

**VULCAN STEEL LIMITED
(Vulcan)**

Modern Slavery Statement 2021

This Modern Slavery Statement describes the steps taken by Vulcan Steel Limited (Vulcan) during the financial year ending 30 June 2022 to address modern slavery risks in its business and supply chains.

This statement is made in accordance with the Modern Slavery Act (2018).

1. Introduction

Vulcan has a zero-tolerance policy for human rights violations including modern slavery practices. This Modern Slavery Statement outlines Vulcan's commitment to identify and address the risks of modern slavery practices in its operations and supply chains. With a company culture proudly centred around a safe and enjoyable workplace, ensuring modern slavery practices are not present in Vulcan's operations and supply chains are of the highest priority. Vulcan recognises that modern slavery practices are not always easy to identify in supply chains outside of their direct control, therefore take a risk-based approach in identifying supply chains most at risk of being affected.

This statement aligns with the Modern Slavery Act (2018) in which modern slavery offences refer to situations where coercion, threats, deception, violence or abuse of power are used to exploit victims and undermine or deprive them of their liberty. These could include slavery, servitude, human trafficking, forced labour, debt bondage, forced marriage, deceptive recruiting for labour or services, and the worst forms of child labour.

Vulcan is committed to thoroughly assessing risks in all areas of its business to enable the highest level of assurance to shareholders and stakeholders that Modern Slavery practices are not present. Vulcan has a number of senior staff assessing and reporting risks on an annual and ongoing basis. Vulcan recognises that tackling the risk of modern slavery in its supply chains will take ongoing commitment, time and resources and requires awareness and education of all stakeholders.

2. Organisational Structure and Operations

A successful Australasian distributor and value-added processor of metal products with an appetite for profitable and value accretive growth, Vulcan is one of the largest leading steel distributors in Australasia. With a purpose to be the most efficient metals distributor in the Australasian market, Vulcan offers distribution of carbon, engineering and stainless steels as well as coil and plate processing to a wide range of industries including transport, forestry, engineering, medical, construction, agriculture and marine.

Operating from 29 locations across New Zealand and Australia, Vulcan has 16 locations across five states in Australia – NSW, VIC, QLD, SA and WA - and 13 locations in New Zealand, with 8 in the North Island and 5 in the South Island.

3. Supply Chain

Vulcan has more than 100 suppliers across carbon, stainless and engineering steel with the top 30 representing approximately 85% of spend. Suppliers span across the globe, identifying the following countries as higher risk and in need of ongoing review: China, Hong Kong, India, South Korea, South Africa, Taiwan, Czech Republic, Malaysia, Thailand and Turkey.

Vulcan's procurement strategy focuses on long term supplier relationships, analytics and risk management. Supplier choice reflects purchasing scale, product quality and supply chain risk mitigation.

4. Risk Assessment

Vulcan's business relies on global supply networks, therefore it is important to identify and take action to remedy modern slavery risks in global supply chains where regulations may be wanting. As well as assessing offshore supplier risks, Vulcan recognises the importance of identifying where issues may arise in domestic operations. Vulcan understands that a safe and ethical business incorporates not just the human rights of their direct operations but also that of their suppliers.

The following assessment of risk is based around whether a practice in Vulcan's operations or supply chain may cause, contribute to, or be directly linked with modern slavery. Vulcan is in the process of assessing risk for its Tier 1 suppliers, meaning those with whom Vulcan has a direct relationship. As a part of its continuous improvement plan, Vulcan will in the future extend to the review of potential risks in tiers 2 and 3 of the supply chain.

4.1 Operations

Vulcan has assessed its operations and considers there to be low risk of modern slavery. Vulcan's human resources have strong processes in place for vetting new employees and ensuring they have the requisite visa status. There are also robust processes in place for assessing wages and salary agreements and verifying payments. All new employees are taken through a comprehensive induction process where they are made aware of Vulcan's standards and policies, ensuring they have been fully understood.

4.2 Supply Chain

Vulcan prides itself in maintaining long term, trusting relationships with suppliers who have strong reputations, ethics and reliable business practices. Vulcan does not knowingly engage with any supplier who is in violation of fundamental human rights or is partaking in modern slavery practices, however Vulcan acknowledges that there is always some risk when operating with third parties as part of a global supply chain.

Vulcan has identified two areas where there is potential risk of modern slavery within its supply chains, firstly around higher risk geographical locations and secondly around higher risk industries.

