Initiatives to Create Value

The Mitsubishi Electric Group has taken on the challenge of resolving diversifying social challenges including environmental issues and resource and energy issues through its products, systems and services. In doing so, it promotes initiatives to create values, such as simultaneous achievement of "sustainability," and "safety, security, and comfort." In these ways, the Mitsubishi Electric Group looks forward to a sustainable future with all stakeholders.

**Mission**

**Corporate Mission**

The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, enhance the quality of life in our society. To this end, all members of the Group will pursue the following Seven Guiding Principles.

**Seven Guiding Principles**

1. Trust
   Establish relationships with society, customers, shareholders, employees, and business partners based on strong mutual trust and respect.

2. Quality
   Provide the best products and services with unsurpassed quality.

3. Technology
   Pioneer new markets by promoting research and development, and fostering technological innovation.

4. Citizenship
   As a global player, contribution to the development of communities and society as a whole.

5. Ethics and compliance
   In all endeavors, conduct ourselves in compliance with applicable laws and high ethical standards.

6. Environment
   Respect nature, and strive to protect and improve the global environment.

7. Growth
   Assure fair earnings to build a foundation for future growth.

**Management Policy, Strength**

**Balanced Corporate Management**

**Growth**
- Sustainable growth through providing solutions to social challenges
- Technology Synergies/ Business Synergies
- Agile response to changes in business environment

**Profitability Efficiency**
- Enhance capital efficiency
- Increase utilization efficiency of natural resources and energy
- Create a stronger business foundation

**Greater Corporate Value**

**Soundness**
- Constantly review and refresh business portfolio
- Maintain sound financial standing
- Strengthen corporate governance and compliance on a continuous basis

**Pursue the Satisfaction of the Four Stakeholder Categories**

- Social Contributions
- Excellent Products and Services
- Increase Corporate Value
- Rewarding Workplace

**Strive for Continuous Innovation**

Always improving. Always delivering new value.

**Toward a Higher Level of Growth**

**Growth Targets for FY2021**
- Revenue: 5 trillion JPY or more
- OPM: 8% or more

**Management Targets to be Continuously and Stably Achieved**
- ROE: 10% or more
- Debt Ratio: 15% or less

**Strength of the Mitsubishi Electric Group**

- A wide range of technological assets such as controls and power electronics
- Activities in diverse businesses with different business features
- "Kaizen" (improvement) culture taking root in every field, including production, quality management, sales, services, etc.
Group pursues the sustainable growth of the entire Group. Meanwhile, by pursuing sustainable growth of the Group through all its corporate activities including initiatives to create value, the Group will also contribute to achieving the SDGs, common global goals.
## Initiatives that Contribute to Addressing Social Issues

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| **Public Utility Systems Group**                  | • Appropriate use of water  
• Optimal use of energy  
• Addressing climate change  
• Measures against air, water, and soil pollution  
• Waste reduction/management                                                                 | ![Image](image1) |
| **Energy & Industrial Systems Group**             | • Optimal use of energy  
• Introduction of clean energy  
• Sustainable use and development of resources  
• Proper management of chemical substances  
• Addressing climate change  
• Measures against air, water, and soil pollution                                                                 | ![Image](image2) |
| **Building Systems Group**                        | • Optimal use of energy  
• Development and dissemination of innovative infrastructure  
• Development of safe, secure, comfortable and sustainable cities  
• Waste reduction                                                                                         | ![Image](image3) |
| **Electronic Systems Group**                      | • Optimal use of energy  
• Introduction of clean energy  
• Creating secure, safe and comfortable sustainable cities  
• Addressing climate change  
• Prevention of deforestation                                                                            | ![Image](image4) |
| **Communication Systems Group**                   | • Sustainable use and development of resources  
• Waste reduction and management  
• Addressing climate change                                                                                     | ![Image](image5) |
| **Living Environment & Digital Media Equipment Group** | • Optimal use of energy  
• Introduction of clean energy  
• Development of safe, secure, comfortable and sustainable cities  
• Sustainable use and development of resources  
• Proper management of chemical substances  
• Addressing climate change                                                                                   | ![Image](image6) |
| **Factory Automation Systems Group**              | • Sustainable use and development of resources  
• Proper management of chemical substances  
• Addressing climate change  
• Measures against air, water, and soil pollution  
• Addressing the declining labor force population                                                                | ![Image](image7) |
| **Automotive Equipment Group**                    | • Improvement in health and welfare  
• Development and dissemination of innovative infrastructure  
• Development of safe, secure, comfortable and sustainable cities  
• Proper management of chemical substances  
• Addressing climate change                                                                                       | ![Image](image8) |
| **Semiconductor & Device Group**                  | • Appropriate use of water  
• Proper management of chemical substances  
• Addressing climate change  
• Preservation of biodiversity                                                                                   | ![Image](image9) |
| **Information Systems & Network Service Group**    | • Optimal use of energy  
• Introduction of clean energy  
• Waste reduction and management  
• Sustainable use and development of resources  
• Addressing climate change                                                                                       | ![Image](image10) |
Initiatives that Contribute to Addressing Social Issues

- Providing Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
- Smaller, Lighter Railcar Air Conditioner Units
- Supporting Effective Utilization of the Regenerative Electricity by Station Energy-Saving Inverter (S-EIV)
- Reducing Power Consumption and Weight of Diamond Vision™
- Understanding Disaster Situations Properly through Helicopter Direct Satellite Communication System and Supporting Swift Rescue Activities
- Highly Efficient, More Compact Ozone Generator
- Development of Water Treatment Technology that Uses a Membrane Bioreactor

- Development of Indirect Hydrogen-Cooled Turbine Generators that Reduce Environmental Impact
- Development and Dissemination of Switchgear that Reduces Environmental Impact
- Development of Transformers that Reduce Environmental Impact
- Reduced Environmental Impact Monitoring and Control System
- Module-type Automatic Voltage Regulator (AVR) that Reduces Environmental Impact

- Pursuing Comfort, Universal Design, and Eco-Consciousness in Elevators
- Pursuing Greater Energy-Savings and Safety in Escalators
- Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
- Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
- Responding to Diversifying Needs of Building Owners by Offering One-Stop ZEB Solutions

- Contributing to World-Leading Global Environment Observation
- Contributing to Understanding Disaster Situations and Monitoring Oceans and Forests
- Contributing to Environmental Conservation and Development of Cities Comfortable to Live in through Various Uses of Highly Precise Positioning Data
- Contributing to Wider Use of Recycled Energy

- Promotion of More Energy-Efficient and Compact Optical Access Systems
- Providing Equipment That Delivers Energy Management Services
- Promoting the Reduction and Reuse of Communications Cables
- Promoting the Development of Safe and Secure Cities through Network Cameras

- The Agency for Natural Resources and Energy (ANRE) Commissioner’s Fiscal 2019 Energy Conservation Grand Prize Presented for Room Air Conditioners, with Package Air Conditioners and Showcases Receiving Honors at the Same Time
- MIJIE LED Lighting – Realizing Reduced Power Consumption and Comfort
- DIAMONDOSOLAR® Photovoltaic System that Makes Full Use of Natural Energy
- EcoCute that Can Be Used in Conjunction with Photovoltaic Systems
- Recycling of Home Electrical Appliances

- Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality
- Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption
- Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings

- Technological Innovation of Automotive Equipment Products for Autonomous Driving

- Low-Power Consumption SiC Power Semiconductor Devices
- Development of a 25 Gbps EML CAN for 5G Mobile Communications Base Stations
- Expanding the Lineup of Transreflective Series TFT-LCD Modules

- Using Internet Data Centers to Help Customers Reduce Environmental Impact
- Promoting Initiatives to Realize Smart Communities
Public Utility Systems Group

Message from the Group President

Contributing to Creation of a Sustainable, Safe, Secure, Comfortable and Affluent Society by Providing Stable Rail Transportation, as well as Products, Systems and Services that Contribute to Safety, Security and the Prevention and Mitigation of Disasters

The Public Utility Systems Group manufactures a host of products, systems and services used in social infrastructure to support people’s lives. We contribute to sustainable progress in society by developing and supplying products that save energy, as well as help prevent/reduce damages of disasters and treat drinking water and sewage.

In terms of efficient use of energy, we are the first company in the world to successfully produce inverters equipped with all-SiC power modules* for use in rolling stock. The power modules are helping to increase energy savings in railway operations, both in Japan and overseas. Additionally, we contribute to advancements in energy-efficient societies by manufacturing equipment and systems that promote the use of photovoltaic power generation systems and the construction of ZEBs.

Mitsubishi Electric develops and manufactures products and systems that help to prevent and mitigate natural disasters, which have been on the increase around the world in recent years. For example, by providing meteorological radar technologies and river information systems, we help municipalities supply their residents with information regarding localized heavy rainfall and flooding. Should a disaster occur, our Helicopter Direct Satellite Communication system ensures that information about the affected areas is collected, thus supporting the formulation of precise disaster measures.

Under current global circumstances, in which water shortage is an imminent problem in various regions, we are helping to purify water—a limited resource—by providing electrical products, ozone generators and other systems for use in water treatment plants.

During the production of our products, we continue to look for ways to further increase energy conservation in all processes of design, manufacturing and testing, as well as reduce the use of chemical substances.

Going forward, we will contribute to the realization of a sustainable, safe, secure, comfortable and affluent society by making full use of the wide-ranging technologies that we have developed over the years and continuing our ongoing technological development.

* As part of the project to develop this power module, research activities were outsourced to the New Energy and Industrial Development Organization (NEDO).

Social issues for which risks and opportunities have been recognized and evaluated

Major issues
- Appropriate use of water
- Optimal use of energy
- Addressing climate change
- Measures against air, water, and soil pollution
- Waste reduction/management

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- Providing Inverters Equipped with All-SiC Power Modules for Use in Rolling Stock
- Smaller, Lighter Railcar Air Conditioner Units
- Supporting effective utilization of the regenerative electricity by Station Energy-Saving Inverter (S-EIV)
- Reducing Power Consumption and Weight of Diamond Vision™
- Understanding Disaster Situations Properly through Helicopter Direct Satellite Communication System and Supporting Swift Rescue Activities
- Highly Efficient, More Compact Ozone Generator
- Development of Water Treatment Technology that Uses a Membrane Bioreactor
Energy & Industrial Systems Group

Message from the Group President


As a provider of a full range of equipment and systems that support power systems from power generation and conversion to transmission and distribution, the Energy & Industrial Systems Group recognizes that achieving a sustainable society is a global issue today. Based on this, we are developing high-performance equipment with the aim of eliminating or reducing the use of SF₆ gas, which has high global-warming potential. These products include high-efficiency power generators, switchgear, and transformers. We are also pushing forward with the development of monitoring and control systems, smart meter systems, and battery energy storage systems that contribute to the realization of "high-quality power distribution systems with economy and reliability." Furthermore, we are working to "optimize energy use by utilizing ICT* to realize interconnectivity" and to contribute to the realization of a "resilient energy infrastructure that operates seamlessly, even at times of emergency."

Moving forward, we are also working on the development of power stabilizing equipment and systems capable of responding to new demand. This includes promoting expansion of the nuclear power generation business based on the energy policies of each country, supply and demand management with the growing use of renewable energy, integrated management including demand control of distributed energy sources, and supply and demand management by interconnecting electric-power utility companies.

In terms of reducing the impact of our business on the environment, we will contribute to the creation of a "safe, secure, and comfortable sustainable society" through ongoing initiatives to reduce the energy used in our production and testing processes, and to ensure the strict management of chemical substances.

* ICT: Information and Communication Technology

Social issues for which risks and opportunities have been recognized and evaluated

Major issues
- Optimal use of energy
- Introduction of clean energy
- Sustainable use and development of resources
- Proper management of chemical substances
- Addressing climate change
- Measures against air, water, and soil pollution

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues
- Development of Indirect Hydrogen-Cooled Turbine Generators that Reduce Environmental Impact
- Development and Dissemination of Switchgear that Reduces Environmental Impact
- Development of Transformers that Reduce Environmental Impact
- Reduced Environmental Impact Monitoring and Control System
- Module-type Automatic Voltage Regulator (AVR) that Reduces Environmental Impact
Building Systems Group

Message from the Group President

Making the Most of the Mitsubishi Electric Group’s Advanced and Environmental Technologies to Provide Solutions that Satisfy Customers in All Aspects of Safety, Comfort, Efficiency and the Environment

The Building Systems Group manufactures building management systems and elevators and escalators that provide vertical transportation within buildings. As part of our mission to deliver products and systems and the subsequent maintenance thereof, we believe it is important to give priority to the safety and security of our customers throughout the product lifecycle. In doing so, we help to create a comfortable, environment-friendly society through our products and services. Maintaining this promise, the Building Systems Group is focused on the following initiatives:

1. Pursuing user-friendly, eco-conscious products
   (1) Promoting the development of high-efficiency, energy-saving products and technologies, and saving resources by designing products and systems that are safe and easy to use for everybody.
   (2) Promoting the renewal of existing equipment and facilities in order to reduce power consumption and improve safety and convenience, and minimizing waste emissions by reusing parts whenever possible.
   (3) Working to reduce the energy consumed during production and testing processes, and regulating the management of chemical substances on a consistent basis at manufacturing bases in Japan and overseas.

