

AIR CONDITIONING

# Fujitsu General Australia Modern Slavery Statement

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## Contents

Authorisation .....	2
Introduction .....	3
Reporting entity.....	3
Reporting entity structure, operations, and supply chains .....	4
Risks of modern slavery practices in the operations and supply chains of the reporting entity .....	5
Actions taken by FGA to assess and address modern slavery risks .....	7
Annexure .....	8

## Authorisation

This statement was approved by the Board of Directors of Fujitsu General (Aust.) Pty Limited in their capacity as the principal governing body of Fujitsu General (Aust.) Pty Limited on September 28, 2021.

This statement is signed by Philip Perham as the responsible member in his capacity as Managing Director of Fujitsu General (Aust.) Pty Limited on September 28, 2021.



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Philip Perham  
**Managing Director of Fujitsu General (Aust.) Pty Limited**  
Dated: September 28, 2021

## Introduction

FUJITSU GENERAL (AUST.) PTY LIMITED (ACN 001 229 554) (FGA) confirms its support for action to combat Modern slavery. In accordance with the Modern Slavery Act 2018 (Cth) we provide this, our second, Modern Slavery Statement.

Activities undertaken over the past financial year include:

1. Joining the United Nations Global Compact (UNGC). FGL is subscribed to the 10 Principles of the Global Compact.
2. Completing the Responsible Business Alliance Self-Assessment Questionnaire (SAQ) for Fujitsu General operations in Japan, China and Thailand.
3. Completing further FGL Corporate Social Responsibility (CSR) Self-Assessment Questionnaires (SAQs) for seven suppliers in Japan, four suppliers in China and five suppliers in Thailand. Unfortunately, the ongoing travel restrictions due to the COVID-19 outbreak have prevented a continuation of the direct audit program with suppliers. No CSR issues were identified upon completion of the FGL CSR SAQs.
4. Commenced delivery of training for all Australian and New Zealand employees on modern slavery.
5. Amending our standard for major domestic supplier contracts to include an obligation to comply with the Modern Slavery Act 2018 (Cth).

We recognise that an important development during the 20/21 financial year was the publication of the National Action Plan to Combat Modern Slavery 2020-25. FGA commends the government on the development of this plan and supports the strategy proposed.

## Reporting entity

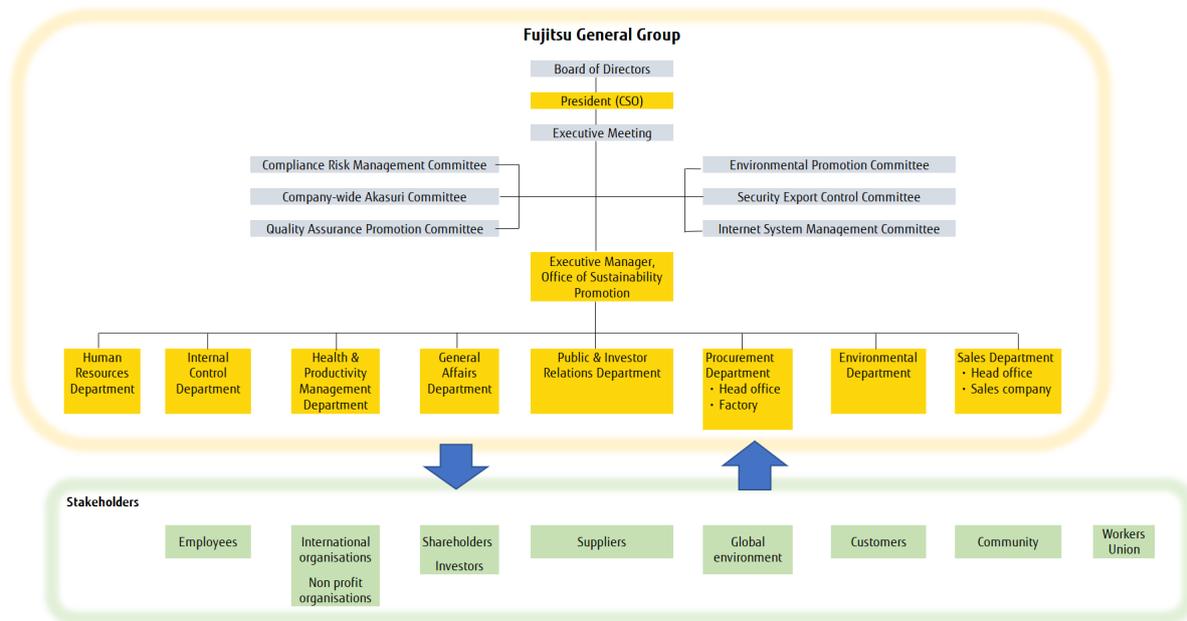
The modern slavery reporting entity referred to in this Statement as FGA is FUJITSU GENERAL (AUST.) PTY LIMITED (ABN 55 001 229 554) with its Australian Head Office at 1 Telopea Pl, Eastern Creek NSW 2766.

