

sumo

Sumo Australia Limited Modern Slavery Statement 2021



Executive Summary

Sumo Australia Limited (**Sumo**), together with its controlled entities (the **Sumo Group**) is an Australian-owned and operated utilities retailer, employing approximately 60 staff in our Melbourne office. Based on its turn-over of just over \$100 million during the Reporting Period, Sumo has an obligation to report under the *Modern Slavery Act 2018* (Cth).

The operations of the Sumo Group are fully integrated, sharing governance, executive and management teams and employees, office space, and some supply contracts. It is therefore appropriate to assess operations and supply chains for the Sumo Group as a whole.

Sumo considers the risk of modern slavery practices occurring in its internal operations to be extremely remote, given the industry award and level of qualification of its wholly Melbourne-based staff.

For its suppliers, Sumo has assessed the risk of modern slavery based on location and industry. Our assessment has not identified any high or medium risk suppliers, but has identified two low-risk suppliers for further assessment, one of which was onboarded after the Reporting Period.

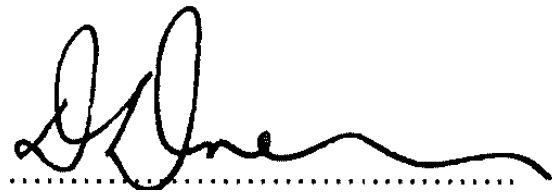
In view of the low risk in its supply chain, Sumo is applying an approach of continuous education and learning to its risk assessment.

Because of the low risk of any modern slavery practices occurring, the effectiveness of Sumo's actions cannot suitably be assessed by tracking actual identification and remediation of such practices. Rather, Sumo will continue to review industry-relevant developments and best practices, and will adapt and change its program as needed.

This Statement has been developed through cooperation between different functional teams that are shared across the Sumo Group.

Sumo will continue to assess best practice in mitigating modern slavery risks as appropriate under the circumstances. This includes elements of improving awareness and understanding of this topic within the business, and assessing feasible steps to further reduce the already low risk of modern slavery in its supply chain.

This statement was approved by the Board of Sumo Australia Limited.

A handwritten signature in black ink, appearing to read 'D. Drenen', is written over a horizontal dotted line.

Dominic Drenen, Managing Director



This Statement

Sumo Australia Limited (**Sumo**) provides this Modern Slavery Statement (**Statement**) as required under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) for the reporting period 1 July 2020 to 30 June 2021 (**Reporting Period**).

About Sumo

Sumo's corporate structure

Sumo is a public unlisted company. It has a number of wholly-owned subsidiary companies which together comprise the Sumo Group. These entities share staff, facilities, and operating structure including governance and relevant policies. None of these subsidiaries on their own had consolidated revenues above \$100 million in the Reporting Period. All Sumo Group entities are registered in Australia.

Sumo's registered office is located at 'HWT Tower', Level 17, 40 City Road, Southbank, VIC 3006.

Sumo's operations

Sumo is a small, innovative Australian-owned and operated utilities retailer based in Melbourne, Australia.

Since its launch in 2015, Sumo's operations have grown to include the retailing of energy and telecommunications services to residential and small business customers in Victoria, New South Wales, Queensland and (after the end of the 2020-21 financial year) in South Australia

Sumo does not own or operate any electricity generation or gas production or storage assets. Instead, it focusses on providing excellent service to residential and small business customers at competitive prices, providing an Australian-owned and operated

alternative to bigger and more established utility providers.

For telecommunications services, Sumo partners with wholesalers to offer the services to consumers.

As at 30 June 2021, Sumo had:

- approximately 80,000 electricity, gas and telecommunications customer accounts across Victoria, NSW and Qld;
- 63 employees, all working out of the Melbourne office or from home in the Melbourne area; and
- 161 external suppliers during the Reporting Period, with all of which except for three were Australian-registered companies.

Since its launch, Sumo has based its operations in Melbourne, Australia. It monitors compliance with applicable laws, including industry awards and state employment and occupational health and safety laws, and considers that the risk of modern slavery in its internal operations is negligible.