2. Offering one-stop ZEB*1 solutions
   As a ZEB planner*2 registered ahead of other comprehensive electrical machinery manufacturers, Mitsubishi Electric offers one-stop solutions, from support for the design of ZEBs to services that contribute to customers’ energy-saving efforts after the start of operations. We also support initiatives to improve the added value of buildings beyond a higher level of energy efficiency.

*1 ZEB (net Zero Energy Building): A building where the net consumption of fossil fuel energy is zero or roughly zero, offset by energy savings and the utilization of renewable energy resources.
*2 ZEB planner: A registration system introduced by the Ministry of Economy, Trade and Industry in 2017 for the dissemination of ZEB.

Social issues for which risks and opportunities have been recognized and evaluated

Major issues
- Optimal use of energy
- Development and dissemination of innovative infrastructure
- Development of safe, secure, comfortable and sustainable cities
- Waste reduction

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues
- Pursuing Comfort, Universal Design, and Eco-Consciousness in Elevators
- Pursuing Greater Energy-Savings and Safety in Escalators
- Supporting Safe and Comfortable Use of Elevators and Escalators with Maintenance Services
- Further Improving Safety, Comfort, and Functionality Through Elevator and Escalator Renewal
- Responding to Diversifying Needs of Building Owners by Offering One-Stop ZEB Solutions
Electronic Systems Group

Message from the Group President

Working to Solve Environmental Problems and Develop Products for Next-Generation Energy Solutions

The products of the Electronic Systems Group play a vital role in solving humankind’s shared environmental problems. This is achieved by further disseminating the use of renewable energies and contributing to the creation of cities that are more comfortable to live in.

For example, we were the primary contractor for manufacturing the “IBUKI” (GOSAT) and “IBUKI-2” (GOSAT-2), which are designed to observe the concentration and distribution of greenhouse gases and monitor the emission and absorption of these gases, thereby assisting in the prevention of global warming. The DAICHI-2 Advanced Land Observing Satellite (ALOS-2) contributes to safeguarding people’s lives and solving global-scale environmental problems. Additionally, the geostationary meteorological satellites Himawari-8 and Himawari-9 provide even greater observation capabilities for monitoring global warming and weather phenomena. We are also researching space-based solar power generation, a method of generating electricity from sunlight in outer space and sending the electricity back to Earth via radio waves for a stable supply of electricity 24 hours a day. Furthermore, the Michibiki Quasi-Zenith Satellite System (QZSS) composed of four satellites enables positioning information and communications even in built-up urban areas and mountainous regions. By reinforcing GPS, it helps improve positioning accuracy. Applications for various solutions including autonomous driving are expected.

Meanwhile, one of our ground-based solutions is Doppler Lidar, which can remotely measure the moving speed of dust and particulates in the atmosphere. Doppler Lidar is expected to contribute to optimal control of wind farms, thus leading to more efficient power generation and extended service life of wind turbines.

We are also working to reduce CO₂ emissions from the production of these products and enhance the efficiency of energy utilization. More specifically, most precision electronic devices are manufactured in cleanrooms and require the use of testing equipment. As such, we are introducing initiatives to improve the operation of air conditioning and testing equipment so that energy is used more efficiently.

Social issues for which risks and opportunities have been recognized and evaluated

Major issues
- Optimal use of energy
- Introduction of clean energy
- Creating secure, safe and comfortable sustainable cities
- Addressing climate change
- Prevention of deforestation

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- Contributing to World-Leading Global Environment Observation
- Contributing to Understanding Disaster Situations and Observing Oceans and Forests
- Contributing to Environmental Conservation and Development of Cities Comfortable to Live in through Various Uses of Highly Precise Positioning Data
- Contributing to Wider Use of Recycled Energy
Communicating Systems Group

Message from the Group President

Contributing to Solving Social Issues through High Value-Added Systems by Developing Communications and Network Camera Markets and Reducing Environmental Impact

Telecommunication network systems that incorporate optical and wireless communication technologies and network camera systems that utilize imaging technologies such as video content analysis are now key elements of the social infrastructure that is essential to our daily lives and the growth of industry. These products also contribute to solving various social issues. The Communication Systems Group is continuously refining its optical and wireless communication and imaging technologies, and utilizing artificial intelligence and other such technologies to deliver high value-added systems to customers. Our aim is to contribute to solving social issues from the following two approaches:

1. Providing products that lead to solutions for environmental problems
   (1) We are working on energy efficient designs for optical access systems used in communications infrastructure equipment and communications gateways (relays) for service providers. We will also contribute to reducing environmental impact during installation by offering network cameras that enable the reduction and reuse of communications cables.
   (2) We will contribute to the visualization of electricity by providing optical and wireless access systems used in automated meter readers for smart meters, as well as communications gateway equipment used in HEMS.* Going forward, we will propose the introduction of Mitsubishi Electric’s network equipment to the field of IoT in support of improving production efficiency and reducing energy consumption at factories.

2. Promoting the development of safe and secure cities through network cameras
   Against the backdrop of recent social developments, there is a rapid increase in the call for crime prevention through the detection of suspicious objects, as well as the prevention of natural disasters. Under these circumstances, we will contribute to the safety of cities where people can live with peace of mind, doing so by proposing network cameras and solutions that take full advantage of technologies such as video content analysis.

* HEMS: Home Energy Management System

Social issues for which risks and opportunities have been recognized and evaluated

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<tr>
<td>Waste reduction and management</td>
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</tr>
<tr>
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</table>

Initiatives that Contribute to Addressing Social Issues

- Promotion of More Energy-Efficient and Compact Optical Access Systems
- Providing Equipment That Delivers Energy Management Services
- Promoting the Reduction and Reuse of Communications Cables
- Promoting the Development of Safe and Secure Cities through Network Cameras
Providing Products that are Helpful for Society and the Environment in Wide Areas through Creating Comfortable Living Spaces and Reducing Environmental Impact during Production

The Living Environment & Digital Media Equipment Group focuses on the air-conditioning and refrigeration systems business, one of the growth-driving sectors at Mitsubishi Electric. In addition to expanding operations in the room and package air-conditioner segment, we are pressing forward with the creation of new business and strengthening existing ones through synergies in technologies and business operations.

As we expand business, we believe it is important to provide products and services that contribute simultaneously to achieving sustainability, safety, security, and comfort. Part of this includes supplying a broad range of environment-friendly products and services for the home, office, and industry. These include air conditioners that produce less CO₂ during use and our energy-saving EcoCute product lineup. We also offer photovoltaic systems that generate renewable energy and do not produce CO₂ during power generation. Additionally, Mitsubishi Electric proposes solutions that aim to achieve energy savings by systems as a whole in support of programs such as ZEH and ZEB, promoted by the Japanese government.

Meanwhile, as activities to reduce CO₂ from production, the Living Environment & Digital Media Equipment Group is proactively introducing energy-saving products at production sites; namely, high-efficiency air-conditioners, heat-pump hot-water supply systems, LED lighting, and photovoltaic systems. We are also promoting energy-saving activities by improving productivity linked to just-in-time improvement activities based on e-F@ctory concepts.
Factory Automation Systems Group

Message from the Group President

Delivering Devices, Equipment, and Solutions that Help Reduce Energy Usage in Our Customers’ Manufacturing Processes Around the World

Devices and equipment used in industrial mechatronics are essential to adding value and enhancing the competitiveness of business through quality and productivity improvements for customers in the manufacturing industry. Mitsubishi Electric’s Factory Automation Systems Group provides devices and systems possessing high energy-saving capabilities that are ideal for production facilities in factories, where the bulk of energy is consumed.

By optimizing the utilization of FA technologies cultivated by Mitsubishi Electric and cooperative technologies that connect FA and IT, we help customers reduce the total cost of development, production and maintenance, and continuously support their improvement activities. We are committed to proposing manufacturing solutions that keep our customers one step ahead of the competition, and strongly support manufacturing and management optimization.

In addition, we verify productivity and facility utilization ratios through the operation of an “e-F@ctory model plant” at our Nagoya Works. In the factory, a large number of activities have indicated the benefits of reducing CO₂ from production, including improved productivity, shorter lead times, and less product quality loss.

We will continue to contribute to improving the efficiency of our customers’ manufacturing activities and reducing energy consumption by providing highly energy efficient FA products and cutting-edge e-F@ctory solutions that integrate them.

Social issues for which risks and opportunities have been recognized and evaluated

<table>
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<td>Proper management of chemical substances</td>
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<tr>
<td>Addressing climate change</td>
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<tr>
<td>Measures against air, water, and soil pollution</td>
<td><img src="image" alt="SDG13" /></td>
</tr>
<tr>
<td>Addressing the declining labor force population</td>
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</table>

Initiatives that Contribute to Addressing Social Issues

- Developing FA Equipment, Industrial Robots, and Mechatronics Products that Achieve Automation of Customer Production Facilities and Improve Productivity and Product Quality
- Providing e-F@ctory Solutions that Help Streamline Manufacturing and Reduce Energy Consumption
- Developing Instruments that Measure Energy and Control Power Distribution to Help Promote Energy Savings
Automotive Equipment Group

Message from the Group President

Aiming to Achieve the SDGs through Development of Technologies that Contribute to Low Fuel Consumption and Electrification of Vehicles

Energy and environmental issues are borderless social problems for which solutions are essential in order to realize sustainability.

The Automotive Equipment Group is engaged in initiatives to reduce CO₂ emissions both by installing its products in vehicles to achieve better fuel efficiency and electrification, and reducing energy consumption during manufacturing processes.

Engines have to be more efficient in order to achieve low fuel consumption. Mitsubishi Electric is helping realize this by improving related products, such as ignition systems for the precise control of combustion in high compression ratio engines, turbo actuators that control the boost pressure of downsized turbo charged engines, and various components for controlling these systems.

As an example of saving energy during the manufacturing processes, a new production building has introduced LED lighting and cutting-edge energy-saving technologies such as automatic light adjustment and centralized monitoring and optimized control of air-conditioning and ventilation equipment. In addition, we are managing the use of electricity by rigorously enforcing energy-saving measures such as the introduction of photovoltaic generation. These achievements are being implemented at overseas manufacturing bases as part of our global energy-saving efforts.

Furthermore, traffic accidents caused by elderly drivers have been becoming a social issue in recent years in Japan as the population ages. Solving this problem is an urgent task. The Mitsubishi Electric Group aims to realize a high-precision autonomous driving system by combining “self-sensing” driving technologies and “network-based” driving technologies that the Group owns.

Social issues for which risks and opportunities have been recognized and evaluated

Major issues
- Improvement in health and welfare
- Development and dissemination of innovative infrastructure
- Development of safe, secure, comfortable and sustainable cities
- Proper management of chemical substances
- Addressing climate change

Focusing on the SDGs

Initiatives that Contribute to Addressing Social Issues

- Technological Innovation of Automotive Equipment Products for Autonomous Driving
Semiconductor & Device Group

Message from the Group President

Contributing to the Realization of a Low-Carbon Society by Providing Energy-Efficient Products

In order to achieve sustainable societies, it is imperative to use generated power while minimizing power loss in the process. Power semiconductor devices are incorporated into a number of power electronics, playing a significant role in reducing power loss. In addition, Mitsubishi Electric manufactures state-of-the-art products using silicon carbide (SiC) as a means of helping to create low-carbon societies.

The Semiconductor & Device Group provides high-performance, high-efficiency, compact high-frequency devices and optical devices for wireless communications equipment and optical fiber communications that make full use of multiple semiconductor technologies. Furthermore, by reducing the space required for communications equipment, the cooling function can be simplified, thereby contributing to comprehensive energy savings.

Industrial-use TFT color LCD modules provide a mercury-free, low-power consumption option owing to the white LED backlight used in them. We have an extensive lineup of LCD modules that are used in measuring equipment, construction and agricultural machinery, machine tools, and POS terminals.

In addition to providing these products, the Semiconductor & Device Group is working to reduce negative environmental impact during production. We are continuously and proactively reducing energy use through measures such as installing high-efficiency air conditioners in cleanrooms where high levels of cleanliness require a large amount of energy, improving wafer processing operations, and reducing the emissions of non-CO\textsubscript{2} greenhouse gases (SF\textsubscript{6}, HFC, and PFC) through the introduction of detoxifying equipment.

