

MODERN SLAVERY STATEMENT – FINANCIAL YEAR 2023-24

This is Sumitomo Australia Pty Ltd ACN 000 371 497 (**SAPL**) Modern Slavery Statement for the financial year ending 31 March 2024 (**FY2023-24**), and our fifth statement issued under the *Modern Slavery Act 2018* (Cth) (the **Act**). This statement has been prepared in accordance with s 16 of the Act.

This statement sets out SAPL's:

- structure and operations;
- supply chains;
- governance;
- assessment of risks of modern slavery in our operations and supply chains; and
- consideration of the effectiveness of the controls put in place to prevent and eliminate modern slavery practices in our supply chains.

This statement was prepared by SAPL in consultation with the various business and corporate units across SAPL and was reviewed and approved by the Board of Directors of SAPL.

1. OUR STRUCTURE AND OPERATIONS

Structure

SAPL is a large proprietary limited company under s 45A(3) of the *Corporations Act 2001* (Cth). We are a wholly owned subsidiary of Sumitomo Corporation (registered in Japan). SAPL forms part of the Sumitomo Corporation Group (**SC Group**). The SC Group is an integrated corporate group committed to business activities in a wide range of industries with 129 offices and subsidiaries in over 66 countries and a network of over 886 group companies worldwide. As a global company Sumitomo Corporation is also subject to, and reports under, s54(1) of the *Modern Slavery Act 2015* (UK).

SAPL holds minority interests in the following sectors:

- mineral resources;
- fertilisers;
- steel and aluminium products; and

- power and energy generation (including renewable energy).

SAPL holds these minority interests indirectly through interposing entities as well as through joint venture arrangements. To the extent that any of these businesses are related bodies corporate to SAPL and also reporting entities under the Act, the business reports on a standalone basis.

Operations within Australia

SAPL is an integrated trading and investment business operating from Brisbane, Sydney, Melbourne, and Perth with a branch office in Auckland, New Zealand. SAPL provides trading and investment services to customers located in Australian and New Zealand. SAPL has approximately 70 employees across Australia and New Zealand. SAPL operates under its company name only.

SAPL is a trading company. It does not own or operate any manufacturing facilities directly. SAPL sources its trading goods under arrangements with its overseas suppliers (located predominantly in Japan).

The goods that SAPL trades in include:

- Steel products: specifically Oil Country Tubular Goods (**OCTG**), line pipe, bar and wire products, and other specialty steel products;
- Non-ferrous products and metals: aluminium rolled coil and sheet manufactures;
- Mineral Resources and Energy: coal and copper concentrate;
- Chemicals: both organic and inorganic;
- Machinery products: specialty components used in the transportation and energy industries, vacuum circuit breakers used in electrical distribution systems, and supply of large plant and equipment items;
- Carbon products: carbon black feedstock, activated carbon, graphite electrodes and cathodes for the steel and aluminium manufacturing business; and
- Agricultural technology goods: AI-based size, distribution, and yield management and fruit counter solutions.

2. SUPPLY CHAINS

In FY2023-24, SAPL engaged new and existing suppliers across the globe. SAPL sourced goods from suppliers in Australia, Japan, China, Israel, USA, Malaysia, Switzerland, and Norway.

SAPL also procured services from suppliers in Australia, New Zealand, Singapore, USA, United Kingdom, Israel, South Korea, Japan, and China.

Supply chain arrangements vary from purchases or sales on a 'one-off' basis to longer term supply arrangements. Noting SAPL is a trading entity, our major area of expenditure is in relation to the purchase or procurement of goods.

While SAPL does not directly cause or contribute to modern slavery practices, SAPL recognises that there are parts of our business operations and supply chains that have an elevated risk for potential modern slavery. For example, some of the goods procured by SAPL are likely to be linked to high risk industries, are high risk goods in themselves or contain components that are high risk, or the manufacturing of these goods take place in high risk countries.

Specifically, we consider the following business operations to present an increased risk of modern slavery to SAPL's business operations and supply chains:

- Metal;
- Shipping and logistics;
- Carbon and chemicals;
- Power;
- Mining; and
- Corporate services (computers, printers, laptops, and mobile phones).

