



ITOCHU Australia

Modern Slavery and Human Trafficking Statement 2023

Reporting entities (mandatory criteria 1)

This is a joint modern slavery statement (**statement**), issued pursuant to the Australian *Modern Slavery Act 2018* (Cth) (**Act**), given by ITOCHU Australia Ltd ABN 63 000 192 790 (**IAL**) and ITOCHU Minerals & Energy of Australia Pty Ltd ABN 44 009 256 259 (**IMEA**) for the Financial Year ending 31 March 2023 (**reporting period**) with respect to their own operations and the operations of ICRA OC Pty Ltd ABN 41 106 260 593 (**ICRA OC**), ICRA MC Pty Ltd ABN 77 147 657 074 (**ICRA MC**), IM Iron Holding Pty Ltd ABN 35 168 776 421 (**IMIH**) and ITOCHU Iron Ore Australia Pty Ltd ABN 49 134 669 408 (**IIOA**), who are each reporting entities under the Act.

All references in this statement to 'we', 'our' and 'ITOCHU Australia' are references to all entities included in this statement, as well as the supply chains and operations of the entities that each owns and controls.

ITOCHU Australia's structure, operations and supply chain (mandatory criteria 2)

IAL is a 100%-owned subsidiary of ITOCHU Corporation (**ITC**) in Japan, which is one of the leading general trading companies, or so-called "sogo shosha". IAL operates as a trader of general commodities and holds some minority investments. The company is involved in the trading of primary and natural commodities and divides its operations into divisions which include coal, metals & mineral resources, machinery, general merchandise, chemicals and foods. As part of its trading operations IAL procures goods in these sectors from Australia and Asia, primarily through the ITC group.

IMEA is owned by ITC and IAL and owns a number of subsidiaries including ICRA OC, ICRA MC, IMIH and IIOA. IMEA is a minority owner of major iron ore joint ventures in the Pilbara region and also has minority coal joint venture interests in New South Wales, Queensland and Indonesia. IMEA also has a subsidiary that is a minority owner of an iron ore mine in Canada. IMEA is in joint ventures with major international mining entities, such as Glencore, Whitehaven Coal, and BHP. These major mining entities have sophisticated procurement policies, including addressing modern slavery risks.

Other entities owned and controlled by ITC have operations in Australia but are not owned or controlled by ITOCHU Australia and are not included in this statement.

In addition to ITOCHU Australia's investment and trading activities, ITOCHU Australia has offices in Sydney, Brisbane and Perth and procures office space and associated services, IT hardware and software and consumables.

Risks of modern slavery practices (mandatory criteria 3)

We undertook risk assessments of modern slavery risks in our operations and supply chains over the reporting period to consider the risk that we are causing, contributing to, or directly linked to modern slavery practices.

Risks in our operations

As set out above, ITOCHU Australia's operations primarily involve non-managed joint venture interests, and ITOCHU Australia is not in a position to control or change the supply chains for those investments. For ITOCHU Australia, we assess risk based on geographic risk, products, sector and methods of procurement. ITOCHU Australia generally considers the risk of modern slavery within its direct business operations to be low, with many of the joint venture operations that it has an interest in being predominantly in Australia and other countries which have developed laws with respect to employment arrangements, and in industries which are generally subject to regulation. Further, a number of the joint ventures that ITOCHU Australia invests in are with major entities who have sophisticated procurement policies which also address modern slavery risk.

Risks in our supply chains

ITOCHE Australia's trading arrangements include agricultural products from Australia and fish products from Europe, Asia and South America. ITOCHU Australia recognises that there is an inherent sector risk of modern slavery in the fishing industry, and that procurement of the fish products from countries / locations in Asia and South America would increase this risk. ITOCHU Australia manages this risk in part through our selection of the international global groups that it procures these supplies from. These trading arrangements are primarily with entities in the ITC group who are each required to comply with ITC policies, including those in relation to modern slavery, human rights and human trafficking. ITC's policies, and ITOCHU Australia's actions, are described below.

ITOCHE Australia considers there to be a relatively low risk of modern slavery involved in our procurement of office equipment and IT software for its various office spaces across Australia. We recognize the inherent risk of modern slavery risk associated with the IT sector and found in the supply chains of some companies who supply office supplies. However, ITOCHU Australia considers that this risk is mitigated in respect to our operations as a result of procuring many of our supplies from companies either based in Australia or in other developed countries with human rights or modern slavery related laws or requirements.

Actions to assess and address modern slavery risks (mandatory criteria 4)

ITOCHE Australia has a number of measures in place to assess and address the risks of modern slavery in our operations and supply chains.

