

MODERN SLAVERY STATEMENT – FINANCIAL YEAR 2022-23

This is Sumitomo Australia Pty Ltd ACN 000 371 497 (**SAPL**) Modern Slavery Statement for the financial year ending 31 March 2023 (**FY2022-23**), and our fourth 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 in consultation with the cross-sectoral group 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 Asia & Oceania Pte. Ltd. (registered in Singapore); our ultimate holding company is 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 135 offices and subsidiaries in over 60 countries. 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;
- automotive and electric vehicle leasing;
- steel and aluminium products; and

- power and energy generation.

These minority interests are held 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 FY2022-23, SAPL engaged new and existing suppliers across the globe. SAPL sourced goods from suppliers in Australia, France, Japan, China, Israel, Singapore, Thailand, USA, Malaysia, and Norway.

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

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

Corporate governance at Sumitomo is led by an experienced, skills-based 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, as evidenced in our

third year of reporting when SAPL ceased trading with a supplier that engaged in modern slavery like practices and took no action to remediate or reconcile issues raised directly to it, by SAPL.

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 4 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 continuously assesses each existing supplier or manufacturer engaged by SAPL against the Risk Assessment Criteria, including through the use of supplier self-assessments questionnaires (**SAQs**).

Risks identified in supply chain

SAPL's supply chain is predominantly comprised of well-known international suppliers. Notwithstanding, of the suppliers that SAPL has engaged with and assessed during FY2022-23, SAPL identified:

- one supplier identified actual instances of modern slavery in its own supply chain. The supplier volunteered this information in a separate sustainability report made publicly

available. The supplier also made available a proposed action plan to further investigate and eliminate practices it has identified. SAPL will monitor this supplier and the implementation of its action plan closely; and

- four suppliers that have not identified actual or suspected instances of modern slavery in its relevant supply chains, but that SAPL continues to monitor based on the supplier's geographic risk, industry specific risk, or product risk.

Modern Slavery risk controls actioned in FY2022-23

In FY2022-23, 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 only engages contractors, or continues to engage contractors, when it is satisfied that the relevant contractor has measures in place to monitor for, identify, and mitigate modern slavery risks.

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

This process has become a standard to ensure that SAPL is proactively acting to prevent modern slavery in our supply chain.

Further SAPL conducts 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 has also identified several suppliers that are headquartered in jurisdictions that do not have modern slavery legislation similar to the Act. SAPL has found that eliciting relevant information from those suppliers is particularly cumbersome. This is because such suppliers consider themselves to have no legislative obligation to comply with

modern slavery legislation (including the Act). Notwithstanding, SAPL continues to engage with those suppliers to raise awareness of modern slavery risks and legislative requirements for trading with Australian entities.

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.

[Training](#)

In financial year ending 31 March 2023, SAPL expanded training on the risk of, and legislative requirements for, modern slavery to senior management personnel as well as the Modern Slavery Committee.

This expanded training program also included training focussed on improving the rigor of due diligence processes.

5. ASSESSMENT AND EFFECTIVENESS

As SAPL concludes its fourth 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 5.

Overall supplier engagement in Year 4 was effective and through our SAQs we tracked progress in selected suppliers' due diligence from preceding years.

Our main focus for Year 5 will be to:

- engage rigorously with supplier identified at Part 4 (that has identified modern slavery in its supply chain), including tracking the implementation of its action plan and assessing the ongoing measures taken by that supplier as part of the annual contract review process;
- 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;
- as the majority of SAPL's suppliers are headquartered in Japan and the Japanese legislature is progressing the incorporation of the recently ratified Abolition of Forced Labour Convention, collaborate with our key suppliers in Japan and constructively engage in their development of internal review and due diligence processes; 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 raises areas of concerns or improvement opportunities with the relevant supplier. 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. This plan will be implemented with the identified supplier mentioned at Part 4 above.

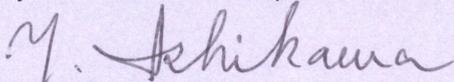
SAPL is committed to continuing to work with new and existing suppliers in the implementation of compliant policies and procedures to eliminate and mitigate modern slavery risks.

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 18 September 2023



Yoshikazu Ishikawa, Managing Director
19 September 2023