

## 2020-21 MODERN SLAVERY STATEMENT

The reporting entity is Sumitomo Australia Pty Ltd ACN 000 371 497 (SAPL) of Level 33, 225 George Street, Sydney NSW. This statement sets out the actions SAPL has taken to address the risks of modern slavery in its business operations and supply chains during the financial year commencing 1 April 2020 and ending 31 March 2021 (2020-21 Financial Year or Year 2). It has been prepared in accordance with Section 16 of the Modern Slavery Act 2018 (Cth) (Act).

### OUR BUSINESS OPERATIONS, ORGANISATIONAL STRUCTURE AND SUPPLY CHAINS:

**Structure:** SAPL is a large proprietary limited company under section 45A(3) of the Corporations Act 2001 (Cth). SAPL is a wholly-owned subsidiary of Sumitomo Corporation Asia & Oceania Pte. Ltd., a company based in Singapore and our ultimate holding company is Sumitomo Corporation of 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 and a network of over 900 group companies worldwide. Sumitomo Corporation is subject to the UK modern slavery regime and issues its modern slavery statement in accordance with s 54(1) of the Modern Slavery Act 2015 (UK).

Downstream, SAPL holds minority interests in the mineral resources and energy, fertilizers, auto leasing, steel products and power generation sectors. These interests are held indirectly through interposing entities as well as joint venture structures. To the extent that any of these businesses are related bodies corporate to SAPL and also reporting entities under the Act, these entities report on a standalone basis.

**Operations within Australia:** SAPL is an integrated trading and investment business with its registered office in Sydney and offices in Brisbane, Melbourne and Perth. SAPL provides trading and investment services to customers predominately located in Australia and New Zealand, where we maintain a branch office in Auckland. SAPL has approximately 65 employees. SAPL operates under its company name only.

SAPL does not own or operate any manufacturing facilities directly. SAPL sources its trading goods under arrangements with its overseas suppliers, mainly Japanese companies and their subsidiaries.

The goods and services SAPL trades include:

- Steel products – Oil Country Tubular Goods (OCTG), line pipe and bar and wire products and other specialty steel products;
- Non-ferrous products and metals – aluminium rolled coil and sheet manufactures and aluminium ingots;
- Mineral resources – coal, iron ore, copper and gold;
- Chemicals – both organic and inorganic;

- Machinery products – specialty components used in the transportation and energy industries, vacuum circuit breakers used in electrical distribution systems, battery energy storage systems used in remote power generation and supply of large plant and equipment items; and
- Carbon products – carbon black feedstock, activated carbon, graphite electrodes and cathodes for the steel and aluminum manufacturing industries.

SAPL also provides integrated supply chain management services and on-shore rig preparation and OCTG inspection services in relation to steel products.

**Supply Chains:** SAPL has a global supply chain made up of approximately 260 contracted suppliers. The goods that we procure for our trading businesses are sourced predominantly from Japan and Asia. Source locations include Australia, China, Japan, Singapore and Thailand. SAPL procures services from Australia, Indonesia, New Zealand, Norway, Malaysia, Singapore and Vietnam. These arrangements can range from purchases or sales on a spot basis or longer term supply arrangements. As is expected, our major area of spend is in relation to purchase or procurement of goods for our trading business.

### THE PART OF OUR BUSINESS OPERATIONS AND SUPPLY CHAINS WITH A RISK OF MODERN SLAVERY PRACTICES:

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 which may be directly linked to modern slavery. Some of the goods and/or services procured by SAPL are likely to be linked to high risk industries, are high risk goods themselves or are goods containing components that are high risk, or the manufacturing of these goods or procurement of services take place in high risk countries. These include:

- Metal;
- Carbon and chemicals;
- Machinery products;
- Power;
- Extractive mining and basic metal production; and
- Corporate services (computers, laptops, mobile phones).

### OUR POLICIES:

SAPL believes in respecting human rights in everything we do. Accordingly, we have zero tolerance towards inaction of any form of modern slavery and human trafficking. SAPL shares the wider SC Group's Corporate Mission Statement (Management Principles and Activity Guidelines) based on the business philosophy of SC's founder, Masatomo Sumitomo (1585-1652) passed down and followed faithfully for more than 400 years. This philosophy represents the fundamental and ultimate value standard of the SC Group. The [Corporate Mission Statement](#) clearly states that the SC Group respects the personality of each individual and places prime importance on integrity and sound management.

