

# SUMITOMO ELECTRIC GROUP

Sumitomo Electric Europe Ltd

## Statement on Slavery and Human Trafficking for Financial Year 2021/2022

### Introduction

This statement is made in accordance with Section 54 of the Modern Slavery Act 2015 and outlines the measures being taken by **Sumitomo Electric Europe Ltd** (hereinafter "**SEEL**") to mitigate the potential risk of modern slavery and human trafficking ("**Modern Slavery**") occurring in any part of the SEEL business and its supply chains in the **2021/2022** financial year ("FY").

### Our business and supply chain

SEEL is a subsidiary of Sumitomo Electric Industries Ltd ("**SEI**") which itself forms part of the Sumitomo Electric Group ("**SEG**"). SEI is a Japanese manufacturer of electrical wire, optical fibre cables, electronics and hard metal products established in 1897. SEI's headquarters are in, Osaka, Japan. SEI's shares are listed in the first section of the Tokyo, Nagoya Stock Exchanges, and the Fukuoka Stock Exchange.

SEG, in accordance with its corporate philosophy which consists of the Sumitomo Spirit and the Corporate Principles, strives to be a group of companies worthy of society's trust by conducting its business activities in an honest manner. The Sumitomo Spirit encourages all employees, officers and directors ("**Employees**") to:

- do their best not only in business, but in every aspect of their lives;
- place importance on integrity and good management; and
- never sacrifice integrity for easy profit.

Additionally, each company of SEG shall commit to drive their business based on key corporate principles:

- Offer the very best goods and services to satisfy customer needs;
- Build technical expertise, realise changes and strive for consistent growth;
- Contribute to creating a better society and environment, with a firm awareness of our social responsibility;
- Maintain high corporate ethics and strive to become a company worthy of society's trust; and
- Nurture a lively corporate culture that enables employee self-improvement.

SEEL provides a European sales and distribution network of the products that it, and other companies part of SEG manufacture, such as optical fibre, optical fibre cables, optical fibre fusion splicers, optical/microwave devices and power cables. As of August 2022, SEEL has 72 Employees across 6 facilities located in the United Kingdom, Italy, Czech Republic, The Netherlands, Sweden and Finland.

SEEL's global supply chain operates across 4 countries; its consolidated supply chain turnover is approximately GBP 169.6M (FY 2021/2022).

### Corporate Awareness and Policies

The Corporate Social Responsibility Committee, formed of senior management from SEG, is committed to ensure the best strategy for supporting and advancing human rights in all the communities where SEG operates (the "**CSR Committee**"). Each year the [CSR Committee Annual Report](#) describes the measures taken by SEG to further strengthen its corporate social responsibility and SEG complies with and expects its suppliers to comply with the [Corporate Social Responsibility Basic Policy](#).

In parallel to the CSR Committee programme, SEG [Global Code of Conduct](#) ("**Code of Conduct**") supports the CSR Committee's action by communicating SEG's commitment to human rights to all Employees. SEG Code of Conduct makes clear that all forms of Modern Slavery are unacceptable to SEG. SEG Code of Conduct, available in over 30 languages, requires all Employees to make a personal commitment to do business in accordance with the Sumitomo Spirit. SEG Code of Conduct also makes clear that it is expected that all business partners should act in a way that is consistent with the principles of the Code of Conduct. Awareness and understanding of the Code of Conduct is promoted to Employees by face-to-face training, e-learning and effective internal communication.



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In July 2021, SEG adopted the [SEG Supplier Code of Conduct](#) ("SCoC") which replaced the CSR Procurement Guidelines. SEG seeks to do business with suppliers that share our commitment to integrity and to conducting business in compliance with the law. The SCoC is applicable to SEG suppliers globally, including SEEL's suppliers. Within SEEL, where possible, the SCoC is being included as a contractual term in all SEEL originated commercial contracts: (i) to ensure suppliers' commitment to compliance, including to preventing Modern Slavery and other Human Rights violations and (ii) to enable SEEL to work with the supplier to address identified concerns or provide to SEEL a right to terminate any contract with its suppliers that fails to respect the SCoC provisions. SEEL also makes every effort to include compliance with the SEG SCoC as a contractual term in contracts proposed by third-parties.

SEG also has in place a global [Policy on Human Rights](#) (the "Human Rights Policy") which is guided by the "International Bill of Human Rights", the "ILO Declaration on Fundamental Principles and Rights at Work", and the "Guiding Principles on Business and Human Rights" of the United Nations to respond to the various needs of our stakeholders and to show our commitment to respecting human rights that abide by international standards.