FGA imports and sells air conditioners in Australia. FGA's air conditioners are the result of more than 61 years of advanced design and development. Our products are designed to make room air clean and refreshing and bring ultimate comfort to customers anytime anywhere.

Headquartered in NSW, FGA has branches in QLD, VIC, SA, and WA which primarily support a sales and field service support structure. FGA employs 160 people in Australia. FGA procures and imports finished goods and spare parts into Australia and provides post-sales support. FGA uses 3rd party transport nationwide and 3rd party warehousing in QLD, SA, VIC, WA, TAS, NT along with its own warehouse in NSW. Field service is provided in relation to warranty, maintenance, and specialised commercial product commissioning. FGA sells its products into business-to-business channels spanning major retail, air conditioning dealers and commercial sectors.

FGA air conditioners and associated parts are purchased for resale in Australia from Fujitsu General Limited (FGL). FGA's other major suppliers are technology and communications companies with offices in Sydney with one exception located in San Diego, CA.

FGL is engaged in product and component development, manufacture, sales, and services for both the air conditioners and telecommunications fields. FGL performs product research and development primarily in Japan. FGL has wholly owned subsidiaries in Thailand and China that carry out significant product development and most manufacturing.



\* CSO: Chief Sustainability Officer

As a subsidiary of FGL, FGA takes its corporate social responsibilities seriously. In response to international developments FGA has taken steps to understand the risks associated with its suppliers and supply chain. FGA is required to comply with FGL policies and regulations including Corporate Social Responsibility Procurement Guidelines (CSR Procurement Guidelines) with all suppliers that was adopted in November of 2019 as a commitment of the President and a Representative Director on behalf of the FG Group.

The CSR Procurement Guidelines are based on the RBA Code of Conduct (version 6.0) and the Supply Chain CSR Promotion Guidebook issued by the material committee of Japan Electronics and Information Technology Industries Association. The CSR Procurement Guidelines apply the principles expressed in the ILO Declaration of Basic Principles and Rights in Labour, the Universal Declaration of Human Rights, The UN Guiding Principles on Business and Human Rights and "Sustainable Development Goals" adopted by the United Nations.

An Office of Sustainability Promotion has been established comprising of the General Managers of Procurement, Public & Investor Relations General Affairs, Human Resources and Environment. The policies of CSR are implemented by the Office of Sustainability Promotion. The Executive Manager of the Office of Sustainability Promotion and the General Manager of the CSR Promotion Division are overseen by Mr Masataka Eto, Corporate Senior Vice President.

The office of CSR Promotions manages the process of conducting CSR activities for FG group, including the CSR Procurement Management System including implementing the CSR Procurement Guideline and reviewing their effectiveness. The Office of CSR Promotions reviewed the CSR Procurement Guidelines for effectiveness and produced an updated version in August 2020.

