

S: Social

Human rights management

Mitsubishi Electric Group Human Rights Policy

Protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities.

Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. On that basis, the Mitsubishi Electric Group enacted its Corporate Ethics and Compliance Statement in 2001 and pledged that all executives and members of the Group "will conduct ourselves always with a respect for human rights, will not discriminate based on nationality, race, religion, gender, or any other reason".

As the Mitsubishi Electric Group continues to expand its business globally, in accordance with the spirit of the Mitsubishi Electric Group's Corporate Mission and Seven Guiding Principles, it has established this Human Rights Policy and shall raise awareness of human rights among its members and make sure to properly deal with related incidents in order to ensure that its business activities do not have a negative impact on human rights.

Management system related to Respecting Human Rights

The Mitsubishi Electric Group established a Human Rights Policy in September 2017 and has been undertaking human rights due diligence and other measures based on the United Nations Guiding Principles on Business and Human Rights,

etc. In this initiative, we promote continuous improvement activities by implementing the Plan-Do-Check-Action (PDCA) cycle, in which the Human Rights working group composed of the people in charge in divisions concerned (Corporate Human Resources Div., Corporate Legal Div., Corporate Purchasing Div., etc.) discuss policies and measures for dealing with human rights issues, and results of initiatives are confirmed and policies and plans are considered and approved in a meeting of the CSR Committee held every year.

Human Rights Impact Assessment

In fiscal 2019, we provided feedback of the results of assessing human rights impact to a total of 336 sites for which the assessment was conducted, including Mitsubishi Electric, its offices, domestic affiliated companies and overseas affiliated companies, and requested them to promote improvement activities. We are promoting initiatives especially related to such issues as "preventing harassment," "controlling long work hours," and "giving consideration toward women and people with disabilities" by incorporating them into human rights education themes. Going forward, we will continue striving to understand human rights risks and implement mitigation measures by conducting human rights impact assessments on a regular basis.

Grievance Handling Mechanism

The Mitsubishi Electric Group has established multiple points of contact to respond to inquiries from various stakeholders, of which main points of contact are listed in the table below. We also receive consultation requests on human rights through them.

For each whistleblowing case on human rights risk, the responsible division quickly confirm facts according to the content of consultation. If a violation of human rights, etc. in business activities of the Mitsubishi Electric Group is confirmed, we appropriately respond to the instance by dealing with the victim and considering the punishment of those who engaged in the case in question, etc. as well as promptly making a correction and improvement. However, please understand that the Mitsubishi Electric Group may not deal with an instance for which facts cannot be confirmed as a result of confirmation and investigation or with a case which is determined as difficult to investigate due to being groundless, slander, and so on.

Main report and inquiry channels of Mitsubishi Electric

Assumed users	Report and inquiry channel name	Accepted report and inquiry	Contact information
Diverse stakeholders (including customers and local residents)	Official website of the Mitsubishi Electric Group "Inquiries about CSR" "Other inquiries"	- Inquiries about the CSR of the Mitsubishi Electric Group - Various inquiries about other corporate activities of the Mitsubishi Electric Group	Official website of the Mitsubishi Electric Group "Inquiries about CSR" "Other inquiries"
Employees of Mitsubishi Electric or its affiliates*1 and business partners of Mitsubishi Electric*1	Ethics and Compliance Hotline	Reports and inquiries about organizational or individual fraud, breach of law, or unethical behavior	Internal or external inquiry channel (lawyer) ^{*2,3}
Employees of Mitsubishi Electric	Harassment Inquiry Center	Reports and inquiries about harassments in Mitsubishi Electric	Human resources department in each Mitsubishi Electric office

*1 Limited to reports related to Mitsubishi Electric in terms of people or business.

*2 Contact information is available on the Mitsubishi Electric intranet, internal posters, and the Mitsubishi Electric Group Code of Corporate Ethics and Compliance, for example.

*3 Each domestic and overseas affiliate of the Mitsubishi Electric Group has its own whistle-blower system.

