

Sumitomo Corporation Europe Ltd. Norway Branch
The Norwegian Transparency Act
Due Diligence Report
for FY2024, Accounting period 01-04-2024 to 31-03-2025,
on
Fundamental Human Rights and Decent Working Conditions

1. Introduction

Sumitomo Corporation Europe Ltd (“SCEU”) Norway Branch, org.nr. 980 729 923 (hereafter “SCEU Norway Branch”) have since the implementation of The Norwegian Transparency Act (the Act) – Åpenhetsloven, worked to implement this new legislation into the way we are doing business and to be transparent in the way we monitor that all aspects of our business ensure respect for fundamental human rights and decent working conditions.

This report describes the due diligence assessment we have performed of our organization internally, as well as for our suppliers and business partners, and how we have ensured, and will continue to ensure, that fundamental human rights and decent working conditions are respected throughout all facets of our operations.

The Act has required us to carry out a due diligence assessment in accordance with the OECD's guidelines for responsible business conduct, to account for the due diligence that has been carried out to the public, and to disclose information to anyone who requests it, within the boundaries of the Act. The report has been prepared based on the work done by our management group and information collected from our supply chain, as instructed by the Board of SCEU.

2. Our organization and supply chain

SCEU Norway Branch is the Norwegian registered branch company of SCEU. As a Norwegian branch company of SCEU, we work closely with the main office in London, utilizing its resources and knowledge to support the efficiency of operations.

SCEU is a part of Sumitomo Corporation (“SC”), a leading Fortune 500 company with 125 locations across the world. SC Group consists of approximately 900 companies, and more than 81 000 employees.

The business of SCEU Norway Branch is mainly focused on the supply of Oil Country Tubular Goods (OCTG) and line pipe, along with associated OCTG Tubular Management Services related to the Norway Continental Shelf Oil & Gas sector. Our deliveries within the tubular sector include quality corrosion-resistant alloys, high strength pipes for deep-well applications, and carbon steel tubing and casings.

Our largest foreign business partner is SC in Japan, where there is comprehensive legislation covering labor rights, gender equality, rights for persons with disabilities, and legislation granting employees protection against harassment. We work directly with suppliers to our SC business partner in Japan and we also have suppliers in Norway, and other European countries such as Great Britain and The Netherlands. These countries are also highly regulated and under strict control by their individual governments.

As a part of SC, we have a close relationship with the other companies within our group, including those from the Asia region, and several of those are included in our supply chain. These companies all adhere to the key values of SC (including the UN Global Compact Principles), follow the HSSE

(Health, Safety, Security and Environmental) requirements of our company, and are subject to internal audits on a routine basis.

3. Our governance structure

SCEU Norway Branch adheres to the Corporate Governance Principles of SC, where discrimination is prohibited, and efficient channels for whistleblowing are made available to all employees. We utilize the corporate governance processes as established by SC, as well as the compliance policies and systems of SCEU, to meet the requirements of local laws and regulations, while maintaining the highest ethical standards. The Sumitomo Corporation Group Compliance Policy is available on our website.¹

From the 1st of May 2024, a new formation was implemented in London, with a Business Intelligence General Manager appointed. The team in this new group includes resources dedicated to Human Rights and Sustainability.

4. Alignment with global standards

SCEU Norway Branch, as a part of SC, has been committed to the UN Global Compact since March 2009, and actively follows and supports the UN's ten principles for human and workers' rights, protecting the environment and ensuring anti-corruption. You can find more information regarding this topic on the SC corporate website.²

5. Other internal measures

In 2024 SCEU Norway Branch had a revision of the employee manual and the overtime policy, with the help of a law firm, to make sure we are compliant. The new Employee handbook was published in January 2025.

In FY2024 we updated our Data protection policy. This policy provides information on how and why the company collects and processes personal data about its employees.

Activity and reporting obligation (ARP) for employers: SCEU Norway Branch do not have a reporting obligation, but in recent years we have worked a lot with the activity obligation, as all employers have a statutory obligation to work with equality and against discrimination, and to document and account for the work.

Relevant training during the reporting period:

- SCEU employees completed a mandatory E-learning course related to Business and Human Rights in June 2024.
- SCEU held the mandatory annual compliance training for all employees in November 2024.
- During FY2024, 3 new expatriate managers completed the Norwegian obligatory course, HSSE for Managers.
- Employees who work directly with the Transparency Act, Quality, Health, Safety, Security and Environment ("QHSSE"), managers and contact points in SC Tokyo were encouraged to take the online UNGP training to improve general knowledge and understanding.