## Reporting entity structure, operations, and supply chains

FGA is a majority owned subsidiary of Fujitsu General Limited (FGL). FGL's shares are traded on the first section of the Tokyo Stock Exchange (Stock Code: 6755). FGL controls the Fujitsu General Group (FGG) (including FGA). FGG designs, manufactures, distributes, and sells its products primarily using its own personnel and facilities.

The FGG manufactures and sells air conditioners, information and communications systems and electronics parts and devices. FGA does not sell information and communications systems or electronics parts and devices in Australia except for electronic devices used for controlling air conditioning products.

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

- Fujitsu General (Thailand) Co., Limited was established in 1991 manufactures air conditioners. Fujitsu General (Thailand) Co., Limited opened its second manufacturing plant in 2019.

- Fujitsu General (Shanghai) Co., Ltd was established in 1994 and became operator of an air conditioning technology centre in 2005.
- FGA (Thailand) Co., Ltd was established in 1998 to manufacture motors for air conditioners in Thailand and commenced manufacturing compressors in 2009.
- Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd was established to conduct product and technology development in Thailand in 1999 and became a centre for research and development in 2016.
- Fujitsu General Central Air-Conditioner (Wuxi) Co. Ltd. was established in 2006 as a subsidiary to manufacture, market, and service VRF air conditioners in China.
- Fujitsu General Laboratories Limited was established in 2016 in Japan to replace Fujitsu General Institute of Air-Conditioning Technology Limited and step-up research and development of advanced technologies for the Fujitsu General Group.

As at March of 2021 FGL had 1,679 employees. As at March of 2021, FGG had 8,066 employees.