■ Labor Practices

Maintaining a Favorable Working Environment

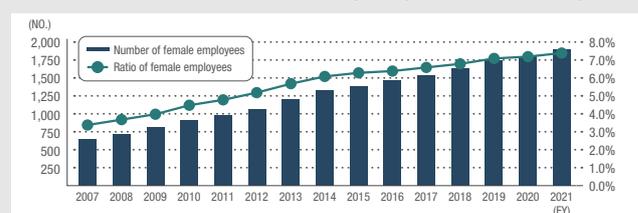
Japan's working population is expected to dramatically decrease in conjunction with its aging and declining population, and there is apt to be a further increase in the number of employees, both men and women, who work while caring for children or elderly members of their family. In order for Mitsubishi Electric to survive through the tough international competition and realize sustainable growth under these circumstances, it will be essential to create a working environment where all employees can work to their full potential within their limited time.

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 (Mitsubishi Electric)



Create a work environment where all the employees can work actively with a sense of security

Mitsubishi Electric will take the following measures under the Mitsubishi Electric Workplace Culture Innovation Program, aiming at creating a workplace where workers can openly communicate with one another, through appropriate care of employees with mental health issues, and other goals. We particularly focus on creating a workplace with zero tolerance to power harassment.

We will strongly promote this program as a project activity under the direct responsibility of the president.

99% of Mitsubishi Electric employees, including those who work for affiliates in Japan, attended harassment seminars conducted in fiscal 2020 for all employees.

■ Mitsubishi Electric Workplace Culture Innovation Program

Action	Main measures
1. Enhance education on harassment such as power harassment, and strengthening evaluation when assigning leaders including managers	1) Enhance education on harassment and make it obligatory for all employees to attend the seminar. 2) Shed light on harassment when training managers and staff in charge of education when assigning new employees and thoroughly implement more appropriate development and guidance. 3) Sufficiently evaluate candidates to see if they have basic idea of labor management (such as understanding which actions constitute harassment actions) before assigning a manager or leader. 4) Remind all employees that perpetrators of power harassment will be subject to severe measures.
2. Engage in quantitative workplace culture analysis through attitude surveys and ongoing improvement based on analysis results	1) Conduct attitude surveys on workplace culture targeting all employees and an organization diagnosis in light of the survey every year. 2) Endeavor to solve the challenges recognized during the survey, taking opinions of outside experts into consideration, and continue to improve workplace culture through the PDCA cycle.
3. Enhance measures to identify and address the workload and mental condition of individuals at an early stage	1) Conduct a questionnaire survey to check the workload, workplace human relationships, stress status, and other problems of individuals every month to identify and address changes in feeling at an early stage. (This survey currently targets new employees but will target all employees in the future.) 2) Increase periodic interviews with the human resources division after assigning new employees to the workplace.
4. Engage in thorough and appropriate care of employees with mental health issues	Work-related issues tend to occur after an employee with mental health issues comes back to work. Therefore, we inspect the operation of the existing Mitsubishi Electric Return to Work Support Guidelines ¹ and thoroughly re-implement the guidelines to especially focus on the care of those with mental health issues. 1) During leaves of absence The supervisor and the human resources division will carefully explain how the employee in question will be treated during a leave of absence to the relevant employee so that he or she can concentrate on the medical treatment. For example, the supervisor and the human resources division periodically interview the relevant employee to track the situation to the extent that the treatment is not hindered. 2) When the employee comes back to work after leave of absence Follow considerations at return to work (such as limitations on work) based on the opinions of the company medical advisor. For example, all workers across the workplace may also share how to accept the employee who comes back.
5. Enhance consultation channels (establishment of multiple channels), etc.	1) Start a new counseling service by an outside counselor in cases where an employee wants to consult an outside specialist face to face. 2) Start a mentor system for troubled employees to consult someone at the workplace with whom they do not have a supervisor-subordinate relationship in order to create an environment where they can easily talk about their problems. 3) Assign multiple training supporters to receive consultations from new employees, so that each employee can select someone whom he or she is comfortable with consulting. 4) Further enhance training courses that contribute to the improvement of employees' stress management capabilities such as resilience education ² .

¹ Created referring to "Guidance for Supporting Workers Who Return to Work after Taking a Leave due to Mental Health Issues," published by the Ministry of Health, Labour and Welfare

² Training program to enhance people's capabilities to successfully address stress and adverse circumstances and recover

“Work Style Reforms”

■ Work Style Reform —To the Next Stage—

Since fiscal 2017, Mitsubishi Electric has driven work style reform as one of its management policies. This reform aims to transform the corporate culture to more focus on results and efficiency and to reform the job attitude to stop praising excessively long working hours and create a work environment where everyone can work actively. In fiscal 2021, we will move to the next stage and deepen the initiatives, especially focusing on work style reform and work quality improvement, with the slogan, “Kaeru! MELCO (Kaeru is a Japanese word that, depending on how it is written, means both to make changes and to go home).”