3. GOVERNANCE

Governance framework

SAPL's corporate governance is managed by an experienced, skills-based Board of Directors (the **Board**). The Board is responsible for ensuring that SAPL maintains the highest standards for risk management, accountability, and good corporate citizenship.

General Managers and Senior Management personnel support the Board in discharging its duties.

Policies

SAPL's corporate culture is based on the Sumitomo Corporation Management Principles and Activity Guidelines.

Management Principles

- To achieve prosperity and realise dreams through sound business practices.
- To place prime importance on integrity and sound management with utmost respect for the individuals.
- To foster a corporate culture full of vitality and conducive to innovation.

Activity Guidelines

- To act with honesty and sincerity on the basis of Sumitomo's business philosophy in keeping with the Management Principles;
- To comply with laws and regulations while maintaining the highest ethical standards;
- To set high value on transparency and openness;
- To attach great importance to protecting the global environment;
- To contribute to society as a good corporate citizen;
- To achieve teamwork and integrated corporate strength through active communication; and
- To set clear objectives and achieve them with enthusiasm.

These principles and guidelines are based on the business philosophy of Sumitomo Corporation's founder, Masatomo Sumitomo (1585 – 1652) passed down and faithfully followed for more than 400 years. This philosophy, and these principles and guidelines, govern the behaviour, decision-making, investments, and commercial interactions of SAPL and its personnel.

SAPL believes in respecting human rights in everything we do. Accordingly, we have zero tolerance for passive acceptance of modern slavery and human trafficking.

SAPL has implemented an internal Modern Slavery Policy and Modern Slavery Procedure (**Modern Slavery Framework**) to assist in mitigating risks of modern slavery and human trafficking and abuse in our business and supply chains.

In addition to the Modern Slavery Framework, SAPL has the following policies in place:

- recruitment and selection rules;
- compliance policy and compliance manual; and
- whistleblower policy and whistleblower procedures.

4. MODERN SLAVERY RISK ASSESSMENT

Over the past 5 years, through the implementation of a Risk Assessment Questionnaire, SAPL has developed a defined set of criteria for detection of modern slavery both before, and during, the engagement of a supplier, including:

- Geographic risk: where the goods are manufactured;
- Product and services risk: the type of Goods we trade; and
- Sector and industry specific risks: the sector or industry in which we trade certain Goods.

(Risk Assessment Criteria).

SAPL's procedure, as set out in its Modern Slavery Framework is to assess each new supplier or manufacturer engaged by SAPL against the Risk Assessment Criteria, including through the use of supplier self-assessments questionnaires (**SAQs**).

SAPL has identified a longer term objective among its Modern Slavery Committee; to ensure continued (and increased) engagement with the Modern Slavery Framework across its business and corporate units. SAPL will use this next reporting period to focus on engagement by reassessing its Modern Slavery Framework, including the method of implementation, to maintain and increase engagement with supplier due diligence across the company.

Risks identified in supply chain

SAPL's supply chain is predominantly comprised of highly reputable, global suppliers. Of the suppliers that SAPL has engaged with and assessed during FY2023-24, SAPL has not identified any high-risk

of suspected or actual modern slavery in its supply chain.

SAPL will continue to monitor existing suppliers based on the supplier's geographic risk, industry specific risk, or product risk.

Modern Slavery risk controls actioned in FY2023-24

In FY2023-24, SAPL continued its commitment to ethical business practices.

SAPL has undertaken the following actions in relation to the key sectors and suppliers in our supply chain which have a higher potential inherent risk of modern slavery.

Supplier due diligence

SAPL has developed, and continues to use, Risk Assessment Questionnaire that it uses as a pre-engagement mitigation measure.

This process is designed to ensure that SAPL is proactively acting to prevent modern slavery in its supply chain.

Further, SAPL's Modern Slavery Framework requires ongoing due diligence on Tier 1 ('red-flagged' or high-risk) and Tier 2 Suppliers including through review of supplier modern slavery statements, SAQs, annual review meetings, and reporting requirements under contractual agreements.

