

Sumitomo Corporation of Americas

Annual Report on Forced and Child Labour in Supply Chains for FY 2023

Sumitomo Corporation of Americas (SCOA) is committed to preventing and reducing the risk of modern slavery (including forced labour, child labour and human trafficking) in its business and supply chains. This report provides an overview of the steps SCOA took in fiscal year 2023 (from April 1, 2023 to March 31, 2024) to prevent and reduce the risk of forced labour and child labour in its business and supply chains, in compliance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act)* . This statement was approved by the board of directors of SCOA on May 21, 2024.

SCOA's Structure, Activities, and Supply Chains

SCOA was established in 1952 as a corporation. It is headquartered in New York City, with 460 employees in US (no employees in Canada) and eight offices in major U.S. cities (no offices in Canada). 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](#)

Policies and Due-Diligence Processes in Relation to Forced and Child Labour

SCOA, as a member of the Sumitomo Corporation 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 business. [SC Group's Corporate Mission Statement \(Management Principles and Activity Guidelines\)](#) is based on this philosophy and represents our fundamental and ultimate value standard. The Corporate Mission Statement clearly states that we respect 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 urges us to respect the human rights of all individuals, including the rights of those with whom we have a relationship or contact.

We take our 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. 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 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 violation of human rights including forced labour, child labour 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 strives to implement [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 SCOA'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 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 to remedy and improve the situation immediately, while providing support to them as needed.

[Human Rights Due Diligence Study](#)

The SC Corporate Sustainability Department has led the identification of the [Six Key Social Issues and the Long-term Goals for the SC Group](#). The six key social issues 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."

SC also established [the Medium-term Goals for each Key Social Issue](#) on behalf of the SC Group. With regards to "respect for human rights," one of our medium-term goals is "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."

SC commenced a human rights due diligence process in fiscal 2020. As a first step in that process, 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. The 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. Further information on the current status of the due diligence process is discussed below in "Assessing Effectiveness."

Risks and steps taken to reduce risks of forced and child labour.

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.

In fiscal year 2023, we did not identify any cases of forced or child labour in our supply chains. As a result of that, we have not faced a situation to remediate forced labour or child labour and to remediate loss of income for vulnerable families.

Reporting Mechanisms

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 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 will participate 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.

Assessing Effectiveness

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.

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 and that our actions are effective in preventing and reducing risks of forced and child labour in our activities and supply chains.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, 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 Act, for the reporting year listed above. I have the authority to bind Sumitomo Corporation of Americas.

May 21, 2024

Signed by:

Tomonori Wada

Tomonori Wada
CEO & President
Representative Director
Sumitomo Corporation of Americas