Our slogan from fiscal 2021, “Kaeru! MELCO” means that Mitsubishi Electric will change (kaeru) the work style and the way of business operations to create new value and reduce working hours so that employees can go home (kaeru)

early to enrich both their business and private lives with an ultimate goal of creating a workplace where all the employees can work actively.

The activity policies under “Kaeru! MELCO” are to repeat a virtuous cycle of enriching both business and private lives by deepening workplace communication and by streamlining business operations and enhancing their quality.

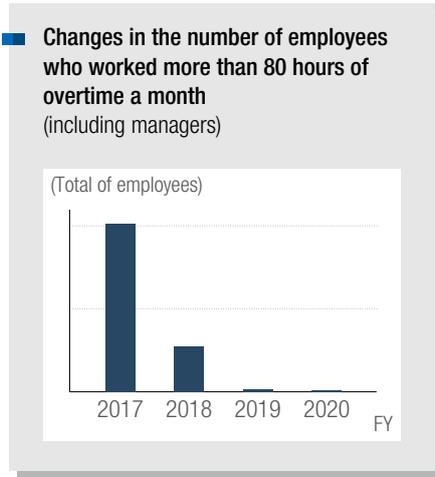
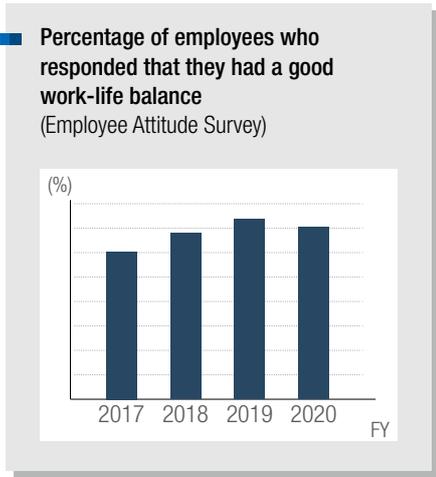
The Mitsubishi Electric Group promotes creating a workplace with open communication where each employee can vigorously work, maintaining mental and physical health. The whole Group makes every effort toward this goal.



Outcome of previous activities

We started the Work Style Reforms in fiscal 2017 and have promoted a variety of measures that contribute to reductions in working hours, proper working hours management, and work quality improvement.

As a result, we reduced monthly overtime hours per employee by 13% from fiscal 2017 and the percentage of employees who responded that they had a good work-life balance increased by 10% according to the employee attitude survey in fiscal 2020.



■ Initiatives to Prevent Recurrence of Work-Related Issues

The Mitsubishi Electric Group has experienced work-related issues that affected employees' lives or mental and physical health. Although the Group implemented prevention measures on each occasion, another work-related issue occurred in fiscal 2020. We took this seriously, deeply regretted that our past initiatives had not been sufficient, and determined preventive measures including new initiatives.

The Group considers the prevention of recurrence of work-related issues as its top management priority, and as a whole, makes every effort to create a work environment where all the employees can maintain mental and physical health and work actively with a sense of security. Specifically, the Group will work together to deploy a variety of measures to innovate the workplace culture, including measures to respond to power harassment and mental health issues, to prevent long working hours and to properly manage working hours.

Item	Initiatives
Workplace culture innovation (measures to respond to power harassment) (measures to respond to mental health issues)	<ul style="list-style-type: none"> Deployment of the Mitsubishi Electric Workplace Culture Innovation Program Enhance anti-harassment education and strengthening of evaluation when assigning leaders, including managers Quantitative workplace culture analysis through attitude survey and continuous improvement based on analysis results Enhance measures to identify and address the workload and mental conditions of individuals at an early stage Engage in thorough and appropriate care of employees with mental health issues (Inspect operations and thoroughly reimplement Mitsubishi Electric Return to Work Support Guidelines) Enhance consultation channels (establishment of multiple channels), etc.
Measures against long working hours	<ul style="list-style-type: none"> Reduce long working hours and continue proper tracking of working hours Implement appropriate health measures such as consultation by company medical advisors

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 evaluating business partners 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.

Specific requirements for business partners are included in the Green Accreditation Guideline and CSR Procurement Guideline.

