

Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd - Modern Slavery Statement 2025

1 Introduction

Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd (ACN 133 980 275) (**MHIAA**) is committed to identifying and addressing the risks of modern slavery within its operations and supply chains.

This statement offers a transparent overview of MHIAA's organisational structure, operations, and supply chains. It identifies potential risks related to modern slavery and outlines the proactive measures being taken to mitigate them. MHIAA is committed to fostering collaboration and driving continuous improvement in support of human rights and ethical business practices.

2 Reporting entity

The reporting entity covered in this statement is **Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd (ACN 133 980 275)**. MHIAA's registered office is at Block E, 391 Park Road, Regents Park NSW 2143.

This modern slavery statement relates to the period 1 April 2024 to 31 March 2025, which is based on the Japanese financial year.

3 MHI's structure, operations and supply chains

3.1 Structure

MHIAA was established in October 2008 and is a wholly owned subsidiary of Mitsubishi Heavy Industries Ltd (**MHI**).

MHI is headquartered in Tokyo, Japan and is one of the world's leading suppliers of equipment, services and integrated solutions across a wide range of industries and technologies covering sectors such as energy systems, plants and infrastructure systems, logistics, thermal and drive systems, and aircraft, defence and space.

MHIAA was established in October 2008 to sell and distribute products within Australia and New Zealand. MHIAA does not own or control any other entities.

MHIAA is headquartered in Sydney, Australia and provides highly efficient and energy saving premium air conditioning systems for residential and commercial spaces. MHI's expansion of MHIAA has allowed the company to provide a more diverse range of products to the Australian and New Zealand markets. MHIAA also has offices in Queensland, Victoria, South Australia, Western Australia and New Zealand.

In this statement, the collective name "MHI" is used to refer to Mitsubishi Heavy Industries Ltd and its global subsidiaries including MHIAA.

3.2 Operations

MHIAA imports sales and servicing goods for household-use and business-use air conditioners owned by MHI and sells the goods to local business customers in Australia and New Zealand. As of 31 March 2025, MHIAA had 148 employees in total. Four out of nine of MHIAA's executive team is female.

MHIAA's operations comprise the teams set out below.

- **Customer service:** The customer support team is to deliver an exceptional service experience and outcome to MHIAA B2B customers. Also it strives to accept, understand, and expedite customer requests with efficiency and empathy, consistently meeting and exceeding customer expectations through proactive support and professional excellence. The customer support team comprises approximately 12 of employees who work in Australia.
- **Logistics:** Logistic team is responsible for the management of all inbound and outbound product movement activities. The team comprises approximately 4 of employees who work in Australia.
- **3PL:** 3PL is to manage the operations of logistics and storage of products across all warehouses in ANZ. The team comprises approximately 1 of employees who work in Australia.
- **Quality Assurance, Quality and Quarantine:** The quality assurance, quality and quarantine team is to deliver service quality and excellence throughout the quote-to-cash pipeline. And the team collaborates with the NCC Manager to embed a high performing, customer centric and continuous improvement culture. The team comprises approximately 3 of employees who work in Australia.
- **Spare Parts:** The spare parts team is to ensure that spare part inventory levels are accurately maintained, monitored, and reconciled regularly to support operational needs. And it completes all required administrative tasks to meet compliance. The team comprises approximately 2 of employees who work in Australia.

3.3 Supply Chains

MHIAA's supply chain is supported by the following MHI entities:

Name of entity	Country of incorporation	Relationship established	Notes
Mitsubishi Heavy Industries Thermal Systems Ltd	Japan	October 2016	MHIAA imports air to water system from this factory
Mitsubishi Heavy Industries - Mahajak Air Conditioners Co., Ltd.	Thailand	October 2008	MHIAA imports domestic/commercial aircon system from this factory
Mitsubishi Heavy Industries- Jinling Air-Conditioners Company, Ltd	China	April 2025	MHIAA imports domestic aircon system from this factory

MHIAA has direct supply chain relationships with the following entities:

Name of entity	Country of incorporation	Relationship established	Notes
CEVA Logistics Australia	Australia	July 2023	3PL provider (warehouse and transport) in Australia
Supply Chain Solutions	New Zealand	August 2025	3PL provider (warehouse and transport) in New Zealand
CEVA Freight Australia	Australia	August 2025	Freight forwarder, Custom brokerage and freight haulage
S.A.F.E.R Contracting Services Pty Ltd	Australia	July 2023	Primary Service Agent
AUSTECH	Australia	April 2009	Primary Service Agent
KTC REFRIGERATION & AIR CONDITIONING	Australia	April 2021	Primary Service Agent

4 Risks of modern slavery practices

Modern slavery refers to situations where individuals are exploited by others for personal or commercial gain and are prevented from refusing to or leaving, due to threats, violence, coercion, deception, or abuse of power.

