

Sumitomo Corporation Europe Limited

Modern Slavery and Human Trafficking Statement for the Fiscal Year 2022

Sumitomo Corporation Europe Limited (SCEU) is committed to improving its practices to combat modern slavery and human trafficking. This statement has been published in accordance with [the UK Modern Slavery Act 2015](#) and constitutes SCEU's modern slavery and human trafficking statement for the fiscal year 2022 ended March 31st, 2023. This statement covers SCEU and two of its subsidiaries SUMITOMO DEUTSCHLAND GMBH (SSDL) and Sumitomo Corporation España S.A. (SCSP), and the term SCEU and we/our/us shall mean all of these 3 entities, unless the context otherwise requires.

The statement was approved by the board of directors (or equivalent managing body) of SCEU, SSDL and SCSP prior to its publication.

Background and organisational structure

Sumitomo Corporation Europe Limited is an integrated trading company and investment solutions provider. With our European headquarters located in London we have subsidiaries based in Germany, Spain, France and Belgium, and branch offices based in Norway, Italy, Poland, Czech Republic, Azerbaijan. We also have business line companies located in many areas of Europe. As a subsidiary of Sumitomo Corporation (SC) incorporated in Japan, we have access to a global network across over 60 countries.

SC is an integrated corporation committed to business activities in a wide range of industries with over 120 offices and subsidiaries in over 60 countries and a network of over 850 group companies worldwide which consist of the "SC Group". With its global network and based on trust from companies in various industries and from consumers, SC engages in multifaceted business activities by making the most of its integrated corporate strength. These business activities include sales of a variety of products and services within Japan, import and export, trilateral trade, and domestic and international business investments.

For more information on the companies' business overviews, please visit the following links:

SC: <https://www.sumitomocorp.com/en/jp/about>

SCEU: <https://www.sumitomocorp.com/en/europe/sceu/>

Steps taken to ensure that modern slavery and human trafficking are not taking place in SCEU's business and supply chains

SCEU, as a member of the 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) founded Sumitomo family business. [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.

To enhance SC Group's sustainability management, SC has identified the [Six Key Social Issues and the Long-term Goals](#) in fiscal year 2020. The six key social issues are related to the business that SC Group addresses through its corporate activities and consist of two themes: the sustainability of society and development and evolution of society. One of the six key social issues is "respect for human rights," and its long-term goal is "respect human rights through all of our businesses and supply chains." In the interest of accountability, SC Group's progress will be monitored and disclosed to its stakeholders on the SC website.

We, as a member of SC Group, take our commitment to tackling modern slavery and human trafficking very seriously. We set out below steps we have taken to help ensure that modern slavery and human trafficking are not taking place in our business or supply chains:

[The SC Group's Human Rights Policy](#)

We respect ["the International Bill of Human Rights"](#) and [the International Labor Organisation'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"](#).

We, as a member of the SC Group, in line with [the SC Group's Human Rights Policy](#), i) strive to identify and to prevent or mitigate any adverse impact on human rights through the implementation of human rights due diligence processes; ii) will endeavour to take appropriate remedial measures where we identify that our practices have caused or contributed to an adverse impact on human rights; and iii) will seek to improve and progress human rights measures through engagement and dialogue with relevant stakeholders.

In fiscal year 2021, SC has established [the Medium-term Goals for each Key Social Issue](#) by indicating specific action plans. With regards to "respect for human rights," one of SC Group's medium-term goals is to "promote and ensure respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights and SC

Group’s Human Rights Policy.” In order to meet this goal, SC has been strengthening risk analysis in human rights due diligence in all businesses across the world, including the supply chain, leading to implementation of risk mitigation measures by 2025.