## Risks of modern slavery practices in the operations and supply chains of the reporting entity

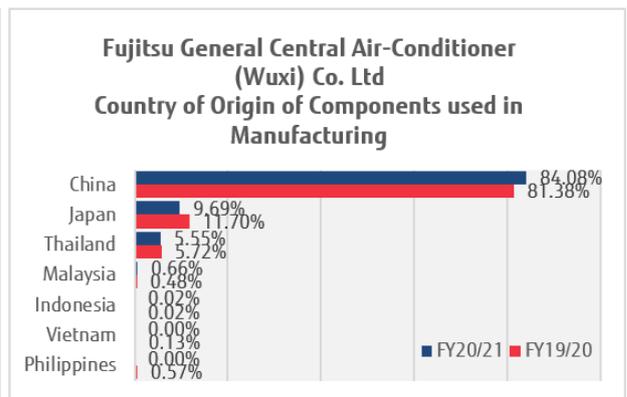
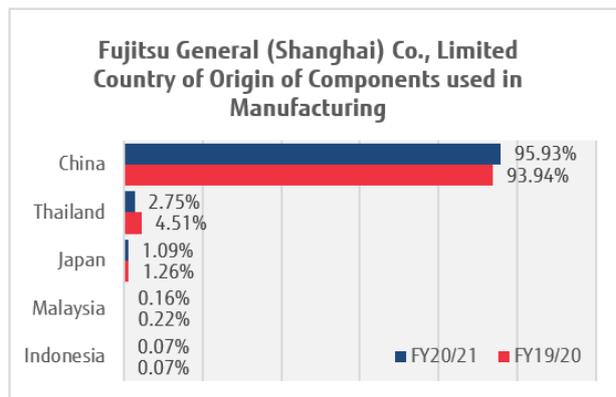
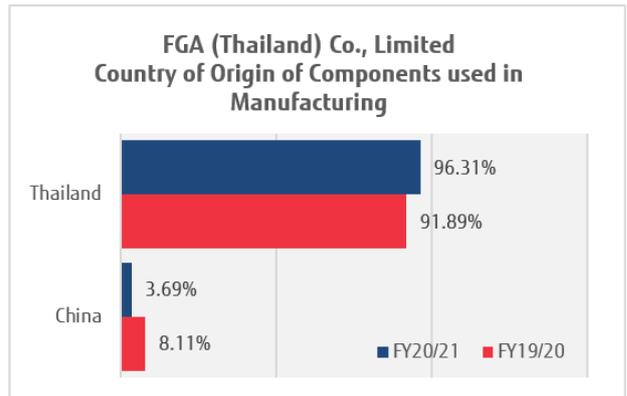
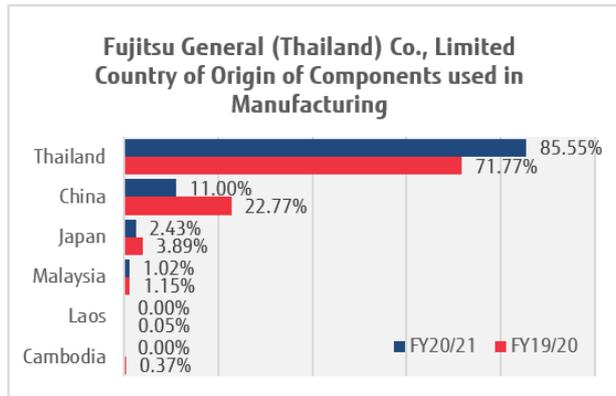
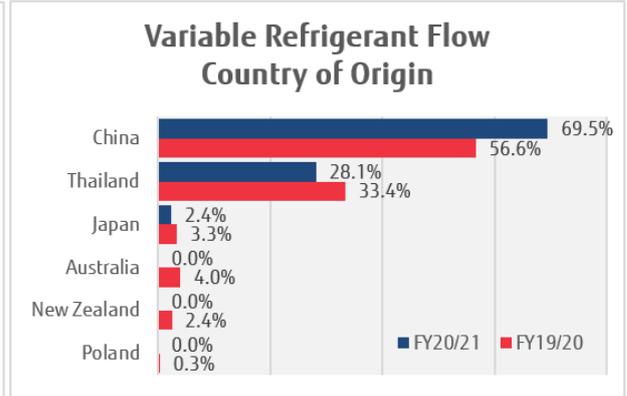
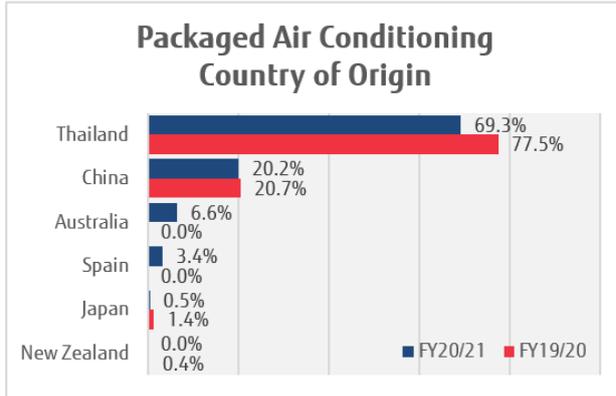
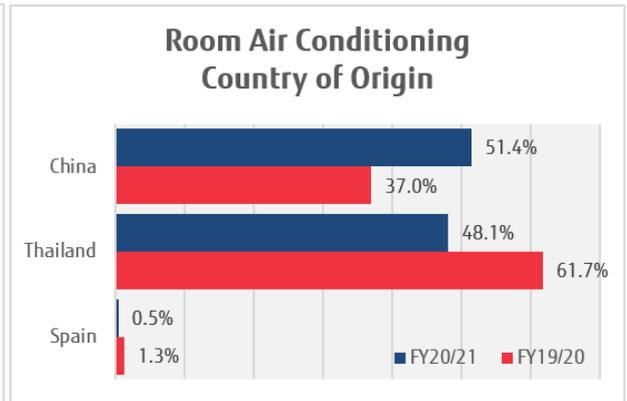
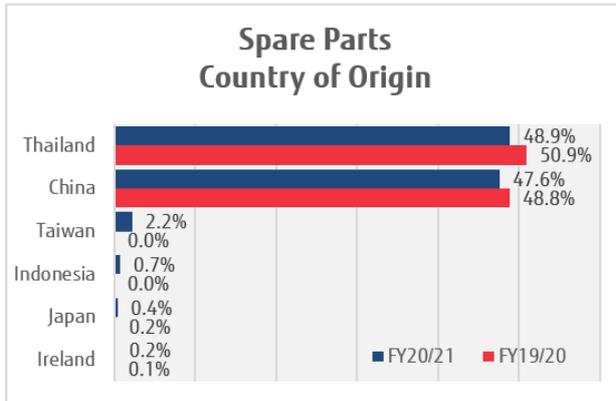
FGA rates as “very low risk” the possibility that modern slavery practices might occur within operations located in Australia or Japan. However, FGA recognises the possibility that modern slavery practices may exist in the operations of service and parts suppliers that support its operations in Thailand and China.

