

## S: Social

### Human rights management

The Mitsubishi Electric Group established Policies on Respect for Human Rights in September 2017 and declared its commitment to ensure human rights responses that match international norms. In particular, we are striving to implement measures to prevent and mitigate adverse impacts on human rights. To do so, we are conducting due diligence on human rights in conformance with the UN Guiding Principles on Business and Human Rights, and creating a corrective mechanism in the event it comes to light that a company's action or involvement has inflicted an adverse impact on human rights.

#### Progress of human rights due diligence and materiality

##### Results of activities in fiscal 2019

###### 1. Human rights impact assessment

Mitsubishi Electric assessed and evaluated the impact on human rights related to the Group's corporate activities for a total of 336 sites, including the internal Mitsubishi Electric offices, domestic affiliated companies, and overseas affiliated companies.

We also checked whether the Technical Intern Training Program has been implemented, and whether it is operating according to the law.

###### 2. Efforts regarding human rights in the supply chain

Based on the CSR Procurement Guidelines formulated in June 2018, the procurement divisions have begun ensuring that when dealing with transaction partners, agreements are reached with regard to social issues, including human rights.

###### 3. Human rights education

We provided an e-learning program to 71,588 employees of Mitsubishi Electric and domestic affiliated companies. In addition to the human rights impact assessment, we conducted human rights education for employees involved in CSR at Mitsubishi Electric offices and at domestic affiliated companies.

##### Approaches for fiscal 2020

###### 1. Implement human rights risk reduction measures within the Mitsubishi Electric Group

To prevent the risks pointed out in the human rights impact assessment conducted in fiscal 2019 from surfacing, we will strengthen our efforts through human rights education, and so on.

###### 2. Human rights efforts in supply chain

Ensure that measures that started in fiscal 2019 to consider social issues, such as human rights, in agreements concluded with suppliers, will continue. In addition, we will continue to promote efforts to fully understand human rights violation risks by suppliers.

###### 3. Consider upgrading the system for handling grievances

The Mitsubishi Electric Group has multiple inquiry channels that serve as a system for listening to various grievances and questions related to human rights. We aim to raise the performance of these channels to meet international standards.

### Workforce Diversity

#### Basic policy

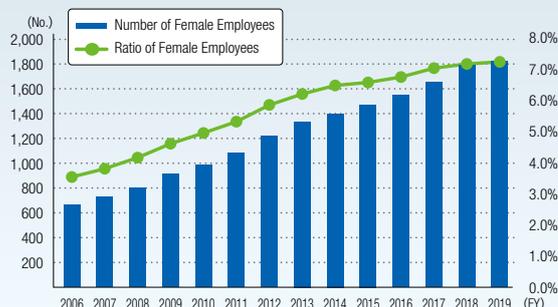
Within today's rapidly changing workforce environment, providing a workplace where employees can work to their full potential regardless of gender or age is essential to business development. Furthermore, it has become more vital than ever before to employ an even greater diversity of people, given the increasingly aging and diminishing population in Japan. Based on this awareness, Mitsubishi Electric promotes employee diversity through the following measures.

#### Women's Participation

To formulate and implement original measures that would help female employees and employees with children form a career while also enriching their personal lives, Mitsubishi Electric established the CP-Plan\* Promotion Center within its Corporate Human Resources Division in April 2006, with a mandate to promote recruitment, training, assignment, and institutional initiatives from a diversified perspective.

\*Career management & Personal life well-balanced Plan

#### Trend in the number of female employees (main career track)



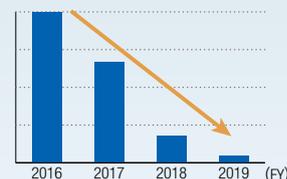
#### Outcomes of the Work Style Reform

Three years have passed since Work Style Reform began in fiscal 2017. Through driving the reform based on the four perspectives, the percentage of employees who experienced changes in their work style increased and working hours fell sharply. This reform, therefore, has produced positive outcomes.

