

## Slavery and Human Trafficking Statement for FY2017

This Statement, made pursuant to Section 54 of Modern Slavery Act 2015, states the steps Sanden International (Europe) Limited ("Sanden") has taken during the fiscal year ended 31 March 2018 to ensure that slavery and human trafficking is not taking place in any part of its business and in any of its supply chains.

### 1. Sanden's business

The principal business of Sanden is the sale and distribution of compressors, vending machines and domestic/industrial heating and cooling systems, along with the marketing of products manufactured by subsidiaries of Sanden Holdings Corporation in Japan, Sanden Manufacturing (Europe) S.A.S. in France, Sanden Manufacturing (Poland) Sp. z o.o. and SandenVendo Europe S.p.A. in Italy.

### 2. Sanden's policies in relation to slavery and human trafficking

Sanden ensures ethics and transparency in our business activities in accordance with the following internal rules.

- (1) Corporate Philosophy (Starting point for the corporate activities of Sanden Group)  
"Respect for Human Rights: We will build a corporate culture founded on respect for individuals and human rights."
- (2) Employees' Code of Conduct (Code to observe in order to become socially responsible employees)  
"We will not engage in discrimination of any kind." "We will comply with the stipulations of laws, regulations and rules relating to labour matters in the countries concerned."
- (3) Compliance Policy  
Sanden has compliance policy which establishes a system and organization to ensure all of our corporate activities are in compliance with laws, regulations, international standards, social norms, company rules and other requirements.
- (4) Whistleblowing System  
Sanden has whistleblowing policy which provides a contact point for all employees to report any malpractice or wrongdoing in business activities of Sanden or its supply chain for early detection and correction.

### 3. Sanden's supply chains

Sanden Group has a global supply chain with more than 1,600 companies which enables us to procure materials and components in the most appropriate manner. Total purchase amount by Sanden Group is 160 Billion JPY. Sanden Group seeks suppliers in the global market based on the principle of free and fair competition. Sanden will grow together with our suppliers as business partners who provide our customers with the best possible products, systems and services on the basis of fair and transparent relationships. To accomplish this, Sanden Group has established "Sanden Group Supplier Fundamental

Principles”, which include prohibition of forced labour and child labour and is calling on all suppliers to adhere strictly to these Principles. Sanden Group seeks to keep improving our supply chain management through enhancing supply chain wide activities.

#### **4. Risk management in relation to slavery and human trafficking**

Sanden Group recognizes risk management as an important management issue. To ensure full implementation of risk management, Sanden Group identifies overall enterprise risks including the risk of slavery and human trafficking. Each group company, being responsible for its own risk management, designates persons who shall perform periodic risk assessment and controls risks by implementing activities on a regular basis.

#### **5. Evaluation of suppliers**

To ensure to obtain reliable and efficient supply of competitive materials and components, Sanden Group is working on a global scale to build true partnerships with suppliers based on mutual trust. In order to achieve this, Sanden Group evaluates the potential supplier from various viewpoints including compliance structure before allowing supply to Sanden Group.

#### **6. Training**

Sanden Group implements employee training programs focused on compliance with laws and regulations related to the Group’s operations in order to further develop employees’ awareness of compliance and prevent violations before they occur. In FY2017, Sanden Group conducted regular compliance trainings for employees, which include corporate ethics and prohibition of slavery and human trafficking.

This statement was approved by the board of directors on 28 September 2018.



**Maria Wunsch-Guaraldi**  
*Managing Director*  
Sanden International (Europe) Limited

28 September 2018

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**Maria Wunsch-Guaraldi**  
*Managing Director*  
Sanden International (Europe) Limited

29 September 2017