Social issues for which risks and opportunities have been recognized and evaluated

<table>
<thead>
<tr>
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<tr>
<td>• Appropriate use of water</td>
<td>8  CLEAN AIR</td>
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<td>• Proper management of chemical substances</td>
<td>12 WATER USE EFFICIENCY</td>
</tr>
<tr>
<td>• Addressing climate change</td>
<td>13 CLIMATE ACTION</td>
</tr>
<tr>
<td>• Preservation of biodiversity</td>
<td>15 LIFE ON LAND</td>
</tr>
</tbody>
</table>

Initiatives that Contribute to Addressing Social Issues

- Low-Power Consumption SiC Power Semiconductor Devices
- Development of a 25 Gbps EML CAN for 5G Mobile Communications Base Stations
- Expanding the Lineup of Transflective Series TFT-LCD Modules
The Information Systems & Network Service Group is committed to enhancing customer satisfaction, helping achieve sustainable societies through solutions tailored to the management strategies and challenges of its customers, and developing solutions that contribute to solving social issues.

In recent years, we have been focusing on environmentally effective businesses, seeking to reduce environmental impact through the use of IT. Specifically, we are supporting workstyle reform and aggressively expanding our products and services that reduce environmental impact, such as those that curb power consumption through server integration and consolidation, reduce the need for business travel with video/web-conferencing systems, and promote paperless work environments through ledger computerization. Efforts for saving energy in data centers also help companies to reduce CO₂ emissions from their business activities.

Going forward, in order to achieve smarter societies, we will leverage the many component technologies and strengths of the Mitsubishi Electric Group to build next-generation information systems using the latest IT solutions, such as IoT,*1 big data processing, and energy management systems, such as HEMS*2 and FEMS.*3

*1 Internet of Things: A system to remotely control, operate, monitor, and collect information from various "things" connected via the Internet.
*2 HEMS: Home Energy Management System
*3 FEMS: Factory Energy Management System

Yutaka Ohashi
Representative Executive Officer, Executive Vice President, Group President, Information Systems & Network Service

### Social issues for which risks and opportunities have been recognized and evaluated

<table>
<thead>
<tr>
<th>Major issues</th>
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<tr>
<td>● Optimal use of energy</td>
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<td>● Sustainable use and development of resources</td>
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<td>● Addressing climate change</td>
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#### Initiatives that Contribute to Addressing Social Issues

- Using Internet Data Centers to Help Customers Reduce Environmental Impact
- Promoting Initiatives to Realize Smart Communities
Initiatives Related to the Value Chain

The Mitsubishi Electric Group is engaged in a wide range of businesses, ranging from familiar home appliances to satellites and projects on a national scale. Our operations of these businesses affect society and our value chain is also expanding. Recognizing these circumstances, the Mitsubishi Electric Group promotes CSR initiatives across the entire value chain with a focus on CSR materiality.
<table>
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<tr>
<th><strong>Production</strong></th>
<th><strong>Transportation</strong></th>
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<td>The Group is striving to reduce the amount of packaging materials used and to emit less CO2 in transporting products.</td>
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<td><strong>Reduce resource inputs</strong></td>
<td><strong>Maintain the reduction of CO2 during product usage</strong></td>
</tr>
<tr>
<td><strong>Contributing to creating a recycling society</strong></td>
<td><strong>Contributing to realizing a symbiotic society</strong></td>
<td><strong>Provide products and services that contribute to Goal 7, “Affordable and clean energy,” and Goal 13, “Climate action,” of the SDGs</strong></td>
</tr>
</tbody>
</table>

**Sharing its way of thinking about procurement, the Group promotes CSR initiatives along the supply chain.**

In addition to thoroughly strengthening businesses and promoting development for innovation, the Group is striving to create greater value and engage in the development of future technologies.

The Group is engaging in manufacturing that lowers environmental burden and takes into consideration safety and quality.

The Group is striving to reduce the amount of packaging materials used and to emit less CO2 in transporting products.

Through products and services, the Group contributes to the realization of a sustainable society and provision of safety, security and comfort.

Environmental issues including climate change and resource and energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable society.
CSR Materiality

Realize a Sustainable Society

Reusing Plastic in Used Home Appliances for New Home Appliances
The Mitsubishi Electric Group’s "Closed-loop Recycling" Initiative

The Mitsubishi Electric Group, which aims to realize a sustainable society, has set out achieving a recycling-oriented society as one of its priority initiatives in an effort to solve environmental issues. The Group promotes the "3Rs": reduce, reuse, and recycle, and engages in recycling of plastic in used home appliances as a business.

A heightened interest in the issue of waste plastic in Japan and overseas
Unlike natural organic matter, ocean plastic waste remains in the ocean without decomposing. As can be seen by ocean plastic receiving attention as a major cause of marine pollution, issues surrounding waste plastic have globally become more serious. Even when it is recycled, most plastic is downgraded to fuel or daily goods in many cases. Therefore, the value of used plastic as a material needs to be improved so as to use it at a higher level. In Japan, 1.37 million tons of plastic is collected from used products annually (results for fiscal 2019). Of this, 180,000 tons is plastic collected from home electric-appliances, housings, etc., accounting for a large percentage.*

What is the Mitsubishi Electric Group’s "Closed-loop Recycling" initiative?
Since 1999, which was before the enforcement of the Home Appliance Recycling Law in Japan in 2001, the Mitsubishi Electric Group has been operating the industry’s first home appliance recycling plant to promote the recycling business. Since 2010, the Group has been fully implementing "closed-loop recycling," in which plastic collected from used home appliances is reused in Mitsubishi Electric’s new home appliance products. In this recycling system, it is important to collect as much plastic without foreign matter as possible from products composed of diverse materials.

Hyper Cycle Systems (HCS), a home appliance recycling plant, and Green Cycle Systems (GCS), a plant which sorts plastic, play the main role in this initiative. HCS first disassembles used home appliances and then crushes them with machines. The crushed home appliances are then sent to GCS, which sorts and collects plastic.

Through collaboration between HCS, GCS, and Mitsubishi Electric’s plants and laboratories to reclaim plastic used in home appliances at a level of quality equal to virgin materials and which can be utilized again for new home appliances, the Mitsubishi Electric Group continues to endeavor to further improve its "closed-loop recycling" system.

Producing "Materials" for reclaimed plastic by disassembling and crushing home appliances

-Initiatives at Hyper Cycle Systems (HCS)-
HCS receives nearly 800,000 units of home appliances, etc. annually. Disassembly work starts from components that are easily removable from the home appliance manually. As each product has a different specification, workers use the know-how they have accumulated to separate large components, such as motors and compressors, and toxic substances, such as CFCs and mercury, one by one. Large sections of products that cannot be disassembled manually are crushed using a grinder, and then metals, such as iron, copper, and aluminum, are isolated and recovered using magnetic forces etc. The remaining plastic after recovering metals is called "mixed plastic" as it is not composed of a single material and has various foreign matter in it. Because mixed plastic is useless in Japan, much of it has been exported.

The Mitsubishi Electric Group focused on the value of this mixed plastic. It is finely crushed to a manageable size using HCS’s unique fine crushing technology so that it can be easily handled in the sophisticated sorting process, and is then sent to GCS which is responsible for the post-process in which "material" for reclaimed plastic is processed.

The vegetable containers and door pockets in a refrigerator are typical examples of simple plastic which is easily recyclable and HCS sends these through the recycling process.
Using proprietary sorting technology to sort and recover high-purity plastic from mixed plastic
-Initiatives at Green Cycle Systems (GCS)-

The mission of GCS is to remove foreign matters from procured mixed plastic, sort and recover mixed plastic by type, and produce high-purity plastic that can be put into the Mitsubishi Electric Group’s closed-loop recycling system at low cost. GCS has been developing technologies required for pursuing this mission one after another in collaboration with Mitsubishi Electric’s laboratories. The Mitsubishi Electric Group was the first in Japan to successfully put high-purity sorting of polypropylene (PP), polystyrene (PS), and acrylonitrile-butadiene-styrene (ABS), the three main types of plastic used in home appliances, into practical use. GCS has so far processed an accumulated total of 100,000 tons of mixed plastic. Today, almost 80% of procured mixed plastic is put into material recycling as ‘high-purity plastic’ with the same level of quality as virgin material. Of this 30% is used for home appliances manufactured by Mitsubishi Electric, realizing closed-loop recycling. The remaining 70% of reclaimed plastic is also utilized at various locations as material used in distribution or as construction material in Japan which requires high quality (fiscal 2019 results).

![Amount of plastic processed by GCS](image)

**The Mitsubishi Electric Group’s Closed-Loop Recycling of Plastic**

**Hyper Cycle Systems**
- Manual Disassembly
- Plastic products from which the same materials can easily be collected by manual disassembly
- Refrigerator, air conditioner fans

**Green Cycle Systems**
- Crusher
- Crushed mixed plastic
- Mitsubishi Electric’s original sorting technology
- To be used as materials for home appliances
- Flakes
- Green Cycle Systems
- Mitsubishi Electric’s original sorting technology
- High-purity plastic

**Closed-loop recycling system**
- Home appliances

**Voice (Recycling business supervisor)**

When we first started the business, the material recycling rate of plastic was around 55%. Because improving the recovery rate while maintaining high-purity in reclaimed plastic is difficult, the Group united to review all kinds of processes and make steady improvement efforts and finally achieved the current recycling rate of 80%. GCS’s ultimate goal is to improve the value of material, put as much reclaimed material as possible into Mitsubishi Electric’s new home appliances to be manufactured, thereby increasing the rate of closed-loop recycling, while reducing the cost of its home appliance products at the same time. In collaboration with Mitsubishi Electric’s plants and laboratories, we will continue to expand the scale of closed-loop recycling. Replacing virgin material with recycled material is not easy as it requires changes of product design and so on. I believe that the Mitsubishi Electric Group was able to steadily undertake the transfer to making more use of recycled materials because of its clear policy which reflects how seriously the Group considers environmental issues.
CSR Materiality

Provide Safety, Security, and Comfort

Using AI to Promote Urban Safety, Security, and Comfort

The Mitsubishi Electric Group is working to develop artificial intelligence (AI) technology and to provide solutions that take advantage of AI technology. With Mitsubishi Electric’s AI technology “Maisart,” the Group will provide safety, security, and comfort in city life and to the lives of people.

Issues faced by cities and AI’s potential for solving such issues

In today's cities, many people gather from around the world and come and go rapidly as a result of globalization. Concentration of people in cities will continue to advance and it is predicted that traffic jams and congestion of public facilities will become even more serious. While the number of people who need support for moving around, such as the elderly, those who use strollers or wheelchairs, and foreign travelers will increase, the shortage of labor able to support such people will increase because of a decrease in labor force. Mitsubishi Electric is striving to develop solutions using AI technology so that people can move around cities smoothly and enjoy active lives.

Supporting facility users by looking over them with AI to anticipate what support they will need

"kizkia" video analysis solution

The "kizkia" video analysis solution detects attributes of persons or things and automatically recognizes their movements, conditions and situations by analyzing security camera footage in real-time. It gives notice of irregular situations which may require staff intervention but would otherwise been overlooked by human observers. The technology was developed by Mitsubishi Electric Information Systems Corporation, which had been working on the development by leveraging Mitsubishi Electric’s proprietary AI technology in an attempt to strengthen its monitoring camera technology that it has developed through experience.

Using "kizkia" makes it possible to support, for example, persons in wheelchairs or those with guide dogs by detecting and anticipating their movements or to protect persons who are sitting for long hours or promptly notice people walking unsteadily. It can also prevent crimes or accidents by detecting suspicious persons or others entering dangerous areas.

Since it is expected that comings and goings in cities will continue to increase, Mitsubishi Electric will accelerate cooperation with facility operators, aiming to practically use the technology for public transportation and facilities.
Contributing to safety, security, and comfort with "Maisart" brand compact AI

As a result of advances in the IoT, where everything around us is connected to the Internet, we can now collect lots of data from devices. As a result, AI, which is good at handling data, has been put to more practical use. On the other hand, AI generally needs to process a large amount of data on the server and learn from it, which is very costly and requires large-scale servers and network equipment. As such, AI that can be installed on devices is needed.

In response to this issue, Mitsubishi Electric has developed a compact artificial intelligence that can easily be installed on embedded devices, such as on-board devices and FA devices, by reducing computation power used in Deep Learning. Taking advantage of its position as a comprehensive electrical and electronics manufacturer producing many devices, Mitsubishi Electric will contribute to providing society with more safety, security, and comfort by applying this AI technology to devices and edge computing to create greater value.

Mitsubishi Electric’s proprietary AI technology includes its compact AI. Under the corporate axiom “Original AI technology makes everything smart,” Mitsubishi Electric is leveraging original AI technology and edge computing to make all products smarter and life more secure, intuitive and convenient. “Maisart” is an abbreviation for “Mitsubishi Electric’s AI creates the State-of-the-Art in technology.”