Framework for Promotion of Supply chain Management

Under globally sustainable procurement, target costing and cost co-creation by enhancement of partnership (G-STEP)* strategy toward strengthening the purchasing structure, the Mitsubishi Electric Group aims to achieve the lowest cost ratio ever starting in fiscal 2021. In this effort, we will develop and promote the following measures toward improving profitability through operational and business transformation as well as strengthening the corporate structure, the Group's business goal, through sustainable and stable procurement.

In cooperation with the Materials Planning Office in regional corporate offices in China, Asia, Europe and the Americas, we implement purchasing strategies through conferences of procurement officers and other such meetings to promote

optimal procurement activities suited to each region.

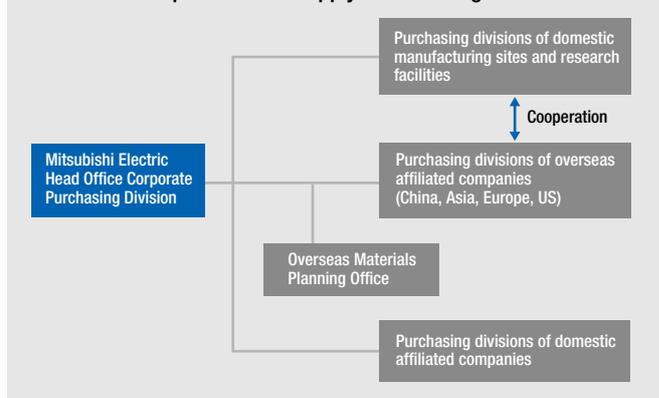
In addition to this initiative, we will also promote activities to mitigate any perceived risks regarding a range of issues related to labor practices and environmental problems in the supply chain and thereby strengthen our business continuity plan (BCP).

* We have promoted WΣ21II activities through March 2020. Starting in April 2020, we are fully rolling out the activities with emphasis on the following:

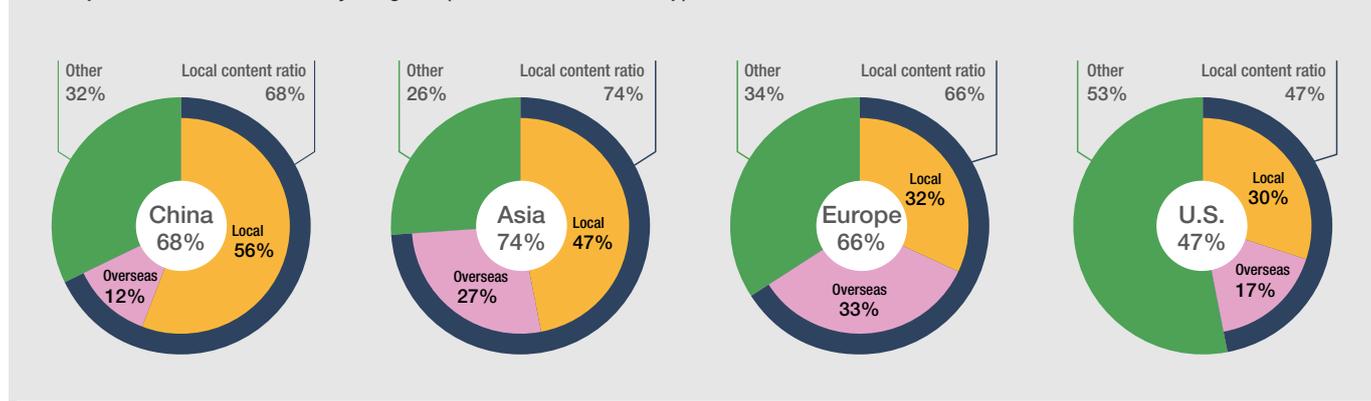
Priority activities

- (1) Establishing a framework for strengthening stable procurement
- (2) Further strengthening the cost planning activity
- (3) Expanding centralized purchasing
- (4) Strengthening procurement quality control
- (5) Strengthening a procurement platform for supporting relevant activities and measures
- (6) Strengthening global optimal procurement

Framework for promotion of supply chain management



Local procurement rate in the major regions (Mitsubishi Electric Group)



*1 Local procurement rate: Materials, parts, etc. (regardless of country of origin) that are procured by overseas production sites at their own discretion

*2 Local production ratio: Among all locally procured items, the procurement ratio of items produced in the country of the overseas site

