

# Modern Slavery Statement FY2022





# Important Information

Mitsubishi Electric Australia is part of the Mitsubishi Electric Corporation group of companies. It is part owned by Mitsubishi Electric Corporation (MELCO), a public listed company in Japan, and Mitsubishi Electric Asia Pacific (MEAP), which is also a subsidiary of MELCO.

## Purpose

To contribute to the realisation of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity

## Vision

Is underpinned by its core values being intent on sustaining its enduring commitment to make

*Changes for the Better*

Mitsubishi Electric Australia operates in Australia and New Zealand in the areas of Living Environment, Home Appliances, Transportation and Heavy Engineering, Automation & Controls, Automotive Equipment, Transmission & Distribution, Semiconductors and Communication Systems.

This statement has been prepared in line with the requirements of the Australian Modern Slavery Act 2018 (Cth) (Modern Slavery Act). It explains the actions Mitsubishi Electric Australia has taken to assess and address modern slavery risk exposures in its operations and supply chains during its financial year ending 31 March 2022 (FY2022).

Where this report contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events, these statements are not statements of fact and there can be no certainty of outcome in relation to these matters as there are factors outside of Mitsubishi Electric's control that could cause the outcomes to be materially different from the events or results expressed or implied by such statements. Statements about past performance are not necessarily indicative of future performance.



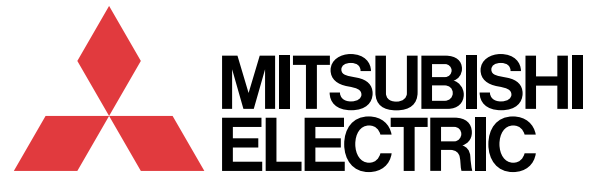
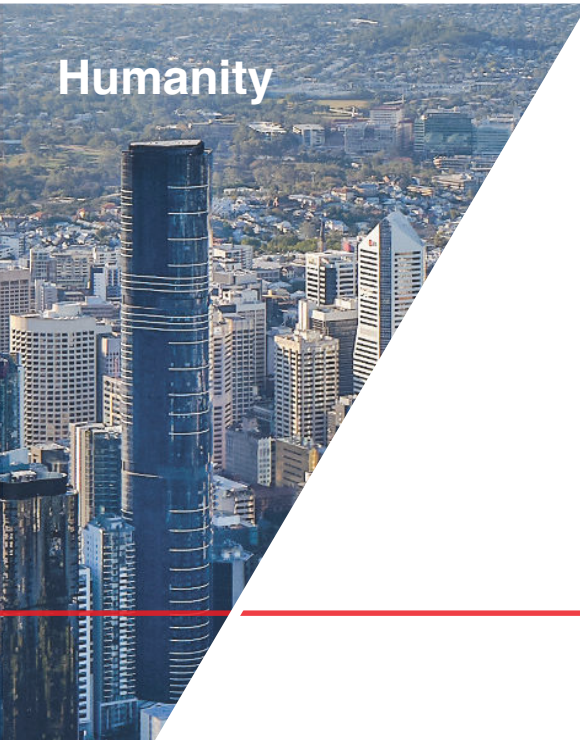
Technology



