

# **Modern Slavery Statement for Vulcan Steel Limited**

---

Reviewed and adopted by the Board on 20 December 2024

This modern slavery statement (**Statement**) describes the steps taken by Vulcan Steel Limited (NZ business number 9429 0384 66052 and ARBN 652 996 015) and its wholly subsidiaries, being Vulcan Steel (Australia) Pty Limited (ABN 61 100 061 283), Ullrich Aluminium Co Limited (NZ business number 9429 04073 4538) and Ullrich Aluminium Pty Limited (ABN 70 001 697 445) (**Vulcan**), during the financial year ended 30 June 2024 (**FY24**) to address modern slavery risks in its business and supply chains.

This is Vulcan's third annual modern slavery statement, and this Statement is a joint statement made by the four Vulcan entities in accordance with the Modern Slavery Act 2018 (*Cth*) (**MS Act**).

## 1. Introduction

---

Vulcan has a zero-tolerance policy for human rights violations including modern slavery practices. This Statement outlines Vulcan's commitment to identify and address the risks of modern slavery practices in its operations and supply chains. With a company culture proudly centered around a safe and enjoyable workplace, ensuring modern slavery practices are not present in Vulcan's operations, as well as Vulcan's supply chains, are of the highest priority. Vulcan recognises that modern slavery practices are not always easy to identify in supply chains outside of its direct control and therefore takes a risk-weighted approach in identifying supply chains most at risk.

This Statement aligns with the MS Act in which modern slavery offences refer to situations where coercion, threats, deception, violence, or abuse of power are used to exploit victims and undermine or deprive them of their liberty. These could include slavery, servitude, human trafficking, forced labour, debt bondage, forced marriage, deceptive recruiting for labour or services, and any form of child labour. Referencing international steel mills, forced and deceptive recruiting for labour will be two areas of focus.

Vulcan is committed to assessing risks and enabling a level of confidence to shareholders and stakeholders that modern slavery practices are effectively identified and managed. Vulcan has senior staff assessing risks on an ongoing basis. Vulcan recognises that tackling the risk of modern slavery in its supply chains will take ongoing commitment, time and resources and requires awareness and education of all stakeholders.

## 2. Organisational structure and operations

---

A successful distributor and value-added processor of metal products with an appetite for profitable and value accretive growth, Vulcan is one of the largest leading steel distributors in Australasia. With a purpose to be the most efficient metals distributor in the Australasian market, Vulcan offers distribution of metal products including aluminium, carbon, engineering and stainless steels, as well as coil and plate processing services to a wide range of industries including manufacturing, transport, forestry, engineering, medical, construction, agriculture and marine.

Vulcan operates from 66 locations across New Zealand and Australia, with 38 locations across all states and territories in Australia and 28 locations in New Zealand (with 19 in the North Island and nine in the South Island).

All Directors actively support Vulcan's commitment to identify and address modern slavery risks, having appropriate policies, processes and planning for situations where corrective action is needed. Management provides an update to the Board on Vulcan's compliance with this Statement annually.

### **3. Supply chain**

---

Vulcan has more than 100 direct spend suppliers across carbon, stainless and engineering steel as well as aluminium products with the top 20 representing more than 85% of spend. Vulcan's suppliers span the globe, and the company's risk assessments consider countries of origin, annual spend and the term of the relationship with Vulcan (as discussed further in section 4 below). Suppliers comprise steel mills, smelters, rolling mills and service centres, as well as metals traders. Traders buy and sell different steel products from steel mills and rolling mills worldwide and specialise in specific product ranges. Traders also offer extended payment terms, supplier relationship management and handling of freight. Nine of Vulcan's top 20 suppliers are traders and represent approximately 25% of Vulcan's direct spend.

Vulcan's procurement strategy focuses on long term supplier relationships, analytics and risk management. Supplier choice reflects purchasing scale, product quality and supply chain risk mitigation.

### **4. Risk assessment**

---

Vulcan's business relies on global supply networks. Therefore, it is important to identify and take action to remedy modern slavery risks in global supply chains where local laws and regulations may be wanting. As well as assessing offshore supplier risks, Vulcan recognises the importance of identifying where issues may arise in domestic operations. Vulcan understands that a safe and ethical business incorporates not just the human rights of its direct operations but also that of its suppliers.

