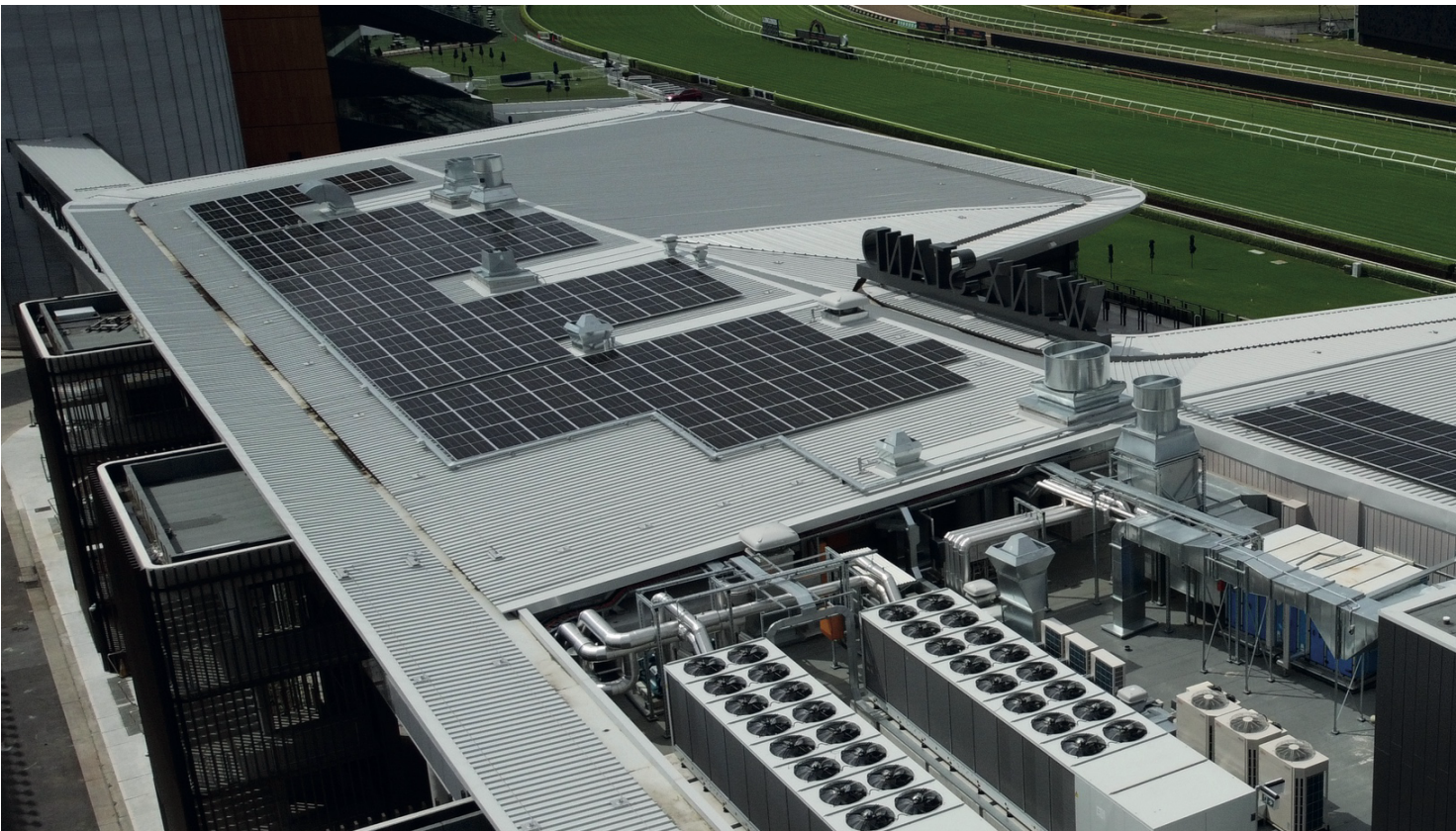


# Fujitsu General Australia Modern Slavery Statement



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Financial Year Represented: 1 April 2023 – 31 March 2024

