

Statement Regarding the Modern Slavery Act in UK and Australia (FY2021)

1. Introduction

This statement, hereafter the FY2021 statement is reported in accordance with Section 54 of the UK's Modern Slavery Act 2015 and Section 14 of the Australian Modern Slavery Act 2018 (Cth).

Osaki Electric Co., Ltd. (hereinafter “the Company”) is committed to ensuring that we do not violate human rights and that we are not complicit in the violation of human rights through the company and its group companies (hereinafter “Osaki Group”) or our supply chains. We recognize that slave labor and human trafficking are major global issues, and that they could occur in the form of forced labor and child labor in relation to our business activities. The Osaki Group also supports and respects international codes of human rights, including the United Nations International Bill of Human Rights (The Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights), the United Nations Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work

We have outlined below our initiatives for ensuring that we do not allow any violation of human rights such as modern slavery or human trafficking, either directly or indirectly, in the business conducted by the Osaki Group.

2. Business and Organization of the Osaki Group

The Osaki Group's vision is to be a “Global Energy Solution Leader.” We manufacture and sell energy meters such as smart meters, and provide energy management services that utilize energy measurement and control technologies, as well as solutions utilizing IoT. The Osaki Group has companies based in 14 countries worldwide, with 3,000 consolidated company employees providing products and services to over 100 countries.

The Company is listed in the Prime Section of the Tokyo Stock Exchange and is the parent company of the Osaki Group, conducting business operations in Japan.

Overseas businesses are promoted by the EDM I Group owned by parent company EDM I LIMITED, and The Company. controls the EDM I Group through its overseas holding company OSAKI United

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International Pte. Ltd. In the UK, business operations such as the development and sales of smart meters and communications hubs are handled by EDM I Europe Limited. In Australia, business operations such as smart meters and solution services are handled by EDM I Pty Limited and EDM I GAS Pty Limited.

The Osaki Group's Vision

<https://www.osaki.co.jp/en/profile/message/vision.html>

Osaki Group companies and businesses

<https://www.osaki.co.jp/en/group.html>

3. Policy and Initiatives Regarding the Prevention of Slave Labor and Human Trafficking

In preparing this statement, the Company consulted and collaborated with the Group companies it owns or controls.

Our measures and actions are listed below:

1) Establishment of a Human Rights Risk Monitoring System

We incorporated human rights risks into the Compliance Committee's risk management system. The committee is composed of management members and oversees group-wide activities.

2) The Osaki Group's Charter of Corporate Behavior

The Osaki Group states in "The Osaki Group's Charter of Corporate Behavior" outlining the guidelines for corporate behavior, that the group shall "conduct business that respects the human rights of all persons and take no part in any discriminatory action at all phases of our businesses," "pursue work practices that help our employees to develop their career and capabilities and provide them with fair working conditions and opportunities to grow professionally," and "build effective corporate governance system for the conduct of business, strive to raise awareness of the Charter's principle throughout the group, and encourage behavior in its supply chain based on the principle of this Charter."

The Osaki Group's Charter of Corporate Behavior

<https://www.osaki.co.jp/en/profile/message/charter.html>

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3) Compliance rules / instruction manuals

The “Compliance Manual” outlining operational guidelines in accordance with the Osaki Group’s Charter of Corporate Behavior, specifies “Compliance with legal requirements,” “Respect for human rights and prohibition of discrimination,” “Prohibition of harassment,” “Safety and health in the workplace,” and “Compliance with labor laws.” In addition, the handbook for this manual, “The Osaki Group’s Compliance Handbook” (“EDMI General Compliance Rule” within the EDM I Group) is utilized for the education of group employees.

4) Internal Audit Response

The Company has conducted the Risk Self-Inspection System among OSAKI Electric and its group companies, based on human rights risk monitoring system in its risk management system. In the future, we aim to further strengthen management through PDCA (Plan-Do-Check-Act) cycle of the "Risk Self-Inspection System."

EDMI has planned to conduct auditing of the status of compliance with human rights at its manufacturing plants in FY2020. However, due to travel restrictions against the expansion of COVID-19 virus, we forewent auditing to FY2022. We will consider the timing of implementation while assessing the status of the termination of travel restrictions.

5) Establishment of a helpline

The Osaki Group has established a reporting system through a helpline (whistle blowing) that serves as the contact for reports and consultations including those relating to human rights for all group employees both within and outside Japan, with the aim of identifying and correcting any issues at an early stage. Within Japan, we have also established an external reporting contact through a third-party institution to allow reports to be made anonymously. In addition, whistle-blowers are protected by stipulating that the termination of employment or any other disadvantageous treatment on the grounds of such reports is prohibited.

6) Supply chain management

The Company formulated a Basic Procurement Policy that incorporates the content of human rights compliance and will disclose the Policy on our website in FY2022. We have also incorporated questions related human rights in the survey sent to our suppliers. We will further address on the confirmation of no human rights violation in the supply chain at quality audits.

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EDMI Group has formulated risk management rules for the process of selecting business partners. Accordingly, EDM I completed investigation on top 40 customers with regards to human rights violations, and we received responses from 80% of the customers in subject. Out of those responded, 90% were aware of the Modern Slavery Act and have conducted employee training, 70% conducts audit regularly. EDM I Group will analyze the investigative results on the business partners and plan the future actions, and conduct surveys of new suppliers whenever necessary.

Through these surveys described the above, no case of forced labor, child labor, or trafficking in the supply chain has been recognized at this time.

As for other group companies, we will continue to consider effective methods in assessing the issue.

We will continue to assess the effectiveness of the Group's human rights risk management and appropriately identify human rights risks in the supply chain by continuing to implement the initiatives described above,

7) Training and education

In aim to enhance employee awareness, an article on human rights was published in an in-house magazine. Furthermore, educational programs on human rights were provided to employees of domestic Group companies.

The Company conducts education on human rights for employees at domestic purchasing department. The company also guides all managers or higher positioned employees to take e-learning programs for anti-harassment. We will continue to expand training on human rights groupwide by utilizing e-learning programs.

ENEGATE, a domestic group company, conducts human rights education every year and continues its efforts to raise awareness on the human rights issues. In FY2021, to prevent the spread of COVID19 virus, in-class training was provided to registration staff members only, while other employees took e-learning programs.

EDMI group provides education Code of Conduct on human rights and Modern Slavery Act to its employees. More than 90% of employees at the headquarters in Singapore, sales subsidiaries in UK, Australia, and New Zealand, and at main manufacturing plants in Malaysia and China have been trained. EDM I hosts education courses once in 2 months, targeting those who have not taken the courses and those who joined the company recently. In addition, EDM I plans to provide human rights education once a year to all employees.

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This statement was approved by the company's board of directors on 7th June, 2022 and signed off by President and COO (Representative Director) Mitsuyasu Watanabe.

7th, June, 2022

A handwritten signature in black ink, appearing to read 'Mitsuyasu Watanabe', written in a cursive style.

Mitsuyasu Watanabe
President and COO
Osaki Electric Co., Ltd.

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