### Detection of persons’ attributes

**Function:** Detects persons’ attributes which are previously learned

**Attribute:** A person with a stroller or another in a wheelchair among the people coming and going

### Detection of things left unattended

**Function:** Detects things that have been left unattended at the same spot for a certain period of time

**Attribute:** An abandoned thing that wasn’t there a minute ago

### Detection of persons walking unsteadily

**Function:** Analyzes movement flow lines to detect persons walking unsteadily

**Attribute:** Unsteady and awkward walking that appears different from other persons walking normally

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**VOICE** (In charge of kizkia sales)

Enabling high accuracy learning to differentiate a person with a stick from another person with an umbrella, or a person pushing a wheelchair from another person pushing a shopping cart requires various improvements. In an environment where many people come and go, detection accuracy may be reduced, for example, AI may detect unexpected movement, conditions, and situations of persons or things. In order to apply video analysis to our business, we have been creating practical AI through repeated trial and error in many demonstration experiments and introductions to the real environments, tuning according to the environmental condition, and accumulating our unique know-how for effective learning and improved detection accuracy. On the other hand, video analysis using monitoring cameras is one of the tools to protect the safety and security of public facilities. Considering appropriate operations in terms of how and to whom should detected persons or things be reported, how they should be dealt with, and so on is also very important. Accordingly, we are working to have close discussions with facility operators and make proposals that include details on the flow of operations through conducting demonstration experiments, and so on.

Though “kizkia” is currently used based on video analysis, the potential of AI’s detection technology will expand to various fields such as sensors for sound and smell data. In the medium- to long-term, we will skillfully combine these areas to enable more sophisticated support and thereby contributing to providing safety and security.
Respect Human Rights and Promote the Active Participation of Diverse Human Resources

The Mitsubishi Electric Group respects the human rights of all peoples in countries and regions where it engages in business, based on a conscious awareness of its widespread interaction with people and society. It is also promoting Work Style Reforms so that a diverse range of human resources can play an active role.

Message from 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.

Human rights issues widely pertain to workers, customers, local communities and all other aspects of society, and the scope of the issues extends globally and through all supply chains. Thus, all employees need to participate in addressing them, with cooperation among all departments. Toward this end, we are working to realize a further change in employee awareness and taking measures to create a culture that respects human rights, so that each employee can recognize human rights issues as their own and take appropriate action. In fiscal 2019, employees were educated on the importance of human rights and suitable mindsets through our various human rights training (including e-learning) programs and activities such as the Mitsubishi Electric Going Up Seminar, the aim of which is to realize an inclusive society*. We are also actively promoting Work Style Reforms to create a work environment that allows everyone to strike a balance between their work and private lives.

* Inclusive society: A society where everyone respects and accepts each other

Progress of Human Rights Due Diligence and Materiality

- Result 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 ensure that the risks highlighted in the fiscal 2019 human rights impact assessment do not lead to problems, we are continuing to reinforce our efforts through human rights education, etc.
  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.
Creating a Working Environment where Work-Life Balance can be Achieved by Everyone through Work Style Reforms

Since fiscal 2017, Mitsubishi Electric promotes a "Work Style Reforms" as a management policy, and strives to create a working environment where work-life balance can be achieved by everyone by "creating a corporate culture that places even greater emphasis on achievements and efficiency" and "reforming employees’ attitudes toward work." In these Work Style Reforms, each department, organization and office implements specific measures based on the following four perspectives.

### Four perspectives on Work Style Reforms

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Details</th>
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<tr>
<td><strong>Improvement of productivity by streamlining operations</strong></td>
<td>- Thorough elimination of waste based on the principles of JIT Kaizen activities (reduction of conferences, documents and travel time, review of operational processes, etc.)&lt;br&gt;- Increased utilization of IT for operational efficiency</td>
</tr>
<tr>
<td><strong>Further pursuit of achievements and efficiency</strong></td>
<td>- Establishment of an awareness to produce results within a limited amount of time&lt;br&gt;- Development of a scheme to evaluate productivity and efficiency, and strengthening the implementation of proper evaluation</td>
</tr>
<tr>
<td><strong>Work-life fulfillment</strong></td>
<td>- Sharing the awareness that a “fulfilling life” and “rewarding work” are closely related&lt;br&gt;- Applying the knowledge and mental/physical health that are gained through having a fulfilling life to achieving a rewarding work experience</td>
</tr>
<tr>
<td><strong>Promotion of communication in the workplace</strong></td>
<td>- Sharing the status of operations in the workplace through daily greetings and communication&lt;br&gt;- Promotion of work-load alleviation through mutual cooperation between individuals and departments, as well as reviews of work allocation</td>
</tr>
</tbody>
</table>

*JIT (Just in Time): Work process improvement activity in which all employees eliminate operational inefficiencies to improve the quality of all work processes.

### Outcomes of the Work Style Reforms

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

#### TOPICS

- **Examples of Work Style Reforms 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 Reforms 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.

  1. Developing an IT environment
  2. Simplifying and reducing company-wide documents
  3. Promoting indirect JIT Kaizen activities

- **President’s Forum**
  
  To accelerate the promotion of office Work Style Reforms, the "President’s Forum" meeting began in February 2017 as a president-employee conversation opportunity. The president explains to employees the objective and focus of actions surrounding Work Style Reforms, which is a key management policy, and accepts a wide range of inputs from employees such as issues they face in promoting the reforms and opinions and requests on corporate matters. The president will incorporate these inputs to develop more effective measures.

  President’s Forum in 2018
Compliance on a Continuous Basis

Strengthen Corporate Governance and Compliance on a Continuous Basis

To realize sustained growth and increase corporate value, the Mitsubishi Electric Group works to maintain the flexibility of its operations while promoting management transparency. These endeavors are supported by an efficient corporate governance structure that clearly defines and reinforces the supervisory functions of management while ensuring that the company is responsive to the expectations of customers, shareholders, and all of its stakeholders. Additionally, the Mitsubishi Electric Group recognizes that not only ethics and legal compliance, but also compliance in the wider sense of the term that includes the perspective of corporate ethics, are the foundation of the Group’s continued existence. Based on this understanding, ongoing efforts are being made to strengthen initiatives related to anti-trust laws, the prevention of corrupt practices and supply chain management, as priority action items.

Corporate Governance

Message from Management

In recent years corporate governance in Japan has garnered strong attention, to the point that strengthening and enhancing the efficiency of corporate governance has become a priority issue for all companies.

Mitsubishi Electric has adopted Three-committee System, with the separation of the management supervisory functions from the execution of business being one of its core principles. Based on this principle, the Chairman, who oversees the management supervisory functions, is separate from the President & CEO, who is head of all Executive Officers, and neither included among the members of Nomination or Compensation committees. The clear division of supervisory and executive functions allows the Company to ensure effective corporate governance.

Additionally, Mitsubishi Electric works to continuously strengthen its corporate governance, as stated in the CSR Materiality. To further enhance the Board of Director’s management supervisory function, venues were established for supplying information to, and exchanging views with, Outside Directors, in FY2016. Such information-sharing and exchanges continued through FY2019 to provide them with more timely and pertinent information.

Additionally, in order to further enhance the functioning of the Board of Directors, the Board meetings are reviewed on an annual basis, which was also held again in FY2019. As a result of the Board of Directors review, the Board of Directors was evaluated as making ongoing and effective improvements in response to the results of annual reviews, and achieving even better results every time with respect to sharing timely and appropriate management information with Executive Officers, which is essential for the Board to properly fulfill its business supervisory function.

This evaluation in effect endorses the performance of the Board of Directors, but going forward further efforts will be made to improve the performance of the Board of Directors by enhancing the opportunities for exchanging opinions between the supervisory side and executive side and improving the management of the Board of Directors review through conducting individual interviews regarding review results and expanding time for opinion exchange.

Mitsubishi Electric will continue to build an even stronger corporate governance framework, to ensure corporate management is soundly supervised by a proper oversight mechanism.
View from an Outside Director

Mitsubishi Electric engages in a wide variety of businesses on a global scale. In order for the Board of Directors to oversee whether these businesses are executed properly, it is extremely important for information about management to be provided to us directors in a timely and appropriate manner.

At the Board of Directors, adequately detailed information is provided for directors to supervise management, and a forum has been set up with the main objective of providing Outside Directors with more information about management, so I feel the information we directors receive is extremely extensive. I also get the sense that the company is actively providing us with opportunities to visit various offices and plants in an effort to directly hear the opinions of workers and to obtain solid business information.

The performance of the Board of the Directors is evaluated, and efforts are made to improve it. A review of all members is conducted every year, where all directors can freely share their views about the operations of the Board and about how information is shared, etc.

Readjustments are constantly made in response to the results of the review of the Board of Directors, and improvements have been achieved with every review, such that I feel we have become able to discuss various matters more frankly than ever before.

As directors, we feel these opportunities are highly beneficial to understand the current state of Mitsubishi Electric’s business, and to engage us in discussions. We hope this timely and appropriate provision of management information will continue to be enhanced, so that the management supervisory functions of the Board of Directors may be further strengthened.

Continually Strengthening Compliance, Supply Chain Management

With the Mitsubishi Electric Group Corporate Ethics and Compliance Statement formulated in 2001 as our basic guideline for compliance, the Mitsubishi Electric Group recognizes the importance of ethics and absolute compliance with legal requirements as a fundamental precondition for the Group’s continued existence.

Based on this awareness, we are attempting to perfect a compliance system which promotes compliance in the broadest sense, encompassing the perspective of corporate ethics, rather than merely focusing on following the letter of the law. At the same time, we are working to educate our employees in this area.

With regard to anti-trust laws, we make ongoing Group-wide efforts to both prevent any recurrence of such incidents and prevent previous incidents from being forgotten. In addition to formulating and operating internal regulations that govern Mitsubishi Electric and its affiliated companies in Japan and overseas, we have also strengthened internal audits that specialize in anti-trust laws, and place importance on employee training through a combination of e-learning and classroom programs. We will continue to make greater efforts to prevent similar incidents from occurring and previous incidents from being forgotten, through regular monitoring of the status of daily business activities and internal regulations, practical employee training that matches actual transaction situations, and other such initiatives.

We engage in Group-wide initiatives to prevent bribery. The ‘Mitsubishi Electric Group Anti-Bribery Policy’ that was established on April 1, 2017 reiterates to people in and outside the Group our policy that, among other things, our Group companies, their officers and employees do not offer bribes and do not pursue profits that can be realized only by offering bribes. Furthermore, we are conducting monitoring activities such as maintaining and enacting internal regulations for interactions with public officials inside and outside the country as a measure to prevent bribery. In addition, we provide education to employees who regularly interact with public officials in the combined form of e-learning programs and face-to-face education. In the light of the current global situation where anti-bribery regulations are becoming increasingly tighter, we will continue to enhance measures in each region, and take effective and efficient measures by selecting countries and transactions with particularly high risks of being involved in bribery, to respond to the expansion of our business at a global level.

As for supply chain management, we ensure the 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. We have also established the CSR Procurement Guidelines in 2018 to widely disseminate Mitsubishi Electric’s CSR policies and matters for compliance by our business partners. Approaches will be made to all business partners to verify their agreement to promote procurement activities in line with the guidelines.
CSR Management

Principles of CSR

The Mitsubishi Electric Group regards its corporate social responsibility (CSR) initiatives as the foundation of its corporate management, and upholds its Corporate Mission and Seven Guiding Principles as the basic policies of its CSR. Particularly with respect to initiatives related to ethics and legal compliance, Group-wide efforts are made to enforce measures such as enhancing training and strengthening internal controls. Active measures are also taken to ensure and improve quality assurance, environmental preservation activities, philanthropic activities, and communication with stakeholders.

Mitsubishi Electric Stakeholders

To achieve sustainable growth, the Mitsubishi Electric Group must maintain communication with its various stakeholders. We have a corporate social responsibility to incorporate the expectations, requests, and opinions of each stakeholder into our corporate activities, and to increase our positive effect on society while reducing any negative effects.

Knowing that CSR activities are directly linked to corporate management, each department responsible for ethics and legal compliance, quality assurance and improvement, environmental conservation and philanthropy activities, and communication with stakeholders implements their own initiatives, based on the CSR policy of the Mitsubishi Electric Group.

In addition to the CSR Committee that is generally held once a year, various activities are also promoted and implemented in communication with the CSR Expert Committee and CSR Business Promotion Committee, which are convened as a forum for sharing and executing the policies and plans established by the CSR Committee.

Promotional System for CSR

The policies and planning for the CSR activities of the Mitsubishi Electric Group are decided by a CSR Committee appointed by Mitsubishi Electric’s executive officers. The Committee is composed of the heads of Mitsubishi Electric’s management departments (19 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.

Throughout the Group, significant efforts are made to achieve the satisfaction of all four stakeholder categories: society, customers, shareholders, and employees. By doing so, Mitsubishi Electric Group undertakes a wide range of initiatives to ensure that it offers high-quality products and services, promotes sustainable development, contributes to the well-being of society, and engages in activities that respect the environment and the rights and interests of all stakeholders.

Pursue the Satisfaction of the Four Stakeholder Categories

- **Society**: Social Contribution
- **Customer**: Excellent Products and Services
- **Shareholder**: Increase Corporate Value
- **Employee**: Rewarding Workplaces

Pursue the Satisfaction of the Four Stakeholder Categories
CSR Expert Committee

Officers from 19 departments with particular relevance to CSR regularly hold meetings to share information and deepen their understanding of the Mitsubishi Electric Group’s CSR materiality and future initiatives, as well as discuss responses to laws and regulations and international CSR standards. They aim to build communication and consensus through these discussions.