Quality

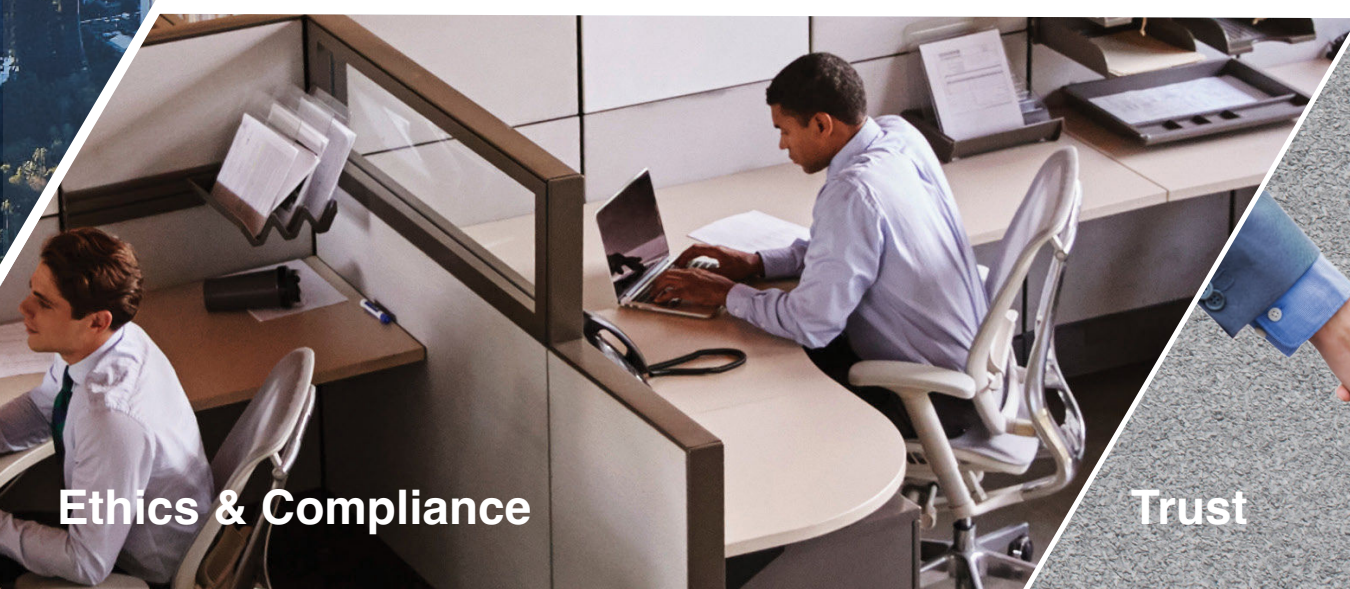


Humanity



**Our Values**

Ethics & Compliance



Trust



Society



Environment





# Message From Our Managing Director

On behalf of the Mitsubishi Electric Australia Board, I am pleased to present our third modern slavery statement for the financial year ending 31 March 2022.

Mitsubishi Electric has a long history of valuing human rights and seeking to embed respect for human rights in all aspects of its operations. This is embedded in the Mitsubishi Electric Purpose and Values statements, in particular our values of Humanity and Society. In more recent years, this commitment has been further enhanced through membership with the UN Global Compact and, more recently, our parent company's membership with the Responsible Business Alliance.

Mitsubishi Electric Australia is also committed to respecting and promoting human rights and taking steps to address human rights abuses and modern slavery in its operations and supply chain. We firmly support the public statements, objectives and activities of our parent company in this regard and have recently demonstrated this commitment by becoming a member of the Australian Chapter of the UN Global Compact.

All forms of human rights abuse and modern slavery are unacceptable and it is disappointing that these practices still exist in the 21st century, both globally and in our own backyard. It is incumbent upon all businesses to take steps aimed at eliminating this problem so that all people, in any country and working in any environment, are treated with dignity and respect.

At a global level, the Mitsubishi Electric Group is taking significant steps to identify, assess and respond to the risks of human rights abuse and modern slavery in its supply chain. We thank our parent company for their leadership in this regard and look forward to ongoing progress as more action is taken.

Locally, we have and continue to take steps to ensure our employees are safe and consistently treated with dignity and respect. This includes meeting our legal obligations in this regard. It also means building and maintaining a culture where this is both an expectation and a reality.

This third modern slavery reflects our continued commitment to action, and we look forward to the day when human rights abuse and modern slavery are no longer a problem in our supply chain and in our world.



**Jeremy Needham**

Managing Director,  
Mitsubishi Electric Australia

This statement was approved by the Board of Mitsubishi Electric Australia on 23 December 2022.



