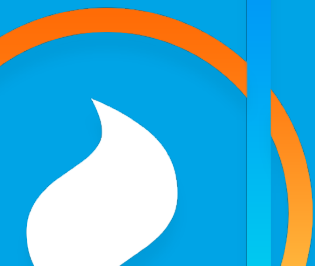


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Sumo Australia Limited Modern Slavery Statement 2020



Executive Summary

Sumo Australia Limited (**Sumo**), together with its controlled entities (the **Sumo Group**) is an Australian-owned and operated utilities retailer, employing approximately 60 staff in our Melbourne office. Based on its turn-over, Sumo has an obligation to report under the *Modern Slavery Act 2018* (Cth).

The operations of the Sumo Group are fully integrated, sharing governance, executive and management teams and employees, office space, and some supply contracts. It is therefore appropriate to assess operations and supply chains for the Sumo Group as a whole.

Sumo considers the risk of modern slavery practices occurring in its internal operations to be extremely remote, given the industry award and level of qualification of its wholly Melbourne-based staff.

For its suppliers, Sumo has assessed the risk of modern slavery based on location and industry. Our assessment has not identified any high or medium risk suppliers.

As a further step, after the end of the Reporting Period Sumo engaged with suppliers in the cleaning services industry which is known to have a slightly elevated risk in the Australian context. Based on this assessment, Sumo considers that the risk of modern slavery in this supplier is also remote.

In view of the remote risk in its supply chain, Sumo is applying an approach of continuous education and learning to its risk assessment.

In view of the low risk of any modern slavery practices occurring, the effectiveness of Sumo's actions cannot suitably be assessed by tracking actual identification and remediation of such practices. Rather, Sumo will continue to review industry-relevant developments and best practices, and will adapt and change its program as needed.

This Statement has been developed through cooperation between different functional teams that are shared across the Sumo Group.

Sumo is looking forward to continuing to assess best practice in mitigating modern slavery risks, improving awareness and understanding of this topic within the business, and assessing further steps that might be taken to reduce the risk of modern slavery in its supply chain.

This statement was approved by the Board of Sumo Australia Limited.



Dominic Drenen, Managing Director



This Statement

Sumo Australia Limited (**Sumo**) provides this Modern Slavery Statement (**Statement**) as required under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) for the reporting period 1 July 2019 to 30 June 2020 (**Reporting Period**).

About Sumo

Sumo's corporate structure

Sumo is a public unlisted company. It has a number of wholly-owned subsidiary companies which together comprise the Sumo Group. These entities share staff, facilities, and operating structure including governance and relevant policies. None of these subsidiaries on their own had consolidated revenues above \$100 million in the Reporting Period. All Sumo Group entities are registered in Australia.

Sumo's registered office is located at 'HWT Tower' Level 17, 40 City Road, Southbank VIC 3006.

Sumo's operations

Sumo is a small, innovative Australian-owned and operated utilities retailer based in Melbourne, Australia.

Since its launch in 2015, Sumo's operations have grown to include the retailing of energy and telecommunications services to residential and small business customers in Victoria, New South Wales and most recently (after the end of the 2019-20 financial year) in Queensland.

Sumo does not own or operate any electricity generation or gas production or storage assets. Instead, it focusses on providing excellent service to residential and small business customers at competitive prices, providing an Australian-owned and operated

alternative to bigger and more established utility providers.

For telecommunications services, Sumo partners with wholesalers to offer the services to consumers.

As at 30 June 2020, Sumo had:

- approximately 65,000 electricity, gas and telecommunications customer accounts across Victoria and NSW.
- 56 employees, all working out of the Melbourne office or from home in the Melbourne area.
- approximately 200 external suppliers during the Reporting Period, the majority of which (with one minor exception) were Australian-registered companies.

Since its launch, Sumo has based its operations in Melbourne, Australia. It monitors compliance with applicable laws, including industry awards and state employment and occupational health and safety laws, and considers that the risk of modern slavery is negligible.

Sumo's supply chains

During the Reporting Period, Sumo made payments to approximately 200 suppliers. The spend with each supplier varied widely, from a few hundred dollars to many millions of dollars.