Four such meetings were held in fiscal 2019. Discussions focused on verifying the performance and reviewing the targets of initiatives addressing CSR materiality, and discussing responses to the sustainable development goals (SDGs). The committee also examined responses to global human rights initiatives by establishing working groups for relevant departments.

CSR Business Promotion Committee

Managers from all business groups gather in regular meetings to share information about the Mitsubishi Electric Group’s CSR and discuss social issues that need to be solved, with the theme of “contributing to society through business.”

The committee held four meetings in fiscal 2019, with a focus on discussing how the Group could contribute to addressing the sustainable development goals (SDGs) through business.

Main agenda of the CSR Committee (held in April 2019)

- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year
- Responses to the sustainable development goals (SDGs)
- Further enhanced information disclosure that takes into account ESG (environment, social, governance) investment
- Human rights initiatives
- Supply chain management
- Long-term environmental vision
# CSR Materiality and SDGs Management

## CSR Materiality

Considering requests from the Global Reporting Initiative (GRI)*, social trends and the business environment, in fiscal 2016 the Mitsubishi Electric Group identified CSR materiality, initiatives, and targets / Key Performance Indicators (KPI) to fulfill the materiality towards realizing the further integration of CSR with management and the long-term advancement of CSR initiatives.

<table>
<thead>
<tr>
<th>CSR materiality</th>
<th>Reasons why is it important</th>
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<tbody>
<tr>
<td>Realize a sustainable society</td>
<td>Environmental issues including climate change and resource and energy issues are global issues. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable society.</td>
</tr>
<tr>
<td>Provide safety, security, and comfort</td>
<td>Various issues are becoming evident due to urbanization and other reasons. The Mitsubishi Electric Group will provide safety, security, and comfort while contributing to solving issues with a focus on city development.</td>
</tr>
<tr>
<td>Respect human rights and promote the active participation of diverse human resources</td>
<td>Human rights and diversity are global issues. As a global company, the Mitsubishi Electric Group will grapple with these issues. Diversity is also crucial for creating innovation, which is the source of the Group’s strength.</td>
</tr>
<tr>
<td>Strengthen corporate governance and compliance on a continuous basis</td>
<td>Corporate governance and compliance are fundamental preconditions for a company’s continued existence. The Mitsubishi Electric Group will continue to strengthen these areas.</td>
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</table>

### The Mitsubishi Electric Group and the SDGs

In 2015, the countries of the United Nations General Assembly adopted the Sustainable Development Goals (SDGs). The Mitsubishi Electric Group views these SDGs as an important agenda, the realization of which society seeks.

Under its corporate mission that "The Mitsubishi Electric Group will continually improve its technologies and services by applying creativity to all aspects of its business. By doing so, we enhance the quality of life in our society" the Group aims to contribute to solving social issues. This policy corresponds to what the globally shared goals of the SDGs aim to achieve.

Through our numerous businesses and the entirety of our corporate activities, including environment, society and governance (ESG)-related activities, the Mitsubishi Electric Group is contributing to meeting the 17 SDGs.

### The SDGs (Sustainable Development Goals)

The SDGs are a set of global goals that are to be achieved between 2016 and 2030. They were adopted by the United Nations General Assembly in September 2015 as a successor to the Millennium Development Goals (MDGs) that were formulated in 2001, and are composed of 17 goals and 169 targets for achieving a sustainable world.

Two key principles of the SDGs (Sustainable Development Goals) are that they seek change in developed countries, including Japan, and that they pledge "no one will be left behind" in the implementation of their initiatives.

In Japan, the SDGs Promotion Headquarters has been established, chaired by the Prime Minister and composed of all ministers in the Cabinet Office, to formulate implementation guidelines and promote initiatives for the SDGs.
Focusing on the SDGs

In fiscal 2019, we decided on goals that we would address on a priority basis to further contribute to the SDGs.

- Goal 7: Affordable and Clean Energy
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

By further promoting initiatives to create value for these goals to which we can contribute significantly as a comprehensive electrical and electronics manufacturer, we will make a specific contribution to achieving the SDGs.

In doing this, the Mitsubishi Electric Group will integrate the concept of the SDGs into its management strategy and contribute to the SDGs that we will prioritize through the CSR materiality initiatives of "Realize a Sustainable Society," and "Provide Safety, Security, and Comfort."

**CSR materiality**

- **Realize a sustainable society**
- **Provide safety, security, and comfort.**
- **Respect human rights and promote the active participation of diverse human resources**
- **Strengthen corporate governance and compliance on a continuous basis**

**Contribute to the SDGs**

*Contribute through value creation*

*Focusing on the SDGs*

*Contribute through all corporate activities*
The Mitsubishi Electric Group, as a comprehensive electrical and electronic manufacturer, handles a wide range of technologies, products, and services, ranging from familiar home electronics products to satellites and projects on a national scale. As such, we believe that we can also greatly contribute toward meeting the 17 Sustainable Development Goals (SDGs).

<table>
<thead>
<tr>
<th>No Poverty</th>
<th>Zero Hunger</th>
<th>Good Health and Well-being</th>
<th>Quality Education</th>
<th>Gender Equality</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are working to end poverty by creating employment through the global expansion of our business, and launching initiatives including the establishment of social infrastructure and philanthropic activities.</td>
<td>We are contributing to solving food-related issues through measures including the provision of IT support for agriculture via ICT and positioning satellites, improving productivity in foodstuffs factories through FA, and supplying refrigeration and freezing technologies for food.</td>
<td>We contribute to improving health and well-being through transportation safety support systems that help to cut down traffic accidents, as well as through cutting-edge Air conditioning Systems that contribute to the advancement of treatment.</td>
<td>In addition to providing technological assistance to developing nations and supporting remote education through our communication and IT technologies, we are contributing to fostering the next generation and beyond through activities that contribute to society.</td>
<td>We are supporting the social empowerment of women through providing ICT services and supplying home appliances, and we are promoting the further advancement of women within the Group.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clean Water and Sanitation</th>
<th>Affordable and Clean Energy</th>
<th>Reduced Inequalities</th>
<th>Sustainable Cities and Communities</th>
<th>Industry, Innovation and Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group has technology for treating and purifying water, and supplies technologies and systems whose purpose is to deliver safe water.</td>
<td>We are working to develop technologies and systems that will help produce a smart, energy-conserving, and energy-creating society — technologies, products, and services that we are endeavoring to make widely available.</td>
<td>In cooperation with our stakeholders, we are contributing to realizing discrimination-free societies that respect human rights.</td>
<td>We provide safety, security, and comfort to people’s lives through our work in the disaster-prevention and infrastructure-development fields.</td>
<td>The Group supports manufacturing through its factory automation business, and nurtures development in the industrial field through technological innovation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Life below Water/ Life on Land</th>
<th>Peace, Justice and Strong Institutions</th>
<th>Responsible Consumption and Production</th>
<th>Partnerships for the Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>We develop and supply observation satellites that deliver information about ocean and forest conditions, and furthermore promote initiatives at our offices aimed at harmonizing their activities with the local environment.</td>
<td>Based on laws and international norms, we are working to improve both our supply chains and areas including human rights, labor, the environment and the prevention of corruption on a global scale.</td>
<td>We are endeavoring to reduce the volume of resources used in manufacturing and to recycle spent products. Additionally, we are also pushing to reduce the volume of final waste disposed and to be environmentally friendly in our resource procurements.</td>
<td>We are contributing to the achievement of the SDGs through partnerships with entities including governments, universities, research institutes, companies, and NGOs, pushing ahead with open innovation and other initiatives.</td>
</tr>
</tbody>
</table>
Progress of Initiatives to Address the SDGs

The Mitsubishi Electric Group is conducting measures in a variety of forms to make our employees aware of the background to the adoption of the Sustainable Development Goals (SDGs) and to entrench the individual goals themselves, in order to deepen understanding of the SDGs among each of them. Considering how the Mitsubishi Electric Group could contribute, the Group’s CSR committee, CSR expert committee and CSR business promotion group commenced reviews by devising potential responses by their own companies. In fiscal 2019, we decided on SDGs that we could implement on a priority basis.

With achievement of the goals we share globally as our objective, we will maintain our efforts to bolster management as we work to make everyone throughout the company fully cognizant of our SDGs and integrate the thinking behind them into our operations.

Main initiatives to the present

- Lecture presentation for executives by Toshio Arima, a board member of Global Compact Network Japan (fiscal 2018)
- Reflecting of SDGs in our business strategy (fiscal 2018, fiscal 2019, fiscal 2020)
- Holding lecture presentations regarding the SDGs for research and development divisions (fiscal 2018)

- Promoting understanding about the SDGs through internal newsletters (fiscal 2018, fiscal 2019, fiscal 2020)
- Education of staff to advance the SDGs during training of CSR personnel (fiscal 2018, fiscal 2019)
- SDGs training (fiscal 2019)

**VOICE (In charge of sales in Taiwan)**

Manager, NC Sales Section 1, NC Sales Department, FA Division Mitsubishi Electric Taiwan Co., Ltd.  
Raymond Chen

The Taiwanese government has been focusing on supporting the realization of smart machine tools on a global basis. In order to realize this Smart Machinery concept, Mitsubishi Electric Taiwan has been providing support to the government by leveraging its strengths in CNC (Computer Numerical Control) and the e-F@ctory FA-IT total solution.

Almost 80% of machine tools manufactured in Taiwan are exported and I feel that Smart Machinery has the potential to turn production sites in countries around the world into Smart Factories.

While spreading Taiwan’s Smart Machinery across the globe, and thereby streamlining customers’ manufacturing and reducing the amount of energy used, I will contribute to achieving the SDGs.
Initiatives / External Evaluation

Initiatives

Participation in the UN Global Compact
In May 2018, the Mitsubishi Electric Group signed the UN Global Compact (UNGC) aimed at promoting CSR activities based on international norms.

By signing the UNGC, the Group pledges to make continued efforts toward sustainable growth by complying with the ten principles in the four areas of human rights, labor, environment and anti-corruption to the extent that it can influence society. Efforts will be made to enhance the Group’s activities by maintaining close communication with UN organizations and relevant initiatives.

Initiatives as an official partner of the Olympic and Paralympic Games Tokyo 2020

Mitsubishi Electric will fulfill its role as an official partner of the Tokyo 2020 in the category of elevators, escalators and moving walkways by contributing to making relevant facilities and surrounding infrastructure barrier-free, and by promoting the success of the Tokyo 2020 through activities that support the Olympic and Paralympic movement and by assisting the Japanese national team. We will work in close coordination with the Organising Committee and Tokyo, the host city of the Games, as well as with other local governments, the central government and partner companies to leave a new legacy to the next generation after the Tokyo 2020.

Mitsubishi Electric engages in activities to spread the sports culture through corporate sports events such as in basketball, tennis and badminton, and has signed official contracts with the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation.

Through these activities, we not only contribute to spreading and raising awareness of Para-Sports, but also aim to contribute to creating an “inclusive society” where everyone mutually respects and accepts each other regardless of any disabilities.

For example, the Mitsubishi Electric Going Up Campaign kicked off in October 2016 as a project for spreading familiarity with wheelchair basketball and various other sports among as many people as possible. It will be held in sequence throughout Japan toward 2020. Additionally, Mitsubishi Electric Going Up Seminars have also been launched in November 2017 to promote a better understanding of diversity and actions that respect human rights among all employees. This initiative will also be implemented in all offices toward 2020.
Expression of approval of the TCFD recommendations

The Mitsubishi Electric Group has expressed approval of the recommendations by TCFD (Task Force on Climate-related Financial Disclosures).

Revision of the Charter of Corporate Behavior of the Keidanren

The Japan Business Federation, better known as Keidanren, has revised its Charter of Corporate Behavior*1 in November 2017. The revision is to give primary aim to proactively delivering on the SDGs (sustainable development goals) through the realization of Society 5.0*2, and is thought to emphasize initiatives for realizing a sustainable society and for promoting human rights. As a member of Keidanren, Mitsubishi Electric will voluntarily carry out and observe the spirit of the Charter.

*1 A code of ethics put forward by Keidanren as matters to be carried out and pursued by all member companies.
*2 The fifth and new generation of society in the history of human society following the hunter-gathering, agricultural, industrial and information societies.

Main initiatives in which Mitsubishi Electric is participating

- Japan Business Federation (Keidanren)
- Japan Association of Corporate Executives
- The Japan Chamber of Commerce and Industry
- Japan Electronics and Information Technology Industries Association
- The Japan Electrical Manufacturers’ Association
- Communications and Information Network Association of Japan
- The Japan Machinery Federation
- Council on Competitiveness-Nippon
- Japanese Standards Association
- Japan Intellectual Property Association
- Japan Institute of Invention and Innovation
External Evaluation

CDP
Mitsubishi Electric has received the highest rating from CDP.
- "A List" company for "Climate Change" and "Water Security" for three consecutive years
- "Supplier Engagement Leader"

FTSE Index Series
FTSE Russell (UK) is a company that engages in the development of global investment indexes and the provision of financial data to investors. Mitsubishi Electric was selected as a constituent of the company’s FTSE4Good Index Series.