**Table of Contents**

1. Authorisation..... 3

2. Introduction ..... 4

3. Reporting entity ..... 4

4. Our Structure ..... 4

5. Our Operations..... 5

6. Our Supply Chains ..... 6

7. Our Modern Slavery Risks..... 8

8. Our Actions to Address Modern Slavery Risks..... 9

9. Assessing the Effectiveness of Actions Undertaken ..... 12

10. How we Measure Effectiveness (KPIs) ..... 12

11. Our Consultation Process ..... 13

12. Appendix 1: Mandatory Criteria – Modern Slavery Act 2018..... 15

## 1. Authorisation

This modern slavery statement was approved by the Board of Directors in their capacity as the principal governing body of Fujitsu General (Aust.) Pty Limited on 20 August 2024, on behalf of Fujitsu General (Aust.) Pty Limited and all reporting entities covered by this statement.

This is signed by Takuji Inoue, Chairman and Philip Perham, Managing Director as representatives of the Board of Fujitsu General (Aust.) Pty Limited.



**Takuji Inoue**

Chairman

Fujitsu General (Aust.) Pty Limited

**Dated:** 20 / 08 / 2024



**Philip Perham**

Managing Director

Fujitsu General (Aust.) Pty Limited

**Dated:** 20 / 08 / 2024

## 2. Introduction

Fujitsu General Australia (FGA) is pleased to present our fifth annual Modern Slavery Statement, demonstrating our ongoing commitment to identifying and addressing the risks of modern slavery within our operations and supply chains. This year, our parent company, Fujitsu General Limited (FGL), has made significant strides in strengthening our approach to combatting modern slavery. Notably, we have modernised our Sustainable Procurement Guidelines (version 4), aligning them with international standards and incorporating additional measures to mitigate risks throughout our supply chain.

This statement provides a transparent overview of our structure, operations, and supply chains, highlighting potential modern slavery risks and the actions we are taking to address them. FGA recognises the importance of collaboration and continuous improvement in our efforts to uphold human rights and ethical business practices.

## 3. Reporting entity

The reporting entity covered in this statement is **FUJITSU GENERAL (AUST.) PTY LIMITED (ABN 55 001 229 554)**, headquartered at 1 Telopea Place, Eastern Creek NSW 2766.

## 4. Our Structure

FGA is a wholly owned subsidiary of FGL, a publicly traded company listed on the Prime Market of the Tokyo Stock Exchange (Stock Code: 6755). FGL, which controls Fujitsu General Group (FGG), including FGA, operates in both the air conditioning and telecommunications sectors, engaging in product and component development, manufacturing, sales, and service.

Fujitsu General New Zealand Limited (FGNZ) is a wholly owned subsidiary of FGA performing operations in the New Zealand market like that of FGA in Australia, with its head office based in Wellington, New Zealand.



| Name of entity                             | Country of incorporation  | Nature of relationship              | ABN / NZBN / NTA | Ownership percentage |
|--|---|-------------------------------------|------------------|----------------------|
| Fujitsu General Limited (FGL)              | Japan   | Parent Company of FGA               | 60 200 0106 6941 |                      |
| Fujitsu General (Aust.) Pty Limited (FGA)  | Australia   | Reporting Entity, Subsidiary of FGL | 55 001 229 554   | 100%                 |
| Fujitsu General New Zealand Limited (FGNZ) | New Zealand   | Subsidiary of FGA                   | 9429 040 786 070 | 100%                 |
| Fujitsu General Group (FGG)                | A collective name used in this document to represent Fujitsu General Limited and its global subsidiaries including FGA. It is not a legal entity in itself. |                                     |                  |                      |

## 5. Our Operations

Fujitsu General Australia (FGA) is the exclusive importer and distributor of Fujitsu General and Airstage air conditioning products in Australia, leveraging over 60 years of advanced design and development expertise from its parent company, Fujitsu General Limited (FGL). FGA operates nationwide with branches in Sydney, Brisbane, Adelaide, Melbourne, and Perth, employing 165 people across its sales and service network.

