



AIR CONDITIONING

Fujitsu General Air Conditioning UK Limited

Modern Slavery Transparency Statement

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Executive Owner: Takashi Harada

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1. Introduction

Fujitsu General Air Conditioning UK (FGACUK) acknowledges that acting in line with the UK Modern Slavery Act (MSA) is of paramount importance to FGACUK and takes its commitment to preventing modern slavery very seriously.

Section 54 of the UK MSA 2015 requires businesses to disclose information relating to their efforts to assess and address the risks of modern slavery and human trafficking in their operations and supply chains. The following Statement responds to these requirements and outlines FGACUK's efforts to combat modern slavery during the financial year ended 31 March 2025.

In this Statement, the following notation shall be used.

FGACUK ... FUJITSU GENERAL AIR CONDITIONING (UK) LIMITED

FGG ... Fujitsu General Group (Collective name of Fujitsu General Limited and its subsidiaries)

FGL ... Fujitsu General Limited (HQ of Fujitsu General Group)

2. Business, Structure and Supply Chains of FGACUK

Business

The modern slavery reporting entity is FGACUK with its UK Head Office at Unit 150, Centennial Park, Centennial Avenue, Elstree, Hertfordshire, WD6 3SG, U.K.

FGACUK purchases air conditioners produced by FGG's air conditioner manufacturing subsidiaries and sells them in the UK. FGG's air conditioners are the result of more than 60 years' experience of advanced design and development.

FGACUK employs 39 people in the UK. FGACUK procures and imports finished goods and spare parts into the UK and provides post-sales support. FGACUK uses a 3rd party warehouse company for product storage and delivery, along with its own warehouse for spare part storage. FGACUK sells its products to wholesalers, air conditioner specialists and installers.

Structure

FGACUK is a majority owned subsidiary of Fujitsu General (Euro) GmbH and a minority owned subsidiary of Eurofred S.A (Spain). Fujitsu General (Euro) GmbH is wholly owned by FGL. FGL's shares are traded on the Prime Market of the Tokyo Stock Exchange (Stock Code: 6755).

FGL is engaged in product and component development, manufacture, sales, and services for air conditioners and information and communication systems and electronic devices fields. FGL performs product research and development primarily in Japan. FGL has R&D centres and production plants as its wholly owned subsidiaries in Thailand and China, where conducting significant product development and most manufacturing activities. FGL, together with its subsidiary undertakings (including FGACUK) is comprised within the FGG.

In 2021, FGG became a signatory of the United Nations Global Compact (UNGC). The UNGC is an initiative for companies that are committed to integrating ten corporate responsibility principles in their business operations. The ten principles cover the areas of human rights, labour, environment and anti-corruption.

Supply Chains

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

- Fujitsu General (Thailand) Co., Ltd. was established in 1991 manufactures air conditioners. It opened its second manufacturing plant in 2019.
- Fujitsu General (Shanghai) Co., Ltd. was established in 1994 and manufactures air conditioners. It established 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 FGG.
- TCFG Compressor (Thailand) Co., Ltd. was established in 2012 as a joint venture between Toshiba Carrier Corporation and FGA (Thailand) Co., Ltd. was engaged in the manufacture and sale of air conditioner compressors. TCFG Compressor (Thailand) Co., Ltd. became a wholly owned subsidiary of FGA (Thailand) Co., Ltd. in July 2023 by acquiring TCFG's additional shares.

As at March of 2025 FGL had 1,716 employees and FGG had 8,503 employees.

FGACUK also uses a third party warehouse company for product storage and delivery.

Red Flags and Potential Risk Areas

Modern slavery can take many forms; of most relevance to FGACUK is the risk that manufacturers in the FGG's supply chain might use forced labour, debt bondage or child labour. FGACUK recognises the possibility that modern slavery practices such as forced labour, debt bondage and child labour may exist in the operations of service and parts suppliers in the manufacturing sector that support FGG's operations in Thailand and China.