Due Diligence

In the reporting period ITOCHU Australia is continuing to consider certain measures to improve our onboarding processes, including the potential development of a modern slavery questionnaire for completion by business partners and suppliers that they engage. ITOCHU Australia will continue considering this measure alongside other measures which could be introduced to tailor our onboarding process and ensure we are effectively assessing and addressing the risks of modern slavery in our operations and supply chains.

Policies and procedures

ITOCHU Australia has an anti-slavery policy within its own compliance manual, stating its commitment to limit the risk of modern slavery occurring within its own business. ITOCHU Australia provides this anti-slavery policy to its suppliers and expects suppliers who have, or seek to have, a business relationship with them to familiarise themselves with ITOCHU Australia's anti-slavery policy and to act in a way that is consistent with its values.

During the reporting period we have engaged with all employees and reminded them of the company policies and procedures they must follow when engaging with new and existing suppliers.

ITOCHU Australia only intends to do business with organisations who fully comply with its anti-slavery policy.

In addition to our standalone anti-slavery policy, ITOCHU Australia is committed to limiting the risk of modern slavery occurring within our own business and supply chains. ITC participates in the United Nations Global Compact and applies the concepts of the United Nations Guiding Principles on Business and Human Rights, and such concepts flow down to ITOCHU Australia and our operations. ITOCHU Australia incorporates and applies policies developed by ITC in its own operations. ITC's policies contain provisions that have the goal of seeking to ensure that there is no slavery or human trafficking in any part of our business or supply chain. Such policies include:

- ITOCHU group's Code of Ethical Conduct
(https://www.itochu.co.jp/en/about/ethical_conduct/index.html)
- Human Rights Policy of the ITOCHU group
(https://www.itochu.co.jp/en/csr/society/human_rights/index.html)
- The United Nations Global Compact
(<https://www.itochu.co.jp/en/csr/itochu/activity/initiatives/index.html>)
- Policy and Basic Concept Supply Chain
(https://www.itochu.co.jp/en/csr/society/value_chain/policy/index.html#h2_01)
- Itochu group's compliance system
(https://www.itochu.co.jp/en/about/governance_compliance/compliance/index.html)

ITOCHU Australia recognises these policies and engages in business in accordance with the principles under these policies. As noted further below, where practicable, ITOCHU Australia also undertakes site visits to identify and report any evidence which might identify modern slavery in our suppliers or customers supply chain.

Our standard terms and conditions of purchase and sale, which are used for engagement with suppliers, also sets out our minimum expectations with respect to modern slavery compliance to ensure suppliers are aware of our expectations. All agreements with material suppliers now also contain terms which allow ITOCHU Australia to terminate the agreement in the event a supplier breaches any term of the anti-slavery policy.

Training

ITOCHU Australia works to spread understanding of the relationship between activities and human rights through in-house training programs for organisational heads, individuals assigned overseas, and all employees based in Australia.

ITOCHU Australia also continues to provide internal training to raise awareness and educate its employees in identifying and addressing risks of modern slavery and human trafficking of any form. During this reporting period, ITOCHU Australia also engaged an external service provider to support

additional training to employees. This training provided employees with additional education with respect to the requirements of the Act and identifying and responding to modern slavery risks present in ITOCHU Australia's operations.

Assessing effectiveness (mandatory criteria 5)

ITOCHU Australia remains committed to reviewing the effectiveness of our actions to assess and address the risks of modern slavery.

Over the reporting period, we continued annual visits to the premises of major suppliers and customers. During these visits, employees are asked to physically identify and report any evidence which might identify modern slavery in a supplier or customer's supply chain. We also continued to consider potential measures we could implement, or further develop, in future reporting periods to improve our assessment processes, including potential key performance indicators against which we could assess our modern slavery compliance actions.

Consultation (mandatory criteria 6)

Each reporting entity covered by the statement is owned or controlled by IAL or IMEA. Throughout the reporting period, and particularly in the development of this statement, IAL and IMEA engaged and consulted with the entities they own or control and the boards of each reporting entity covered by this statement, to outline the requirements of the Act and to provide an opportunity to review and contribute to the contents of this statement.

Further Steps and other relevant information (mandatory criteria 7)

ITOCHU Australia have already undertaken or intend to take the following steps in our next reporting period:

- To continue to deliver in-house training programs for all employees to educate and raise awareness.
- To continue to improve reporting mechanism systems to aid people in noticing red flags or concerns about any sort of action or behaviours that reflect modern slavery and human trafficking.
- Developing processes to be completed by all new business partners and suppliers when initially engaged by ITOCHU Australia.
- Developing processes and key performance indicators to ensure we can assess the effectiveness of our actions.

Approval and signature

This statement is approved by the Boards of IAL and IMEA in their capacity as the principal governing body of IAL and IMEA on 20 September 2023, and signed by Daisuke Inoue in his role as the Managing Director and CEO of IAL and IMEA.

20 September 2023

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Tsuyoshi Hasegawa
Managing Director & CEO