

Modern Slavery and human trafficking Statement 2020

This statement covers the activities of Yokogawa Australia ABN 36 003 888 364 (“YOKOGAWA”) and its controlled entities to understand and implement actions to minimize the risk of modern slavery and human trafficking in our operations and supply chain.

Introduction

This is the first Modern Slavery Statement released by Yokogawa Australia in accordance with the Federal *Modern Slavery Act 2018*.

The purpose of this statement is to outline the risks of modern slavery in our business and supply chain and ensure that Yokogawa has policies and processes in place to minimise the risk associated with this.

Yokogawa Australia follows our group's founding principles, the Yokogawa Philosophy which articulates Yokogawa's social mission and sets out the values that guide the actions of Yokogawa's people. Governing our corporate activities, it aims to ensure that we all continue to live up to the ideals of our founders.

Yokogawa Australia recognises that slavery and human trafficking can occur in any form of business dealings. It can include people trafficking, slavery, servitude, forced marriage, forced labour and child labour.

Our approach is supported by the Yokogawa Group Standards of Business Conduct and the Yokogawa Group Compliance Guidelines which apply to all who work for the Yokogawa Group.

Yokogawa Australia is committed to running a safe and responsible business with zero tolerance to any form of human rights violations, including any type of modern slavery.

The Yokogawa Group commits to respecting human rights as set out in the Universal Declaration of Human Rights (UDHR) and the United Nations Guiding Principles of Business and Human Rights (UNGPs). We also abide by the 10 principles on human rights, labour, the environment, and anti-corruption of the UN Global Compact, which we became a signatory to in 2009.

About Yokogawa

Yokogawa Australia is an energetic, forward thinking, engineering and service focused organisation, with a vast range of products and detailed application knowledge. As a result, we are selected as the automation, safety, data management and instrument vendor of choice to deliver many critical projects within our region. We have been contributing to the growth and success of Australian and New Zealand industry for over 30 years, touching the lives of everyday citizens and helping make our countries better places to live.

As an organisation, our goal is to contribute to society through broad-ranging activities in the areas of measurement, control, and information. Individually, we aim to combine good citizenship with the courage to innovate. We are conscious of our role in supporting our people, our customer's people and their communities.

Yokogawa Australia operates from multiple locations to ensure we are located as close as possible to our customers and their facilities. With over 300 people, we offer a range of services from Sales, Engineering, Lifecycle Services, Training and Stockholding. Our head office (and registered office) is located in Macquarie Park, NSW. We service the New Zealand market via our wholly owned subsidiary Yokogawa New Zealand. Yokogawa Australia does not manufacture products. Our products are imported

primarily from Yokogawa manufacturing facilities located in Japan, China, Europe, Korea, Singapore and the USA. We also source products from third party suppliers, both locally and from overseas. Yokogawa Australia also provide professional services through a large team of highly trained engineers, project managers and technical specialists. The team are responsible for integrating the products and providing the know how to deliver turn key solutions for our customers.

In 2019, Yokogawa Australia celebrated its 30th Anniversary as a wholly owned subsidiary of Yokogawa Electric Corporation which is listed on the Tokyo Stock Exchange.

Risks

In accordance with the *Modern Slavery Act*, Yokogawa Australia has undertaken a review of our operations and supply chain to identify potential risks relating to modern slavery practices.

This assessment has considered the sector, industry, types of products and services, geographic locations and business models.

As a result of our review we have identified that the potential for human rights violations in our daily operations are relatively low risk as all Yokogawa management and staff are subject to strict internal controls including our Yokogawa Group Code of Conduct.

We have identified that products, materials and services, procured or manufactured outside Australia by third parties are relatively higher risk and we will focus our efforts, mainly in these areas. We will continue to review all of our operations on a continuous basis and address potential risks as they are identified.

Actions

The Yokogawa Group places modern slavery as its highest priority and aims to eradicate this from all operational and supply chains. This long-term goal is supported by our customers and underpins the ongoing development of the Company's business. As a result, Yokogawa Australia is committed to working with suppliers to eliminate issues like modern slavery from the supply chain. Yokogawa have created Sustainable Procurement Guidelines which all suppliers must agree to comply with. This guideline covers areas such as prohibition of forced labour, prohibition of child labour and consideration for young workers, wages and benefits, prohibition of inhumane treatment, non-discrimination, and freedom of association.

Yokogawa Australia is currently developing a Supplier Assessment Questionnaire (SAQ) which we will require all suppliers to complete. By analysing the responses, we will evaluate the effectiveness of the suppliers in eradicating human rights violations from their supply chain. Any areas of concern identified will be investigated and assessed. We believe this will open dialogue between Yokogawa Australia and our suppliers so we may identify and address any potential issues in the supply process.

Internal processes

Yokogawa Group and specifically Yokogawa Australia have an internal Whistle-blower disclosure mechanism. This allows staff to report suspected compliance violations.

Yokogawa staff have the ability to report anonymously any concerns regarding conduct that appears to be illegal, unethical or otherwise improper. All disclosures are treated as confidential.

Training

Yokogawa provides compliance training and education for all employees which includes issues such as human rights and their impact. The aim of this training and education is to bring awareness to our staff of the risks associated with modern slavery in Yokogawa supply chains.

Future commitment

- Currently Yokogawa provide compliance training on a yearly basis to all staff. We will be increasing the content to include topics specifically relating to human slavery.
- Yokogawa will continually update its policies and procedures as required in line with legislative and/or regulatory requirements.
- We will also ensure that we will cover human rights issues in future company newsletters.



Russell Palmer
MANAGING DIRECTOR

October 2020