# FY2022 Highlights



## Confirmed our Commitment to Action

- Became a signatory to the UN Global Compact
- Joined the Australian Chapter of the UN Global Compact (UNGCNA)



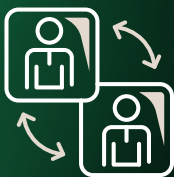
## Built Internal Awareness

- Formed an internal working group
- Held an information session for the internal working group
- Rolled out training for employees involved in purchasing activities



## Engaged in a Human Rights Due Diligence Assessment

- Completed a human rights due diligence assessment
- Noted areas for improvement in our procurement activities



## Built the foundations for supplier engagement

- Developed our modern slavery questionnaire for suppliers
- Identified our Top 10 Suppliers for initial engagement
- Engaged an expert to help and guide us in supplier engagement



## Updated our Remediation Policies and Procedures

- Updated our whistleblowing policy
- Published a summary of our whistleblowing policy on our website
- Updated related policies in the areas of grievances and health and safety issue resolution



## Updated the terms and conditions of our contracts

- Incorporation of modern slavery clause into Standard Conditions of Purchase



## Engaged with Others

- Participated in the UN GCNA Modern Slavery Community of Practice



# About Mitsubishi Electric Australia

## Mission Statement

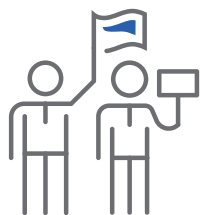
The aim of Mitsubishi Electric Australia is to be a successful Company committed to the manufacture, sale, and support of advanced technology that both anticipates and satisfies the evolving needs of the Company's customers and society.



**Operating in Australia  
for almost 50 years**

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**FY2021/2022  
Actual Sales:  
\$447 Million**



**Total Employees:  
291 (March 2022)**

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**MEAUST  
Locations**





# Our Customers

Consumers



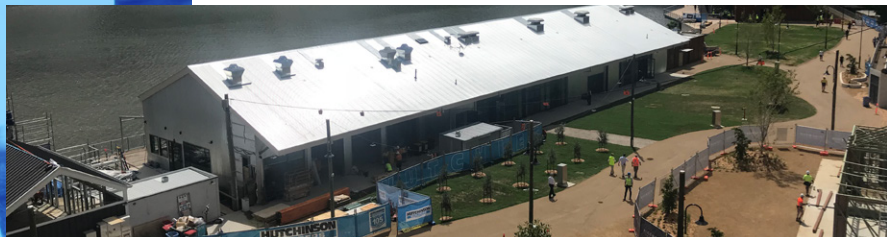
Contractors



Government



Developers



Distributors



Dealers



Original Equipment Manufacturers



Utilities





# Our Products & Solutions



**AIR  
CONDITIONERS**



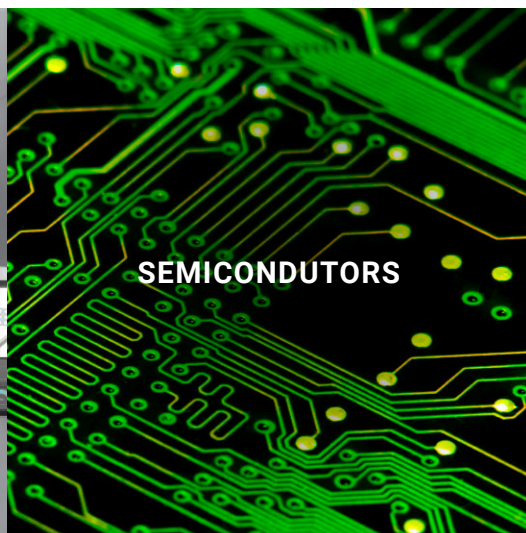
**FACTORY  
AUTOMATION**



**CLIMAVENETA  
CHILLERS**



**AUTOMATION  
SOFTWARE**



**SEMICONDUCTORS**



**LOW & MEDIUM  
VOLTAGE SWITCHGEAR**



**FRIDGES**



**LIGHT COMMERCIAL  
AIR CONDITIONING**



**AUTOMOTIVE  
EQUIPMENT**





**TRANSPORTATION & HEAVY ENGINEERING**



**COMMUNICATIONS SYSTEMS**



**COMMERCIAL AIR CONDITIONING**



**HOT WATER SYSTEMS**



**JET TOWEL COMMERCIAL HAND DRYER**



**AIR TREATMENT**



**MODULAR CHILLERS**



**TRANSMISSION & DISTRIBUTION**



**VENTILATION**



# Our Approach and Commitment Towards Human Rights and Addressing Modern Slavery

Respect for and protection of human rights has long been part of Mitsubishi Electric's approach to doing business across the globe.

In 2001, MELCO enacted its Corporate Ethics and Compliance Statement and pledged that all executive and members of the Group would conduct themselves always with respect for human rights and would not discriminate based on nationality, race, religion, gender or any other reason.

