

2019-20 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 2019 and ending 31 March 2020 (2019-20 Financial Year). 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 around 130 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, agriculture and 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, SAPL has consulted with these entities and confirmed that they will 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 70 employees. SAPL operates under its company name only.

SAPL is a trading company and as such 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 and Energy – 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 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 290 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;
- Power;
- Mining; 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.

SAPL has implemented a Modern Slavery Policy and a Modern Slavery Procedure as key modern slavery framework documents to assist in mitigating human rights risks in our business and supply

chains. SAPL has the following policies which also assist in managing modern slavery risks:

- Recruitment and Selection Rules;
- Compliance Policy and Compliance Manual; and
- Whistleblower Policy and Whistleblower Procedure.

As part of our continued efforts to strengthen our whistleblower program we have added additional ways to “speak up” when staff members (or the public) see something not right (including if they have human rights concerns pertaining to SAPL).

ACTIONS TAKEN DURING THE 2019-20 FINANCIAL YEAR:

In the financial year ended 31 March 2020, SAPL continued its commitment to ethical business practices and commenced its work on a modern slavery framework focusing on zero tolerance towards inaction of any form of modern slavery, specifically human trafficking, forced labour and child labour.

Actions taken include:

- Reviewed SAPL’s operations and supply chains;
- Undertook due diligence and risk assessment to assess possible involvement with suppliers where there could be the potential for breaches or abuses of fundamental human rights;
- Issued letters to all high and medium risk suppliers identified in our review. These letters confirmed SAPL’s position on Modern Slavery and requested information on our supplier’s processes, if applicable. SAPL then reviewed the responses, which will assist in identifying high risk suppliers for ongoing review.
- Created a Risk Assessment Questionnaire to identify ethical, social or governance risks present in a sourcing category based on:
 - geographic risks;
 - product and services risks; and
 - sector and industry specific risks.
- Implemented a screening process for supplier onboarding requiring our business units to complete the Risk Assessment Questionnaire. Where red flags are identified, suppliers are asked to complete a comprehensive Supplier Survey to confirm the steps they have taken within their operations and supply chain to address modern slavery risks. Risk Assessments have also been hardwired into our SAP system where current suppliers are flagged for review when their details are updated in our SAP system. This ensures a review of current suppliers is undertaken as well;
- Implemented modern slavery clauses in supplier contracts, where possible;
- Added modern slavery to the Company’s risk register and its annual Compliance Program;
- Set up an internal working group to collaborate with staff members from various departments and business units in line with the government’s recommendation that modern slavery is a job for everyone in the organization; and
- Provided training and updates to all staff members on modern slavery generally and SAPL procedures.

In addition, all newly hired staff members go through an induction program, which include an introduction to our Whistleblower Procedure, as well as the Compliance Policy.

COVID-19:

COVID-19 has not impacted the content or preparation of our statement.

ASSESSMENT AND EFFECTIVENESS:

The effectiveness of steps taken to address modern slavery risks in our business operations and supply chains will be better assessed in the next reporting period when SAPL has the benefit of reviewing the impact of the processes put in place for this first year of reporting. However, certain processes are already providing a mechanism to help track the effectiveness. For example, our onboarding screening process has ensured staff engagement on modern slavery issues with potential suppliers up front to ensure that SAPL’s position on modern slavery is communicated at the outset. This provides us with assurance that modern slavery is front of mind for our supplier.

PLAN FOR REMEDIATION:

Remediation processes will be further considered in the next reporting period. . In the meantime, our website is linked to our whistleblower service provider, which offers 24/7 access to safely report issues of concern and is open not only to employees but also our contractors, customers and suppliers.

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 23 September 2020


Yoshikazu Ishikawa, Managing Director
September 2020