Additionally, Mitsubishi Electric was selected as a constituent of the FTSE Blossom Japan Index. The index has also been adopted as an investment outlet by the Government Pension Investment Fund (GPIF).

MSCI Indexes
MSCI (USA) is a company that calculates and announces various indexes of global constituents. Mitsubishi Electric was selected as a constituent of MSCI ESG Leaders Indexes. Mitsubishi Electric was selected as a constituent for the MSCI Japan ESG Select Leaders Index, which consists of Japanese stock names ranked according to their ESG (environment, social, governance) performance, and also for the MSCI Japan Empowering Women Index (WIN), consisting of select companies in Japan displaying excellent gender diversity. The two indexes have also been adopted as an investment outlet by GPIF.

* THE INCLUSION OF Mitsubishi Electric Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREBIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsubishi Electric Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index
Mitsubishi Electric was selected as a constituent of the S&P/JPX Carbon Efficient Index designed to measure the performance of companies by focusing on the level of carbon efficiency (carbon emissions per sales). The Index, which is constructed by S&P Dow Jones Indices, is based on carbon emission data by Trucost, which assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. The index has also been adopted as an investment outlet by GPIF.

MS-SRI (Morningstar Socially Responsible Investment Index)
Mitsubishi Electric was selected as a constituent of the Morningstar Socially Responsible Investment Index (MS-SRI), which selects and creates an index of 150 Japanese companies evaluated by Morningstar Japan K.K. as socially responsible companies.
Process of Identification and Review of the CSR Materiality

In fiscal 2016, the Mitsubishi Electric Group identified CSR materiality and initiatives in response to today’s social trends and business environment, as also required by the fourth edition of the GRI Guidelines.

While continuing to incorporate opinions from inside and outside the company, these initiatives will be further strengthened through ongoing improvement activities based on the PDCA cycle, to expand the scope of information disclosure.

In fiscal 2019, an internal review of the materiality was undertaken by the CSR Expert Committee and CSR Business Promotion Committee, in view of subjective evaluations from outside the company, including stakeholder questionnaires (600 respondents) that have been also carried out since fiscal 2017, interviews with experts, and dialogues between experts and management.

Process of Identifying and Reviewing the Materiality

**Step 1**

**Awareness of social issues (fiscal 2016)**

Extraction of candidate materiality from guidelines, etc.

Candidate CSR materiality (29 issues) were identified based on the core issues of ISO26000*1, the 46 priority aspects laid out in the fourth edition of the GRI Guidelines*2, and the Sustainable Development Goals (SDGs).

*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)
*2 The fourth edition of the international guidelines for sustainability called Sustainability Reporting Guidelines (GRI Guidelines) issued by the international NGO, Global Reporting Initiative (GRI)

**Step 2**

**Assessment of internal and external views and identification of materiality (fiscal 2016)**

Extraction of candidate materiality from guidelines, etc.
Step 3 Establishment of materiality (fiscal 2016)

Decision-making by the CSR Committee

The issues thus extracted and identified through the above-described process and specific initiatives and targets/key performance indicators (KPI) were confirmed by an internal working group and adopted as the Mitsubishi Electric Group’s CSR materiality by the CSR Committee.

Mitsubishi Electric’s Matrix of CSR Materiality

Step 4 Review of the materiality (fiscal 2016)

Since fiscal 2017, the CSR materiality, initiatives, and targets/key performance indicators (KPI) have been reviewed regularly, in consideration of opinions from both inside and outside the company.

CSR Committee, CSR Expert Committee, CSR Business Promotion Committee

In fiscal 2019, the committees explored specific ways to address the SDGs and shared an awareness regarding the importance of disclosing information in consideration of growing ESG (environment, social, governance) investments.

The committees will continue to strengthen their initiatives through continuous reviews and ongoing improvement activities based on the PDCA cycle, in response to changes in the external and business environments.

Social demands that were particularly taken into consideration in fiscal 2019

- Sustainable Development Goals (SDGs)
- Further promotion of information disclosure in consideration of growing ESG investments
- Paris Agreement
- Global trends in human rights
- Initiatives of the Group as a global company
- Long-term efforts to address environmental issues
Management of the CSR Materiality

In fiscal 2016, the Mitsubishi Electric Group identified the CSR materiality, initiatives to fulfill the materiality, and key performance indicators (KPI). In fiscal 2017, it announced its performance in regard to those initiatives and carried out a review of each initiative and KPI.

By upholding the Corporate Mission and Seven Guiding Principles as its basic CSR policy, the Group will continue to pursue its initiatives for addressing the four materiality in cooperation with business partners along the supply chain, with the aim of becoming a global leading green company that contributes to a diverse society.

Realize a Sustainable Society

**FY2019 initiatives and results**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Results</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing to realizing a low-carbon society</td>
<td>Reduce CO₂ emissions from production (less than 1.47 million tons by FY2021)</td>
<td>1.30 million tons (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Reduce CO₂ emissions from product usage (35% reduction compared to FY2001 by FY2021)</td>
<td>36% reduction (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Contributing to creating a recycling society</td>
<td>Reduce resource inputs (40% reduction compared to FY2001 by FY2021)</td>
<td>45% reduction (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5%)</td>
<td>Less than 0.1% by Mitsubishi Electric and domestic affiliates, 0.52% by overseas affiliates (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>×</td>
</tr>
<tr>
<td></td>
<td>Reduce water usage per unit of sales (by 1% per annum compared to FY2011 in FY2021)</td>
<td>23% reduction (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Contributing to realizing a symbiotic society</td>
<td>Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)</td>
<td>43,000 participants (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Boost the level of biodiversity protection activities by offices in line with the Aichi Targets*</td>
<td>Promoted initiatives, including the &quot;acquisition of SEGES (Social and Environmental Green Evaluation System) Certification&quot; at Mitsubishi Electric's Power Distribution Systems Center</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to &quot;mitigating and adapting to climate change&quot; and &quot;optimizing energy use&quot; through products and services</td>
<td>Contribute to &quot;mitigating and adapting to climate change&quot; and &quot;optimizing energy use&quot;</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Maintain the reduction of CO₂ during product usage (70 million tons by FY2001 standards)</td>
<td>77 million tons (FY2019)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
</tbody>
</table>

*1 Targets of the 9th environmental plan (fiscal 2019–2021)
*2 Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10

**FY2020 targets**

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<td>Reduce CO₂ emissions from production (less than 1.47 million tons by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
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<tr>
<td></td>
<td>Reduce CO₂ emissions from product usage (35% reduction compared to FY2001 by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
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<tr>
<td>Contributing to creating a recycling society</td>
<td>Reduce resource inputs (40% reduction compared to FY2001 by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Improve the final disposal rate of waste materials (Mitsubishi Electric and domestic affiliates to maintain a rate of less than 0.1%, and overseas affiliates to halve the rate to less than 0.5%)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Reduce water usage per unit of sales (by 1% per annum compared to FY2011 in FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td>Contributing to realizing a symbiotic society</td>
<td>Increase the number of participants in outdoor classrooms and satoyama preservation activities (cumulative total of more than 51,000 participants by FY2021)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Enhance the level of biodiversity protection activities by offices in line with the Aichi Targets*</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to Goal 7, &quot;Affordable and clean energy,&quot; and Goal 13, &quot;Climate action,&quot; of the SDGs</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Maintain the reduction of CO₂ during product usage (70 million tons by FY2001 standards)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
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*1 Targets of the 9th environmental plan (fiscal 2019–2021)
*2 Aichi Targets: 20 targets for stopping biodiversity loss agreed upon at COP10
Provide Safety, Security, and Comfort

FY2019 initiatives and results

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<tbody>
<tr>
<td>Product development that places top priority on customer safety</td>
<td>Ensure safety through risk assessment (maintain a 100% rate of implementation of risk assessments of target home electronics)</td>
<td>Maintained a 100% rate of implementation of risk assessments of target home electronics</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Provision of products and services that reflect customers’ needs</td>
<td>Develop key persons who are capable of incorporating customers’ needs into quality (development of 100% of relevant persons in all departments by FY2021)</td>
<td>Development of 88% of key persons (FY2017) → Development of 96% of key persons (FY2018) → Development of 97% of key persons (FY2019)</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures</td>
<td>Achieved a 100% rate of implementation of investigations into the root causes of serious defects discovered in the previous fiscal year</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Continuous implementation of education on quality principles that place top priority on customers</td>
<td>Maintain a 100% rate of participation in e-learning programs on quality (maintain a rate of 100%)</td>
<td>Maintained a 100% rate of participation in e-learning programs by Mitsubishi Electric employees and employees of domestic affiliates</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to creating safe and secure communities</td>
<td>Contributed to creating safe and secure communities through products and services</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
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</table>

FY2020 targets

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<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product development that places top priority on customer safety</td>
<td>Ensure safety through risk assessment (maintain 100% implementation of risk assessments of target home electronic products)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td>Provision of products and services that reflect customers’ needs</td>
<td>Develop key persons who are capable of incorporating customers’ needs into quality (development of 100% of relevant persons in all target departments by FY2021)</td>
<td>All Mitsubishi Electric Group companies (Japan)</td>
</tr>
<tr>
<td></td>
<td>Make Group-wide efforts to investigate the cause of serious malfunctions that have occurred in the past, and implement countermeasures</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td>Continuous implementation of education on quality principles that place top priority on customers</td>
<td>Maintain 100% rate of participation in quality e-learning programs (maintain a rate of 100%)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Enhance the content of education on quality principles</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td>Contribution through products and services</td>
<td>Provide products and services that contribute to Goal 11, “Sustainable cities and communities,” of the SDGs</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
</tbody>
</table>
Respect Human Rights and Promote the Active Participation of Diverse Human Resources

**FY2019 initiatives and results**

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<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote human rights initiatives that are based on international norms</strong></td>
<td>Identify and evaluate impacts on human rights across the Group (achieve a 100% rate of implementation by target companies)</td>
<td>Achieved a 100% rate of implementation by target companies of human rights impact assessment</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Promote ongoing human rights training programs, relief measures against human rights violations</td>
<td>Carried out e-learning programs to employees of Mitsubishi Electric and its affiliates in Japan and overseas (82 companies, 71,581 employees)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Provide lectures on human rights awareness and harassment prevention in training programs for new employees and those for newly appointed managers</td>
<td>Provided lectures on human rights awareness and harassment prevention to all participants attending training programs for 858 new employees and 532 newly appointed managers</td>
<td>Mitsubishi Electric</td>
<td>□</td>
</tr>
<tr>
<td><strong>Realization of workplace environments conducive to work-life balance</strong></td>
<td>Continue to promote the Work Style Reforms based on the reforms, “realizing a workplace that helps employees work proactively while achieving better work-life balance and maintaining their mental and physical health,” and based on four perspectives (Improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)</td>
<td>Promoted the Work Style Reforms (including managing systems that support operation efficiency and flexible work styles) at Mitsubishi Electric Group companies</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>□</td>
</tr>
<tr>
<td><strong>Promotion of diversity through the employment and utilization of diverse human resources</strong></td>
<td>Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstance</td>
<td>Promoted diversity by employing and utilizing diverse human resources across the Mitsubishi Electric Group (Japan and overseas)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)</td>
<td>Consolidated result of three companies*: 2.28%</td>
<td>Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Increase the ratio of women among new recruits in technical positions (future target of 20%)</td>
<td>10% (FY2020; October 2018 and April 2019 recruits)</td>
<td>Mitsubishi Electric</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)</td>
<td>Dispatched 91 employees to overseas OJT programs, 86 employees to overseas language programs</td>
<td>Mitsubishi Electric</td>
<td>△</td>
</tr>
<tr>
<td><strong>Promotion of occupational health and mental and physical health</strong></td>
<td>Promote safety and health enhancement activities</td>
<td>Promoted safety and health management activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (below 0.51)</td>
<td>Provided assistance to affiliated companies (Japan and overseas) from Mitsubishi Electric</td>
<td>Mitsubishi Electric</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 90% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)</td>
<td>Rate of lost worktime injuries (absence from work): 0.04</td>
<td>Mitsubishi Electric</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Rate of employees maintaining proper body weight</td>
<td>Rate of employees who smoke; 23.5%; rate of employees who exercise regularly; 25.2%; rate of employees maintaining proper body weight; rate of employees who smoke; 23.5%; rate of employees who exercise regularly; 25.2%</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
<td>△</td>
</tr>
</tbody>
</table>

*1 Mitsubishi Electric Corporation, Mitsubishi Electric Life Service Corporation, Melco Tender Mates Corporation (special subsidiary)