The following assessment of risk is based around whether a practice in Vulcan's operations or supply chain may cause, contribute to, or be directly linked with modern slavery. Vulcan is in the process of assessing risk for its tier 1 suppliers, meaning those with whom Vulcan has a direct relationship. Vulcan will look to move to tier 2 (vendors to our suppliers) in the future once there is maturity in its approach regarding tier 1.

#### **4.1 Operations**

Vulcan has assessed its own operations and considers there to be low risk of modern slavery. Vulcan's human resources team have strong processes in place for vetting new employees and ensuring they have the requisite visa status. There are also robust processes in place for assessing wages and salary agreements and verifying payments. All new employees are taken through a comprehensive induction process where they are made aware of Vulcan's standards and policies, ensuring they have been fully understood. The majority of Vulcan's employees are permanent and full time.

#### **4.2 Supply Chain**

Vulcan prides itself in maintaining long term, trusting relationships with suppliers who have strong reputations, ethics and reliable business practices. Vulcan does not knowingly engage with any supplier who is in violation of fundamental human rights or is partaking in modern slavery practices, however Vulcan acknowledges that there is always some risk when operating with third parties as part of a global supply chain. Risk assessment is conducted via the use of a risk matrix designed by Vulcan.

Vulcan’s risk matrix considers three factors, being spend with Vulcan, term of relationship with Vulcan and origin risk. Each of these factors are given a separate risk weighting, as set out below.

Risk factor	Details	Risk weighting
Spend	Degree of exposure to the supplier, products and practices	25%
Term of relationship	Maturity and transparency of mutual collaboration	25%
Origin	Where supplier is located	50%

For the “origin risk”, Vulcan identifies the country that the supplier operates in and then uses the Global Risk Profile’s “environmental, social and governance index” (**ESGI**) (available here - <https://risk-indexes.com/esg-index/>) to determine the associated risk score. The ESGI encompasses three major issues in risk analysis, aggregated to a score for each country through a weighted geometric mean. Those risks are weighted as follows: environment (30%), human rights (50%) and health and safety (20%). Country scores are presented on a 0 to 100 scale, where 0 corresponds to the lowest risk and 100 to the highest risk. Vulcan determined that 60% of spend by origin is very low or low. No high-risk countries were identified.

Vulcan’s risk matrix provides a “risk score” for each of its suppliers, presented as a percentage (**RS%**). This allows Vulcan to monitor changes to each supplier’s risk score.

The table below provides a summary of the assessed risk relating to modern slavery of Vulcan’s top 20 suppliers for FY24, as part of Vulcan’s modern slavery management plan.

Vulcan’s Risk Score percentage (RS%)	# of suppliers	Vulcan’s risk rating	Course of Action
RS% >75%	0	High	Further investigate and act
>60% RS%=<75%	5	Medium	Closely monitor on changes to the score
RS% =<60%	15	Low	No action required

Vulcan will continue to develop its risk matrix and consider adding additional fields such as types of labour and training registers in the future.

The other area of supply chain risk identified is within labour intensive services supplied by industries considered moderate to high risk. These services include cleaning services, IT services, apparel manufacturers, maintenance services and waste management. These are defined as indirect spend focusing on suppliers linked to business support functions. Modern slavery risks within these industries could include fraudulent contracting arrangements, below minimum wage payments, health and safety issues and poor ethical treatment of workers. Vulcan’s suppliers of these services are based in New Zealand and Australia and, following analysis, Vulcan considers such suppliers to be largely low risk.

Cleaning services were identified as medium and therefore, will result in provision of Vulcan policy documents and education.

Risk Category	Indirect Spend Type	Identified Risks
High	N/A	
Moderate	Cleaning	Breach of workplace Laws, Below minimum wage payments, OH&S issues, Excessive Overtime
Low	Transport, Leases, Electricity, Gas, Water, Professional Services, IT, Maintenance, Fuel, Packaging, Waste Management	

## 5. Risk management - Due diligence and remediation

---

Vulcan has policies and standards in place to actively protect human rights within operations and supply chains. These documents outline the principles, standards and behaviours expected to be upheld by Vulcan employees, contractors, and suppliers. Policies that set out Vulcan's commitment to addressing modern slavery include the Whistleblower Protection Policy, Anti Bribery and Corruption Policy, Health and Safety Policy, Supplier Code of Conduct, and Procurement Policy.