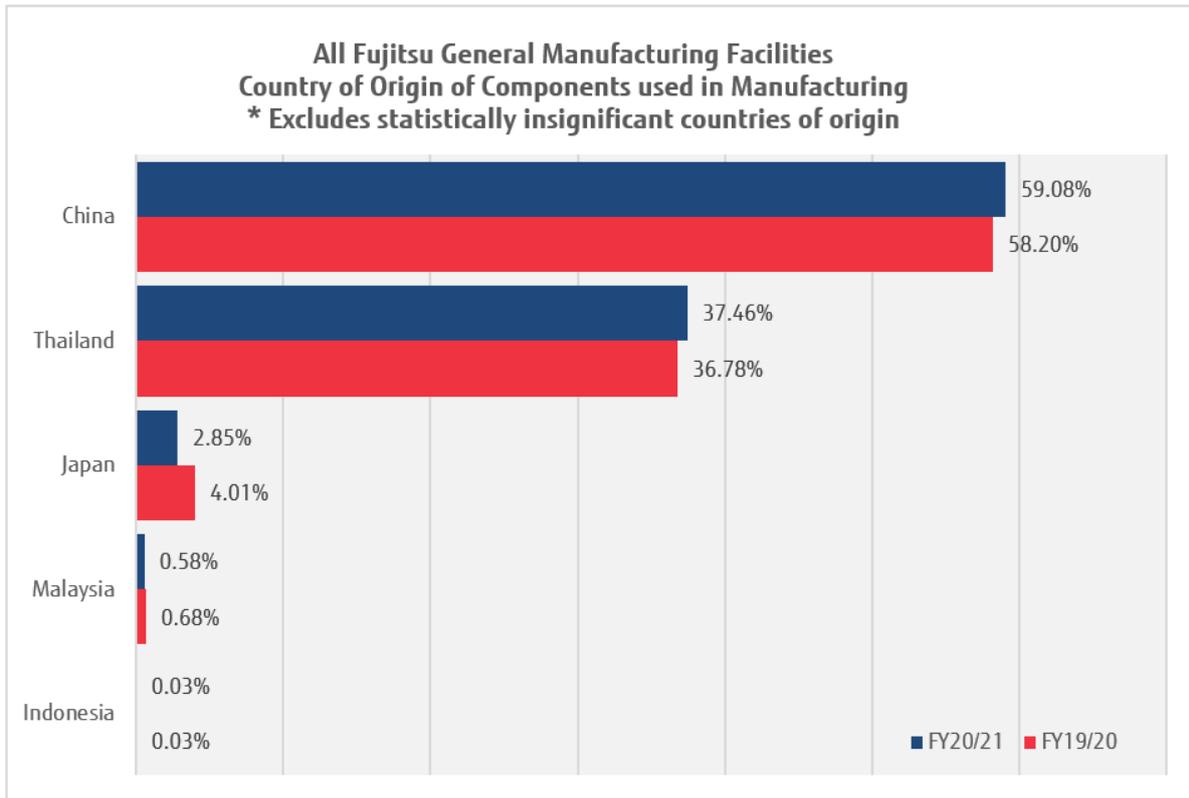
As noted in last year’s Statement to the Global Slavery Index 2018 and 2017 issued by Walk Free Foundation, in 2017 there were more than 62.1 million migrants in the Asia-Pacific region. Migration within the region is most often from developing countries in the South to the more developed countries in the North. The migrating workers are often unskilled, uneducated, or poorly educated and at a significant economic disadvantage in their new work environment.