In 2024, SCEU Norway Branch also started to work on a compliance evaluation, to map the applicable legislation for the company and any other requirements that the company has adopted for its HSE work. This compliance evaluation is part of the ISO 9001 management system. Primarily focused on the company's HSE system, governing documents, procedures, routines and registrations are assessed to determine the company's compliance or non-compliance with the requirements; other regulations and obligations are also reviewed as relevant. No major deviations have been found.

No serious accidents or working environment related cases occurred in SCEU Norway Branch during the reporting period.

¹ <https://www.sumitomocorp.com/en/europe/about/governance/compliance/policy>

² <https://sumitomocorp.disclosure.site/en/themes/16>

We have a Human Rights collaboration group across departments and locations, where we have, among other things, agreed how to follow up with subcontractors in Japan. The result you find under chapter 7.

There is more maturity and understanding within the Group in regard to Human Rights, and Norway continues to have human rights on the agenda and challenge in all channels where necessary.

6. Risk Management of our value chain

SCEU Norway Branch has used the methodology set out in the OECD Guidelines when carrying out the due diligence of our supply chain and business partners.

In the following paragraphs of this section 6 we will present the different key systems for Risk Management, as utilized by SCEU Norway Branch. As previously described, the tubular business is the primary part of our operations in Norway, and the following requirements are aimed at operations connected to the tubular business.

Please note that similar requirements are in place for our other operations, and the audit procedures are relevant to all business dealings of SCEU Norway Branch.

HSSE Requirements for Contracts

To become a supplier or business partner of SCEU Norway Branch, suppliers must be able to demonstrate that they can meet the QHSSE requirements of Sumitomo Corporation Energy Tubular Strategic Business Unit ("SCETS").

The above is performed through our supplier prequalification process which is described in our internal document of 'Supplier and Contractor Management Standard'.

Human Rights clauses for Contracts related to SCETS have been reviewed and updated, ensuring alignment with UNGP principles and key Customer requirements.

HSSE Requirements for Purchase or Service Orders

Before any contract, purchase or service order is awarded by SCETS, contract specific quality and HSSE requirements are defined and are accepted as part of the contract award. Within our contracts we also include the right to audit, and we request that all incidents during the performance of our work, whether it be a personal injury accident, unsafe condition, environmental incident, security incident or property damage incident is reported to relevant personnel in SCETS within 24 or 48 hours, depending upon its significance/risk rating.

We request an incident investigation report to be completed within 10 days, highlighting the initial and root causes of the incident along with the corrective and preventative actions the supplier shall take, to avoid any future incidents. Where personal injury incidents involve more than first aid treatment or other incidents have a high potential for loss, we request our suppliers to provide, in addition to their incident investigation report, a 'Lessons Learned' report which we can share across our organization and with other suppliers.

Before a purchase- or service order from a supplier/contractor is entered into, the relevant party must accept, understand, and confirm their compliance with the human rights principles³.

Audits of Supply Chain

SCEU follows the principle of "Giving First Priority to Compliance", ensuring that compliance takes priority above all other activities. In the case of a compliance issue, SCEU Norway Branch will take the necessary steps to gain insight into the incident. This is done through our auditing system.

All audits adhere to the procedures of SCETS and are conducted using competent auditors.

³ <https://sumitomocorp.disclosure.site/en/themes/30>

The SCEU Norway Branch establishes an annual regional audit program and this is based on:

1. Critical to business processes
2. Changes in organization
3. Experience from customer feedback
4. Trends in non-conformities
5. Supplier performance / New suppliers

If SCEU Norway Branch is notified of or suspects any non-conformity with our requirements or the person in charge of supplier management is noticing any discrepancies, SCEU Norway Branch will immediately act and conduct an audit if necessary.

Following receipt of the proposed actions from the supplier these are reviewed by the audit team to ensure the proposed actions adequately address the findings.

Human Rights audits are being added to the audit plan for FY2025 to ensure the audits conducted cover all of the key areas of interest for the business and risks in the supply chain are identified.

7. Due Diligence of our Supply Chain – Human Rights

7.1 The methodology of our Due Diligence

The work is based on the OECD's due diligence model, as described in the Guidelines for Multinational Enterprises.

