industries** or produce **higher risk goods or services** in high risk sectors and industries.

These sectors and industries include accommodation and food service activities, building services, agriculture, forestries and fishing, construction, domestic work, maintenance and repair of motor vehicles, manufacturing, mining and quarrying, personal services, retail, transportation and storage and wholesale.

High risk goods or services identified by our suppliers include aluminium, textiles, garments, footwear, gloves, electronics, toys, soccer balls, and a range of cleaning and building services

.

In particular, we note:

- 75% of suppliers had operations in a sector considered high-risk due to the possibility of a link to modern slavery practices such as forced labour and child labour; and
- the most prevalent high-risk sectors of operation were manufacturing (109 suppliers), transportation and storage (67 suppliers), construction (49 suppliers), wholesale (42 suppliers), and mining and quarrying (39 suppliers).

A more detailed description of Total Steel's risk profile is set out below, with reference to the main categories of the goods and services we procure.

Supplier category		Risks identified
Trade Suppliers	**Raw Steel**	• The raw materials required to create crude steel are extracted from several countries that have been linked to forced labour in their mining industries. Steel's supply chains can also make the country of origin of raw materials difficult to discern. • The steel production process is hazardous and can present significant health and safety risks to workers.
	Value adding services suppliers (Steel processing)	• The raw materials required to perform value adding services are extracted from several countries that have been linked to forced labour in their mining industries. • For smaller providers there could be instances of subcontracted labour with fewer employment protections performing hazardous work.
Non-trade Suppliers	**Indirect goods (Uniforms)**	• The raw materials used to make uniforms, such as cotton, are typically harvested and processed in countries that have known incidents of modern slavery in the textile industry. • The clothing supply chain presents high risks of modern slavery, stemming from working conditions, excessive work hours and minimal to low pay.
	Hardware and machinery retailers (inc. fleet & tyres)	• Instances of labour exploitation have been linked to migrant workers in the electronics manufacturing industry. • Significant forced labour risks exist deep within the supply chain of mined cobalt, tin, tantalum, and gold, all of which are critical components in electronic equipment and batteries. • There are commonly recognised issues relating to exploitation within the rubber industry globally and significant risks exist globally at raw material extraction.

Supplier category		Risks identified
		• Complex supply chains and manufacturing in higher risk geographies elevates value chain risks.
	Onsite services (Facilities/Property management services)	• Instances of labour exploitation of vulnerable workers, including temporary migrants have occurred in the Australian cleaning industry. • Sub-contracting and sham contracting are common and lead to a lack of transparency and accountability around working conditions for lower skilled facilities management services.

As noted above, we also analysed the modern slavery risk management approaches of our suppliers.

This review demonstrated varying levels of maturity within our suppliers and risk mitigation processes.

We found that some large multinational companies show robust policies and commitments to mitigating modern slavery, particularly in high-risk areas such as steel sourcing. Some of these controls include (among others) undertaking training, issuing policies to suppliers and conducting supply chain assessments.

Other suppliers are smaller scale and presently do not have strong controls mitigating modern slavery risk.

Actions taken to manage our modern slavery risks

We maintain a range of controls and due diligence actions to manage our modern slavery risks.

Due diligence

As noted above, we undertook a risk assessment on our suppliers by way of a supplier questionnaire to identify any key modern slavery risks that existed within our operations and supply chains.

Our policies

Our policy framework guides the way we operate, and the expectations we have of our team and suppliers. We align our standards of behaviour to the conduct expectations established by MISI's policies and procedures.

The key policies and procedures that guide our approach to human rights and modern slavery risk management include MISI's "*Respect for Human Rights and Prohibition of Discrimination and harassment*" policy and our Whistleblower Hotline.

- MISI's "*Respect for Human Rights and Prohibition of Discrimination and harassment*" policy outlines the responsibilities of the business' officers and employees to comply with all related human rights laws and regulation as they relate to labour, harassment and discrimination.

