



## **SMS Construction and Mining Systems Inc.**

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

SMS Construction and Mining Systems Inc. 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 January to December 2023), in compliance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This statement was approved by the board of directors of SMS Construction and Mining Systems Inc. on May 15, 2024.

#### **Background and organisational structure, activities and supply chains**

SMS Construction and Mining Systems Inc. was established in 1972 incorporated under the Business Corporations Act (British Columbia). It is headquartered in Acheson, Alberta with three employees in Canada, and is a subsidiary of Sumitomo Corporation.

#### **Policies and Due-Diligence Processes in Relation to Forced and Child Labor**

SMS Construction and Mining Systems Inc. as a member of the Sumitomo Corporation (SC) Group, shares the [Sumitomo's Business Philosophy](#) which has been passed down and followed faithfully for more than 400 years since Masatomo Sumitomo (1585-1652) founded the company. [SC Group's Corporate Mission Statement \(Management Principles and Activity Guidelines\)](#) is based on this philosophy and represents our fundamental and ultimate value standard. In the Corporate Mission Statement, it clearly states that we respect the personality of each individual and places prime importance on integrity and sound management.

We take our commitment to tackling modern slavery including forced labour child labour and human trafficking very seriously. The followings are the steps which SMS Construction and Mining Systems Inc. has 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](#)

SMS Construction and Mining Systems Inc. is committed to compliance with global labor and human rights standards and law. We respect [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 line with [SC Group's Human Rights Policy](#) we are working towards identifying and to preventing or mitigating any adverse impact on human rights through the implementation of human rights due diligence processes. Where we identify that our company'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](#)

As a member of the SC Group, SMS Construction and Mining Systems Inc. is committed to implementing [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 our 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. However, no violations of these guidelines relating to child and/or forced labor were noted in 2023.

### [Basic Elements](#)

As a member of the SC Group, SMS Construction and Mining Systems Inc. is governed through SC’s internal control system called Basic Elements, which aims to improve business quality and corporate value through effective governance. Through Basic Elements, SMS Construction and Mining Systems Inc. has committed to integrating “Respect for Human Rights”, “Labor Management, Health, Safety and the Environment”, and “Supplier Management” into our business management systems.

### **Forced labour and child labour risks**

At present, SMS Construction and Mining Systems Inc. has not identified any parts of its business or supply chains that carry a risk of forced labour or child labour.

The eradication of any instances of modern slavery including forced labour, child labour and human trafficking remains a key priority for SMS Construction and Mining Systems Inc. We will continue to undertake these efforts aimed at ensuring that no modern slavery including forced labour, child labour or human trafficking of any form exists in our business and supply chains.

### **Steps taken to reduce risks of forced and child labour**

As SMS Construction and Mining Systems Inc. has not identified any risks or incidents of forced or child labour, no additional steps have been taken outside of usual processes described above.



### Reporting Mechanisms

There are several ways SMS Construction and Mining Systems Inc. employees may report violations of the Human Rights Policy, including to their immediate manager, Human Resources. 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.

### Training

SMS Construction and Mining Systems Inc. is deploying a new e-learning training module on business and human rights. This mandatory e-learning will provide overall information of international initiatives and regulations on business and human rights, as well as SC Group's own policies and procedures. SMS Construction and Mining Systems Inc. will roll the training out to all employees in FY2024.

### **Remediation measures or of loss of income**

No measures have been taken to remediate forced labour or child labour in our activities and supply chain or remediate loss of income for vulnerable families as we have not identified such labours in our activities and supply chains.

### **Assessing effectiveness**

For FY2023, no actions have been taken to assess our effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

### **Attestation**

In accordance with the requirements of the Acts, and in particular section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act of Canada, I attest that I have reviewed the information contained in the report for the entity. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Acts, for the reporting year listed above. I have the authority to bind SMS Construction and Mining Systems Inc.



SMS Construction and Mining Systems Inc.  
Systèmes de construction et mines SMS inc.

May 30, 2024

Signed by:

A handwritten signature in black ink, consisting of the Japanese characters 小田 大樹 (Komoda Hiroki).

Hiroki Komoda

Secretary & Treasurer,

SMS Construction and Mining Systems Inc.