E : Environment

Environmental Sustainability Vision 2050

In recent years, corporations are expected to further continue their long-term efforts to solve global environmental issues. The Mitsubishi Electric Group’s new Environmental Sustainability Vision 2050 defines environmental protection as an even greater corporate priority and stipulates increased initiatives toward this end. It establishes Mitsubishi Electric’s future course toward 2050 in the form of the Environmental Declaration, Three Environmental Action Guidelines, and Key Initiatives.

Environmental Sustainability Vision 2050

Environmental Declaration
Protect the air, land, and water with our hearts and technologies to sustain a better future for all.

To solve various factors that lead to environment issues, the Mitsubishi Electric Group shall unite the wishes of each and every person, and strive to create new value for a sustainable future.

Three Environmental Action Guidelines

1. Apply diverse technologies in wide-ranging business areas to solve environmental issues
2. Challenges to develop business innovations for future generations
3. Publicize and share new values and lifestyles

Key Initiatives

- Climate Change Measures
- Resource Circulation
- Live in Harmony with Nature
- Long-term Activities
- Innovation
- Nurturing Human Resources
- Understanding Needs
- Co-creates and Disseminate New Values
- Live in Harmony with the Region

Financial Information Based on Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The Mitsubishi Electric Group has expressed its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), and as such, the Group promotes efforts and discloses information in line with these recommendations.

Governance

Sustainability Promotion Framework and Roles of the Board of Directors and Management

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by a Sustainability Committee appointed by the Mitsubishi Electric’s executive officers. The Committee is composed of the heads of Mitsubishi Electric’s corporate divisions (26 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources), and discusses the results of activities performed during the previous fiscal year, decisions on future activity plans, and responses to law amendments, from a perspective that spans the entire Mitsubishi Electric Group. The Sustainability Committee generally holds meetings at least three times a year and the details on the discussion of Sustainability Committee meetings are reported to the senior executives during the Executive Officers’ meetings. From fiscal 2022, the details on the discussion of Sustainability Committee meetings are also reported to the Board of Directors, and are supervised on the basis of many different viewpoints.

Strategy

Climate Change Risks and Opportunities in the Short, Mid-to-Long Term

The Mitsubishi Electric Group has identified climate-related risks and opportunities.

Impact on Business and Strategy

In fiscal 2022, we examined our response to climate-related risks and opportunities toward achieving carbon neutrality and clarified our policy initiatives. In fiscal 2023, we will further analyze and examine what impact the climate-related risks and opportunities have on our financial planning.

* Please check out the Sustainability Report 2022 for more details.
Responsibility: Carbon neutral initiatives in the entire value chain

- Initiatives to reduce greenhouse gas at factories and offices.
- Use renewable energy to 85 sites in Japan in FY2023
- Promote expansion of internal renewable energy procurement using multi-region EMS(*).

Contribution: Create expand businesses that contribute to carbon-neutral

- Green by Digital: Promote energy conservation and electrification of equipment by promoting the development of core components with higher efficiency and smaller size, etc.
- Green by Circular: Promote R&D to realize circular carbon use.

Climate-related Risks and Initiatives by the Mitsubishi Electric Group

Climate-related risks can be broadly divided into risks associated with the transition to a decarbonized society (transition risks) and risks associated with the physical impacts of global warming (physical risks). These risks can result in increased expenses (for production, internal administration, financing, etc.) and decreased revenues.

If the 2°C scenario progresses, social demand for reducing greenhouse gas emissions is expected to grow, raw material costs are expected to rise due to changes in the energy demand and supply balance, and the amount of generated power by renewable energy sources is expected to increase, in the transition to a decarbonized society.

As a result of efforts to realize such a society, the likelihood of transition risks arising from the tightening of laws and regulations on greenhouse gas emissions and an increase in the burden of technological development will be relatively high (compared to physical risks).

If the 4°C scenario progresses, there is expected to be a significant increase in the frequency and severity of heavy rains and floods and a chronic rise in temperature. Physical risks such as the suspension of operations and disruption to supply chains due to disaster will be relatively low (compared to transition risks).

In response to these risks, the Mitsubishi Electric Group identifies climate-related risks and opportunities, and implements initiatives.

For example, even if taxes and regulations strengthen the curtailment of greenhouse gases under the 2°C scenario, the Group can mitigate the impacts of such a regulatory move, as it is already working to reduce its emissions through its Environmental Plan and participating in science-based targets. Similarly, the impact of rising raw material costs can be mitigated by further promoting energy conservation and efficiency, as well as the development of new technologies in a well-balanced manner from the short, medium, and long-term perspectives.

In response to physical risks, such as flooding, that will materialize under the 4°C scenario, we have formulated a business continuity plan and review it once a year while moving ahead with the decentralization of production sites. We are also taking steps to prevent production problems in the supply chain, by purchasing from multiple companies and having our suppliers operate multiple production plants.

Resilience of Climate-related Strategies

As a result of this assessment of climate-related risks and opportunities and our initiatives toward them, the Mitsubishi Electric Group can be said to have resilience against such risks under both the 2°C and the 4°C scenarios and the opportunity for sustainable growth through the solving of social challenges arising from climate change.
Risk Management

Strengthening the Climate-related Risk Management Framework

A permanent carbon neutrality promotion system from fiscal 2023

The Head of the Corporate Total Productivity Management & Environmental Programs Group supervises the areas of “responsibility” and “contribution,” promoting carbon neutrality as a whole. The Sustainability Committee has also established a Carbon Neutrality Subcommittee to review progress and discuss responses to issues on hand.

Indicators and Targets

Calculating and Understanding Greenhouse Gas Emissions in the Value Chain

The Mitsubishi Electric Group calculates and tracks greenhouse gas emissions (Scope 1, 2 and 3) in its value chain. For calculation and assessment, we refer to the GHG Protocol and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published by Japan’s Ministry of the Environment.

Long-Term Target

In our long-term environmental management vision up to 2050, the so-called Environmental Sustainability Vision 2050, the Mitsubishi Electric Group has set a target to reduce greenhouse gas emissions throughout the entire value chain to net-zero by 2050.

Mid-Term Targets

In order to achieve the long-term target above, in FY2023, the Mitsubishi Electric Group has set a target of reducing greenhouse gas emissions (Scope 1 and 2) from its plants and offices by at least 50% by 2030 compared to FY2014 levels.

In addition, the following greenhouse gas emission reduction targets were approved by the Science Based Targets initiative in January 2020.

- Scope 1 and 2: Reduce greenhouse gas emissions by 18% by 2030 compared to FY2017 levels
- Scope 3*: Reduce greenhouse gas emissions by 15% by 2030 compared to FY2019 levels

*1 Scope 3 emissions cover Category 11 (Use of sold products)

Short-Term Targets

Since fiscal 1994, the Mitsubishi Electric Group has formulated an Environmental Plan every three years that sets out specific activity targets. We are presently pursuing various activities in line with the current Environmental Plan 2023 (fiscal 2022 to 2024) which sets out indicators and targets in four areas based on the action guidelines of the Environmental Sustainability Vision 2050, namely: “environmental contribution through products and services,” “reducing the environmental impact of business activities,” “pursuing business innovations,” and “publicizing and sharing new values and lifestyles.”

Scope 1 and 2 emissions (Mitsubishi Electric Group)

Scope 3 emissions (Mitsubishi Electric Group)