FGA's core operations encompass:

- **Importation:** Importing complete HVAC finished goods systems and HVAC spare parts from FGL's manufacturing facilities, primarily located in Thailand and China along with various OEM products manufactured by partners with production facilities in Italy, Malaysia and China.
- **Distribution:** Utilising third-party transport and warehousing services to efficiently distribute products nationwide except for Sydney, where the warehouse situated adjacent to the headquarters is run by FGA itself.
- **Sales:** Engaging with a diverse range of business-to-business (B2B) customers, including major retailers, air conditioning dealers and wholesalers, who primarily sell to end consumers, small to medium businesses, large enterprises, government, builders, and commercial clients.

- **Post-Sales Support:** Providing comprehensive post-sales support, including warranty service, maintenance, and specialised commercial product commissioning, through a network of in-house technicians and regional warranty agents. This network ensures nationwide support for FGA's end customers.

FGL, as the parent company, oversees product research and development, primarily in Japan, while its wholly owned subsidiaries in Thailand and China handle significant product development and most manufacturing activities. FGL utilises its own personnel and facilities for designing, manufacturing, distributing, and selling its products.

## 6. Our Supply Chains

Most relevant to the supply chain of FGA are the following FGG entities:

| Name of entity  | Country of incorporation | Established | Notes  |
|---|--------------------------|-------------|--|
| Fujitsu General (Thailand) Co., Ltd. (FGT)                | Thailand                 | 1991        | Manufacturing facility for air conditioners. Second manufacturing plant opened in 2019.      |
| FGA (Thailand) Co., Ltd.                                  | Thailand                 | 1998        | Manufacturing motors for air conditioners. Compressor manufacturing commenced in 2009.       |
| Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd. | Thailand                 | 1999        | Established to conduct research and development of air conditioning technology and products. |

| Name of entity  | Country of incorporation | Established | Notes   |
|---|--------------------------|-------------|---|
| TCFG Compressor (Thailand) Co., Ltd.                    | Thailand                 | 2012        | Established to manufacture air conditioner compressors. This was originally a joint venture between Toshiba and FGA (Thailand) Co., Ltd. In 2023 FGA (Thailand) Co., Ltd. bought out Toshiba’s interest to own the entity outright. |
| Fujitsu General (Shanghai) Co., Ltd (FGS)               | China                    | 1994        | Manufacturing facility for air conditioners. An air conditioning technology centre was established within this facility in 2005.  |
| Fujitsu General Central Air-Conditioner (Wuxi) Co., Ltd | China                    | 2006        | Manufacturing facility for the VRF range of air conditioners.   |
| Fujitsu General Laboratories Limited                    | Japan                    | 2016        | Established to conduct research and development of advanced technologies for FGG.   |

As at March of 2024, FGL had 1,734 employees and FGG had 8,765 employees globally.

FGA has direct supply chain relationships with the following entities:

| Name of entity              | Country of incorporation | Relationship Established | Notes  |
|-----------------------------|--------------------------|--------------------------|--|
| Advantage Air Aust. Pty Ltd | Australia                | 2019                     | OEM manufacturer for AnywAiR branded control systems for ducted HVAC solutions, primarily manufactured in China. |

| Name of entity               | Country of incorporation | Relationship Established | Notes   |
|------------------------------|--------------------------|--------------------------|---|
| G.I. Industrial Holding Spa  | Italy                    | 2020                     | OEM manufacturer of commercial applied HVAC solutions, primarily chillers.  |
| G.I. Industrial Holding Asia | Malaysia                 | 2020                     | OEM manufacturer of commercial applied HVAC solutions, primarily packaged roof top solutions and air handling units.  |
| Nube IO Operations Pty Ltd   | Australia                | 2022                     | OEM manufacturer of smart building IoT solutions, primarily manufactured in China.                                    |
| Sensibo Ltd                  | Israel                   | 2023                     | OEM manufacturer of smart control HVAC solutions for room air conditioning products, primarily manufactured in China. |