- Total Steel's Whistleblower Hotline provides our directors, employees and business partners with a mechanism through which to raise concerns about conduct and compliance, including those relating to human rights and modern slavery.

Training

Modern slavery training was provided to our team members by an external provider. This training was intended to build understanding of what modern slavery is, the risks of modern slavery that we have identified and the practices that can be conducted to mitigate these risks. Training sessions such as this promote a deeper understanding of modern slavery and build the capacity of our workers to understand, identify and respond to modern slavery risks.

Basis of employment

We engage our workers via National Employment Standards employment awards, most commonly the Clerks Award, the Storage Services and Wholesale Award and the Manufacturing and Associated Industries Award. Approximately 96% of our workers are employed on a permanent basis.

In addition to these contractual controls, our employee on-boarding system requires new team members to undertake a general induction, work, health and safety training and includes provision of Fair Work information Statements that covers Fair Work Laws, Awards, Enterprise Agreements and Employment contracts.

Supplier relationships and engagement

Our approach to supply chain risk management is focused on building and maintaining transparent, long-term relationships with our key trade suppliers.

When engaging new trade suppliers, we assess companies' ability to supply quality products on a reliable and consistent basis. Our trade supplier assessment process typically involves site visits by senior personnel to manufacturing facilities, which provide us with an opportunity to observe and ask management questions about the working conditions and health and safety standards of the facilities they operate. We minimise sourcing from companies that cannot demonstrate that they maintain robust governance practices or fail to meet our conduct expectations.

We also seek to develop long-term relationships with our non-trade suppliers and seek to source from local Australian businesses where possible.

Assessing the effectiveness of our actions

While we consider existing modern slavery risks management actions to be beneficial, we recognise that our approach should evolve as we learn more about modern slavery and our company's risk exposures.

We recognise that measuring and monitoring the effectiveness of our controls is an important step in ensuring that our approach remains fit for purpose.

One of the ways in which we measure our effectiveness is regularly reviewing our modern slavery processes, with senior management meeting annually to consider whether we are appropriately identifying and evaluating our modern slavery risks.

We also monitor our performance against a number of key performance indicators.

These include :

- the number of suppliers who have responded to our questionnaire (which in 2026 was 304 out of 876 or 34.7%); and
- the number of suspected or identified modern slavery incidents.

Future Actions

We intend to grow our understanding of our company's exposure to modern slavery and to establish corresponding risk management actions. In the coming reporting periods, we intend to:

- **Continue to monitor our reporting obligations** – we recognise the importance of taking a proactive approach to compliance and improvement under the Act. Following this reporting period, we will continue to review our financial performance to determine if we have met the revenue threshold for mandatory modern slavery reporting.
- **Explore amendments to MISI's "Respect for Human Rights and Prohibition of Discrimination and harassment" policy** – we plan to review our current human rights policy to include a prohibition of modern slavery clause.
- **Engage non-responsive suppliers:** 572 suppliers (65.3%) are yet to complete our assessment. We commit to re-engaging these suppliers and improving the completion rate in future reporting periods.

Appendix 1 – Mandatory Reporting Criteria

The below table identifies the location of material aligned to the mandatory reporting criteria in the Act within this statement:

MRC#	Mandatory Reporting Criterion	Section	Page Number
MRC1	Identify the reporting entity	Introduction	3
MRC2	Describe the structure, operations and supply chain of the reporting entity.	TSA's structure, operations and supply chain	5 – 7
MRC3	Describe the risks of modern slavery across the operations and supply chain of the reporting entity.	Risks of modern slavery	7 – 11
MRC4	Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes.	Actions taken to manage our modern slavery risks	11 - 12
MRC5	Describe how the reporting entity assesses the effectiveness of its actions.	Assessing the effectiveness of our actions	12 – 13
MRC6	Describe the process of consultation with any entities that the reporting entity owns or controls.	Introduction	3