

Sumitomo Canada Limited

Annual Report on Forced and Child Labour in Supply Chains for FY 2024

Sumitomo Canada Limited (SCL) 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 SCL took in fiscal year 2024 (from April 1, 2024 to March 31, 2025) 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*. This statement was approved by the board of directors of SCL on May 21, 2025.

SCL's Structure, Activities, and Supply Chains

Sumitomo Corporation is one of the world's leading sogo shosha. As a result, many of the general characteristics of the industry which are described above for sogo shosha provide an accurate description of the financial and operational characteristics of the company.

Sumitomo Corporation promotes trade and development through its head office in Tokyo, Japan. The company was founded in 1919 and entered the trading business in 1945.

The 1960s and 1970s saw the tremendous expansion and internationalization of the Japanese economy, spurred on by heavy industry, such as the steel and chemical sectors. In response, Sumitomo Corporation evolved into an integrated trading company, diversifying its product range to include iron and steel; non-ferrous metals; electrical and electronics products; machinery, agricultural and marine products; chemicals; textiles; natural resources; and real estate. Sumitomo Corporation also expanded its business to cover areas such as resource development, plant construction, joint venture formation, financing and investment.

Sumitomo Corporation can bring together producers and consumers in almost every part of the world. It does this through its 131 locations in 66 countries, which comprise the headquarter, offices, branches and subsidiaries.

The employees of Sumitomo Corporation (including those on temporary assignment to its subsidiaries) have significant expertise in the fields of economics, legal, technical and business information, management, credit risk control, international financing arrangements, research, marketing, technology transfer, and product distribution. In addition, Sumitomo Corporation has extensive networks of long-standing customers and suppliers on a worldwide basis. To a somewhat lesser extent, Sumitomo Corporation's subsidiaries, branches and offices also have similar networks.

Over time, Sumitomo Corporation has evolved into a globally focused enterprise, with an ongoing focus on strengthening and reinforcing its overseas operations.

In most of its business transactions, Sumitomo Canada acts as an agent for Sumitomo Corporation or other affiliates. Even when Sumitomo Canada acts as a principal in a transaction, it rarely accepts all the risks that would typically be borne by principals for such transactions. Instead, many of the typical risks of principals in such transactions are borne either by Sumitomo Corporation or by other parties such as suppliers or customers to the transactions. In virtually all cases, Sumitomo Canada's role is simply to provide services in support of the overall transaction.

In recent years, Sumitomo Canada has dedicated some resources and incurred some costs to identify business opportunities with new or existing customers and suppliers. However, these activities represent a relatively small portion of the Company's total business operations.

Prior to FY2022, Sumitomo Canada was owned 49% by Sumitomo Corporation and 51% by Sumitomo Corporation of Americas. As of April 1, 2021, Sumitomo Canada is 100% owned by Sumitomo Corporation as a result of a structure change.

For more information on SCL's business, activities and supply chains, please visit the following link: <http://www.sumitomocanada.com/>

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

SCL, 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.

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.

SCL 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

SCL has a policy against violation of human rights including forced labour, child labour and related activities, which is set forth in detail in the SCL 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

SCL 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 SCL'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, while providing support to them as needed. However, if the violations continue, we will consider carefully whether to continue our business with the suppliers, business partners or contractors in question. No violations of these guidelines relating to child and/or forced labour were identified in 2024.

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 SCL's key areas of focus building upon the foundational work that SC began, SCL will be leveraging the results of the human rights assessment performed by Sumitomo Corporation of Americas and expert consultants in business and human rights. 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.

SCL began to identify forced and child labour risks by completing the Slavery and Trafficking Risk Template (STRT) for SCL's trading business supply chain. This review took into account product and location risks in accordance with the STRT methods. No high-risk products were identified through the STRT process.

In fiscal year 2024, 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 SCL employees may report violations of the Human Rights Policy, including to their immediate manager, Human Resources, or to a member of the SCL Legal & Compliance Group. Alternatively, an employee or third-party may report the matter anonymously or ask questions regarding the same to SCL'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 SCL management team for proper review and remediation.

Training

In fiscal 2024, SCL rolled out a new 15-minute e-learning module on business and human rights in English and Japanese. Developed by SC Sustainability Department, this mandatory e-learning provided overall information of international initiatives and regulations on business and human rights, an overview of the issues of forced and child labor, as well as SC Group's own policies and procedures. SCL deployed the training entity wide in May 2024 to all SCL employees and executives. 28 SCL employees have taken the training.

In early 2024, all SCL employees and leaders were invited to participate in an interactive voluntary human rights workshop with our external consultants. The workshop lasted for 1.5 hours and covered the background of business and human rights, training on human rights due diligence and further training on SC group's human rights initiatives.

Assessing Effectiveness

In fiscal year 2024, Sumitomo Corporation of Americas and consultants performed an assessment of SC Groups human rights program in the Americas, which includes SCL. The consultants completed a gap analysis of our human rights management system for the Americas compared to the UN Guiding Principles on Business and Human Rights. This yearlong assessment closed with the development of a human rights roadmap, which provides SCL with ways to improve the management of human rights in years to come.

There were zero reports of issues relating to forced or child labour through the Ethicspoint hotline in 2024.

SCL 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.

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, I attest that I have reviewed the information contained in the report for the entity (or entities listed above). 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 Sumitomo Canada Limited.

May 21, 2025

Signed by:

A handwritten signature in black ink that reads "Tom Elliott". The signature is written in a cursive, slightly slanted style.

Thomas Elliott
(Representative) Director,
Sumitomo Canada Limited