#### Percentage of employees who responded that they had a good work-life balance (Employee Attitude Survey)



#### Changes in the number of employees who worked more than 80 hours of overtime a month



#### Examples of Work Style Reform in the Office

More and more employees are feeling that their work style has changed. For example, using laptops in meetings is now an everyday sight. We will continue to foster enhancements in the corporate culture and environment so that all employees can feel the change. Yet Work Style Reform extends beyond just improving operational efficiency. To achieve the reform goal of "creating a workplace environment in which everyone can maintain physical and psychological health and work in good spirits," we aim to develop a company where every single employee is always aware of the value of improving their work and finds their work fulfilling.

## Supply Chain Management

### Basic policy

The Mitsubishi Electric Group ensures fair and impartial selection and evaluation of business partners in Japan and overseas by providing an explanation of the Group's Purchasing Policy and CSR Procurement Policy, and requesting business partners' understanding of these policies. By ensuring proper evaluation of suppliers based on selection and evaluation criteria established by the Group, risks are also mitigated along the supply chain.

The Group's criteria for selecting and evaluating suppliers include not only quality, cost, delivery schedules, and services, but also initiatives in response to environmental regulations and CSR initiatives. As a basic policy, the Group preferentially procures materials from suppliers who rank high in a comprehensive evaluation.

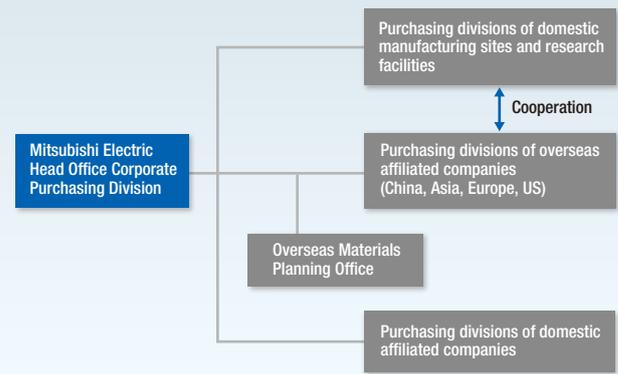
### Framework for Promotion of Supply Chain Management

The Mitsubishi Electric Group launched the WΣ21II (Worldwide Strategic Integration for Global Markets in the 21st Century Advance to the Next Stage)\* activity in April 2017, and is promoting optimal procurement activities suited to each region through the Materials Planning Office. The Materials Planning Office was established in collaboration among regional corporate offices in China, Asia, Europe and Americas to implement purchasing strategies through conferences of

procurement officers and other such meetings. Accompanying this initiative, the supply chain has also expanded to various countries where the Group operates, so initiatives are also pursued to mitigate any perceived risks regarding a range of issues related to labor laws and regulations, and to environmental problems.

\* WΣ21II: An initiative of purchasing departments to work toward achieving the Mitsubishi Electric Group's management goal of reaching net sales of 5 trillion yen and an operating income ratio of 8% or more by 2020.

### Framework for promotion of supply chain management



## Quality Management

### Basic policy

The Mitsubishi Electric Group is committed to improving its technologies and services by applying creativity to all aspects of its business, to thereby enhance the quality of life in our society, as stated in our corporate mission. This commitment inherits the principles outlined in the Keys to Management (in Japanese, Keiei no Yotei) with regard to "our contribution to social prosperity," "quality improvement," and "customer satisfaction," and forms the basic spirit of our relationship with society and our customers.

To give concrete shape to this basic spirit, the Seven Guiding Principles define our actions in response to society and customers. It teaches us to establish relationships based on trust, provide the best products and services with unsurpassed quality, and respond to customer expectations through technology by promoting research and development and pioneering new markets.

Under these principles, we constantly strive to increase customer satisfaction and contribute to social prosperity in all aspects of our business, from the production of high-quality, easy-to-use products to our after-purchase support and response to major issues.