Also, SC Group opened [a consultation desk](#) in their website to receive any opinions or requests on sustainability-related issues such as human rights or environment from SC Group’s stakeholders. The consultation desk is open to all of the SC Group including SCEU, its subsidiaries and business line companies. Any opinions or requests will be promptly shared internally through SC Corporate Sustainability Department that specialises in addressing sustainability-related issues, in addition to working with external experts as the situation requires, and necessary actions will be taken to resolve issues. The content of inquiries is reported to the SC management, including CSO, and the SC Corporate Sustainability Committee as required. Furthermore, based on the results of assessments through human rights due diligence and comments from our stakeholders etc., SC Group is aiming to establish a more effective grievance mechanism for our stakeholders.

Human Rights Due Diligence

In accordance with [SC Group’s Human Rights Policy](#), SC began human rights due diligence in fiscal year 2020 so that SC Group can identify, prevent, mitigate and account for how SC Group addresses any adverse human rights impact that its business activities across the world 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 year 2020, SC identified eight salient human rights issues that should be addressed with priority so that SC can assess the impact concerning human rights throughout SC Group’s activities, by a desktop survey, interviews of experts on business and human rights and internal interviews.

The above identified eight salient human rights issues as follows :

- (1) labour conditions (wages and working hours);
- (2) freedom of association and the right to collective bargaining;
- (3) forced labour and child labour;
- (4) occupational health and safety;
- (5) health and safety of local residents;
- (6) land rights;
- (7) discrimination and harassment; and
- (8) personal information and privacy.

We, as a member of SC Group, believe that the human rights of workers throughout the

supply chain including our employees are essential as the foundations of business. In addition to the freedom of association and collective bargaining rights, forced labour and child labour, and discrimination and harassment, and occupational health and safety, which are related to [the five core labour standards of the ILO](#), we also take action to address labour conditions. We engage in business with strong ties in local communities centred on the infrastructure business and resource development, and we have a responsibility to protect the health and safety of local residents and land rights. Since we engage in wide-ranging business, we have implemented procedures and policies to comply with applicable data protection laws.

For each of these issues, we will investigate and carry out action plans to prevent and mitigate specific risks with priority on areas of high risk in our business.

SC has started conducting human rights due diligence by business unit since fiscal year 2021 with its aim to strengthen risk analysis and implement risk mitigation measures for all businesses by 2025. In fiscal year 2022, SC has conducted human rights due diligence on its Infrastructure Business Unit and Mineral Resources, Energy, Chemical & Electronics Business Unit, following Media & Digital Business Unit and Living Related & Real Estate Business Unit in fiscal year 2021. SC identified specific businesses or groups of businesses with common strategy, referred to as Strategic Business Units (SBUs) that should be prioritised for risk mitigation. SC considered and implemented measures to prevent or mitigate the identified human rights risks in connection with the SBUs. (For more information about the actual and potential risks identified and assessed in the human rights due diligence by business units and the assessment and countermeasures, please refer to [the ESG Communication - Disclosure Book.](#))

SC will identify and assess human rights risks in other business units as well and implement measures to prevent or mitigate those human rights risks in each SBU.

In Sumitomo Corporation Europe Limited, our Norway Branch conducted Human Rights Due Diligence from July 2022 to April 2023 in response to the requirements of the Norwegian Transparency Act. The process of the due diligence followed the OECD guidelines mentioned above, and the assessment was carried out across all the suppliers within the SCEU Norway Branch. The findings from the due diligence indicated that SCEU Norway Branch generally operates in an environment with a low-risk of negative impacts on fundamental human rights and decent working conditions, with no major incidents. In addition, we confirmed that the SC Group's policies and supply chain management systems are cascaded down to our day-to-day operations. The report has been signed by SCEU board of directors, representing the board responsibilities and instructions on Human Rights Due Diligence. (Please refer to [SCEU Norway Branch Transparency Act Report 2022.](#))

[The SC Group's CSR Action Guidelines for Supply Chain Management](#)

SC has established [the SC Group CSR Action Guidelines for Supply Chain Management](#) and we act in accordance with it. Through the implementation of these guidelines, we are aiming to realise 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, SC sets out SC Group's 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 combating modern slavery and human trafficking.

