



Modern Slavery Statement

COMMITMENT

Daikin Australia Pty Ltd ("Daikin") is committed to preventing modern slavery and human trafficking occurring in any of its corporate activities, as well as seeking to ensure that our supply chains are also free from such practices.

Daikin has a zero-tolerance approach to modern slavery and human trafficking and are committed to acting ethically and with integrity in all activities and business relationships. We expect our supply chain, contractors, employees, and all other business partners to commit to the same, including implementing and enforcing effective systems and controls to prevent and detect modern slavery.

STATEMENT

Daikin will continue to review its supply chains and internal/external operations on an ongoing basis to check compliance.

The Board, Directors and Senior Management Team of Daikin have overall responsibility for ensuring Daikin complies with its legal and ethical obligations, and that all persons working for Daikin or on our behalf in any capacity comply with it.

The prevention, detection, and reporting of modern slavery in any part of our business or supply chain is also the responsibility of all persons working for us or on our behalf in any capacity (including our employees, suppliers, workers, directors, agents, distributors, and all third-party business partners).

Reporting entity

The reporting entity is Daikin Australia Pty Ltd (ABN 62 000 172 967), with its Head Office located at 62-66 Governor Macquarie Drive Chipping Norton NSW 2170.

Daikin reports to Daikin Industries Thailand and is a wholly owned subsidiary of Daikin Industries Ltd which is Japanese public listed company.

Structure, Operations, Supply Chain

As one of Australia's most trusted names in air conditioning, Daikin can be found in homes, businesses, and community projects across Australia. We have been heating and cooling Australian homes for over 50 years, so we are used to dealing with the extremes of the harsh Australian climate. Here at Daikin, we understand being comfortable is what makes any environment feel like 'home', and as specialists, we take pride in designing products that provide clean, efficient, and superior comfort in the places we live, work and play.

The Daikin business structure includes a Board consisting of Australian and Japanese representatives. To assist with company oversight of compliance and governance a Corporate Governance Committee ("CGC") has been established.

Daikin's business structure consists of the below Departments reporting to the Managing Director:

- Sales
- Finance
- Service



- Applied Business Solutions
- Human Resources
- Manufacturing
- Internal Audit
- Corporate Planning
- Marketing
- Product
- R&D
- Supply Chain & IT

Daikin imports HVAC equipment along with manufacturing at the head office location.

Daikin imports finished goods with 94% of them from Daikin Industries Thailand Ltd, 3% each from Daikin Malaysia SDN. BHD. and Daikin Industries Ltd (Japan), and 1% from Daikin Holdings Singapore Pte Ltd.

Daikin imports parts from an affiliate company called Daikin Asia Pacific which accounts for 93% of the parts used and supplied in Australia.

Daikin imports raw materials for manufacturing with 32% of product locally acquired. Of the 68% imported, 41% of that comes from Daikin companies. The remaining raw materials comes from companies in Singapore, China, & Japan.

Modern Slavery Risks

The Daikin Group operates in Asia which includes Malaysia, Thailand, and Vietnam that rate in the medium to high prevalence for Modern Slavery from the 2018 Global Slavery Index. The risk for Daikin of Modern Slavery practices is low as the Group employs staff in line with Human Right Guidelines and principles.

Actions to address risks

The Daikin Group participates in the UN Global Compact which supports and implements universal principles concerning human rights and labour. Daikin has a Respect for Human Rights Policy which is based on the laws and regulations of each country and region, we respect basic human rights in accordance with international norms.

Formulated in 2017, Daikin Groups Supply Chain Promotion Guideline stipulates mechanisms and rules for protecting human rights that includes a system for monitoring human rights and the prohibition of child labour and forced labour. Our suppliers inside and outside of Japan are urged to abide by these guidelines. In 2018 we conducted questionnaires, which include items regarding respect for human rights, on 143 major suppliers in Japan. From fiscal 2019, we conducted these same questionnaires on 511 suppliers outside of Japan as well. In this manner, we are working to increase the level of awareness at our suppliers.

The Daikin Group strives to raise awareness of human rights among officers and employees through periodic education sessions and assessments. Through annual self-assessments to confirm how well the Group Conduct Guidelines are being followed, employees assess themselves and thus contribute to their improved understanding of the guidelines. Human rights education for each level of employees helps them improve their human rights awareness.

Daikin's CGC consists of Senior Manager, General Counsel, Internal Audit and Compliance with reviewing and monitoring of Compliance for the business which includes Modern Slavery. Priority



Issues and Management Actions on improving Modern Slavery systems and compliance across the business is a key responsibility for this Committee.

Effectiveness

Daikin are implementing and enforcing a number of measures, policies, and controls both internally and externally to ensure compliance with the requirements of the Modern Slavery Legislation, including:

- Training on the risk our business faces from Modern Slavery and Human Trafficking forms part of the induction process for all individuals joining the business;
- The issues surrounding Modern Slavery and Human Trafficking have been added to the Daikin training program which is available to all employees; &
- The Daikin Terms and Conditions of Purchase have been amended to encompass Modern Slavery and Human Trafficking.

In line with Management Systems Daikin will continue to improve effectiveness through risk assessments and control measures along with introducing new systemised approach to supplier and contractor engagement.

This Modern Slavery Statement was approved by the board of Daikin Australia on 26 March 2021.

A handwritten signature in black ink, appearing to read "Isao Tsumura", is positioned above the printed name.

Isao Tsumura
Managing Director
Daikin Australia Pty Ltd