*2 Number of accidents causing lost worktime per 1 million hours

**FY2020 targets**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote human rights initiatives that are based on international norms</strong></td>
<td>Ongoing human rights training programs</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Enhancement of a reporting system with respect to human rights violations</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>△</td>
</tr>
<tr>
<td></td>
<td>Provide lectures on human rights awareness and harassment prevention in programs for new employees and those for newly appointed managers</td>
<td>Mitsubishi Electric</td>
<td>□</td>
</tr>
<tr>
<td><strong>Realization of workplace environments conducive to work-life balance</strong></td>
<td>Continue to promote the Work Style Reforms in order to cultivate an awareness among employees on the goal of the reforms, “realizing a workplace that helps employees work proactively while achieving better work-life balance and maintaining their mental and physical health,” and based on four perspectives (Improvement of productivity by streamlining operations, Further pursuit of achievements and efficiency, Work-life fulfillment and Promotion of communication in the workplace)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>□</td>
</tr>
<tr>
<td><strong>Promotion of diversity through the employment and utilization of diverse human resources</strong></td>
<td>Promote diversity by employing and utilizing diverse human resources in response to regional and operational circumstances</td>
<td>All Mitsubishi Electric Group companies (Japan)</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Employ people with disabilities beyond the statutory employment rate (higher than 2.2%)</td>
<td>Mitsubishi Electric</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>Increase the ratio of women among new recruits in technical positions (future target of 20%)</td>
<td>Systematically dispatch employees to overseas OJT programs and language programs (more than 180 employees/year)</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
</tr>
<tr>
<td></td>
<td>Promote safety management and health enhancement activities</td>
<td>Promote safety and health enhancement activities in conjunction with affiliated companies that operate in the same areas as Mitsubishi Electric</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Promote safety and health education, and maintain a rate of lost worktime injuries* that falls below the industrial average (below 0.51)</td>
<td>Provided assistance to affiliated companies (Japan and overseas) from Mitsubishi Electric</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Improve lifestyle habits and realize a health-conscious company by implementing Mitsubishi Electric Group Health Plan 21 (MP21) Stage III activities (rate of 73.0% or higher of employees maintaining proper body weight; rate of 90% or higher of employees who exercise regularly; rate of 20.0% or lower of employees who smoke; rate of 25.0% or higher of employees who perform dental care at least three times a day; rate of 85% or higher of employees who get enough rest by sleeping properly)</td>
<td>Rate of lost worktime injuries (absence from work): 0.04</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Rate of employees maintaining proper body weight</td>
<td>Rate of employees who smoke; 23.5%; rate of employees who exercise regularly; 25.2%; rate of employees maintaining proper body weight; rate of employees who smoke; 23.5%; rate of employees who exercise regularly; 25.2%</td>
<td>Mitsubishi Electric Group companies (Japan)</td>
</tr>
</tbody>
</table>

* Number of accidents causing lost worktime per 1 million hours
Strengthen Corporate Governance and Compliance on a Continuous Basis

### FY2019 initiatives and results

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Results</th>
<th>Scope</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active dialogue with stakeholders</strong></td>
<td>Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)</td>
<td>Held interviews with experts regarding CSR issues seven times; held a dialogue between experts and management officers on CSR issues.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, business strategy presentation meetings, and R activities in Japan and overseas</td>
<td>Held a general meeting of shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide proper information to directors at the proper time, analyze and evaluate the review</td>
<td>Conducted a review of the board of directors, with the result being that the board’s ongoing and effective initiatives for sharing appropriate management information with executives in a timely manner based on the results of the annual review of the board of directors that have become more active compared to before were deemed valid.</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Make provision to directors, analyze and evaluate the review</td>
<td>Provided information that directors require for the supervision of management, in a timely and proper manner, and created new forums for providing data and exchanging views with outside directors to ensure greater provision of proper and timely information to directors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate management with a sound oversight function</strong></td>
<td>Provide proper orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time</td>
<td>Provided prior training about the roles, responsibilities and dealings of directors and executive officers to new appointees.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Establish the necessary internal regulations and frameworks for ensuring the appropriateness of the Mitsubishi Electric Group’s businesses, conduct an internal audit of their status of operation, and regularly report the audit result to the Audit Committee via the executive officer in charge of audits</td>
<td>Conducted an internal audit, and regularly reported the audit results to the Audit Committee via the executive officer in charge of audits.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td><strong>Compliance training on a continuous basis</strong></td>
<td>Provide compliance education that utilizes diverse methods on a continuous basis</td>
<td>Provided compliance education that utilizes diverse methods, including lecture meetings, e-learning, and manual distribution (Conducted lecture meetings by Mitsubishi Electric’s Corporate Legal &amp; Compliance Div. 240 times to 9,071 participants).</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Maintain a 100% attendance rate in e-learning programs on compliance (maintain rate of 100%)</td>
<td>Maintained a 100% attendance rate.</td>
<td>Mitsubishi Electric</td>
<td>○</td>
</tr>
<tr>
<td><strong>Fair competition (prevention of antimonopoly violations)</strong></td>
<td>Provide practical education in reference to case studies that reflect the characteristics of each business on a continuous basis</td>
<td>Provided education on antimonopoly laws.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Identify issues that accompany the systematization of rules concerning contacts with other companies in the same business and enhance the operation of the system</td>
<td>Modified the system and improved its operation in response to identified issues.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide orientation training and other compliance education and training to directors as appropriate at the proper time</td>
<td>Provided compliance education to directors and executive officers after their appointment, and distributed the latest training materials.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corruption prevention (prevention of bribery)</strong></td>
<td>Enhance bribery prevention measures; provide bribery prevention education (on-site education, e-learning programs), conduct monitoring with an eye toward establishing regulations and guidelines</td>
<td>Provided bribery prevention education.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Formulate CSR procurement guidelines in June 2018</td>
<td>Formulated CSR procurement guidelines in June 2018.</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Establish internal regulations and frameworks needed to ensure proper operations of the Mitsubishi Electric Group, conduct internal audits of their operational status, and regularly report audit results to the audit committee via the executive officer in charge of auditing</td>
<td>Conducted surveys of 5 companies in Europe and 20 companies in the U.S.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FY2020 targets

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Key performance indicators (KPI) (quantitative targets are shown in brackets)</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active dialogue with stakeholders</strong></td>
<td>Hold a dialogue on CSR with stakeholders more than once a year (more than once/year)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Hold dialogues with stakeholders through the general meeting of shareholders, corporate strategy presentation meetings, financial results presentation meetings, and R activities in Japan and overseas</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td><strong>Corporate management with a sound oversight function</strong></td>
<td>Provide proper information to directors at the proper time, conduct a review of the board of directors, and analyze and evaluate the review</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td></td>
<td>Establish internal regulations and frameworks needed to ensure proper operations of the Mitsubishi Electric Group, conduct internal audits of their operational status, and regularly report audit results to the audit committee via the executive officer in charge of auditing</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td><strong>Compliance training on a continuous basis</strong></td>
<td>Provide compliance education that utilizes diverse methods on a continuous basis</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Maintain a 100% attendance rate in e-learning programs on compliance (maintain rate of 100%)</td>
<td>Mitsubishi Electric</td>
</tr>
<tr>
<td><strong>Fair competition (prevention of antimonopoly violations)</strong></td>
<td>Establish and thoroughly implement bribery prevention measures; provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td><strong>Corruption prevention (prevention of bribery)</strong></td>
<td>Enhance bribery prevention measures; provide bribery prevention education, conduct monitoring with an eye toward establishing regulations and guidelines</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td><strong>CSR procurement (environment, quality, human rights, compliance, etc.)</strong></td>
<td>Obtain a consent form for the CSR procurement guidelines from suppliers who did not submit in the previous fiscal year and other targeted suppliers for this fiscal year (100%)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Formulate CSR procurement guidelines (more than once/year)</td>
<td>All Mitsubishi Electric Group companies (Japan, overseas)</td>
</tr>
<tr>
<td></td>
<td>Provide orientation training and other compliance education and training to directors and executive officers as appropriate at the proper time</td>
<td>Mitsubishi Electric</td>
</tr>
</tbody>
</table>

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A strong relationship of trust with stakeholders is indispensable for conducting business activities. We provide various opportunities to help stakeholders understand the Mitsubishi Electric Group and ask for their expectations, requests, and opinions.

<table>
<thead>
<tr>
<th>Major stakeholders</th>
<th>Responsibilities and issues</th>
<th>Major contact departments</th>
<th>Major communication opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Improvement of customer satisfaction</td>
<td>Sales departments</td>
<td>Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media / commercials</td>
</tr>
<tr>
<td>Employees</td>
<td>Occupational health and safety</td>
<td>Personnel departments</td>
<td>Hotlines, intranets, in-house bulletins, training programs, meetings between management and employees, employee awareness surveys</td>
</tr>
<tr>
<td>Government, local governments, industrial organizations</td>
<td>Compliance with laws and regulations</td>
<td>External affairs department</td>
<td>Participation in advisory councils and committees, participation in the activities of industrial and economic organizations</td>
</tr>
<tr>
<td>NGOs and NPOs</td>
<td>Grants and partnerships through contributions to regional communities</td>
<td>Administration departments</td>
<td>Philanthropic activities (funds, foundations, volunteer activities), dialogues on social and environmental issues</td>
</tr>
<tr>
<td>Business partners</td>
<td>Fair transactions</td>
<td>Materials departments</td>
<td>Information sessions on CSR procurement, BCP seminars, meetings based on the results of fair selection and evaluation of suppliers</td>
</tr>
<tr>
<td>Regional communities</td>
<td>Contribution to four activity philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports)</td>
<td>Administration departments</td>
<td>Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities), grants to universities, plant inspection tours, factory open-house events</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Increase in corporate value</td>
<td>IR departments</td>
<td>Financial results presentation meeting (4 times yearly), general meetings of shareholders (once a year), IR events/individual meetings, websites (IR resource library), responses to interviews, shareholder communications</td>
</tr>
<tr>
<td>Others</td>
<td>Cooperation in creating innovation</td>
<td>R&amp;D departments</td>
<td>Industry-academia cooperation in research, stakeholder dialogues (once a year)</td>
</tr>
<tr>
<td>Future generations</td>
<td>Provision of education opportunities</td>
<td>Administration departments</td>
<td>Inquiry centers, philanthropic programs, factory inspection tours, grants via foundations, events</td>
</tr>
</tbody>
</table>
Results of Reader Surveys

Questionnaire-based Survey Conducted in Japan and Overseas on CSR Reports

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group’s CSR initiatives and CSR Report 2018, resulting in responses from 600 individuals. A portion of the survey results is presented here. The Group’s initiatives were quite well-thought of overall, with the responders offering many positive options. They also raised certain issues. The Group takes these points seriously and will adjust based on them in future activities, with the Group as a whole seeking to push further forward on its CSR efforts.

Survey summary and partial results

<table>
<thead>
<tr>
<th>Period</th>
<th>December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaire responders</td>
<td>Japan, 600 persons, general population nationwide, men and women aged 15 or older (people with a strong interest in the environment and CSR)</td>
</tr>
</tbody>
</table>

[Main questions]
- Is senior management pursuing CSR initiatives in earnest?
- Does the company have the framework that will allow it to implement CSR efforts as a total organization?
- Are company initiatives truly moving forward?
- Is the company engaging in dialogue with the relevant parties in its orbit?
- Does the company consider ease of comprehension and access to information?

Please select all those items in the report that made a particular impression on you (e.g. evoked positive feelings, sparked interest, felt you could approve of it, etc.).
- Are the Mitsubishi Electric Group’s initiatives enough when it comes to crucial CSR issues?
- Regarding Goal 7, Goal 11, and Goal 13 of the SDGs, through what kind of products/services and initiatives do you expect the Mitsubishi Electric Group to make contributions?

Regarding Goal 7, Goal 11, and Goal 13 of the SDGs, through what kind of products/services and initiatives do you expect the Mitsubishi Electric Group to make contributions?