### ACTIONS TAKEN DURING THE 2020-21 FINANCIAL YEAR:

In Year 1, SAPL's work focused on creating its modern slavery framework as set out in its policies and procedures and training staff. In Year 2, SAPL continued its commitment to ethical business practices through implementing its modern slavery framework.

#### Due Diligence

- Year 2 work involved our employees:
  - completing risk assessments for new suppliers to identify the potential for breaches or abuses of fundamental human rights;
  - conducting additional due diligence on selected "red flagged" suppliers; and
  - negotiating modern slavery clauses in supplier contracts, where possible.
- From its due diligence, SAPL identified that its higher risk activities include:
  - trading of goods manufactured in a high risk countries such as Thailand and Indonesia;
  - goods containing components of high risk goods or being from a high risk industry or manufactured in a high risk country such as electronic components and steel products; and
  - engagement of low skilled migrants by service providers such as property management and office services.

For these suppliers, SAPL issued a comprehensive supplier survey and/or worked collaboratively to confirm the steps these suppliers have taken within their operations and supply chain to address modern slavery risks. Physical on site audits were not possible due to COVID19.

- For Year 3, the Modern Slavery Committee will oversee SAPL's due diligence activities to:
  - focus on corporate services suppliers previously assessed as low risk;
  - conduct spot audits on critical suppliers not currently subject to due diligence activities;
  - work with the business departments to review and update supply standard or purchasing guideline that will set out minimum requirements for suppliers as part of a prequalification process; and
  - continue to investigate and work with our high risk suppliers to review Tier 2 suppliers.

#### Training

- SAPL provided company-wide training to employees that focused on learnings from Year 1 reporting and training on Year 2 due diligence work. We also continued to induct new employees to our Modern Slavery policies and procedures as part of onboarding.
- For Year 3, the Modern Slavery Committee will arrange a human rights awareness session for employees to encourage greater understanding of the impact of modern slavery and further training on how to conduct effective due diligence.

#### Collaboration

- SAPL continued to work collaboratively with its high risk suppliers over the reporting period. Overall the responses from the suppliers were positive with:
  - reporting entities – confirming compliance with the requirements under the Act and providing the necessary evidence in support;

- non-reporting entities - advising that they are aware of modern slavery and committing to monitor their supply chains.
- Notable collaborations were:
  - One overseas supplier (a non-reporting entity) committing to implement a supplier's declaration and updating its master purchasing agreement to include modern slavery clause with its suppliers.
  - One overseas supplier (a non-reporting entity) being provided training on Australia's Modern Slavery regime by SAPL to assist the supplier to understand the level of engagement required under the Australian regime. While SAPL secured supplier commitment to implementing various procedures to respond to modern slavery risks in its supply chains, due to COVID19 that supplier was unable to progress its audit program of its raw materials and components suppliers.
- For Year 3, SAPL will continue to work with these suppliers to assist them to meet their stated objectives in relation to modern slavery. Further, in light of SAPL's customers increased engagement with modern slavery, it will also seek its customers' cooperation and assistance to further engage with its suppliers including to seek commitment to undertake due diligence on Tier 2 suppliers.

#### Tools

- No instances of modern slavery were reported through SAPL's independent whistle blowing portal for Year 2. No further external compliance support tools are considered necessary at this stage.

#### COVID-19:

Other than as described in this statement, COVID-19 has not impacted the content or preparation of our statement.

#### ASSESSMENT AND EFFECTIVENESS:

SAPL's Modern Slavery Committee 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 of areas for improvement in Year 3. The other measure of effectiveness for SAPL was the level of engagement with and by suppliers. Overall the engagement in Year 2 was effective notwithstanding the impact of COVID19. However, the majority of suppliers who were subject to Year 2 due diligence were located overseas and impacted by COVID19 as either they or their suppliers were in "lock down cities". On that basis, SAPL's assessment of Year 2 is that it has not been able to deepen its understanding of the Tier 2 (or Tier 3) supply chains as it had anticipated. Instead SAPL assessed modern slavery risks and responses largely by undertaking desk top due diligence and through the exchange of supplier surveys.

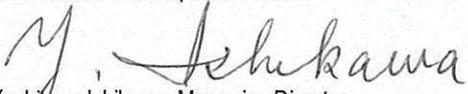
#### PLAN FOR REMEDIATION:

No remediation process were required to be implemented in Year 2. SAPL is committed to work with suppliers to assist with implementation of compliant policies and procedures to deal with modern slavery.

**CONSULTATION PROCESS:**

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

This Modern Slavery Statement has been approved by SAPL's Board of Directors on 22 September 2021



Yoshikazu Ishikawa, Managing Director  
22 September 2021