Accordingly, FGA recognises a risk that migrating workers employed in the Asia-Pacific might be subject to high service fees from recruitment agencies, labour placement organisations and employers. There is a risk that their travel identity in documents may be taken by the labour service provider or employer so that they cannot leave or find a different or better paid position. There is also a risk that underage workers may be engaged. In summary, FGA recognises a need to combat the possibility that organisations within its supply chain are using forced labour, employees subject to debt bondage or child labour.

### FGA – Direct Supply Chain

The table below summarises all inbound receipted purchase order lines by product classification and country of origin for the reporting period **1 April 2020 to 31 March 2021** (Reporting Period). The main countries of origin are Thailand and China. The table provided has slightly different percentages stated for the 2019-2020 year when compared to the table provided in last year’s statement, this is due to an improvement in the quality of country-of-origin reporting.





During the Reporting Period we have communicated with stakeholders on implementing the 10 Principles and efforts to support societal priorities as required by the United Nations Global Compact. FGA completed the Responsible Business Alliance Self-Assessment Questionnaire (SAQ) for operations in Japan, Shanghai and Thailand. The SAQ overwhelmingly assessed low or moderate risk.

The CSR Procurement Guidelines require that FGG companies prioritise procurement from suppliers with a comprehensively high evaluation of conformity with the principles outlined in the CSR Procurement Guidelines. A description of the objectives and an outline of the content of the guidelines is in Annexure 1.

During the Reporting Period new employees were trained on human rights via e-learning at the Shanghai and Thailand factories and corporate head office level.

The ANZ Executive team have been trained, with all employees to be trained on basics of the Modern Slavery Act 2018 (Cth), what is Modern Slavery, how to identify signs of Modern Slavery, how to report them to the COO for further investigation and an overview of FGG's approach to Modern Slavery.

Suppliers of FGG have been requested to sign up to the CSR Procurement Guidelines procurement policy and our standard assessment of compliance with the CSR Procurement Guidelines being undertaken by the CSR Promotion Division based on rules created and implemented by the Division according to the following procedure:

- The supplier conducts a self-check using the assessment questionnaire.
- Then the CSR Promotion Division conducts a CSR local audit and considers the difference between the suppliers self-check and the audit.
- Having regard to the results, the CSR Promotion Division provides guidance and requests improvement from the supplier based on the Survey.

Consistent with the previous year, our reviews found strong compliance in quality, environment, health, and safety.

FGG reports that during the 2021 Reporting Period: out of a total of 1,075 suppliers 1,039 signed up to the CSR Procurement Guidelines using the consent confirmation form.

During the Reporting Period the number of suppliers signed up to the CSR Procurement Guidelines increased significantly:

- in Japan the number increased from 28 to 613;
- in China the number increased from 149 to 270; and
- in Thailand the number increased from 90 to 156.
- All of the top 10 suppliers not owned by FGL have agreed to comply with the CSR Procurement Guidelines (excluding FGG affiliated companies).
- As happened in the last reporting period, the top ten factories supplying FG Shanghai have agreed to comply with ISO 14001 and have been inspected to confirm compliance of working conditions in the factory.