## 7. Our Modern Slavery Risks

FGA acknowledges that the risk of modern slavery practices exists within our operations and supply chains. Our risk assessment, informed by sources such as the UN Guiding Principles on Business and Human Rights, the Global Slavery Index, and the List of Goods Produced by Child Labor or Forced Labor, has identified several key risk factors:

- Country of Origin:** Our supply chain includes countries like Thailand, China and Malaysia which have been identified by the Global Slavery Index as having a moderate prevalence of modern slavery, particularly in sectors like manufacturing and construction. Prevalence in Italy and Japan is considerably lower at 4 and 1.1 respectively.
- Industry Sector:** The HVAC industry, particularly the manufacturing of electronic components and metal parts, has been associated with forced labour and other exploitative practices.
- Complex Supply Chains:** Our reliance on multi-tiered supply chains increases the complexity of monitoring and managing risks of modern

slavery, as it can be challenging to gain visibility into the practices of lower-tier suppliers.

Based on these factors, we have identified the following specific modern slavery risks within our supply chain:

- **Forced Labour:** The use of forced or compulsory labour, including debt bondage and human trafficking, in the production of our goods.
- **Child Labour:** The exploitation of children in the manufacturing process, particularly in the production of components.
- **Unsafe Working Conditions:** Exposure of workers to hazardous working conditions, including lack of safety equipment and inadequate health and safety measures.
- **Excessive Overtime:** Workers being subjected to excessive working hours without adequate compensation or rest periods.
- **Wage Violations:** Workers not receiving fair wages or being subject to unlawful deductions from their pay.

FGA is committed to proactively addressing these risks through due diligence processes, ongoing monitoring, and collaborative engagement with our suppliers to ensure ethical sourcing practices throughout our supply chain.

## 8. Our Actions to Address Modern Slavery Risks

### FGG's Commitment to Addressing Modern Slavery Risks

Fujitsu General Group (FGG) recognises the potential for modern slavery risks within our operations and global supply chains, particularly given the manufacturing context in countries like Thailand and China, where forced labour and other human rights abuses have been reported. We are committed to upholding human rights and ensuring ethical business practices throughout our value chain.

### Leadership and Governance

FGG's response to modern slavery is headed by the Corporate Vice President, Toshio Kano, General Manager of the Sustainability Promotion Division at the Head Office, as part of our broader sustainability efforts. Each subsidiary,



including Fujitsu General Australia (FGA), has a designated representative responsible for overseeing modern slavery prevention measures.

### Policies and Guidelines

Our commitment is embedded in our corporate philosophy, the "**FUJITSU GENERAL Way**" and reinforced by the "**Code of Conduct**" which explicitly prohibits unethical practices. We have implemented the following policies and guidelines to address the identified risks:

- [FGG Human Rights Policy](#): This policy aligns with international human rights norms, including prohibitions on forced labour, child labour, discrimination, and harassment. It emphasises safe working conditions, and freedom of association.
- [Sustainable Procurement Guidelines version 4](#): These guidelines, based on the RBA Code of Conduct (Ver. 8) and JEITA guidelines, require suppliers to adhere to strict standards on labour practices, human rights, and environmental protection. They explicitly prohibit the use of forced labour, child labour, and conflict minerals. Since November 2019, FGG has required all new suppliers agree to this guideline prior to onboarding. For existing suppliers, we have actively sought their consent through a confirmation form. As of March 31, 2024, 1,235 (96%) of 1,276 suppliers have formally agreed to the guidelines. 679 in Japan, 286 in China and 270 in Thailand. Notably all of our Top 10 suppliers by procurement amount have committed to these standards.