Sumo's supply chains

During the Reporting Period, Sumo made payments to 161 suppliers. The spend with each supplier varied from a few hundred dollars to many millions of dollars.

Sumo's supply chain includes the wholesale supply of electricity, gas and telecommunications services, network distribution services, sales and marketing services, billing and back-office services, payment channels, IT software and hardware services, professional services, and lease and management of Sumo's office.

All of Sumo's utility wholesalers for electricity, gas and broadband are major companies with operations in Australia, and are subject to the



requirements of the Modern Slavery Act. Electricity and gas sold by Sumo are generated or sourced in Australia. The companies and people who work to produce this energy as employees or contractors are subject to Australian laws, including laws relating to employment and occupational health and safety.

For the majority of suppliers, Sumo engages with their Australian operations, which are subject to Australian laws in relation to employment and human rights.

Risks of modern slavery practices in Sumo's operations and supply chains

Introduction

The term "Modern Slavery" is defined in the Modern Slavery Act to include eight specific types of serious exploitation: trafficking in persons; slavery; servitude, forced marriage, forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. As detailed in the *Guidance for Reporting Entities*, such practices have the consequence of a worker not being able to refuse or cease work because of coercion, threats or deception, and the worker may also be deprived of personal freedom.

Ongoing low risk of Modern Slavery in Sumo's internal operations

Sumo's operations are conducted from and at Sumo's headquarters in South Melbourne, VIC. All employees have appropriate rights to work in Australia. All roles require employees to be fully proficient in the English language. All of Sumo's employees are paid under the Electrical Power Industry Award or relevant Individual Flexibility Arrangements.

Sumo has a strong culture of compliance, including in relation to employment laws. Sumo therefore considers that the risk of any practices occurring within the company that would deviate so far from compliant Australian practices to constitute modern slavery is remote.

Sumo has a Whistleblower Policy encouraging employees to notify any identified non-compliance or inappropriate practices within Sumo. This can be done outside employee's normal reporting line, and even anonymously if employees prefer this. Sumo has not received any complaints under the



Whistleblower Policy in relation to non-compliance with employment laws.

Sumo considers that overall, the risk of Modern Slavery occurring in its internal operations is extremely low. To the extent that it may arise, Sumo considers that general compliance practices including the Whistleblower Policy would be sufficient to manage this risk.

Approach for supply chain risk assessment

There is no prescribed framework for supply chain risk assessment under the Modern Slavery Act.

Sumo will continue to review publicly available information to better understand possible approaches to assess supply chains for any risk of modern slavery. Two key factors seem to be generally accepted to possibly indicate a higher risk of modern slavery practices, namely geographic location and industry.

Low risk of modern slavery practices in Australia

Modern slavery still continues to exist in Australia today, but the exact extent of it is unclear. Reported cases often show a pattern of persons travelling to Australia from overseas based on false promises of desirable work opportunities, with the person then being subjected to modern slavery conditions upon arrival, and lacking support and resources to escape from these conditions.

In contrast to these isolated incidents, systemic use of modern slavery does not seem to have been reported in Australia. Persons in documented employment relationships, particularly in tightly regulated industries such as energy retail, seem to be at a comparatively low risk of experiencing modern slavery conditions.

Potential elevated risk industries in Australia

There is no clear data on what industries in Australia pose elevated risks of labour exploitation amounting to modern slavery. Looking for patterns in reported cases, these have occurred in the areas of agriculture, construction, domestic work, meat processing, food and hospitality services, and cleaning (Global Slavery Index). There is also an elevated risk for imported computers and mobile phones to have been produced involving conditions of modern slavery (Global Slavery Index).

Assessment of risk factors for Sumo's supply chain in first instance

Sumo conducted an initial review of its supplier base in the 2020 reporting period. Sumo has again reviewed a list of suppliers to the Sumo Group during the Reporting Period. Sumo made payments to 161 suppliers during this period. Among these, three are registered outside of Australia. Two of these provide software and/or software as a service, the third provides it development services. Our initial assessment that Sumo's location, and the profile of Suppliers being almost exclusively being registered in Australia, results in a very low risk profile, remains unchanged for the Reporting Period.