Sumo's supply chain includes the wholesale supply of electricity, gas and telecommunications services, network distribution services, sales and marketing services, billing and back-office services, payment channels, IT software and hardware services, professional services, and lease and management of Sumo's office.

All of Sumo's utility wholesalers and network providers are major companies with operations in Australia and are subject to the



requirements of the Modern Slavery Act. Electricity and gas sold by Sumo are generated or sourced in Australia. The companies and people who work to produce this energy as employees or contractors are subject to Australian laws, including laws relating to employment and occupational health and safety.

During the Reporting Period, Sumo received some low volume support services from one entity located in South Africa. Sumo no longer engages this supplier. For the majority of other suppliers, Sumo engages with their Australian operations, which are subject to Australian laws in relation to employment and human rights.

Risks of modern slavery practices in Sumo's operations and supply chains

Introduction

The term "Modern Slavery" is defined in the Modern Slavery Act to include eight specific types of serious exploitation: trafficking in persons; slavery; servitude, forced marriage, forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. As detailed in the *Guidance for Reporting Entities*, such practices have the consequence of a worker not being able to refuse or cease work because of coercion, threats or deception, and the worker may also be deprived of personal freedom.

Low risk of Modern Slavery in Sumo's internal operations

Sumo's operations are conducted from and at Sumo's headquarters in South Melbourne, VIC. All employees have appropriate rights to work in Australia. All roles require employees to be fully proficient in the English language. All of Sumo's employees are paid under the Electrical Power Industry Award or relevant Individual Flexibility Arrangements.

Sumo has a strong culture of compliance, including in relation to employment laws. Sumo therefore considers that the risk of any practices occurring internally that would deviate so far from compliant Australian practices to constitute modern slavery is remote.

Sumo has a Whistleblower Policy encouraging employees to notify any identified non-compliance or inappropriate practices within Sumo. This can be done outside employee's normal reporting line, and even anonymously if employees prefer this.



Sumo considers that overall, the risk of Modern Slavery occurring in its internal operations is extremely low. To the extent that it may exist, Sumo considers that general compliance practices including the Whistleblower Policy would be sufficient to mitigate this risk.

Approach for supply chain risk assessment

There is no prescribed framework for supply chain risk assessment under the Modern Slavery Act. As companies gain experience with analysing their supply chains in this respect, some consistent best practices may evolve that could become benchmarks, possibly with industry-specific focusses. Scheduled review of the operation of the Modern Slavery Act may also result in some further regulatory guidance to drive best practice.

Sumo will continue to review publicly available information to better understand possible approaches to assess supply chains for any risk of modern slavery. At this time, in relation to possible risk assessment and stratification, two key factors seem to be generally accepted to possibly indicate a higher risk of modern slavery practices, namely geographic location and industry.

Low risk of modern slavery practices in Australia

Modern slavery still continues to exist in Australia today, but the exact extent of it is unclear. Reported cases often show a pattern of persons travelling to Australia from overseas based on false promises of desirable work opportunities, with the person then being subjected to modern slavery conditions upon arrival, and lacking support and resources to escape from these conditions.

In contrast to these isolated incidents, systemic use of modern slavery does not seem to have been reported in Australia. Persons in documented employment

relationships, particularly in tightly regulated industries such as energy retail, seem to be at a comparatively low risk of experiencing modern slavery conditions.

Potential higher-risk industries in Australia

There is no clear data on what industries in Australia pose elevated risks of labour exploitation amounting to modern slavery. Looking for patterns in reported cases, these have occurred in the areas of agriculture, construction, domestic work, meat processing, food and hospitality services, and cleaning (Global Slavery Index). There is also an elevated risk for imported computers and mobile phones to have been produced involving conditions of modern slavery (Global Slavery Index).

Assessment of risk factors for Sumo's supply chain in first instance

Sumo has reviewed a list of suppliers to the Sumo Group during the Reporting Period. As detailed above, on our initial assessment of Sumo's location, and profile of Suppliers being entirely located in Australia, Sumo did not consider that an approach that would indiscriminately seek detailed assurances from all suppliers in relation to scrutiny of their own supply chains would be an efficient use of resources, since none of our major suppliers operate in elevated-risk industries.