The Assessment of suppliers for compliance with the CSR Procurement Guidelines which commenced in 2019 was suspended due to the COVID-19 pandemic. However, FGL carried out self-checks using the SAQ process for 7 suppliers in Japan, 4 in China and 5 in Thailand. No CSR issues were identified in this process. and has conducted follow up assessments and CSR Procurement Guideline training for suppliers since that time. FGL has also delivered e-learning sessions on human rights.

There were no reported occurrences of modern slavery in our supply chain or that of our suppliers during the review period 1 April 2020 to 31 March 2021.

## Annexure

### CSR Procurement Guidelines

The Aim of the CSR Procurement Guidelines is to work with suppliers to improve their compliance and performance over time by creating an incentive for improvement and providing support to suppliers that are willing to invest and improve. The CSR Procurement Guidelines set criteria for evaluation and selection of suppliers which includes as a key criterion the level of engagement with corporate social responsibility activities.

The CSR Procurement Guidelines directly addresses key issues associated with modern slavery including by prohibiting or excluding:

- from products, components, and supply chain any minerals that give rise to conflicts or minerals that are at elevated risk of being associated with forced labour or human rights violations.
- forced, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking of persons shall not be used. The policy expressly prohibits transporting, harbouring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services.
- child labour in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education or other minimum age for employment in the country of work whichever is greater. Workers under the age of 18 shall not perform work that is likely to jeopardise their health or safety, including night shifts and/or over time.
- harsh or inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, nor is there to be any threat of any such treatment.
- discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards and access to training. in conformance with local law suppliers must respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities;

The CSR Procurement Guidelines also impose positive obligations related to the working environment that are relevant to combatting modern slavery including:

- Workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with work hazards.

- Potential emergency situations and events are to be evaluated and assessed and their impact minimised by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training and drills appropriate fire detection and suppression equipment, clear and unobstructed egress adequate exit facilities and recovery plans.
- Suppliers must provide necessary medical treatment, investigate cases, and implement corrective actions to eliminate the causes and facilitate the return of workers to work.
- Potential hazards are to be eliminated or controlled through proper design engineering and administrative controls.
- Worker exposure to hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.
- Production and other machinery are to be evaluated safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.
- Workers are to be provided with ready access to clean toilet facilities water and sanitary food preparation, storage and eating facilities.
- Workers are to be provided with appropriate workplace health and safety information and training in the language of the worker or the language of the worker can understand all identified workplace hazards workers are exposed to, including but not limited to mechanical, electrical, chemical, fire and physical hazards.
- Maintenance of programs that ensure the confidentiality, anonymity and protection of supplier and employee whistle-blowers unless prohibited by the law of the relevant jurisdiction.
- Suppliers are required to have a policy to reasonably sure that the tantalum, tin, tungsten and gold in the products they manufacturer does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or an adjoining country.
- Suppliers are also to commit to protecting reasonable privacy expectations of personal information including in relation to employees.

The CSR Procurement Guidelines support these obligations by mandating active processes including:

- A corporate social and environmental responsibility policy statement confirming compliance with these correct commitments and continual improvement endorsed by executive management and posted in the facility of the supplier in the local language.
- Identification of senior executive and company representatives responsible for ensuring implementation of the management systems and associated programs.
- A process to identify the legal compliance, environmental health and safety and labour practice and ethics risks associated with the supplier's operation.
- Written performance objectives, targets, and implementation plans to improve social and environmental performance including a periodic assessment regarding the achievement of relevant objectives.
- Training programs for managers and workers to implement relevant policies and improvement objectives.
- A process for communication to workers, suppliers, customers, and managers relating to corporate social responsibility objectives and ongoing process including an effective grievance mechanism to assess employees understanding and obtain feedback regarding violations against practices and conditions covered by the corporate social responsibility procurement policy.
- Periodic self-evaluations to ensure conformity to legal and revelatory requirements the content of the corporate social responsibility code.