### Due Diligence and Remediation

FGG conducts ongoing "Sustainability Due Diligence" through self-assessment questionnaires and on-site audits of suppliers. These assessments prioritise high-risk suppliers and those with significant business relationships. We collaborate with suppliers to improve their compliance with our guidelines, addressing identified issues such as unsafe working conditions, excessive overtime, or wage violations.

### Initiatives for FGA and FGG

- **Workforce**: FGA conducts thorough background checks on all employees, ensuring compliance with Australian labour laws and verifying working rights to mitigate the risk of forced labour.

- **Memberships:** FGG maintains a membership with the UN Global Compact, disclosing results annually to the entity. The supplier code of conduct has been based on the Responsible Business Alliance version 8 framework in line with guidance from the Responsible Business Conduct Guidelines of Japan Electronics and Information Technology Industries Association (JEITA).
- **Whistleblower Protection:** FGA have established confidential reporting channels, including the Elker platform, to encourage employees and stakeholders to report any suspected breaches of our Code of Conduct, including modern slavery concerns.
- **Training:** All FGG employees, including those at FGA, receive annual human rights training. FGA employees additionally complete specific training on modern slavery, covering its identification and reporting. Suppliers also receive training on the Sustainable Procurement Guidelines as part of onboarding to ensure their understanding and compliance.

### FGG's Internal Assessment of Operations

In 2021, FGG proactively conducted a comprehensive self-assessment of its global operations using the Responsible Business Alliance (RBA) Self-Assessment Questionnaire. This assessment covered its corporate head office (FGL) and two of its largest manufacturing facilities located in China (FGS) and Thailand (FGT). The results indicated a low-risk profile for both the corporate head office and the Thai manufacturing facility. However, the Chinese manufacturing facility in Shanghai was identified as presenting a moderate overall risk. This assessment provides valuable insights into FGG's commitment to identifying and mitigating potential risks within its operations and supply chain.

### Continuous Improvement

FGG is committed to continuous improvement in our efforts to combat modern slavery. We regularly review and update our policies, procedures, and training programs to reflect best practices and evolving risks. We are dedicated to working collaboratively with our suppliers to build a transparent and ethical supply chain.

The corporate ethics helpline is also established at FGL, the headquarter of FGG, and accepts reports not only from FGL directors and employees, but also from external parties, including primary suppliers.

## 9. Assessing the Effectiveness of Actions Undertaken

Fujitsu General Group (FGG) has taken significant steps in FY2023 to proactively identify and mitigate modern slavery risks within its operations and supply chain, with a focus on high-risk regions like China and Thailand:

- **China:** FGG conducted comprehensive Sustainability Due Diligence on 66 suppliers across two factories, utilising both Self-Assessment Questionnaires (SAQs) and on-site audits. This approach allowed for in-depth scrutiny of supplier practices, identifying areas for improvement and requesting corrective actions where needed.
- **Thailand:** Similar due diligence was performed on three factories and 97 of their suppliers, with on-site audits conducted for four suppliers based on identified risk factors. This demonstrates a risk-based approach, focusing resources on areas of higher concern.
- **Japan:** To further enhance oversight, FGG established a "Sustainability Promotion Committee" at the headquarters level, along with a dedicated working group to oversee and report on due diligence activities across the entire group and its supplier base.

### Looking Ahead (FY2024 Plans)

FGG will expand its Sustainability Due Diligence efforts to include suppliers of factories in Japan, reinforcing its commitment to ethical sourcing throughout the supply chain. Additionally, a new policy explicitly prohibiting child and forced labour will be implemented, showcasing a zero-tolerance approach to these critical issues.

## 10. How we Measure Effectiveness (KPIs)

FGG recognises the importance of continuous monitoring and improvement. To assess the effectiveness of its initiatives, FGA utilises the following key performance indicators (KPIs):

1. **Supplier Compliance:** Ensuring that at least 96% of suppliers have signed the Sustainable Procurement Guidelines, demonstrating their commitment to ethical practices. The target is 100%.
2. **Supplier Due Diligence:** Conducting thorough assessments through SAQs and on-site audits, covering a significant portion of the supplier base in high-risk regions.