Vulcan's procurement personnel all receive regular mandatory training on the MS Act and Vulcan's applicable policies to ensure that they are able to identify and take action in relation to any incidents of modern slavery in Vulcan's supply chain. Vulcan will provide future updates on extended internal and external training as these progresses.

Vulcan's procurement personnel manage the due diligence and onboarding of all new tier 1 suppliers, supplier agreements and standard purchase arrangements, to ensure that they address modern slavery where practical. All new suppliers are provided copies of or links to Vulcan's relevant corporate governance policies as part of the onboarding process, Vulcan requires confirmation of their acceptance. Existing suppliers will follow the same process if they are within Vulcan's top 25 suppliers or classed as a moderate risk for indirect spend.

For the management of ongoing risks, Vulcan reviews and updates risk profiles for > 80% of supplier spend and higher risk industries annually. Supplier review meetings (held annually), training sessions, and internal meetings will serve to support ongoing risk management.

Remediation and reform processes will be updated and disclosed as Vulcan strengthens its internal modern slavery management structure. Currently, Vulcan has a low level of risk and therefore considers that it has no immediate remediation requirements.

## 6. Reporting a breach

---

In line with Vulcan's Whistleblower Protection Policy, suspected modern slavery practices or concerns can be reported anonymously via the "disclose a concern" page on the Vulcan investor website, see <https://investors.vulcan.co/Disclose-a-Concern/>.

Vulcan will record formal or anonymous reports of breaches and assess the appropriate course of action in relation to the certainty of the breach and further investigation.

## **7. Assessing effectiveness and improvement**

---

Vulcan recognises that tackling the risk of modern slavery in supply chains will take ongoing commitment, time and resources and requires awareness and ongoing education of all stakeholders.

To measure and assess how effective Vulcan's suppliers have been in reducing the risk of modern slavery in their supply chain, Vulcan compared the total "risk score" of those suppliers that represent 85% of Vulcan's total spend (as calculated using Vulcan's risk matrix discussed in section 4.2 above):

- (a) in the previous reporting period (being 1 July 2022 to 30 June 2023 – FY23); and
- (b) in the current reporting period (FY24).

This comparison identified that there was a 16% reduction in the total "risk score" of the suppliers representing 85% of Vulcan's spend from FY23 to FY24. Vulcan considers the reduction can be attributed to the following matters:

- (a) Vulcan working closely with its core suppliers and concentrating spread of Vulcan's 85% spend from 25 suppliers in FY23 to 20 suppliers in FY24. Reducing the number of suppliers meant that Vulcan reduced its risk relating to supplier exposure, increased the term of Vulcan's relationships with those suppliers thus allowed Vulcan to strengthen its expectations of those suppliers and reduced the "origin risk"; and
- (b) Vulcan's procurement team visiting a larger proportion of Vulcan's top suppliers in FY24 to validate desk top auditing. In FY24, visiting 95% of Vulcan's top 20 suppliers were visited, compared with 84% of Vulcan's top 25 suppliers in FY23.

Vulcan is committed to engaging with suppliers and working alongside them to ensure that standards relating to modern slavery are improved.

## **8. Development and review**

---

Vulcan has a modern slavery working group, which is responsible for the development and updating of this Statement, as well as the overall monitoring and implementation of Vulcan's policies, standards, procedures and internal training relating to modern slavery risks. Although, the Vulcan group comprises four companies (two in New Zealand and two in Australia), the entities operate collaboratively with each other and Vulcan's modern slavery working group includes members of Vulcan's senior leadership team across both New Zealand and Australia. As such, all entities have been consulted and actively involved in the development of this Statement.

Vulcan's Board will review and update this Statement and its supporting policies and procedures annually.

## **9. Document review**

---

Final approved:	20 December 2024
Effective date:	20 December 2024
Owner:	Chief Executive Officer
Next review date:	November 2025

**This Modern Slavery Statement was approved by Vulcan Steel Limited's Board of Directors on 20 December 2024**

A handwritten signature in blue ink, appearing to be 'Rhys Jones', is positioned to the left of the name and title text.

Rhys Jones  
Managing Director and Chief Executive Officer