MHIAA has evaluated the risks of modern slavery within our operations and supply chain. This assessment considers factors such as geography and specific supplier characteristics. MHIAA has identified the following risks of modern slavery:

Conflict minerals

Conflict minerals are natural resources which are unrightfully mined in countries or regions that are conflict affected. Armed groups engaged in this conflict have committed serious human rights abuses and acts of environmental destruction. Some of the proceeds from the conflict minerals produced (e.g. tin, tantalum, tungsten, gold, and cobalt) can be a source of funding for these armed groups.

In our supply chain, we are exposed to this risk as our product range uses major conflict materials.

To mitigate this risk, we work with our suppliers to help understand and address, any potential modern slavery risks associated with these materials.

Labour

MHIAA recognises that modern slavery can occur in any country, however, there are certain countries where modern slavery is reported to be more prevalent. Relevantly, subsidiaries of MHI, which supplies MHIAA's products, has operations and suppliers located in high-risk regions such as China and Thailand.

It has been reported that these countries have a high prevalence of human rights violations such as forced labour, occupational safety and health, freedom of association, discriminatory practices, unequal opportunities for employees, inhumane treatment, payment of inappropriate wages, unfair regulation of working hours, forced labour, and child labour.

5 Actions to assess and address risks

MHIAA is committed to taking a proactive approach to combat modern slavery risks, and aims to comply with local laws and regulations, international treaties and other guidelines relating to human rights.

We have set out below the active steps MHIAA is taking to assess and address these risks.

5.1 Policies and governance

Principles

The principles that underpin decisions made by MHI, which MHIAA is bound by, include delivering reliable and innovative solutions that make a lasting difference to customers and communities worldwide; acting with integrity and fairness, always respecting others; constantly striving for excellence in our operations and technology, building on a wide global outlook and deep local insights.

Global Code of Conduct

The MHI Group Code of Conduct (**Code of Conduct**), which MHIAA is bound by, was compiled by making reference to the United Nations (**UN**) Guiding Principles on Business and Human Rights; the Organisation for Economic Co-operation and Development (**OECD**) Guidelines for Multinational Enterprises; and OECD Guidance.

The Code of Conduct aims to cultivate a shared corporate culture, one that is rooted in mutual trust and affords dignity and respect to all employees. The Code of Conduct expressly provides that MHIAA will ensure that it:

- does not use compulsory or forced labour in any of its operations;
- does not use child labour in any of its operations;
- maintains a framework of fair and just remuneration, fair working hours and benefits; and
- maintains open communication with employees, according to the laws or practices of the countries in which it operates.

Human Rights Policy

In 2013, MHI implemented the MHI Group Human Rights Policy (**Human Rights Policy**), which MHIAA is bound by. The policy is based on the UN's Guiding Principles on Business and Human Rights in order to respect the human rights of stakeholders involved in our business activities and contribute to the development of a sustainable society.

In today's globalised society, we recognise the importance to protect human rights not only within MHIAA, but throughout the entire value chains of our business.

Under the Human Rights Policy, we are building mechanisms to enhance the protection of human rights, including, undertaking due diligence, identifying potential adverse impacts on our stakeholders, and setting measures to prevent and mitigate any such impacts.

MHIAA aims to fulfill its responsibilities in relation to human rights by adhering to the following guiding principles enshrined in the Human Rights Policy, which are set out as follows:

- **Comply with laws and regulations on respecting human rights:** MHI is a signatory to the UN Global Compact, meaning, MHIAA supports and respects the International Code of Human Rights. MHIAA also endeavours to respect

international norms in accordance with the laws and regulations of the relevant country and regions it operates in.

- **Targets and education:** MHIAA ensures executives, employees, business partners, and suppliers comply with the Human Rights Policy, undergo appropriate training, and work together to promote the efforts to respect human rights.
- **Responsibilities on respecting human rights:** MHIAA takes appropriate steps to correct any negative impacts on human rights. As far as reasonably practicable, MHIAA directs business partners and suppliers to respect and not to abuse human rights.
- **Human rights due diligence:** MHI established a human rights due diligence system based on the UN Guiding Principles on Business and Human Rights (**UN Guiding Principles**), which MHIAA is bound by. The due diligence implements measures to ensure that MHIAA can identify where there may be breach of human rights; and to take measures to prevent and mitigate the negative impact. If MHIAA becomes aware that its business activities, including suppliers, are failing to comply with human rights, MHIAA will take appropriate steps to rectify this.
- **Dialogue and consultation:** In response to potential or actual human rights breaches, MHIAA utilises independent and external human rights experts to address the breach, in consultation with relevant stakeholders.
- **Information disclosure:** The progress and results of MHIAA's efforts on respecting human rights are reported publicly on our website.