As the Mitsubishi Electric Group has continued to evolve, this philosophy of business has been embedded in our Purpose and our Values. In particular, our Values of Humanity and Society express our commitment to prioritising health and safety, promoting diversity, respecting personalities and human rights and contributing to the development of a better society as a corporate citizen.





**In 2017, MELCO published its Human Rights Policy.  
This policy applies to all members of the Group, including MEAUST.**

**Through the Human Rights Policy:**

- We recognise our responsibility to respect international standards in relation to human rights and the local laws in the regions where we do business.
  - We commit to undertaking human rights due diligence and studying the ways of proactively preventing or mitigating any negative impact of those activities.
  - We identify material issues and set tasks and goals to address those issues.
  - We work to ensure that our initiatives for human rights are implemented with the participation of our executives and employees, and request the cooperation of our stakeholders.
- We implement training programs and awareness campaigns to ensure all executives and employees understand initiatives relating to human rights and
- conduct themselves in a manner consistent with promoting respect for human rights in our organisation and in the broader society.



**MELCO subsequently became a signatory to the UN Global Compact in 2018, further committing to the respect for and protection of human rights.**

During FY22, MEAUST made a significant step in its own commitment to human rights and addressing modern slavery by also committing to the principles of the UN Global Compact and becoming a member of the Australian Chapter. In the coming months and years, MEAUST will implement changes that further demonstrate its commitment to these goals and principles.





# Risk of Modern Slavery and Human Rights Abuses in our Operations and Supply Chain



## Human Rights Risk Assessment

In FY2022, MEAUST participated in a global human rights risk assessment (HRRRA) as part of the Mitsubishi Electric Group. The purpose of this activity was to assess the risk and potential impact of human rights abuses in both the operations and supply chain of the Mitsubishi Electric Group, and to subsequently prioritise action that should be taken in response.

The HRRRA covered risks to employees, the local community, suppliers, partners and customers in areas which included the following:

- Forced labour
- Child labour
- Freedom of Association & Collective Bargaining
- Minimum standards of employment
- Long working hours
- Harassment
- Discrimination
- Occupational Health & Safety
- Privacy and the disclosure of information
- Responsible product marketing & sales activities

In most cases, MEAUST assessed the risk in its operations and supply chain as low if sufficient risk measures are taken and the laws, cultures and customs in Australia and New Zealand are comprehensively taken into account. MEAUST also reviewed the measures being taken to mitigate this risk and concluded that, in the majority of cases, action taken was comprehensive. Room for improvement was acknowledged in relation to activities involving suppliers. This is a reflection of the fact that MEAUST is still early in its journey of engaging with suppliers in relation to human rights and modern slavery.



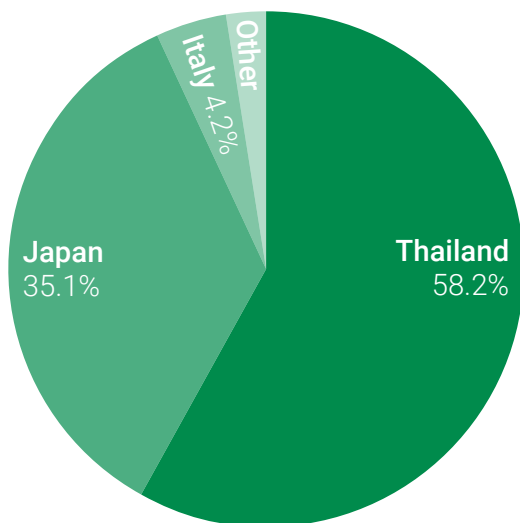
## Mitsubishi Electric Australia Supply Chain

The nature of our business means there are risks in the goods and services we purchase both domestically and internationally to support our local operations. A significant portion of items purchased by MEAUST in the ordinary course of business come from companies located outside of Australia. Many of these are part of the Mitsubishi Electric Group.

