



Idemitsu International (Asia)

3 Killiney Road, #04-03

Winsland House I, Singapore 239519

TEL: +65-6730-3393 FAX: +65-6735-0192

IDEMITSU INTERNATIONAL (ASIA) PTE LTD

Australian Modern Slavery Law Statement

December 2023

1. The Reporting Entity

The Australian Modern Slavery Law Statement is being prepared by Idemitsu International (Asia) Pte. Ltd. (IIA). IIA is a subsidiary of Idemitsu Kosan Co., Ltd. (IKC), a company with the second largest refining capacity and marketing network in Japan, and is responsible for intra-group trading. IIA mainly purchases crude oil and naphtha, which are raw materials for the Idemitsu Group, and also handles petroleum products such as gasoline, JET and GASOIL, which are imported and exported.

2. Structure of operation and supply chain of IIA

【Structure】

IIA is a 100% subsidiary of Idemitsu Asia Pacific Pte. Ltd. (IAP), and IAP is a 100% subsidiary of IKC. IKC is an energy company listed on Prime Section of Tokyo Stock Exchange engaging in Petroleum products, lubricants, petrochemicals, renewable energy, electronic materials and Agri-Bio products. And, IKC is the Ultimate Beneficial Owner of IIA.

To ensure stable execution of each transaction, IIA has middle and back office functions in addition to its internal trading team and business development team. The total number of employees is 64, breaking down by name 1 of MD, 32 of trading team, and 5 of business development team, 13 of middle offices and 14 of back offices)

【Operation】

IIA owns 100% of the shares of Freedom Energy Holdings Pty Ltd (Freedom). Freedom is an Australian resident company and IIA is a company resident in Singapore. IIA is proposing to purchase refined products, including mogas and diesel (the “products”), from related company and/or third party suppliers that may be resident in various locations (including Australia, Korea, Taiwan etc). It is intended the products will then be on-sold to Freedom in Australia. IIA may blend the quality of the products before selling to Freedom. IIA will purchase the products from suppliers on a FOB and/or DES basis.

In the case of FOB, title will pass from the supplier to IIA as the product passes the manifold flange at the loading port. In the case of DES, title will pass from the supplier to IIA as the product passes the vessel’s permanent flange connection at the discharge port.

Freedom will take title to the products as they pass the outlet flange of the storage tank from which the product is being delivered. The products will be transported to Australia in one of the following ways:

- Arranged by the suppliers i.e. a transportation fee will be included in the purchase price of the products from the supplier who will arrange for transfer of the products to Australia.
- A subsidiary shipping company, IDEMITSU TANKER CO., LTD. Singapore Branch will charter a vessel on a spot basis and arrange for the transport of the products itself.

IIA and Freedom will manage its inventory level in the storage tank and adjust the volumes to be imported/purchased in Australia as well as the timing of delivery.

- IIA will act as the importer of the products into Australia (excluding where the products are purchased from a domestic market in Australia).
- The storage tank will be sub-leased by IIA from Freedom. We understand that Freedom will lease the storage tank from GrainCorp Australia, an unrelated third party resident in Australia.

The activities of IIA in Australia including the importation and storage of fuel in Australia and the sale of the fuel to its subsidiary, Freedom will be sufficient for IIA to be regarded as carrying on a business in Australia under the terms of the Australian Corporations Act 2001.

【Supply chain】

IIA's main customers include major oil companies within Singapore, major trading companies, and end users in the Asia-Pacific region. Oil products purchased from suppliers are sold to customers (end users and other trading companies) using oil tankers and terminal tanks.

Suppliers are located in Japan, Korea, China, Taiwan, Singapore, India and other Middle East countries. The countries of origin of the product are those listed.

IIA also has a business development team to ensure the sustainable development of its business, and is developing new businesses in collaboration with IKC.

【What risks of modern slavery practices exist in our operations and supply chains】

Low risk: Supply of petroleum products is considered low risk given the nature of sale of imported products ex refinery and domestically;

Potential areas of higher risk: Risks associated with the modern slavery law held by suppliers at the refineries of suppliers that we purchase petroleum products.

【How we assess and address modern slavery risks including our due diligence and remediation processes】

Modern Slavery Self-Assessment Questionnaire issued which assesses modern slavery risk indicators such as:

- ① General Modern Slavery Response
- ② Supply Chain Management
- ③ Worst Forms of Child Labor

- ④ Forced Labor, Bonded Labor, Human Trafficking
- ⑤ Employment Conditions
- ⑥ Grievance and Redress Mechanisms;

Audit of key suppliers via this Questionnaire;

Contractual terms addressing modern slavery risks;

Staff education and training.

