

## **Sumitomo Corporation of Americas**

### **Modern Slavery Act Transparency Statement for FY 2023**

Sumitomo Corporation of Americas (SCOA) is committed to improving its practices to prevent modern slavery including forced labour, child labour and human trafficking. This statement addresses the fiscal year 2023 (from April 1, 2023 to March 31, 2024), in compliance with the requirements of [Modern Slavery Act 2015 of the UK](#). This statement was approved by the board of directors of the company on September 1, 2024.

#### **Background and organisational structure**

SCOA was established in 1952 as a corporation. It is headquartered in New York City, with 460 employees in US and eight offices in major U.S. cities. SCOA is the largest subsidiary of Sumitomo Corporation (SC), one of the world's leading traders of goods and services. We pursue productive trade, marketing and investment partnership opportunities with businesses around the world.

We are guided by our founder Masatomo Sumitomo's precepts to create new value and realize prosperity by engaging in sound business practices and building relationships of trust among our customers, suppliers and partners. Over the past six decades, these relationships have strengthened, and our business partners have come to expect reliable business knowledge, corporate resourcefulness and quality services. SCOA's core businesses divisions include energy, automotive, social infrastructure, agri-food and life science, construction and transportation, real estate, mineral resources and energy innovation.

As an integrated trading company, SCOA provides a variety of solutions depending on the unique needs of our customers. On the supply side, we leverage our global reach to locate and source high-quality, price competitive materials and manage the timely integration of these products. As a trading partner, we can help our customers gain access to new markets, navigate local regulatory requirements and provide administrative resources as needed. The foundation of our centuries-long history across various industries makes SCOA an ideal partner to companies who value trust, integrity and experience.

For more information on SCOA's business, activities and supply chains, please visit the following link:

[Sumitomo Corporation of Americas](#)

### **Steps taken to ensure that modern slavery including forced labour, child labour and human trafficking are not taking place in the company's business and supply chains**

SCOA, as a member of the Sumitomo Corporation (SC) Group, shares [Sumitomo's Business Philosophy](#), which has been passed down and followed faithfully for more than 400 years since Masatomo Sumitomo (1585-1652) had founded. [SC Group's Corporate Mission Statement \(Management Principles and Activity Guidelines\)](#) is based on this philosophy and represents SC Group's fundamental and ultimate value standard. In the Corporate Mission Statement, it clearly states that SC Group respects the personality of each individual and places prime importance on integrity and sound management. SCOA adopts [Sumitomo Corporation Group Compliance Policy](#). This policy highlights that compliance is a top priority for group companies, mandating that business operations adhere to laws and regulations. It requires us to respect the human rights of all individuals, including the rights of those with whom we have a relationship or contact.

Furthermore, to achieve sustainable growth through resolving social issues, we have set "Respect human rights" as one of the "[Material Issues](#)" which are referred to important social issues that SC Group must address and its advanced medium- to long-term commitments toward resolving them. We will continue to promote these efforts and disclose our progress.

SCOA takes its commitment to tackling modern slavery including forced labour, child labour and human trafficking very seriously. The followings are the steps which we have taken to help ensure that modern slavery including forced labour, child labour and human trafficking are not taking place in our business or supply chains:

### **SC Group's Human Rights Policy**

SCOA is committed to compliance with global labour and human rights standards and law. SCOA respects [the International Bill of Human Rights](#) and [the International Labour Organization \(ILO\)'s Declaration on Fundamental Principles and Rights at Work](#), and we operate in accordance with [the United Nations \(UN\) Guiding Principles on Business and Human Rights](#). In addition, we are participants in the [UN Global Compact](#) and declared our support for the 10 principles in March 2009. This international sustainability related initiative shares the same values as our Corporate Mission Statement.

SCOA has a zero-tolerance policy against all forms of human trafficking and related activities, which is set forth in detail in the SCOA employee handbook. In line with [SC Group's Human Rights Policy](#), we are working towards identifying and preventing or mitigating any adverse impact on human rights. Where we identify that our group's practices have caused or contributed to an adverse impact on human rights, we will

endeavour to take appropriate remedial measures, and we will seek to improve and progress human rights measures through engagement and dialogue with relevant stakeholders.

### **The SC Group CSR Action Guidelines for Supply Chain Management**

SCOA acts in accordance with [the SC Group CSR Action Guidelines for Supply Chain Management](#). Through the implementation of these guidelines, we are aiming to realize a sustainable society by working together with our suppliers, business partners and contractors, etc. to achieve responsible value chain management. As part of these guidelines, we set out its values to “Respect for human rights and not to be complicit in human rights abuses” and to “Prevent forced labour, child labour and the payment of unfairly low wages.” These principles establish the overarching guidelines encompassing our commitment to preventing modern slavery including forced labour, child labour and human trafficking.