The Human Rights Policy reflects SEG's commitment to drive continuous improvements within our business and details its fundamental principles with regards to the protection of human rights. The Human Rights Policy applies to SEEL as a subsidiary of SEG. SEG also expects all business partners related to its business activities to comply with the Policy.

## Commercial practices (with third-parties)

In addition to the high-level policies, day-to-day commercial practices have been developed which require SEEL's suppliers to agree to and comply with legal compliance and ethical conduct terms, including, by accepting the SCoC in commercial contacts, or adhering to Modern Slavery clauses in their contracts with SEEL where the SEG SCoC is not included as a contractual term.

## Due diligence (internal processes)

As part of the SEG Compliance Programme, new and current business partners must go through SEEL's due diligence process in order for SEG to be assured that the business partners it engages with meet the required standards of ethical conduct. To ensure that SEG's initiatives are promoted in line with the Human Rights Policy, fact-finding investigations will be conducted regularly of our stakeholders, including domestic and overseas affiliates.

Additionally, SEG continues to monitor the development of the EU Commission's proposal for a corporate due diligence and accountability directive, which will place legal obligations on businesses to conduct detailed due diligence of its supply chains. When this directive is implemented the SEG Group shall formulate guidance and training for its employees to ensure compliance with the requirements of the directive

## Risk Assessment

The risk of Modern Slavery prevailing within SEEL and its supply chains has been assessed with the outcome of a low risk rating. Nevertheless, we continue to regularly monitor the risk and the risk rating within the SEEL business and its supply chains. In FY2022/2023, SEG will conduct an updated Human Rights review (supported by an expert third-party organisation) of its migrant labour workforce in EMEA (including SEEL) as well as on a global basis, in order to appraise and decrease any Modern Slavery risks identified amongst migrant workers and ensure compliance with SEG's zero fee recruitment policy.

## Training

Training is provided regularly within SEEL to build awareness of unethical conduct including Modern Slavery. All employees at the SEEL business receive ongoing training on the SEG Code of Conduct which, includes express references to the Human Rights Policy.

SEG encourages continuous dialogue between their subsidiaries to heighten awareness of the risk of Modern Slavery and to mitigate the risk where possible.



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## Whistleblowing/Speak up

SEG continues to develop its 'speak up' culture that encourages a workplace where Employees feel comfortable raising concerns about unsafe, unethical or unlawful practices. This 'speak up' culture is facilitated, in part, by an [external hotline](#) (operated by Navex), with an option of anonymity, for Employees or business partners to raise their concerns. All reports raised internally or via the external hotline are taken seriously and follow a documented procedure for review and/or investigation in order that the concerns are addressed appropriately. The Code of Conduct and Speak Up Policy prohibit retaliation against those that raise concerns of unsafe, unethical or unlawful practices.

Reports raised internally or via the external hotline is one method used to measure the effectiveness of training and the levels of awareness and understanding of Employees of unethical practices including on Modern Slavery. In addition, self-assessment questionnaires asking Employees to share their thoughts about the possible risks of Modern Slavery within SEEL and supply chains shall aid in developing the true risk exposure. SEG continues to monitor and improve its existing policies and procedures to ensure their effectiveness.

During FY 2021/2022, SEG conducted a review of the Speak Up procedure to ensure compliance with the EU Directive on the Protection of Whistleblowers (EU Directive 2019/1937 of 23 October 2019). SEEL is committed to corporate transparency and will evaluate the benefits of rolling out of an updated Whistleblowing Policy to replace the existing Speak Up Policy. The updated Whistleblowing Policy may provide greater guidance to employees on how to speak up, what to speak up about, and what will happen following their report.

SEG has also committed to prioritising investigations related to human rights, modern slavery and employee issues with a view to completing such investigations in the shortest time possible and in FY 2021/2022 such cases have generally been investigated, resolved and closed within 1-3 months.

## Intent

SEG recognizes its responsibility to respect and enhance human rights and is committed to developing and improving the knowledge base of its Employees. It remains committed to continue working ethically and responsibly for the respect of human rights ensuring that each company of SEG, including SEEL, will uphold this standard. SEG also intends to progress the due diligence activity adding a risk categorization for human rights and work alongside with the recruitment companies to ensure they understand our recruitment principles and mitigate Modern Slavery risks.

SEEL is similarly committed to continuing the encouragement of its suppliers in assessing their own business and supply chains for Modern Slavery, and intends to work with SEG to formulate a SCOC compliance audit strategy of its suppliers in order to reduce the risk of Modern Slavery materialising in SEEL's supply chain.

This statement has been approved by SEEL's management team.



Masakazu Watanabe

Managing Director

Date: 4/10/2022