We have purchased goods from organisations operating in the following countries in the past 12 months:

### MELCO Group Companies

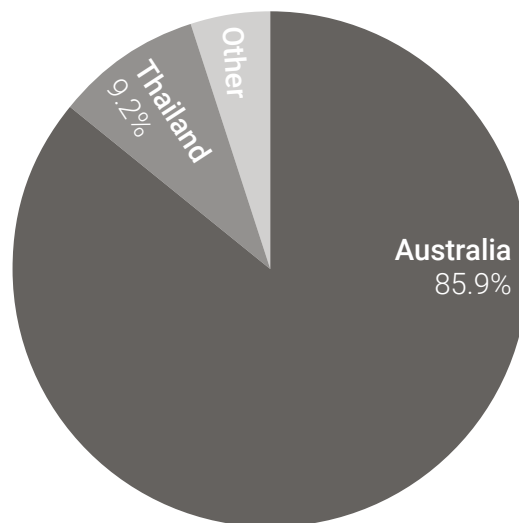
Total Spend \$309,417,467



**Other:** US (1.2%), Singapore (1.0%), United Kingdom (0.2%), New Zealand (0.1%)

### Non-MELCO Group Companies

Total Spend \$140,606,991



**Other:** Hong Kong (1.7%), Norway (1.3%), Taiwan (0.9%), France (0.5%), New Zealand (0.3%), Germany (0.2%)

We know there are modern slavery risks present in the operations of companies operating in all of these countries and that the risks are higher in countries located in the Asia Pacific Region than other parts of the world. We are taking steps to better understand these risks.

In FY2022, we commenced preparation to engage with suppliers to better understand the risks in our supply chain. We identified our Top 10 suppliers and will engage with them in FY2023. We made significant progress in developing the modern slavery questionnaire we will use for this purpose, and we have engaged an expert to assist us in this process.

In FY2023, we will commence this engagement and undertake further work to understand and assess our local supply chain and the risks of human rights abuses and modern slavery in the goods and services we buy.



## Activities of Mitsubishi Electric Corporation

Our parent company, Mitsubishi Electric Corporation, is taking significant steps to identify, assess and respond to the risks of human rights abuses and modern slavery in relation to these goods and services. In 2018, it became a signatory of the UN Global Compact in 2018. In 2022, it also joined the Responsible Business Alliance (RBA) and expressed an intention to integrate and align its initiatives with the RBA Code of Conduct to continue achieving sustainability objectives in procurement.

Some of the other steps taken include the following:

### **CSR Procurement Policy:**

The CSR Procurement Policy was established in 2007. It identifies the importance of compliance with domestic and foreign laws/regulations and social standards, including respect for human right, prohibiting discrimination, child labour and forced labour, and creating proper work environments which give consideration to safety and health. In 2018, the CSR Procurement Guidelines were established to disseminate Mitsubishi Electric's sustainability policies and matters for compliance by our business partners.

### **Supplier Communication, Training, Questionnaires and Surveys:**

Business partners are asked to verify their agreement to the CSR Procurement Guidelines and promote these business practices in line with the guidelines. Principal suppliers (those in the top 80% of spend) are asked to complete the CSR Procurement survey every three years. High-risk business partners are identified through survey responses, which are used to determine the presence of major human rights violations risks, such as forced labour, dangerous or hazardous labour and child labour. If a risk is identified, Mitsubishi Electric requests corrections through communication with the applicable business partners. Mitsubishi Electric also holds seminars to ensure suppliers understand the CSR Procurement Policy and engages in regular discussions with suppliers based on their responses to supplier surveys. These discussions are also used to request that suppliers further strengthen their own sustainability initiatives.

### **Framework for Promotion of Procurement Supply Chain Management:**

Under this framework, Mitsubishi Electric Corporation promotes activities to mitigate perceived risks on a range of issues, including in relation to labor practices and the environment. It does this through cooperation with Materials Planning Offices in China, Asia, Europe and the Americas aimed at optimising procurement activities suited to each region.

### **Policies for Responsible Minerals Procurement:**

Mitsubishi Electric seeks transparency in its supply chain to avoid affiliation with armed groups that trade in conflict minerals as their source of funding. The Group has adopted the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and removed certain minerals from the supply chain where their procurement encourages or contributes to serious human rights violations or environmental destruction. Mitsubishi Electric also takes part in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) which conducts surveys to address restrictions on conflict minerals in cooperation with other industry organisations.

