

## MODERN SLAVERY COMPLIANCE STATEMENT

**Reporting Entity:** KYOCERA Document Solutions Australia Pty Ltd (ABN 77 003 852 444)

**Reporting Period:** KDAU Financial Year April 2019 – March 2020

### 1. Organisation Structure, Operations and Supply Chains

KYOCERA Document Solutions Australia Pty Ltd ('KDAU') is committed to ensuring good labour practice along its entire supply chain. KDAU is the Australian and New Zealand sales and marketing subsidiary of KYOCERA Document Solutions Inc. ('KDC'), which is the office equipment division of KYOCERA Corporation, a global corporation with headquarters in Japan. As such, KDAU's main business is the supply of printer and copier hardware manufactured by its parent company, together with consumables, accessories and software associated with these products and an increasing portfolio of content management and ICT services.

KDC owns and operates its own factories according to the KYOCERA Philosophy and in line with the principles of the UN Global Compact on Human Rights. It has adopted the KYOCERA CSR Guidelines as its code of conduct for business activities throughout the Group, which includes commitments to respect the human rights of employees and to eliminate forced labour and child labour. This provides a high level of confidence that there are no human rights violations at the manufacturing stage of the largest part of KDAU's supply chain.

KDAU has a long history of working with a carefully selected group of business partners in order to provide its services and associated products to its customers.

Aside from the products for resale supplied by its parent company, KDAU's supply chain primarily provides office consumables and services, in most cases via resellers.

### 2. Policies in relation to slavery and human trafficking

KDAU manages its business according to the KYOCERA Philosophy, and in line with the 10 principles of the UN Global Compact on Human Rights, of which KYOCERA Corporation is a signatory.

In response to the risk of modern slavery and other human rights and environmental concerns, KDC distributes its Supply-Chain CSR Deployment Guidebook (updated in October 2019 and available here: [https://www.kyoceradocumentsolutions.com/social/partners/pdf/Supply-chain\\_CSR\\_Procurement\\_Guideline\\_Ver3\\_en.pdf](https://www.kyoceradocumentsolutions.com/social/partners/pdf/Supply-chain_CSR_Procurement_Guideline_Ver3_en.pdf)) to new suppliers. This provides them with guidance about the prohibition of child, bonded slave or forced labour. Suppliers inside and outside Japan are also required to complete self-assessment questionnaires and attend training.

KYOCERA Corporation itself adheres to 18 of the UN's International Labour Organisation Conventions in the manufacture of its products. These include the conventions on forced labour (C029 & C105).

### **3. Risks Assessment of Modern Slavery Practices in KDAU's Operations and Supply Chain**

#### **A. Procurement of Products from Overseas**

The greatest risk of slavery and human trafficking lies in the raw materials stage, where KDC relies on third party suppliers of the materials and components contained in its products. KDC's manufacturing arm concludes a written pledge with suppliers which includes requesting them to immediately notify us when they find any conflict minerals in their supply chain. During 2017/18, KDC conducted a survey of suppliers, not only in Japan, but also in China and Vietnam where it has plants on their use of conflict minerals. Furthermore, KDC conducted due diligence on suppliers who answered that they purchase conflict minerals from the Democratic Republic of the Congo (DRC) or its neighbouring countries.

#### **B. KDAU's Supplier Review**

KDAU has conducted a modern slavery risk assessment of our top 30 suppliers. We reviewed our suppliers' corporate structure, key industry and commercial background, trading history and CSR related activities/policies.

The findings of this review were:

- ↳ Our largest product supplier is our parent company, KDC, who manufactures the majority of the products we on-sell. KDC operates factories in countries which pose a high risk of modern slavery (such as China, Vietnam and Japan). KDC's response to this risk is outlined above in section 2.
- ↳ Our largest logistics supplier is part of a large global network of companies which operate in areas such as South East Asia, Europe and the Middle East. Some areas in which this company operates have a higher risk of modern slavery occurring. This supplier mitigates this risk by implementing and adhering to comprehensive policies and codes of conduct.
- ↳ Our other suppliers operate locally in Australia and New Zealand, in industries which present a low risk of modern slavery. Many of our smaller-scale suppliers do not have CSR related reports, policies or codes of conduct available for public review. We consider them to be low risk for modern slavery related issues.

#### **C. Employment Practices**

Recruitment practices are considered to be a potential area where risks of modern slavery may occur. During the following reporting period KDAU will undertake a comprehensive review of its employment and recruitment policies and procedures to identify risks and plan an ongoing compliance programme.

### **4. Assessing and Addressing Risks: Due Diligence and Remediation Processes**

In responding to the risks identified in our audit, KDAU has taken the following due diligence and remedial actions and planning for continuous improvement in our processes:

- **Modern Slavery Policy:** KDAU has published a Modern Slavery Prevention Policy and made this available to all staff. This policy explains what modern slavery is and implements a process for employees to report any suspected modern slavery risks. This policy also establishes the auditing process for risks of modern slavery and the procedure for our annual reporting under the Modern Slavery Act 2018 (Cth).
- **Code of Conduct:** In the upcoming reporting period KDAU intends to launch a KDAU Code of Conduct for all of our business partners to address all relevant ethical and best practice standards, including requiring our business partners to evaluate their own supply chains to reduce the risk of modern slavery practices.
- **Standard Contracts Review:** Prior to implementation of the Australian Modern Slavery legislation, it has not been standard practice for Australian businesses to obligate contracting parties to address modern slavery risks. To address this, we have commenced an initiative to include in our contracts with all suppliers and channel partners obligations to address modern slavery issues, any breach of which will entitle us to terminate the relevant contract. During the following reporting period, we will undertake a rollout of this change to our contracting requirements.
- **Implementation of Training:** Following the launch of our Modern Slavery Policy, KDAU intends to follow it with compulsory training to all KDAU staff on how to identify modern slavery, KDAU's approach to addressing modern slavery and how to report modern slavery risks. As part of the training, employees will be required to pass a quiz showing they have understood the materials.  
  
This will be completed by all staff during the following reporting period. Going forward, this training will continue to be regularly updated for all employees, including newly recruited staff.

## 5. Compliance Measures Effectiveness

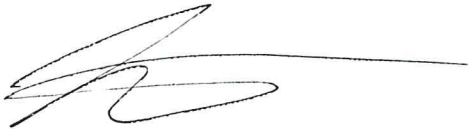
Since this is the first year KDAU has reported on modern slavery issues, KDAU currently do not have sufficient data to comment on the effectiveness of our compliance measures introduced in response to the risks identified as part of our audit. KDAU is committed to monitoring and reviewing its performance throughout the following reporting periods and demonstrating improvements in its risk assessment and remedial action to continue to develop its strategies to detect and prevent modern slavery risks in our supply chain.

## 6. Reference and Consultation

In preparing this Modern Slavery Compliance Statement, KDAU consulted with KDC and other members of the KYOCERA Corporation to gain a comprehensive picture of the KYOCERA Group's approach, policies and measures taken against modern slavery practices.

## Approval

Approval of this Modern Slavery Compliance Statement for FY19/20 is approved by the Board of Directors of KYOCERA Document Solutions Australia Pty Ltd (ABN 77 003 852 444):



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**RYOSUKE OKOCHI**

Director  
KYOCERA Document Solutions Australia  
Pty Ltd

Date: 22.12.20