The International Labour Organisation (ILO) has estimated that more than 40 million people are in some form of slavery today and that approximately 24.9 million of those are in forced labour. The International Organisation for Migration estimates that 62% of people living in modern slavery are in the Asia-Pacific region and that more than US \$51.8 billion each year is made in illegal profits in Asia from trafficking in forced labour. FGACUK recognises that it has independent responsibility to combat modern slavery and has taken steps to implement the recommendations of the UN Guiding Principles on Business and Human Rights.

3. Risks of Modern Slavery Practices

FGACUK 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.

According to the Global Slavery Index 2023 issued by The Walk Free Foundation, Asia and the Pacific is home to 56 per cent of the world's population, including the two most populous countries, India and China, and experienced the greatest increase in international migrants from 2000 to 2020. The region hosts the largest number of people in modern slavery, with an estimated 15 million people in forced labour. This includes debt bondage among migrants exploited within the region, hereditary forms of bonded labour in South Asia, and state-imposed forced labour in China, North Korea, and other countries.

FGACUK 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 documents may be taken by the labour service provider or employer so that they cannot find a different or better paid position. There is also a risk that underage workers may be engaged. In summary, FGACUK recognises a need to combat the possibility that organisations within its supply chain are using forced labour, employees are subject to debt bondage or child labour is being used.

The factors listed in the previous paragraph contribute to a risk that individual workers in the rapidly growing economies of Thailand and China may suffer exploitation in the form of modern slavery.

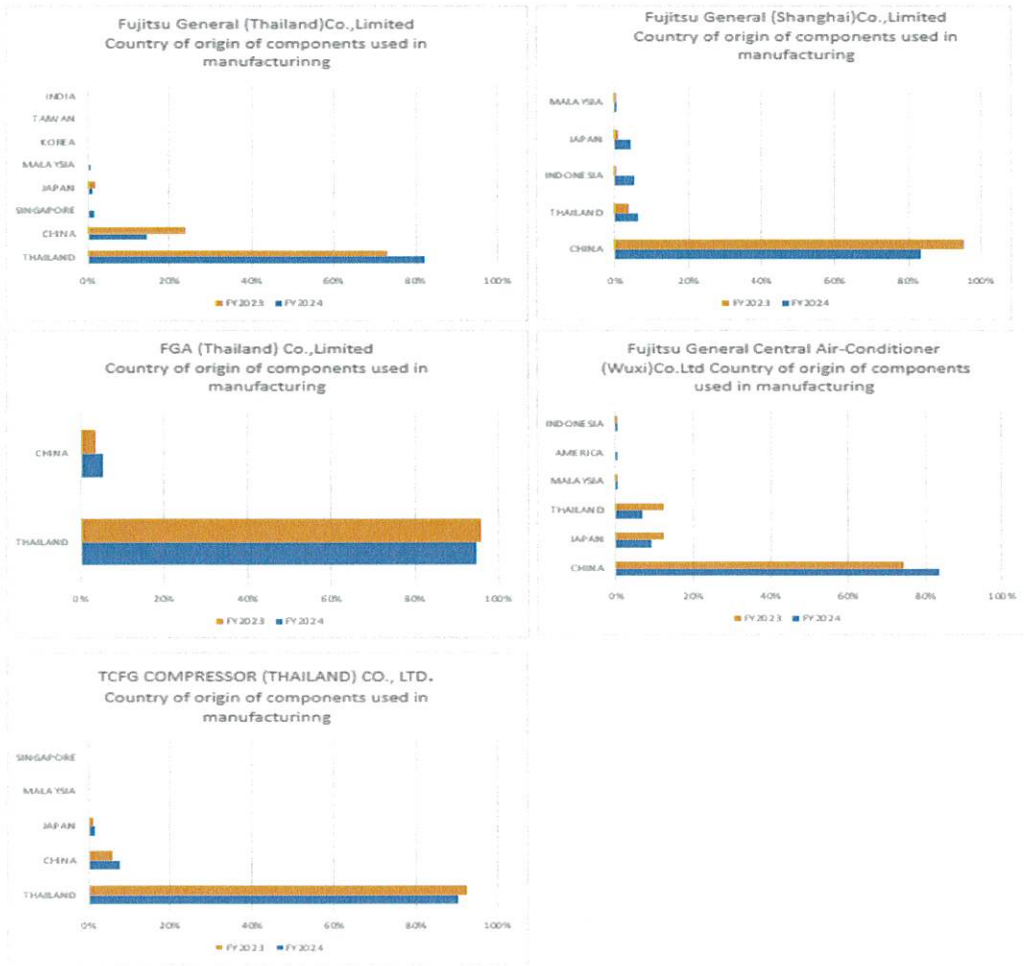
In terms of prevalence, the Global Slavery Index 2023 gives China a low prevalence rating and Thailand a high prevalence rating, estimating 4.0 victims per thousand and 5.7 victims per thousand respectively. Asia and the Pacific is the third most vulnerable region in the world to modern slavery. The drivers most influencing this risk include widespread discriminatory social norms, political inequality and instability, and economic insecurity. While conflict-induced displacement and disruption widened gaps in wealth and social capital in some countries, vulnerability was compounded by the COVID-19 pandemic and climate-related disasters