Vulcan is undertaking in depth risk assessments of modern slavery based on geographical location of its suppliers. Using the Global Slavery Index (GSI) which estimates the risk of modern

slavery by country, Vulcan analysed the estimated number of people living in modern slavery for each country it is supplied by. Vulcan has considered any country estimated to have over 6 people (per 1000) living in modern slavery to be a high-risk country where suppliers should be closely monitored. From Vulcan's supply chain, these countries are Thailand (8.88), Malaysia (6.91), Turkey (6.5) and India (6.1). Vulcan then analysed the GSI's Government Response Rating for each country which determines the role governments are playing in developing and implementing laws, policies and programmes needed to prevent and respond to modern slavery. Here it was identified that in addition to the above, China, Taiwan and South Korea scored on the low end of the scale, meaning that governments are playing a minimal role in prevention and response. For this reason, Vulcan has identified that there may be some risk of modern slavery with suppliers from these countries.

The other area of supply chain risk identified is within labour intensive services supplied by industries considered moderate to high risk. These services include cleaning services, IT services, apparel manufacturers, maintenance services and waste management. Modern slavery risks within these industries could include fraudulent contracting arrangements, below minimum wage payments, health and safety issues and poor ethical treatment of workers. Vulcan's suppliers of these services are based in New Zealand and Australia and following analysis Vulcan considers them to be low risk, however having identified risk in these industries, Vulcan will continue risk assessments on an ongoing basis.

5. Risk Management - Due Diligence and Remediation

Vulcan has a number of policies and standards in place to actively protect human rights within operations and supply chains. These documents outline the principles, standards and behaviours expected to be upheld by Vulcan employees, contractors and suppliers. Policies that set Vulcan's commitment to addressing modern slavery include Whistleblower Policy, Ethics Policy, Health & Safety Policy and Procurement Policy.

In addition to these policies, Vulcan is developing a Supplier Code of Conduct outlining minimum standards in social and environmental conduct that all suppliers will be expected to adhere to.

Vulcan's procurement personnel have been trained in the content of the Procurement Policy and the Supplier Code of Conduct. Additionally, they have received training around the Modern Slavery Act (2018) so they are equipped to understand, identify and address modern slavery in Vulcan's supply chain.

Vulcan's procurement executives manage the due diligence and onboarding of all new tier 1 suppliers, supplier agreements and standard purchase arrangements, to ensure that they address modern slavery. In addition to supplier agreements and Supplier Code of Conduct, all third-party suppliers are required to comply with relevant laws and regulations.

For the management of ongoing risk, Vulcan will undertake annual risk assessments. Annual risk assessments will include:

- Supplier Self-Assessment Questionnaire - this is designed to gain a better understanding of how suppliers are addressing modern slavery risks within their operations and supply chains.
- Onsite Assessments - Vulcan plans to visit relevant Tier 1 suppliers to assess risks and conduct more detailed reviews if suspected risk is identified.

6. Reporting a Breach

In line with Vulcan's Whistleblower Protection Policy, suspected modern slavery practices or concerns can be reported to:

- a) the Chief Executive Officer;
- b) any other director, officer or senior manager of Vulcan;
- c) an internal or external auditor 1 (including a member of an audit team conducting an audit on Vulcan).

Vulcan will assess the appropriate course of action in relation to the certainty of the breach and further investigation. All reports will be formally documented and reported on annually.

7. Assessing Effectiveness and Continuous Improvement

Vulcan is committed to continuous improvement and recognises that tackling the risk of modern slavery in supply chains will take ongoing commitment, time and resources and requires awareness and ongoing education of all stakeholders.

Vulcan will conduct ongoing risk assessments using a risk assessment matrix to determine whether it is becoming more or less effective at reducing risk of modern slavery in its supply chain.

Vulcan is also committed to engaging with suppliers around how suppliers uphold standards around modern slavery and is dedicated to working alongside them on continuous improvement to ensure a safe and enjoyable working environment for all.

8. Review

Vulcan's board will review and update this statement and its supporting policies and procedures annually.

9. Document Review

Final approved	3 November 2021
Effective date	3 November 2021
Owner	Chief Executive Officer
Next review date	November 2022

This statement was approved by Vulcan Steel Limited Board of Directors on 3 November 2021



Rhys Jones
CEO & Managing Director