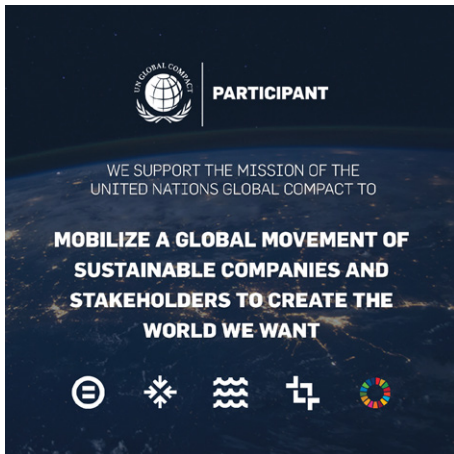


### Survey on Foreign Technical Intern Trainees:

Since 2019, Mitsubishi Electric has continuously surveyed subcontractor factories to ensure there are no infringements of the Technical Intern Training Act. All suppliers surveyed were found to observe these requirements. Mitsubishi Electric continues to provide guidance on areas for improvement and promotes activities to prevent the violation of human rights on foreign technical intern trainees.

### Grievance Mechanisms:

Mitsubishi Electric has established multiple points of contact to respond to and understand issues from various stakeholders. This includes a whistleblowing policy, ethics observance hotline, contact points via public websites and identified channels throughout the organisation. Following the 2022 Human Rights Impact Assessment, it has identified grievance mechanisms are an area to be strengthened and continues to consider how to enhance the current reporting channels to receive complaints further downstream and across its entire supply chain.



We continue to monitor the action taken by our parent company and will take further steps as and when necessary to obtain information and/or address supply chain risks as they apply to our operations and supply chain.





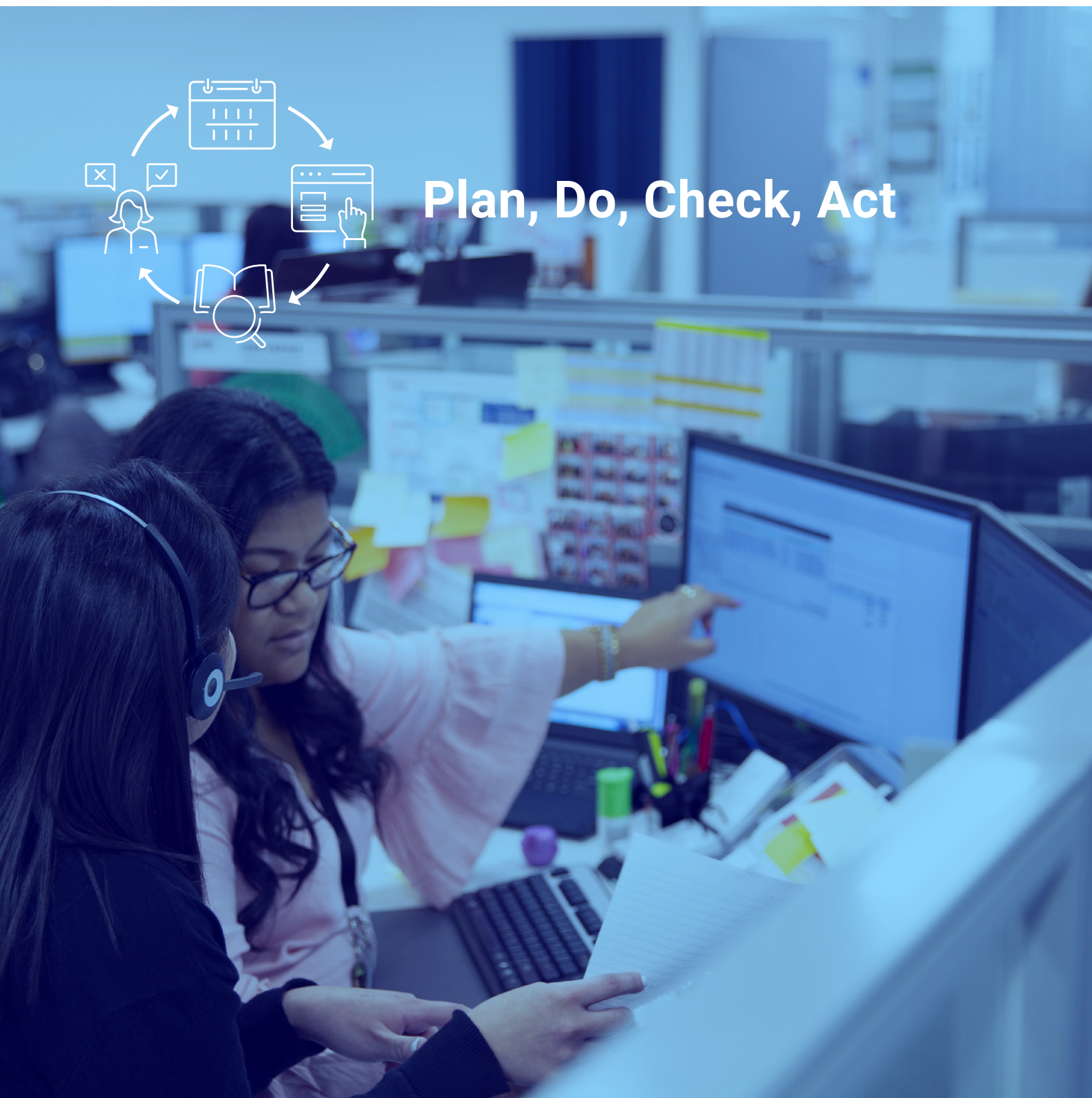
# Action Taken to Assess and Address Risks