*3 Foreign origin: Among all locally procured items, the procurement ratio of items produced in countries other than the country of the overseas site

Mitsubishi Electric Group Policies for Responsible Minerals Procurement

The Mitsubishi Electric Group aims for transparency in its supply chain to avoid any affiliation with armed groups that trade in conflict minerals¹ as their source of funding. We also recognize the possibilities of human rights violations occurring in the severe labor conditions in cobalt mining sites as a major problem. The Group adheres to the OECD Due Diligence Guidance for Responsible Supply

Chains of Minerals from Conflict-Affected and High-Risk Areas², and removes certain minerals from the supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.

*1 Conflict minerals refers to gold, tin, tantalum, tungsten, and other minerals that have been determined by the U.S. State Department to be a source of support for armed groups when mined in the countries referred to above.

*2 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (PDF:1.6MB)

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.

Product Safety-related Principles

Based on the Corporate Statement and the Seven Guiding Principles, the Mitsubishi Electric Group promotes initiatives to ensure product safety under the following principles:

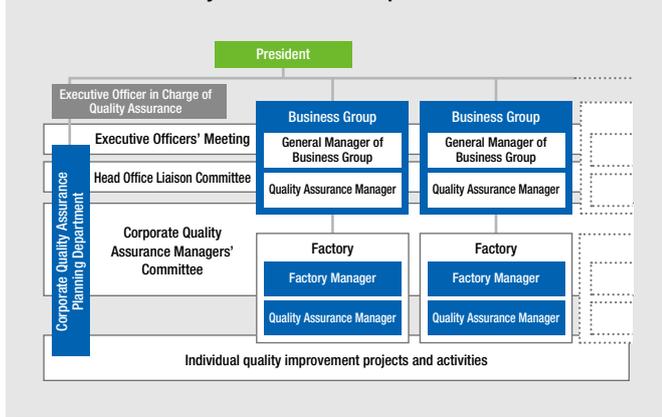
Product Safety-related Principles

1. We will not only comply with the laws related to product safety, but also work on offering safe and reliable products to our customers.
2. We will prevent product-related accidents by indicating cautions and warnings to help customers use our products safely.
3. We will work actively to collect information about product-related problems, disclose them appropriately to our customers, and report them quickly to the government and other bodies as required under the law.
4. If any serious accidents occur resulting from product-related problems, we will take appropriate measures to avoid further damage.
5. We will investigate the cause of product-related accidents and work to prevent any recurrence.
6. We will make continuous efforts to improve our product safety promotion system.

Particularly in regard to consumer products, Mitsubishi Electric is committed to preventing serious hazards that could result in death, injury, fire, or other damage, by subjecting all products to a quantitative risk assessment at the development stage, while also designing and developing products in consideration of their end-of-life management (to ensure safety even at the stage where products are prone to break or be discarded). Especially in the case of home appliances, Mitsubishi Electric conducts risk assessment for 100% of the products subject to such assessments in pursuit of safety.

At the same time, our Customer Service Center in Japan operates 24 hours a day, 365 days a year, to assist customers and gather their views about Mitsubishi Electric products. Furthermore, we disclose accident information, including information on the status of ongoing investigations, on our Japanese official website.

Promotion of Quality Assurance and Improvement Activities



The results of re-examination of the quality assurance system of Mitsubishi Electric and its subsidiaries

Mitsubishi Electric and its subsidiaries, etc. have been found to have committed misconduct with regard to quality control for certain products and have submitted inadequate applications to the relevant authority regarding product certification. In addition to thoroughly reviewing and reinforcing the creation of a quality climate in the organization and strengthening the quality control system, we will strive to ensure compliance once again and strengthen internal control.

About the failure in shipping inspection for certain power semiconductor products of Mitsubishi Electric

During November 2014 to June 2019, Mitsubishi Electric's Power Device Works shipped certain power semiconductor* products it manufactured without carrying out shipping inspections in accordance with the specification agreed with the customer. This incident was found in the course of the ongoing strengthening of quality control following the efforts described in 1 above made across the entire Group. In addition to thoroughly reviewing and reinforcing the creation of a quality climate in the organization and further strengthening the quality control system, we will strive for quick information sharing.

* A semiconductor device that efficiently controls power by converting electricity from AC to DC or raising or lowering the voltage.

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



Job Assistance for 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)