Europe and Central Asia is the least vulnerable region in the world to modern slavery. While the region performed relatively well across all dimensions, disenfranchised groups remain particularly vulnerable to modern slavery. Inequality and conflict disproportionately impacted some countries, while vulnerability was further compounded by the COVID-19 pandemic, conflict, and climate-related displacement

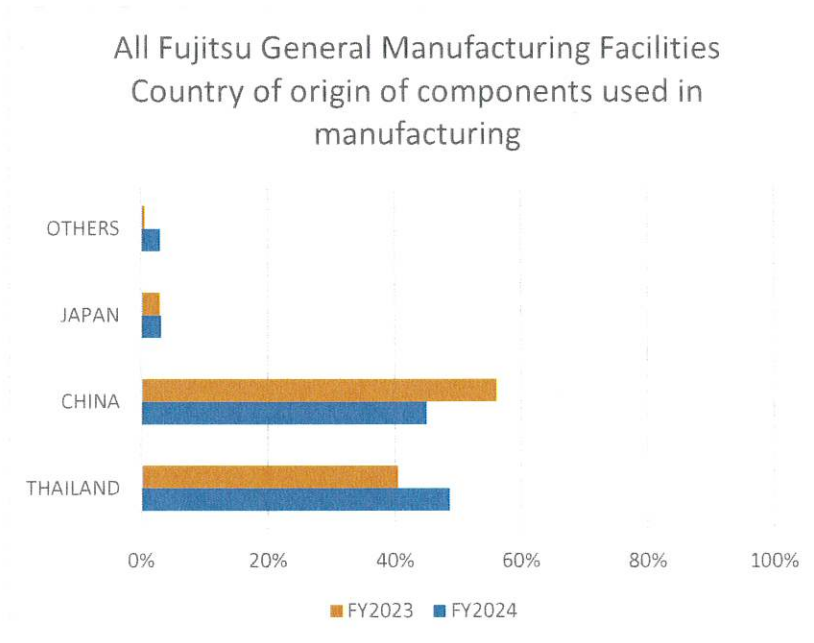
FGACUK notes that laptops, computers and mobile phones manufactured in China are the top-rated category of product at risk of modern slavery. Although FGACUK does not import or sell laptops, computers or mobile phones, the manufacturing processes associated with consumer electronics is considered analogous to processes used to construct air-conditioners, and therefore FGACUK recognises a potential risk in the manufacture of such products.