Based on the outcome of our initial assessment during the Reporting Period, namely a combined low risk for both location and industry, Sumo therefore at that time did not take any further steps for a more detailed assessment of modern slavery risks in its supply chain.



Actions taken by Sumo to assess and address modern slavery risks

Learning and education

Sumo has identified that going forward, building internal knowledge and expertise around modern slavery issues will be the most crucial factor in improving modern slavery risk identification and mitigation in its supply chain. Sumo intends to achieve this through two complimentary approaches:

- Educate all relevant staff about modern slavery, risk factors, and potential indicators of increased risk; and
- Identify new insights and practices in relation to risk identification and mitigation by key suppliers and industry participants, to be able to benchmark and learn with a goal of improving Sumo's internal efforts.

Sumo is currently developing training materials for staff to achieve the first objective.

Sumo has also amended its Whistleblower Policy to raise awareness of modern slavery practices.

Once all Modern Slavery Statements for the 2019-2020 Reporting Period will be available, Sumo will identify the Statements made by its suppliers and other industry participants, will review them during the next Reporting Period, and will distil and summarise relevant learnings and consider if implementation might be appropriate for Sumo.

Individual suppliers

As set out above, Sumo has as a first step considered applicable risk factors for modern slavery practices, and then assessed whether existing suppliers demonstrated those. The approach has been to consider suppliers

broadly, rather than using a formal scoring matrix. This is appropriate given Sumo's size, and available resources for this project. On an initial assessment, no suppliers were identified that raised major concerns given the combination of location and industry.

While still low risk, Sumo will assess the risk of Modern Slavery within its office cleaning supplier. Sumo operates from a single office space in South Melbourne, Victoria. Sumo contracts for cleaning services for its dedicated office space. It also shares the cost for cleaning services for some shared facilities in the building. Since the Reporting Period, Sumo has met with its cleaning suppliers to assess the risk of modern slavery in that business. From this assessment, Sumo is satisfied that modern slavery would be very unlikely in the circumstances.

Suppliers in general

Sumo is currently assessing the need for a Supplier Code of Conduct which could include an obligation to assess a prospective supplier's internal organisation and downstream suppliers for risks of conditions of modern slavery occurring.



How Sumo assesses the effectiveness of actions to assess and address modern slavery risk

As detailed above, Sumo anticipates that the likelihood of any instances of Modern Slavery occurring in its supply chain are extremely low.

This means that relying on the identification of any actual instances of Modern Slavery in Sumo's supply chain will not be a suitable indicator of the effectiveness of any initiatives or actions that Sumo takes to internally build knowledge in relation to Modern Slavery risk assessment and prevention. It will also not be a suitable indicator of any progress that Sumo may make in this respect.

Sumo has therefore chosen an approach of continuous learning and improvement to understand the issues of Modern Slavery in Australia today, with a view to implementing any identified measures that are suitable given Sumo's industry, supplier profile, and size.

Outcomes will be assessed flexibly, depending on the nature of the relevant initiative, and will be reported in subsequent Modern Slavery Statements.

Process of consultation between Sumo Group Entities

The operations of the Sumo Group entities are fully integrated. The entities have common directors and share the same executive and management teams and employees, as well as governance structures and policies. Only Sumo Australia Limited meets the revenue threshold and therefore has a reporting obligation under the Modern Slavery Act.

The process for developing and executing the response to the Modern Slavery Act, and development of the Statement, has been a cross-disciplinary project led by the Legal and Compliance team.

The Statement has been approved by the Sumo Australia Limited Board of Directors.

Other relevant information

Sumo does not have any further relevant information at this time.



Outlook

Following on from past and ongoing activities to assess and mitigate Modern Slavery risks in Sumo's supply chain and build awareness and skills, Sumo intends to focus on and progress the following activities during the current reporting period:

- Learning/education
 - Roll out modern slavery awareness training to relevant staff
 - Review Modern Slavery Statements published by Sumo's suppliers. Distil and communicate relevant learnings, and consider if implementation of any specific approaches within Sumo would be appropriate.
- Supply chain risk assessment and mitigation
 - Consider development of Sumo Supplier Code of Conduct