3. **Corrective Actions:** Tracking the implementation of corrective actions by suppliers identified as needing improvement, ensuring continuous progress towards ethical standards.
4. **Training:** The percentage completion rate of employees finishing their annual mandatory refresher compliance training. Topics include Code of Conduct, whistleblowing and ethics, anti-competitive conduct, anti-bribery and corruption, consumer protection and unfair business conduct, privacy, bullying and harassment and modern slavery awareness.

FGG will continue to review and refine these KPIs, developing additional indicators as needed to comprehensively evaluate the impact of its modern slavery risk mitigation strategies. This commitment to ongoing assessment and improvement reinforces FGA's dedication to fostering a responsible and sustainable supply chain.

## 11. Our Consultation Process

FGA, as a subsidiary of FGL, actively participated in the consultation process for this modern slavery statement. The process involved:

- **Information Sharing:** FGG provided detailed information to FGA regarding its operations, supply chains, and specific risks of modern slavery identified in the Australian context. This included information on suppliers, subcontractors, workforce composition, and any known issues or concerns.
- **Collaboration:** FGA collaborated with FGL's Sustainability Promotion Division and the Sustainability Due Diligence Promotion Working Group to align on the overall approach to modern slavery risk assessment and mitigation.
- **Review and Feedback:** FGA reviewed the draft statement prepared by FGL and provided feedback to ensure accuracy and completeness of the information related to its Australian operations.
- **Approval:** FGA's and FGL's senior management reviewed and approved the final statement, confirming its alignment with the company's understanding of its modern slavery risks and actions taken to address them.

FGA considers the following information relevant to understanding its commitment to addressing modern slavery:

- **Local Context:** FGA is committed to understanding and addressing the unique modern slavery risks present in Australia, such as the exploitation of migrant workers and vulnerable groups.
- **Stakeholder Engagement:** FGG actively engages with stakeholders, including employees, customers, and industry associations, to raise awareness of modern slavery and gather insights on potential risks.
- **Industry Collaboration:** FGG participates in industry initiatives and forums focused on combatting modern slavery to share knowledge and best practices.
- **Continuous Improvement:** FGG is dedicated to continuously improving its modern slavery risk management processes, incorporating lessons learned and feedback from stakeholders.



## 12. Appendix 1: Mandatory Criteria – Modern Slavery Act 2018

| Section of Act   | Criteria   | Reference in this statement  |
|------------------|--|--|
| 16(1)(a)         | Identify the reporting entity  | 3. Reporting Entity, Page 4  |
| 16(1)(b)         | Describe the structure, operations and supply chains of the reporting entity   | 4. Our Structure Pages 4-5<br>5. Our Operations Pages 5-6<br>6. Our Supply Chains, Pages 6-8                         |
| 16(1)(c)         | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entity that the reporting entity owns or controls                              | 7. Our Modern Slavery Risks, Pages 8-9   |
| 16(1)(d)         | Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | 8. Our Actions to Address Modern Slavery Risks, Pages 9-11   |
| 16(1)(e)         | Describe how the reporting entity assesses the effectiveness of such actions   | 9. Assessing the Effectiveness of Actions Undertaken, Page 12<br>10. How we Measure Effectiveness (KPIs), Page 12-13 |
| 16(1)(f)         | Describe the process of consultation with: (i) any entities that the reporting entity owns or controls   | 11. Our Consultation Process, Page 13-14   |
| 16(1)(g)         | Include any other information that the reporting entity considers relevant.  |  |
| 4(a)(b)          | Principal Governing Body Approval  | 1. Authorisation, Page 3   |
| 4(a)(b)(c)(d)(e) | Signature of Responsible Member  | 1. Authorisation, Page 3   |