FGG Manufacturing Facilities

The table below summarises the source of components across FGL's manufacturing facilities:



The table below is a summary of the source of components across all manufacturing facilities:



※OTHERS (FY2024: INDONESIA, SINGAPORE, MALAYSIA, KOREA, TAIWAN, AMERICA FY2023: MALAYSIA, INDONESIA, INDIA, SINGAPORE)

4. FGG's Initiatives

FGG's response to modern slavery is led by FGL's Corporate Vice President, Toshio Kano, General Manager of the CSuO (Corporate Sustainability Officer) Office at the Head Office, as one of its sustainability promotion activities. Day-to-day responsibility for modern slavery within each subsidiary of FGG sits with the representative (e.g., president) of each subsidiary.

FGG stipulates the following basic rules of its sustainability promotion activities.

FUJITSU GENERAL Way – Code of Conduct

FGG stipulates following FUJITSU GENERAL Way and Code of Conduct as its corporate philosophy that serves as the foundation of its business activities.

< FUJITSU GENERAL Way >

Our Mission

– Living together for our future –

Through innovation and technology, we deliver a brighter future with the peace of mind to our customers and societies around the world.

Our Philosophy

– Act Spontaneously –

We embrace new challenges by investing in ourselves for personal growth, and through continuous creativity with a spontaneous attitude.

– Develop Our Team –

We respect and value our people, and optimize their abilities through fostering culture and diversity, and utilizing a collaborative effort focused on communication.

– Value Integrity –

To achieve our goals, we always act with integrity and shared ethics.

< Code of Conduct >

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.

Ethical behaviour is of the utmost importance to FGACUK and its commitment to instilling this within its operations begin with this Code of Conduct. FGACUK requires its employees to respect human rights and to act ethically based on the Code of Conduct.

FGG Human Rights Policy

FGG Human Rights Policy defines its commitment to respecting international norms on human rights, such as The UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles at Work. This is achieved through exercising due diligence to identify and prevent human rights violations, implementing redress mechanisms where appropriate, providing education and training to directors and employees, and being transparent regarding our efforts to protect human rights.

In June 2022, FGG revised its Human Rights Policy, incorporating priority initiatives such as prohibition of forced labour and child labour, discrimination and harassment, freedom of association and providing a safe, hygienic, and healthy working environment. FGG recognises that respect for human rights is an important issue, and asks all stakeholders to endorse, understand, and practice FGG's Human Rights Policy.

Sustainable Procurement Guidelines

FGG's Sustainable Procurement Guidelines which were revised in March 2024 are based on the RBA Code of Conduct (version 8.0) and the Responsible Business Conduct Guidelines of Japan Electronics and Information Technology Industries Association (JEITA).

The Sustainable 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, the Sustainable Development Goals (SDGs) and United Nations Global Compact "The Ten Principles of the United Nations Global Compact in Four Fields".

The Sustainable Procurement Guidelines specifically prohibit or exclude products, components and minerals that give rise to conflict, forced, bonded, involuntary, or exploitative prison labour, slavery, trafficking of persons and child labour at any stage of the manufacturing plant. It also includes provisions around harassment, discrimination, inhumane treatment, respecting trade unions and collective bargaining, health and safety, sanitation, and grievance mechanisms.

The Sustainable Procurement Guidelines have been required to be adhered to by all suppliers as well as FGG subsidiaries worldwide.

5. Due Diligence Process

Sustainability Due Diligence

Sustainability Due Diligence is the process of investigating and assessing adverse impacts related to sustainability, including human rights and the environment, and taking steps to prevent, mitigate and correct such impacts, on the company itself, its subsidiaries, and other companies in its value chain. The primary method of conducting the process is by sending target companies "Self Assessment Questionnaire (SAQ)" and asking them complete it.

In addition, for companies deemed necessary based on the results of SAQ or companies that are of high importance to the Group, the Group's employees visit them directly to conduct "on-site audits".

Initiatives for FGG

The corporate ethics helpline is also established at FGL, the headquarter of FGG, and accepts reports not only from FGL directors and employees, but also from external parties, including primary suppliers.