During FY2022, we have continued to build on our foundations to supplement the work of our parent company and support our activities in the coming years.

As noted above, we confirmed our commitment to action by becoming a signatory to the UN Global Compact and a member of the Australian Chapter, conducting a human rights risk assessment on our operations and supply chain and preparing to engage with our top 10 supplier to better understand the risks in our supply chain to determine what further action we need to take.



**Plan, Do, Check, Act**





**In addition, we have:**



### **1. Built Internal Awareness**

In late 2021, we formed an internal working group to ensure the relevant people in our organisations are engaged in our efforts to prevent human rights abuses and modern slavery in our supply chain. This working group comprises representatives from Operations, Risk & Compliance, Facilities & Procurement, IT, HSE (Health, Safety and Environment) and Finance. The group is chaired by one of our Executive Directors, who is also our Corporate Compliance Officer, and includes a number of other representatives from our executive team.

An information session was held with the working group following its formation. The purpose of the session was to brief all members on the requirements of Australia's modern slavery legislation, ensure all members have a collective understanding of work completed to date, and to discuss next steps. The working group will continue to meet as necessary to discuss, approve, review and progress MEAUST's initiatives.

An electronic training module was also implemented for all employees involved in purchasing activities. The purpose of the training was to build awareness of human rights and modern slavery risks, and of MEAUST's obligations in this regard. It was issued to our employees in our Business Units responsible for overseeing and executing purchasing operations and 91% of these employees have completed the training.



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### **2. Updated our remediation policies and procedures**

In early 2022, we updated our Whistleblower Policy to strengthen protection for whistleblowers. We also updated our Grievance Policy and H&S Issue Resolution Policy to clarify when whistleblowing protection will apply to individuals raising issues and complaints under those policies.



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### **3. Updated the terms and conditions of our contracts**

In late 2021, we incorporated modern slavery provisions into our Standard Conditions of Purchase. These terms and conditions are being used in all new orders which are placed on our standard terms.



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### **4. Engaged with Others**

Prior to becoming a formal member of the Australian Chapter of the UN Global Compact, we joined a Modern Slavery Community of Practice Meeting as an observer. We are now a formal member of the Community of Practice and will continue to engage in this community to build on our knowledge and look for opportunities to collaborate in workshops and practical initiatives.

# Review of the Effectiveness of our Actions and Looking Ahead

Building the foundations is critical to our response to the Australian modern slavery legislation and to more meaningful engagement with our suppliers in the areas of modern slavery and human rights more broadly.