In the event that we find violations of these guidelines in our supply chains, we will urge 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 such third parties, we will consider carefully whether to continue our business with them or not.

In fiscal year 2021, SC also established [the SC Group Forest Management Policy](#) and [the SC Group Sourcing Policy for Forest Products](#) as specific policies for natural resource-related commodities requiring sustainable procurement. The policies include our commitment to respect human rights by operating forest related businesses in accordance with [SC Group's Human Rights Policy](#) as well as [the UN Guiding Principles on Business and Human Rights](#).

[Group Governance](#)

The management policy of SC Group is to respect "Jiritsu"* management by each SC Group company, and to be involved in important decision-making at the board of directors or organisation equivalent to the board of directors of each SC Group company based on the relationship of trust established through active dialogue as a shareholder, and to create new value through strong collaboration.

With the aim of strengthening SC Group's governance under [the Medium-Term Management Plan "SHIFT 2023,"](#) in order to maximise SC group's corporate value through sharing and putting into practice the principles of SC Group management, SC has established a Group Management Policy (GMP) that sets the three principles of SC Group management: "Jiritsu", "Dialogue", and "Collaboration".

SC supports the establishment and operation of an optimal management system to control risks appropriately and increase the odds of achieving its business strategies for Jiritsu management of each SC Group company. Specifically, SC has introduced a governance framework that uses a SC Group standard tool called "Basic Elements" to visualise the internal control status of each SC Group company and solve issues identified through "dialogue".

The Basic Elements include "Respect for Human Rights", "Labour Management, Health, Safety and the Environment", and "Supplier Management", and if there are issues, we

formulate a response policy according to the relevant business nature and regional conditions. Through regular monitoring, we will continue working to prevent modern slavery and human trafficking in our business and supply chains through further enhancing governance considering the relevant business nature and regional conditions.

*"Jiritsu" is a Japanese term. In the GMP, this is defined to mean "following the rules necessary for the management of each SC Group company, such as its management principles, strategies, and policies, to discipline oneself, to think, make decisions, act for oneself in order to achieve goals, and to be accountable to stakeholders".

Social and Environmental Risk Management in individual Projects

In order to promote social and environmental risk management for each business, taking into account the nature of the business and the characteristics of the region where it operates, SC established a management system that considers social and environmental impacts when making decisions on a new investment.

After the implementation of each investment, we monitor the status of social and environmental risk management and if any issues arise, we will work for improvements according to the characteristics of the business.

Active commitment to the UN Global Compact

SC Group signed [the UN Global Compact](#) and declared its support for the 10 principles in March 2009. This international sustainability related initiative shares the same values as SC Group's Corporate Mission Statement. With SC Group's participation in the Global Compact, we have committed ourselves to further increasing corporate value by constantly seeking out areas of our business activities that can be improved in light of the values advocated by the 10 principles. The UN Global Compact has been referred also through the internal auditing process of SC Group.

Training

In order to raise our awareness especially about modern slavery, we utilise an American NGO Verite's free e-Learning of Supply Chain Accountability on forced labour as a useful training material, which is one of the referred tools on ['Transparency in Supply Chains: A Practical guide' published by UK Home Office](#).

In fiscal year 2020, SC added an e-Learning related to business and human rights to the Global e- SBC training menu for overseas staffs and promoted learning.

Since we conduct a wide range of business in multiple sectors, the associated risks vary, however the eradication of any instances of modern slavery and human trafficking remains a key priority.

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 29, 2023

Signed by:

Hiroyuki Koike
CEO, Sumitomo Corporation Europe Limited

In accordance with Section 54 of the United Kingdom's Modern Slavery Act 2015, this SCEU Modern Slavery Act Statement 2022 covers and has been approved by the board of directors (or equivalent managing body) of the following entities :

- Sumitomo Corporation Europe Limited
- Sumitomo Corporation España S.A.
- SUMITOMO DEUTSCHLAND GMBH