Procurement Policy and Supply Chain Sustainability Promotion Guidelines

The Procurement Policy covers MHI's openness, fairness, partnership, compliance, and exclusion of anti-social forces. MHIAA is bound by the Procurement Policy.

The MHI Group Supply Chain Sustainability Promotion Guidelines (**Guidelines**), which MHIAA is bound by, is aimed at realising a sustainable society and directs suppliers to comply. The Guidelines advocate for (amongst other things) due attention to compliance, corporate ethics, human rights, occupational safety, the environment, and contributions to local communities and society.

MHIAA aims to ensure its business partners cooperate with the Guidelines and checks compliance through regular surveys and visits to the manufacturing sites of business partners.

Policy concerning responsible mineral procurement

MHIAA through MHI complies with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and continues to work with its customers, business partners, industry groups and others in efforts to avoid benefiting from the armed groups.

6 Effectiveness of actions to assess and address risks

MHIAA is committed to improving its systems and processes to effectively assess and address modern slavery risks.

Assessing and addressing conflict minerals

In addition to complying with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (as set out above), MHIAA continues to work with its customers, suppliers, industry groups and others in efforts to avoid benefiting the armed groups.

Supply chain monitoring

MHIAA monitors and evaluates its supplies, particularly its critical Tier 1 suppliers' quality, cost, delivery, technical capability, and management (including ESG) based on each business unit. By analysing the supply chain, MHIAA aims to identify high risk suppliers.

We also conduct a corporate social responsibility (CSR) questionnaire survey as an initial screening of the status of suppliers' CSR and ESG initiatives. The main questionnaire items include CSR in corporate governance, human rights, labour, environment, fair business practices, quality and safety, information security, supply chain, and harmonious coexistence with local communities.

Based on the results, we then carry out an on-site survey, including human rights due diligence to observe actual conditions. We later conduct a follow-up survey to check on improvement measures.

Business partner meetings

At business partner meetings and business policy briefings, we explain MHIAA's CSR promotion guidelines and offer training on the conduct expected of suppliers.

Human rights due diligence

To ensure our commitment to protecting human rights, MHI has created a roadmap for our human rights due diligence efforts, which MHIAA is bound by, in consultation with the relevant departments. This roadmap also draws upon the framework established by the UN Guiding Principles.

Grievance mechanism

MHI, which MHIAA is bound by, has established internal and external reporting channels to allow employees, business partners etc. to report issues pertaining to compliance including human rights issues.

Reports can also be submitted anonymously online, by telephone or by regular post. In response to submitted reports, the Compliance Committee Secretariat investigates matters swiftly and takes appropriate remedial action if required.

In the case of outside stakeholders, their grievances are handled through the Company's website or other contact points.

Human rights awareness, education and training

Each year MHI conducts training, which MHIAA must undertake, to promote human rights awareness at the workplace.

The onboarding training for new employees and managerial promotions includes training on the fundamentals of human rights and harassment.

In 2022, MHIAA through MHI introduced an e-learning course for all employees to promote a deeper understanding of our philosophy on business and human rights and our commitment to respecting human rights within MHI. For example, in 2024, approximately 146 individuals, representing 100% of all MHIAA employees, completed the course.

We are actively working on initiatives to ensure that our business partners, including suppliers, are well-informed of our policies.

7 Consultation process

In preparation of this modern slavery statement, MHIAA has actively participated in an extensive cross functional consultation process.

In accordance with the requirements of section 13(2)(d) of the *Modern Slavery Act 2018* (Cth), this statement was approved by the Board of Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd in their capacity as principal governing body of Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd on 25 November 2025 and is signed by the Managing Director of Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd.

8 Signatures

This statement is made pursuant to section 16 of the *Modern Slavery Act 2018* (Cth) and has been reviewed and approved by the Board of Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd on 25 November 2025.

中島 昭博

Akihiro Nakajima

Managing Director, Mitsubishi Heavy Industries Air-Conditioners Australia Pty Ltd



Appendix 1

Section of Act	Criteria	Reference in this statement
16(1)(a)	Identify the reporting entity.	2
16(1)(b)	Describe the structure, operations and supply chains of the reporting entity.	3
16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	4
16(1)(d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	5
16(1)(e)	Describe how the reporting entity assesses the effectiveness of such actions.	6
16(1)(f)	Describe the process of consultation with (i) any entities that the reporting entity owns or controls.	7
16(1)(g)	include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Not applicable.