- (1) We have confirmed that the results of the high-level risk assessment which was conducted in previous years is still effective as:
 - there are no significant changes in the existing suppliers regarding business model.
 - we have found that the new suppliers in scope have the similar profiles with the ones we carried out the assessment previous years.

As a follow-up of the results and findings previous years, we have conducted a risk assessment for our major tier 1 suppliers and 2 main sub-contractors in direct contract with the Sumitomo Corporation Headquarters in Japan.

- a. Due Diligence assessment.
 - b. Contract Terms.
 - c. Subcontractors.
- (2) We have expanded the risk assessment to include suppliers not directly linked to our Tubular business but related to the SC Corporate function; this includes a follow up of suppliers that have a high probability of having subcontractors abroad and also suppliers who work directly with people, such as recruitment agencies.
- (3) As a direct result of working with a key customer in the Oil & Gas Industry, SCEU Norway Branch has been working with Human Rights Assessments of vessels that transport OCTG material from Japan to Norway. This form for assessment evaluates current practice with requirements in Maritime Labour Convention and ITF Agreement CBA. Please see progress and results detailed in Section 7.2.

7.2 Due Diligence results and findings

The findings from our due diligence indicate that we generally operate within a low-risk environment regarding negative impacts on fundamental human rights and decent working conditions. Specific focus has been placed on Human Rights Assessments for vessels. The assessment conducted in FY2024 was an opportunity to work on improving engagement through the supply chain, including many business partners, improving the communication and common understanding. No major findings were identified. The areas for improvement were mainly related to recruitment. The assessment also gave the opportunity to review the differences in Maritime Human Rights requirements and land-based regulations, requirements and contracts.

We have conducted a risk assessment for our suppliers and business partners, and we confirm that there are no recorded or registered incidents in the medium risk cases.

We have continued to work closely with our stakeholders and experts to ensure that no actual violations of human rights or decent working conditions have occurred. If any violations occur, SCEU Norway Branch is committed to taking remedial actions as required.

Sumitomo Corporation's business is diversified in multiple fields and on a global basis. We keep monitoring the situation not only for the activities directly or indirectly associated with our business in Norway but also activities that potentially have touchpoints so that we can leverage our expertise and experiences throughout our organization.

Sumitomo Corporation Telecommunications Business in Myanmar

As stated in Section 2 of this report, SC is a Fortune 500 company, and the SC Telecommunications Business in Myanmar is part of the global organisation. The following is a description of SC Telecommunications Business in Myanmar, a human rights-related topic of particular concern.

Sumitomo Corporation is committed to ensuring the safety of local employees, their families, and other related parties, in line with its Human Rights Policy. In the fiscal year ending March 31, 2025, the company engaged with stakeholders and human rights experts, reaffirming the importance of maintaining the telecommunication network in Myanmar while respecting human rights. Sumitomo Corporation will continue heightened due diligence and stakeholder dialogues, monitoring the evolving situation in Myanmar to consider appropriate actions.

-> For more information, see the link below.

[Amendment of Telecommunications Business Agreement in Myanmar | Sumitomo Corporation](#)

7.3 Actions going forward to prevent and mitigate adverse impacts

We will continue to build and improve upon managing and minimizing the risk for any negative impacts to fundamental human rights and decent working conditions in our own company, as well as throughout our business supply chains, especially for the suppliers that are identified as significant, while expanding the scope of our suppliers and areas of human rights.

During FY2024, SCEU Norway Branch had the opportunity to collaborate with both a key customer and a large supplier in Japan on the topics of Human Rights and Diversity, Equality and Inclusion. This session was very informative and allowed all parties to share the progress and initiatives on going to strengthen Corporate policies and embed a positive culture with each respective organization.

Based on the assessment of FY2024, we plan to investigate some new suppliers more closely in FY2025, with a questionnaire of Human Rights. We are also considering making use of a supplier qualification portal by and for the energy industry for our DD process going forward.

Our work with the Transparency Act has been and continues to be a learning experience, giving us better insight into how we can optimize our processes for the coming years.

Contact

For any questions, please contact us on: transparencyact.norway@sumitomocorp.com.

Inquiries will be responded to within the deadline of three weeks. In the case of a comprehensive request, we may request an extended deadline.

Date and place

Oslo 13/06/2025



Noriko Isaka


General Manager

Sumitomo Corporation Europe Ltd. Norway Branch

Board of Directors in Sumitomo Corporation Europe Limited hereby acknowledges and approves the Transparency Act report FY2024.



Hiroyuki Koike



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