### Management system

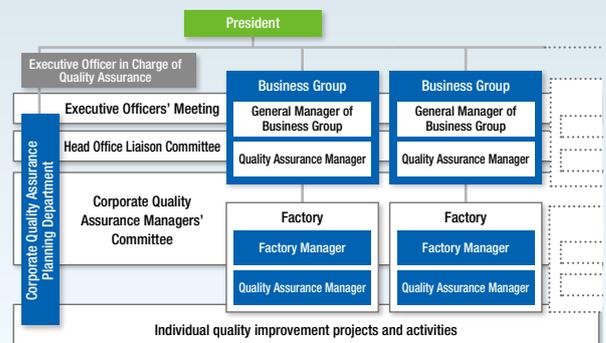
Based on the Four Basic Quality Assurance Principles, we have established a system for quality assurance and improvement activities throughout the entire Group, including the appointment of a quality assurance promotion manager in all business group headquarters. We have also formulated quality assurance guidelines to ensure compliance with quality assurance legislation and standards and further develop quality improvement activities. At the level of management, we also regularly report on the status of quality at meetings of executive officers.

Worldwide manufacturing bases take responsibility for the quality assurance of

each product and are implementing concrete improvement initiatives in relation to quality assurance measures (quality management) for processes at each stage, from market surveys regarding Mitsubishi Electric products, through product planning, development and design, manufacturing, transportation, storage, installation, maintenance and servicing, and education, to the disposal of the product.

In addition, in operating our Quality Management System (QMS), we regularly check our PDCA cycle with reference to ISO and other international certification standards, seeking to realize ever higher quality by process improvement.

### Promotion of Quality Assurance and Improvement Activities



## Philanthropic Activities

### Philosophy and Policies

The Mitsubishi Electric Group shares a common Philosophy and Policies based on its Corporate Mission and Seven Guiding Principles, and carries out a variety of activities accordingly.

#### Philosophy

As a corporate citizen committed to meeting societal needs and expectations, the Mitsubishi Electric Group will make full use of the resources it has at hand to contribute to creating an affluent society in partnership with its employees.

#### Policies

- We shall carry out community-based activities in response to societal needs in the fields of social welfare and global environmental conservation.
- We shall contribute to developing the next generation through activities that support the promotion of science and technology, culture and arts, and sports.

### Community Contributions and Human Resource Development Activities

The Mitsubishi Electric SOCIO-ROOTS Fund matching-gift program supports such beneficiaries as social welfare facilities through donations, with the Company making contributions equivalent in value to the donations of employees. The "Satoyama" Woodland Preservation Project focuses on restoring the natural envi-

ronment in the vicinity of operational sites with the help of employee volunteers. The Mitsubishi Electric Science Workshop invites children to experience the fun of science with the aim of nurturing future engineers. In addition to these key activities undertaken by Mitsubishi Electric, employees at Group affiliates in Japan and overseas are strongly committed to philanthropic activities, participating in various volunteer activities and supporting local social welfare organizations and sports teams.

### Foundations

The Mitsubishi Electric America Foundation and Mitsubishi Electric Thai Foundation, both founded in 1991, also carry out various activities in the spirit of the Mitsubishi Electric Group's Philosophy and Policies. The Mitsubishi Electric America Foundation, with the cooperation of its branches in the United States, helps young people with disabilities to become employed and participate more fully in society. The Mitsubishi Electric Thai Foundation, in addition to providing scholarships to university students and supporting a school lunch program for grade school students, has been promoting employee-involved volunteer activities that support education and environmental protection.



"Satoyama" Woodland Preservation Project



Mitsubishi Electric America Foundation was chosen to receive the "2018 CATALYST AWARD" by the American Association of People with Disabilities (the United States)



The Mitsubishi Electric Science Workshop



Local Group companies engaging in joint planting activities (Thailand)



"Mouth and Foot Painting Artists of the World Exhibition" (Mitsubishi Electric Building Techno-Service Co., Ltd.)



Supporting the Special Olympics (Mitsubishi Electric Europe B.V. Italian Branch)