From its due diligence process, SAPL has identified that its higher risk activities are unchanged from previous reporting years.

SAPL continues to experience some difficulty in eliciting relevant information from suppliers headquartered in jurisdiction that do not have modern slavery legislation similar to the Act. This is likely because such suppliers consider themselves to have no legislative obligation to comply with modern slavery legislation (including the Act).

Further, SAPL considers there is opportunity to lead by example with those suppliers and constructively engage in focussing suppliers to considering and reviewing their own supply chains to identify modern slavery risks.

Remediation processes

SAPL has raised concerns with suppliers that have identified actual instances, or high risks of instances, of modern slavery in the supply chains

and continues to engage with and monitor the supplier actions.

Supplier contracts

SAPL has continued to engage its suppliers through contractual mechanisms setting out minimum standards expected of SAPL Suppliers.

Contractual provisions are included in all contracts between SAPL and its suppliers, regardless of the size or nature of the transaction.

SAPL has adopted and amended provisions from the Australian Border Force as a 'best of breed' in mitigating modern slavery risk through contractual obligations.

Whistleblower policies and reportable conduct

SAPL has whistleblower policies and procedures in place so that staff, contractors, and other personnel engaged by SAPL may raise genuine concerns regarding suspected or actual unlawful or unethical conduct.

In addition, SAPL has engaged a third party, completely independent, service provider to provide a whistleblower hotline to accept reports on both a named and an anonymous basis.

5. ASSESSMENT AND EFFECTIVENESS

As SAPL concludes its fifth year of modern slavery risk assessment and prevention, it is able to assess the effectiveness of the measures taken.

Assessment was conducted by desktop due diligence and exchange of SAQs. SAPL's Modern Slavery Committee has monitored the implementation of its modern slavery framework including review of completed risk assessments and due diligence questionnaires by employees.

Feedback was provided on the quality of due diligence undertaken and supplier responses. A report reviewing the effectiveness of SAPL's modern slavery framework was provided to the Board along with recommendations for areas of improvement in Year 6.

Overall supplier engagement in Year 5 demonstrated a slight decline in engagement in the due diligence processes in comparison to the preceding years.

Our main focus for Year 6 will be to:

- revise the processes and procedures under the Modern Slavery Framework to ensure continued engagement with our Modern Slavery policies and procedures;
- reviewing the checklists including the SAQs used by business and corporate units when engaging with suppliers and manufacturers;
- rotate out, and replace, the members of the Modern Slavery Committee to encourage new engagement and broaden the organisation's awareness and understanding of modern slavery objectives and requirements. This will require additional training to be extended to the whole company including new starters and new directors of group companies;
- extend due diligence processes to review of sustainability and other 'ESG' publications made publicly available by suppliers to ensure modern slavery risks are identified (even when not published in a modern slavery statement);
- set modern slavery as a permanent agenda item at annual contract review meetings with suppliers regardless of risk assessment; and
- continue to monitor, engage, and collaborate with our Tier 1 suppliers and shift focus to our Tier 2 suppliers.

6. PLAN FOR REMEDIATION

SAPL will be focussing on internal processes as a priority (as set out above at paragraph 5). It will continue to raise concerns with its relevant suppliers. If required, SAPL will assist suppliers to develop action plans to eliminate and further mitigate potential or actual modern slavery.

SAPL will track the implementation of action plans to eliminate modern slavery (whether it has assisted in the development of those plans or not) and will assess the implementation of those plans.

SAPL is committed to engaging its new and existing suppliers to eliminate and mitigate modern slavery risks.

7. CONSULTATION PROCESS

This statement, and the analysis and processes undertaken to substantiate it, was the result of collaboration of, and consultation with, a working group comprising senior members of SAPL's corporate and business units.

As described above, SAPL does not own or control other reporting entities. No consultation process was required.

SAPL's Board of Directors approved this Modern Slavery Statement on 6 September 2024



Yoshikazu Ishikawa, Managing Director
10 September 2024