Actions taken by Sumo to assess and address modern slavery risks

Learning and education

Sumo had previously identified that building internal knowledge and expertise around modern slavery issues is a key factor in improving modern slavery risk identification and mitigation in its supply chain.

Sumo relies on two complimentary approaches in this respect:

- Staff education; and
- Identification of new insights and practices in relation to risk identification and mitigation through reviewing insights as included in reporting by other industry participants.

For staff education, Sumo has provided external training and education materials on modern slavery, risk factors, and potential indicators of increased risk to all staff to review.

For industry benchmarking, Sumo has reviewed three Modern Slavery Reports by major electricity industry participants, and is considering whether any leanings from those could be helpful in assessing the risk of modern slavery within Sumo and its supply chain.

Approach to assessing individual suppliers

Sumo as a first step considers applicable risk factors for modern slavery practices, and then assessed whether those were present for any existing suppliers.. The approach has been to consider suppliers in a wholistic manner, rather than using a formal scoring matrix. This is appropriate given Sumo's size, and available resources. On an initial assessment, no suppliers were identified that raised major

concerns given the combination of location and industry.

Sumo identified two suppliers to further assess, based on risk factors of domestic industry (office cleaning services), and overseas labour resourcing for one supplier whose team members who directly provide services to Sumo are located in Manila, Philippines. Another supplier using team members located in the Philippines commenced providing services after the Reporting Period.

Sumo previously assessed the cleaning service supplier's practices and procedures through a personal interview with the local small business owner. Sumo remains satisfied that the risk of the supplier engaging in modern slavery practices is extremely low.

Sumo intends to further assess practices and procedures of both the existing supplier during the Reporting Period, and the supplier onboarded after the reporting period, that provide services through overseas team members.

Code of Conduct for Suppliers

Sumo has implemented a Supplier Code of Conduct (see <https://www2.sumo.com.au/sumo-supplier-code-of-conduct/>). This has been provided to all active suppliers on 26/05/2021. Sumo is considering further options for including this in supplier contracts going forward.



How Sumo assesses the effectiveness of actions to assess and address modern slavery risk

As detailed previously, Sumo anticipates that the likelihood of any instances of Modern Slavery occurring in its supply chain are extremely low.

This means that relying on the identification of any actual instances of Modern Slavery in Sumo's supply chain will not be a suitable indicator of the effectiveness of any initiatives or actions that Sumo takes to internally build knowledge in relation to Modern Slavery risk assessment and prevention. It will also not be a suitable indicator of any progress that Sumo may make in this respect.

Sumo will therefore continue an approach of continuous learning and improvement to understand the issues of Modern Slavery in Australia today, with a view to implementing any identified measures that are suitable given Sumo's industry, supplier profile, and size.

Outcomes will be assessed flexibly, depending on the nature of the relevant initiative.

Process of consultation between Sumo Group Entities

The operations of the Sumo Group entities are fully integrated. The entities have common directors and share the same executive and management teams and employees, as well as governance structures and policies. Only Sumo Australia Limited meets the revenue threshold and therefore has a reporting obligation under the Modern Slavery Act.

The process for developing and executing the response to the Modern Slavery Act, and development of the Statement, has been a cross-disciplinary project led by the Legal and Compliance team.

The Statement has been approved by the Sumo Australia Limited Board of Directors.

Other relevant information

Sumo does not have any further relevant information at this time.



Outlook

Following on from past and ongoing activities to assess and mitigate Modern Slavery risks in Sumo's supply chain and build awareness and skills, Sumo intends to focus on and progress the following activities during the current reporting period:

- Learning/education
 - Distil and assess learnings from Modern Slavery Statements from three major industry participants
- Supply chain risk assessment and mitigation
 - Consider options for including supplier code of conduct into supply contracts
 - Further assess two specific suppliers using overseas team members