Initiatives for Supply Chain

Compliance with Sustainable Procurement Guidelines

Since November 2019, FGG's suppliers have been asked to agree to the Sustainable Procurement Guidelines prior to on-boarding. For suppliers on-boarded prior to November 2019, consent was obtained after on-boarding once again. As of March 31, 2025, 1,081 of the 1,100 suppliers have signed up, using the Sustainable Procurement Guidelines consent confirmation form. Of the suppliers that have signed up using the guidelines, 554 are in Japan, 268 are in China and 259 are in Thailand. FGG's top 10 suppliers by procurement amount have agreed to comply with the Sustainable Procurement Guidelines.

As mentioned above, the Sustainable Procurement Guidelines were revised in March 2024, and FGG is once again asking all suppliers to submit a consent confirmation form regarding their compliance with the revised Guidelines.

Supplier Audits

As mentioned above, FGG conducts on-site audits of suppliers as part of its Sustainability Due Diligence. FGG selects suppliers for audits by prioritising them based on the content of SAQ responded, annual transaction amount, importance to the business, country risk, and relationship with the supplier.

The purpose of Sustainability Due Diligence, including supplier audits, is to work with suppliers to improve compliance and performance over time by creating an opportunity for improvement of sustainability performance and providing support to suppliers who are willing to invest and improve.

Training

As part of the FUJITSU GENERAL Way and Code of Conduct (hereinafter referred to as "FG Way") training, all FGG directors and employees receive training on human rights via e-learning. FG Way training is conducted at least once a year, and employee' compliance status is monitored through internal controls, and in the event of a violation, action is taken in accordance with the employment regulations. In addition, FGG has been holding ongoing Sustainable Procurement Guidelines Training for suppliers since November 2019 for suppliers in Japan, China, and Thailand. Furthermore, in FY2022, FGG conducted an e-learning course on human rights with video clips by experts to ensure that all FGG directors and employees have a basic knowledge and awareness of "business and human rights" from a global perspective, and to think and act on human rights issues as "their own issues."

6. Results for FY2024 and Plans for FY2025

FY2024 Results

<FGG>

FGG has conducted Sustainability Due Diligence (SAQ and on-site audits) for 64 suppliers of two factories in China and requested corrective actions from suppliers that need to improve.

FGG has conducted Sustainability Due Diligence (SAQ and on-site audits) for 42 suppliers of three factories in Thailand. Similar due diligence was performed. This demonstrates a risk-based approach, focusing resources on areas of higher concern.

<FGL>

To further enhance oversight, FGG established a "Sustainability Promotion Committee" and "Human Rights Promotion Committee" at the headquarters level, along with a dedicated working group to oversee and report on due diligence activities across the entire group and its supplier base.

FY2025 Plans

<FGG>

FGG will expand its Sustainability Due Diligence efforts to include OEM and downstream business partners, reinforcing its commitment to ethical sourcing throughout the supply chain. With regard to SDD survey targets, FGG will conduct due diligence and investigate with enhanced human rights and occupational health and safety items.

7. Effectiveness of the Initiatives

FGACUK recognises that the review and assessment of its actions to identify and address modern slavery risks across its operations and supply chain is an ongoing and evolving process. FGACUK uses the following key performance indicators (KPIs) to better understand the effectiveness of its initiatives to modern slavery risk management.

- 1) Ensuring all suppliers have signed up to Sustainable Procurement Guidelines
→ 98% of suppliers have signed up so far
- 2) Conduct Sustainability Due Diligence on overseas suppliers
→ FY2024: 64 suppliers in China, 42 suppliers in Thailand

In 2025, FGACUK will promote a new policy that clearly states that child and forced labour shall not be tolerated in FGG's supply chain, working with relevant departments. In subsequent reporting periods, FGACUK will continue to review and evaluate the above KPIs, develop future indicators to assess the

effectiveness of its initiatives, and strengthen its monitoring over time along with continuous improvement.

8. Approval

This Modern Slavery Transparency Statement for the year ended March 31, 2025 has been approved by the Board of Directors of FGACUK, on July 24th, 2025.



Takashi Harada, Chief Executive Officer