Evaluation of the CSR materialities

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Sufficient</th>
<th>Somewhat sufficient</th>
<th>Somewhat insufficient</th>
<th>Insufficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Realize a sustainable society</td>
<td>45.2%</td>
<td>48.8%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>b. Provide safety, security, and comfort</td>
<td>48.5%</td>
<td>42.9%</td>
<td>8.6%</td>
<td></td>
</tr>
<tr>
<td>c. Respect human rights and promote the active participation of diverse human resources</td>
<td>43.3%</td>
<td>46.7%</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>d. Strengthen corporate governance and compliance on a continuous basis</td>
<td>47.1%</td>
<td>44.7%</td>
<td>8.2%</td>
<td></td>
</tr>
</tbody>
</table>

Regarding Goal 7, Goal 11, and Goal 13 of the SDGs, through what kind of products/services and initiatives do you expect the Mitsubishi Electric Group to make contributions?

| Expectations | | |
|--------------|-----------------|
| Expectations towards the Mitsubishi Electric Group, including energy, resources, energy saving, home appliances, transport systems, and regional revitalization. |
| Male, 42 years old | Strengthening of electric vehicles and solar-system-related products. |
| Male, 42 years old | Provision of products and services that fuse new energy with traditionally-made things. |
| Male, 51 years old | Waste-free production. |
| Male, 50 years old | Development of air conditioning systems that do not affect the environment and atmosphere. |
| Male, 68 years old | Provision of security as an Infrastructure company. |
| Female, 59 years old | Making contributions as a core member of a cross-enterprise alliance, as a socially-aware infrastructure company. |
| Male, 23 years old | Making social contributions by leveraging the Group’s diverse businesses and their strengths. |

Noteworthy comments

- Male, 44 years old | Making contributions by harnessing various technologies such as space and satellite technologies from a global perspective. |
- Male, 41 years old | Developing disaster-free cities in anticipation of drastic changes of climate. |
- Female, 29 years old | Development of facilities that help solve social problems including global warming, through the construction of public buildings etc. |

Total rating 83.1/100 | Commitment, Managerial determination, Management, CSR implementation structure, Reliability, Trust/comparitiveness of initiatives, Accessibility, Easy of understanding/access to data, Engagement, Dialogue with people involved with our company.
Interviews with Experts

The Mitsubishi Electric Group held interviews with experts with extensive knowledge who play an active role in their respective fields to hear their opinions on the Group’s CSR initiatives in light of the latest CSR trends. The interviews, which sought opinions about the "Mitsubishi Electric Group CSR Report 2018," mainly targeted the Mitsubishi Electric Group’s CSR materiality and the experts’ expectations of the Group regarding the Sustainable Development Goals (SDGs), ESG (environment, social and governance) investment, and other such trends in Japan and overseas.

In addition, comments from various people including students, the media, and CSR experts, were utilized in the process of forming the Mitsubishi Electric Group’s environmental vision. This page reports some of those comments.

Opinions about the "Mitsubishi Electric Group CSR Report 2018"

Founder & Chief First Penguin

Wong Lai Yong

Field of specialization: CSR in Asia, community engagement, empowerment and provision of educational programs to youth and women (based in Malaysia)

Opinions offered:

- It is very impressive that the provision of products and services that contribute to solving global social issues is firmly incorporated into the Mitsubishi Electric Group’s CSR activities.
- The Group should be given credit for providing CSR training to local staff in the Asia region. Continued follow-up to spread the importance of CSR to overseas affiliates is needed.
- The Mitsubishi Electric Group advanced significantly by undertaking due diligence related to human rights including identifying and evaluating impact on human rights in all its offices in fiscal 2020.
- The Mitsubishi Electric Group should be given credit for setting its anti-bribe policy and educating 22,000 or more employees. I hope that such education will spread to all employees throughout the Group in the future.
- The Group should pay more attention to human rights issues across its supply chains. The focus of attention is on the wages and working conditions of the employees (immigrant workers in particular) of suppliers.
- I hope the number of women in managerial posts will be increased along with improving the male-female ratio of engineer recruits.

Director and Consultant InterPraxis Consulting

David Simpson

Field of specialization: International expert in sustainability who has led the development of the AA1000 stakeholder engagement standard and served as an expert member on the development of ISO 26000 and ISO 37001.

Opinions offered:

- The report demonstrates good transparency, but it is too long and needs to better connect the company’s overall business strategy to its sustainability objectives – demonstrating that sustainability is more than just an "add-on" at MEG and that embedding social and environmental stewardship into its business model and supply chain also makes good business sense.
- The materiality process needs to be strengthened to establish greater focus on Mitsubishi Electric Groups’ sustainability priorities and omit report details that are largely irrelevant to most stakeholders.
- The report should better present the specific sustainability risks for the Mitsubishi Electric Group and demonstrate how the Group’s CSR activities are attempting to address and mitigate these risks.
- The report could benefit through an external assurance process based on an approach which would test the robustness of the materiality process as well as some of the underlying data.
- It is somewhat surprising that while MEG tracks issues such as if employees are getting enough rest at home, it does not publish statistics on overtime work or employee satisfaction which arguably may be more important to stakeholders.
Comments on the Process of Forming an Environmental Vision

Mariko Kawaguchi
Field of specialization: CSR as a whole, ESG Investment, and Ethical Consumption

Opinions offered:
- To create innovation, it is important to develop human resources who can recognize a wide spectrum of social issues while being specialists in particular areas.
- If Mitsubishi Electric has a culture of contributing to solving a range of social issues while being a general electrical machinery company, this is a significant advantage. It should be publicized clearly.
- Although setting numerical targets for 2050 is difficult, I hope the Group’s seriousness in making efforts will be displayed as concretely as possible.
- Active collaboration with various stakeholders is necessary when SDG issues cannot be solved singlehandedly.

Opinions offered by students
- In environmental initiatives, “visualization” is important. Even people with low environmental awareness will come to want to address environmental issues once they realize that such issues have something to do with themselves.
- A global vision that people all around the world, not only in Japan, can understand is needed.

Opinions offered by the media
- The “Heart” can be a positive attribute of an environmental vision. Concrete explanations that express the spirit of the executives with “heart” are required.
- Actually showing an aspirational attitude that resonates with people is important.
- An environmental vision should set high goals. Achieving high goals is not easy, but your company’s spirit should be displayed.

Opinions offered by a CSR consultant
- I want the Group to create scenarios that realize both convenience and affluence and an environment that does not exclude either.
- The message of “leading toward the future with heart and technology” is important to convey the intension to younger generations.
In March 2019, two experts were invited to the head office to provide opinions about how the Mitsubishi Electric Group is promoting CSR. This was the fourth such dialogue this year. These dialogues are valuable opportunities to hear the latest ESG and SDG trends from experts’ perspectives and understand what society is expecting from the Mitsubishi Electric Group from an external perspective. Expert opinions have been reflected in the formation of a CSR promotion system and actual efforts in order to develop the activities further through successive dialogues. The Mitsubishi Electric Group is organizing its thoughts on the “ideal company we strive to be” toward fiscal 2021, the 100th anniversary of our foundation. This dialogue also plays an important role as a step in this thought process. In-depth discussion was carried out from an outside-in perspective to consider what our long-term aims should be and what kind of company we should be, starting with social issues.

Important Opinions and Suggestions Offered by Our Guest Experts

Coexistence with diverse stakeholders through "balanced management" that highlights sustainability

This is my fourth participation in the dialogue. Mitsubishi Electric Group always makes sure to address what was discussed in the previous fiscal year, thereby developing your initiatives. This helps me sense sincerity in your corporate culture and feel a sense of trust.

As can be seen in the motto “balanced management,” your company practices a balanced business model. However, going forward, your company must determine what should be incorporated into the axis of that balance. International society is increasingly emphasizing the sustainability of organizations and business models rather than just growth in profit, your company should start by identifying “what is optimal from customers’, society’s and stakeholders’ perspectives” on a mid- to long-term basis, instead of developing products and services that emphasize short-term profitability and efficiency.

Even though the interests of stakeholders such as customers, employees, and business partners, do not always match those of the company in the short term, finding a balance between both sides is important for sustainable business. The SDGs aim at realizing a world that “leaves no one behind.” Companies are required to achieve the extremely high standards of creating their values while coexisting with diverse stakeholders, rather than just winning in the market. In other words, companies and business activities that can harmonize and coexist with society and the environment are sustainable.

In working toward the resolution of environmental and social issues, it is important to discuss SDG issues in both top-down and bottom-up manners. In a top-down approach, corporate executives must convincingly display what the company should do based on its resources. Even if goals appear at a glance too high to achieve, employees’ hard work to find a way to achieve them sometimes results in technological breakthrough. Conversely in a bottom-up approach, it is necessary to develop a system that enables employees to realize that the SDGs have something to do with them and provide opinions. Through workshops that discuss individual SDGs or other activities, this approach triggers employees to think about how to harness their technological capabilities in order to solve environmental and social issues and then take action.

Mariko Kawaguchi

Senior Principal Research Division
Daiwa Institute of Research Ltd.
Co-CEO
Japan Sustainable Investment Forum (JSIF)
Anticipating more focus on human-rights and environmental initiatives under clearly targeted long-term goals

Businesses have up till now brought economic affluence. In recent years however, they have been regarded increasingly as entities that have a negative impact on the environment and society. Corporate contributions to achieving the SDGs must be recognized as the bare minimum to return such a negative situation to a zero base and action must be taken with the understanding that the SDGs must be achieved. In addition, the concept of “net positive,” which refers to business activities that have a positive impact on the environment and society, has emerged recently. Some companies have set the long-term vision of becoming a net-positive company by 2050. Going forward, companies are expected to set long-term visions and build ideal images into those visions in order to set milestones and advance in a back-casting manner. In general, Japanese companies tend to consider “goals” to be something that must be achieved and avoid commitment. By contrast, international society, especially Europe, emphasizes how companies clarify their directions by setting challenging and ambitious goals, not achievable and realistic goals. Under such goals, companies also aim at creating innovations in possible collaboration with other companies and related organizations. Also companies disclose any progress made toward their goals to stakeholders and if they fail to achieve, they explain the reasons and the measures that will be taken in the future. This leads to a positive relationship with its stakeholders.

Regarding human rights compliance, respect for human rights has been growing worldwide since the United Nations published “Guiding Principles on Business and Human Rights” in 2011. In undertaking various efforts including Mitsubishi Electric Group’s “Policies on Respect for Human Rights” established in 2017, your company should facilitate the idea of respecting human rights throughout the organization and the Group, and proceed to the next step while publishing information about activities. Business activities may have a profound impact on stakeholders’ human rights; failure to address them poses a huge risk to the company. Human rights risks across the supply chains besides those in the company also need to be prioritized and addressed.

Regarding the environment, understanding the essence of the circular economy and gaining competitive advantage are needed. There is a growing risk that battles for resources may occur due to a striking increase in the global population, which will inevitably necessitate both departing from conventional ideas and recycling waste as resources. In Europe, efforts on ocean plastic issues are being accelerated. I hope your company will start by addressing problems at hand, such as reducing single-use plastics, raise in-house awareness about effects on the global environment, and seek ideas from engineers, or unique initiatives that only a manufacturer can take.

In response to the dialogues

The Mitsubishi Electric Group’s mission is to “enhance the quality of life in our society” and practicing it is our CSR and role that every employee should fulfill through their jobs.

In today’s dialogue, we received a variety of propositions about the SDGs, on which the Mitsubishi Electric Group also places a great deal of importance as a tool to connect CSR and business activities. We aim to contribute to meeting the 17 SDGs, that range from the global environment to human rights, in a way that only the Mitsubishi Electric Group can do.

The top priority is for each and every employee to gain a better understanding of CSR and SDGs. We will improve employee training further so that they can be involved in concrete actions in their daily routines. Thank you very much for joining us today.
Measures for Internal Dissemination

The following initiatives have been implemented to ensure CSR has reached every part of our company.

CSR Lectures for Executives

Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning CSR to Mitsubishi Electric executives and members of the CSR Committee. These lectures are a good opportunity to reconfirm the importance of CSR to the executives.

Sharing of CSR Information in Conferences of Mitsubishi Electric Group Administrative Managers

Twice a year, general managers of the administrative departments of affiliate companies in Japan gather in a conference to discuss compliance and other related matters. In response to the increasing importance of CSR in recent years, the conferences are now not only a forum for sharing information on Group-wide CSR policies and best practices related to CSR, but are also an opportunity for the managers to think about the significance of CSR to each company. Through these conferences, continued efforts will be made to raise the CSR level of the entire Group.

CSR Training for New Employees

Every year, CSR training is held for new employees of Mitsubishi Electric, to deepen their understanding of CSR as a basic foundation of corporate management, to ensure ethics and legal compliance in their daily operations, and to instill the importance of addressing quality and environmental issues. The new employees learn that CSR must be practiced by each employee in their daily duties.
CSR Manager Training

Since fiscal 2017, Mitsubishi Electric has held training for CSR managers from the company’s offices and affiliates in Japan. Through lectures and group discussions on the basic principles of CSR, social demands, and the Mitsubishi Electric Group’s CSR initiatives, participants develop a greater awareness of their specific role as CSR managers in their daily operations.

In fiscal 2019, CSR training for all of Mitsubishi Electric’s employees and affiliates in Japan was implemented via e-learning to disseminate further understanding of CSR.

Promoting Understanding of CSR through In-house Newsletters

The Mitsubishi Electric Group’s initiatives concerning CSR are shared through in-house newsletters that are distributed to Group companies both in Japan and overseas. They are published in Japanese and English so they can be read by as many employees as possible, and they provide a valuable opportunity for each and every employee to think about the corporate social responsibility of the Group as a whole.

CSR Considerations in Overseas Affiliates

Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting CSR and otherwise implement activities as needed for each region.

In fiscal 2019, particular efforts were made to disseminate Group-wide CSR policies overseas. For example, CSR was widely introduced in training programs for staff members of affiliates in the Asia region and programs for overseas management executives. Additionally, the company exchanged views on CSR issues and Group-wide CSR policies with managers of individual regions.