3. Risk of Modern Slavery practice in the Operation and Supply Chain

Since petroleum products are products made by refining crude oil, the petroleum products handled by IIA are products refined at refineries anywhere in the world. As the oil industry, including refineries and trading companies, is not a labor-intensive industrial structure, we generally recognize that modern slavery problems are difficult to arise. The Idemitsu Group, including the IIA, has established a Compliance Code of Conduct and promotes compliance, including responses to modern slave problems.

And, IIA also complies with the rules and policies of its parent company, IKC, and avoids the risks associated with modern slavery law. <https://sustainability.idemitsu.com/en/themes/338>

In addition, IIA regularly surveys each supplier on the risks of Modern Slavery Law using questionnaires.

In addition, for suppliers starting new trades, the relevant risks are confirmed in the KYC procedures and transactions are started.

4. Actions taken to assess and address risks, including due diligence and mitigation measures

(1) Our human rights and contemporary slavery risk-management efforts are supported by policies and guidelines such as IIA Business Conduct Guideline, IIA Trading Rulebook, IIA Employee Handbook, IIA-Compliance Rules, and Idemitsu's Anti-Corruption Policy, BCP Rule.

(2) These policies and guidelines are routinely verified, reviewed and revised by IIA Legal and Compliance team. IIA members are trained on a case-by-case basis. In IIA, where there are compliance concerns, IIA Legal and Compliance team plays a central role in providing appropriate guidance to all IIA personnel. Compliance-related policies, guidelines, and training materials are communicated throughout the company through IIA Legal and Compliance teams.

(3) Procurement of goods and services from third parties is governed by IIA Trading Rulebook and IIA Business Conduct Guideline and stipulates the process of contract conclusion, approval and control.

5. Action and Assess

IIA sent a questionnaire to IIA suppliers and received a response from the suppliers.

[Investigation Items]

(1) The Company Details

(2) MODERN SLAVERY RISK FACTOR SELF-ASSESSMENT

- ① General Modern Slavery Response
- ② Supply Chain Management
- ③ Worst Forms of Child Labor
- ④ Forced Labor, Bonded Labor, Human Trafficking
- ⑤ Employment Conditions
- ⑥ Grievance and Redress Mechanisms

[Summary of response results]

The suppliers respond and are signed by the president of the supplier.

- ① The suppliers have policies and processes to identify, investigate, and correct instances of risk and modern slavery, and provide employees with training on modern slavery risk.
- ② The suppliers make due diligence for their suppliers on modern slavery risk and require them to make due diligence on the risk of modern slavery. In addition, the suppliers have the responsibility or team to oversee the modern slavery risks that arise in connection with the goods and services they deliver.
- ③ The suppliers are implementing checks to ensure that child labor is not used, in compliance with the second UN Convention against the Worst Forms of Child Labor, Dangerous Child Labor and the Minimum Age for Work.
- ④ The suppliers have policies and processes that prohibit modern slavery, including all forms of forced labor, bonded labor, and trafficking in persons, at their suppliers' activities and suppliers (in the suppliers the original workers' identity cards are retained). In addition, the suppliers do not commit any tort, such as deducting wages, imposing fines, and/or withholding salaries or salaries of workers.



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- ⑤ The suppliers provide written agreements in a language understandable to all workers and, if accommodation is provided to workers, periodic inspections are conducted to ensure that living conditions are appropriate and meet legal requirements. In addition, workers are allowed to retire legally without restrictions or penalties, and workers are provided with timely statutory salaries and wage slips that specify the calculation method and details of the deduction.
- ⑥ The suppliers has a mechanism to anonymously raise concerns related to working conditions or workplace complaints and to use appropriate remedies.

[Conclusion]

The suppliers adhere to modern slavery laws and regulations and take appropriate measures to ensure compliance, and there were no IIA suppliers with contemporary slavery problems.

6. Consultation

IIA works closely with suppliers in addition to IKC and other Idemitsu Group companies on a daily basis. During 2020, 2021, 2022 and 2023, we will continue to engage to understand the overall process of managing modern slave risk in operations and supply chains and, where possible, to accept opportunities to work together.

On 5 December 2023

Signed for and on behalf of the Reporting Entities:

Sakata Takashi

Managing Director of IDEMITSU INTERNATIONAL (ASIA) PTE LTD