In the event that we find violations of these guidelines in our supply chains, we will urge the suppliers, business partners or contractors, etc. to remedy and improve the situation, while providing support to them as needed. However, if there are no improvements to the situation by them, we will consider carefully whether to continue our business with them or not.

### **Human Rights Due Diligence**

In accordance with [SC Group’s Human Rights Policy](#), SC began human rights due diligence in fiscal 2020 so that SC Group can identify, prevent, mitigate and account for how we address any adverse human rights impact that SC Group’s business activities may cause or contribute to.

SC’s human rights due diligence is conducted through a process in accordance with international guidelines including [the UN Guiding Principles on Business and Human Rights](#), [the UN Guiding Principles Reporting Framework](#), and [OECD Due Diligence Guidance for Responsible Business Conduct](#). As a first step in fiscal 2020, SC identified eight salient human rights issues that should be addressed with priority so that we can assess impacts concerning human rights throughout SC Group, by the desktop survey, interviews of experts on business and human rights and internal interviews.

The identified eight salient human rights issues are as follows;

Labour conditions (wages and working hours), Freedom of association and the right to collective bargaining, Forced labour and child labour, Occupational health and safety, Health and safety of local residents, Land rights, Discrimination and harassment, and Personal information and privacy.

To further hone SCOA’s key areas of focus building upon the foundational work that SC began, at the end of fiscal year 2023, SCOA kicked-off a deeper human rights due diligence study in partnership with expert consultants in business and human rights. This project will include a risk assessment to identify where activities may carry a risk that forced labour or child labour being used either in our own activities or in the activities of those of our direct or indirect suppliers.

In fiscal year 2023, our consultants conducted gap analysis interviews with key internal stakeholders. In 2024, they will conduct more internal and external interviews, will complete a landscape assessment, and will conduct a salience scan to identify our key human rights risks. After this study, we will review and update our key policy and priority issues, identify gaps and best industry practices, as well as establish a roadmap to elevate our human rights due diligence practices in the years to come.

At present, SCOA has not identified any parts of its business or supply chains that carry a risk of forced labour or child labour. However, as described above, SCOA has initiated a human rights due diligence study that will include a risk assessment to identify any activities or supply chains that may carry a risk of forced labour or child labour.

### **Group Governance**

As a member of the SC Group, SCOA is operating an optimal management system to control risks appropriately and increase the odds of achieving its business strategies for management. Specifically, we have introduced a governance framework that uses SC Group standard tool called Basic Elements to visualize the internal control status and solve issues identified through “dialogue” with SC.

The Basic Elements include “Respect for Human Rights”, “Response to workplace accidents”, “Labour Management, Health, Safety and the Environment”, and “Supplier Management”, and if there are issues, we formulate a response policy according to its business nature and regional conditions. Through regular monitoring, we will continue working to prevent modern slavery including forced labour, child labour and human trafficking in our business or supply chains through further enhancing governance considering its business nature and regional conditions.

### **Reporting Mechanism**

There are several ways SCOA employees may report violations of the Human Rights Policy, including to their immediate manager, Human Resources, or to a member of the SCOA Legal & Compliance Group. Alternatively, an employee or third-party may report the matter anonymously or ask questions regarding the same to SCOA’s Ethics Helpline at [www.scamericas.ethicspoint.com](http://www.scamericas.ethicspoint.com) or by calling 1-888-279-1912. Note that employees may report suspected ethical and other compliance violations without any fear of retaliation. We also have an internal incident management system to ensure that supply chain issues are communicated to the SCOA management team for proper review and remediation.

### **Training**

In fiscal 2023, SCOA and SC collaborated to develop a new e-learning module on business and human rights in English and Japanese. This mandatory e-learning provides overall information of international initiatives and regulations on business and human rights, as well as SC Group’s own policies and procedures. SCOA implemented the e-

learning on its own Human Resource System in May 2024 for all SCOA executives and employees to take in 2024.

In early 2024, SCOA employees and leaders participated in a human rights workshop with our external consultants covering the background of business and human rights, training on human rights due diligence and further training on SCOA human rights initiatives.

SCOA believes that eradication of modern slavery is important, and we will continue to undertake these efforts aimed at ensuring that no modern slavery or human trafficking of any form exists in our business and supply chains.

September 10, 2024

Signed by:

*Tomonori Wada*

Tomonori Wada  
CEO & President  
Representative Director  
Sumitomo Corporation of Americas