

Modern Slavery and Human Trafficking Statement 2020

1. Our Commitment against Modern Slavery

- 1.1 Mitsubishi Electric Australia Pty Ltd (MEAUST) is owned by Mitsubishi Electric Corporation (MELCO) and Mitsubishi Electric Asia Pte Ltd (MEAP). As a member of the Mitsubishi Electric Corporation group of companies, we apply the Mitsubishi Electric Group Human Rights Policy¹ and Mitsubishi Electric Group Conduct Guidelines,² these include our continuing commitment to respect international standards related to human rights and to respect the law, to act with highest integrity, and always to conduct ourselves with respect for human rights.
- 1.2 This is the second Modern Slavery Policy Statement (“Statement”) for MEAUST, in accordance with the Federal Modern Slavery Act 2018 (the Act).
- 1.3 Slavery, servitude, forced and compulsory labour and human trafficking (Modern Slavery) represent grave human rights abuses.
- 1.4 Since 27 April 2018, MELCO has been a signatory to the Ten Principles of the United Nations Compact on human rights, labour, environment and anti- corruption.³ MEAUST is committed to implementing policies and procedures that meet its moral and ethical obligation to end Modern Slavery.
- 1.5 This statement sets out the steps MEAUST has taken to address the risks of Modern Slavery and human trafficking in our operations and supply chains, in accordance with the Act. It outlines our continued efforts to broaden the scope of our programs; detect the risk of Modern Slavery and human trafficking across our business and supply chain; and ensure we have in place the most appropriate responses to that risk.

2 Identify our Structure, Business Operations and Supply Chain

- 2.1 The aim of MEAUST is to be a successful Company committed to the manufacture, sale, and support of advanced technology that both anticipates and satisfies the evolving needs of the Company’s customers and society. MEAUST’s ultimate holding company and owner is Mitsubishi Electric Corporation (MELCO) which is a Japanese public listed company. MEAUST does not own or operate any subsidiaries.
- 2.2 Our Australian business operations include:
- 2.2.1 sales and marketing of air conditioning and refrigeration products and services;
 - 2.2.2 sales of semiconductor products;
 - 2.2.3 supply of goods and services to the power sector;

¹ <http://www.mitsubishielectric.com/en/sustainability/csr/social/humanrights/policy/index.html>

² http://www.mitsubishielectric.com/company/csr/social/fair_compliance/pdf/Conduct_Guidelines_Final.pdf

³ <https://www.unglobalcompact.org/what-is-gc/participants/132677-Mitsubishi-Electric-Corporation>

- 2.2.4 supply of goods and services for display screens, factory automation and automotive parts markets; and
- 2.2.5 supply of goods and services for traction systems and various other electrical systems for trains.
- 2.3 As of 31 March 2021, we employ more than 290 staff in Australia and our annual turnover is in excess of \$400 million.
- 2.4 Our principal supplier of goods and services is our parent company Mitsubishi Electric Corporation and various Mitsubishi Electric companies within the group. We also buy from some third-party suppliers, which is not a significant portion of our business.
- 2.5 The Geographic breakdown of our supply chain is as follows:

Country	FY19/20
Thailand	51.6%
Japan	43.8%
Italy	2.4%
USA	1.7%
Great Britain	0.3%
Singapore	0.1%
Germany	0.0%
Total	100.0%

Fifty percent of MEAUST’s supply chain operate in Thailand, which has a medium to high prevalence of Modern Slavery, whereas the balance of the supply chain operates from countries such as Japan, Italy, and the United States where the prevalence of Modern Slavery is considered low based on the 2018 Global Slavery Index. Products purchased from higher risk counters such as Thailand are sourced from our related entities which adhere to strict policies and procedures aimed at compliance with local labour laws and regulations, therefore the risk of Modern Slavery to MEAUST is low.

3 Our Policies and Procedures

- 3.1 We have formal policies in place that are intended to promote ethical and legally compliant business conduct. Our policies contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including our Code of Conduct, Human Rights Risk Assessment and Whistleblower policies.
- 3.2 Mitsubishi Electric Group companies apply their own due diligence and processes for risk assessment and verification and transfer contractual compliance requirements as applicable to its sub-contractors to support compliance within the procurement supply chain.
- 3.3 We apply a proportionate approach to our due diligence processes for risk assessment and verification with regard to slavery and human trafficking. For our risk assessment we take into account the relevant products, components, packaging materials and services, production location and supply chain data. We also take into account a supplier’s self-

declaration of compliance and any compliance policy and/or other compliance representations. Should we identify a higher risk supplier then we would consider deeper verification processes to assess compliance and remedy any non-compliance.

- 3.4 All of the above procedural controls will be reviewed to ensure that we have robust processes in place to minimise the risk of Modern Slavery in our operations and supply chain.

4 Effectiveness

- 4.1 Our key actions to date and over FY2020 and previous years have been outlined below:
- 4.1.1 We incorporated anti Modern Slavery and human trafficking requirements in major supplier contracts in 2017.
 - 4.1.2 We undertook a risk assessment of our exposure to Modern Slavery and human trafficking.
 - 4.1.3 Reporting on Modern Slavery and human trafficking has been raised as part of our risk management processes.
 - 4.1.4 In 2020, risk-related policies and governance control measures were reviewed and where appropriate updated; and
 - 4.1.5 In 2020, appropriate awareness training sessions on Modern Slavery principles was commenced and delivered to relevant MEAUST staff members.
- 4.2 MEAUST recognise that our review and assessment of our actions to identify and address our Modern Slavery risks in our operations and across our supply chain will be an ongoing and evolving process that we are committed to continue to build upon. To this end, we set ourselves annual goals to reach so we can look back and assess the effectiveness of our approach and inform our path forward. Our key goals over FY2021 are outlined below:
- 4.2.1 Preparing for our third reporting cycle under the Act;
 - 4.2.2 Incorporating Modern Slavery contractual requirements in our standard conditions of purchase;
 - 4.2.3 Incorporating Modern Slavery risk assessment in our vendor accreditation process;
 - 4.2.4 Continue with our stakeholder engagement by incorporating Modern Slavery into MEAUST's training program on an ongoing basis.

5 Approval by MEAUST's Board of Directors

- 5.1 This statement was approved by the MEAUST's board of directors on 15th of July 2021 and was signed off by the Managing Director Jeremy Needham.

Signed,

Jeremy Needham
Managing Director
15 July 2021