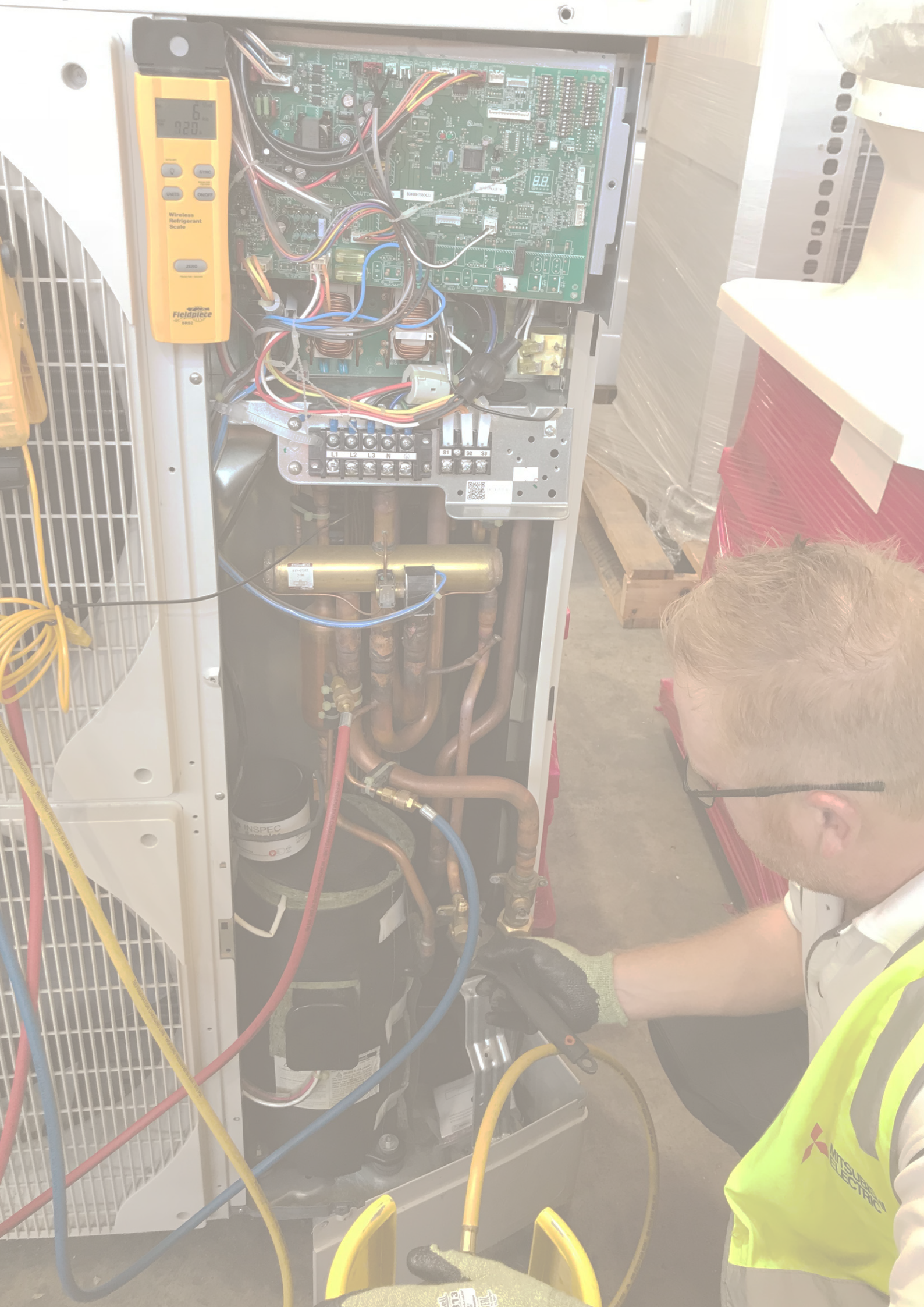
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## **We have further work to do. In FY2023, we will:**

- Develop a roadmap of activities/initiatives for the coming years
- Begin engagement with our Top 10 Suppliers
- Conduct a more detailed analysis of our local supply chain to understand the risk of modern slavery that is or could be present
- Continue to engage with the Australian Chapter of the UN Global Compact, including through the Modern Slavery Communities of Practice





6.0  
92.0  
Wireless Refrigerant Scale  
Fieldpiece  
5802

CAUTION  
BARD-3000  
8.8

L1 L2 L3 N S1 S2 S3

INSPEC

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