

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

### **ANTI-SLAVERY & HUMAN TRAFFICKING POLICY STATEMENT for the financial year ended 31 March 2018**

#### **Our Policy**

We have zero tolerance policy with regard to modern slavery and human trafficking.

We are committed to monitoring, developing and improving our operations to combat slavery and human trafficking.

We seek to ensure there is no modern slavery human trafficking or other abuse of human rights in our business operations or in any of our supply chains.

As a member of the Mitsubishi Electric Corporation group of companies, we apply the Mitsubishi Electric Group Human Rights Policy<sup>1</sup> and Mitsubishi Electric Group Conduct Guidelines<sup>2</sup>. These include our continuing commitment to respect international standards related to human rights and to respect the law, to act with highest integrity, and always to conduct ourselves with respect for human rights.

#### **Our Organisation's structure**

Mitsubishi Electric Air Conditioning Systems Europe Ltd. ("M-ACE") is a wholly owned subsidiary of Mitsubishi Electric Corporation.

Our UK operations include:

The manufacture and supply of air conditioning and heat pump systems.

After sales customer support of air conditioning and heat pump systems.

The development of new products together with product trials and quality assurance approvals.

As at March 2018 we employed 997 staff in the UK and our annual turnover to 31 March 2018 was £194.2 million.

#### **Our supply chain**

All raw materials and components are sourced from supply partners, both domestically and internationally, in compliance with Mitsubishi Electric Corporation's "CSR Procurement Policy".<sup>3</sup>

All products/materials/components supplied achieved through audits, commercial qualification, credit rating investigations and regulatory compliance (e.g. RoHS, REACH). Supplier Audits and Supply Agreements are refreshed annually to maintain a "Fully Approved" status.

---

<sup>1</sup> See: <http://www.mitsubishielectric.com/en/sustainability/csr/social/humanrights/policy/index.html>

<sup>2</sup> See link to the English language version at:  
[http://www.mitsubishielectric.com/company/csr/social/fair\\_compliance/pdf/Conduct\\_Guidelines\\_Final.pdf](http://www.mitsubishielectric.com/company/csr/social/fair_compliance/pdf/Conduct_Guidelines_Final.pdf)

<sup>3</sup> See link to the English language version at:  
<http://www.mitsubishielectric.com/en/sustainability/csr/social/supplychain/index.html>

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

All of our third party suppliers are subject to quality and commercial qualification, routinely complete compliance declarations, host factory audits and agree to binding supply agreements.

### **Our Due Diligence processes for slavery and human trafficking**

- **Procurement of goods or services from Mitsubishi Electric Corporation or a member of its group of companies (together “Mitsubishi Electric Group Supplier”):**

We rely on each Mitsubishi Electric Group Supplier’s own Due Diligence processes for risk assessment and verification and its contractual compliance requirements as applicable to its sub-contractors to support compliance within the procurement supply chain.

As part of these processes, M-ACE and Mitsubishi Electric Group Supplier each apply:

(i) the Mitsubishi Electric Group Human Rights Policy, as implemented on 20 September 2017: this confirms that protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. Our policy commitment includes the following:

- The Mitsubishi Electric Group recognizes that, as a minimum, it must respect international standards related to human rights, such as the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. On that basis, we shall respect human rights while making sure to adequately understand relevant laws and regulations in every country and region where we do business.

If such laws and regulations do not conform to international standards related to human rights, we shall consult with local authorities on how to properly handle cases involving human rights in order to respect the international standards.

- Based on the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group shall undertake human rights due diligence measures, such as specifying and assessing the impact of its business activities on human rights, and studying ways of proactively preventing or mitigating any negative impact of those activities. Furthermore, the Group shall put a framework in place for rectifying any cases in which its business activities are found to have negatively impacted human rights, or its members are found to have been clearly involved in violations of human rights.
- The Mitsubishi Electric Group has identified CSR (Corporate Social Responsibility) materialities, has set concrete tasks and goals for those materialities, and works to achieve them, and, through that process, takes steps to ascertain the status of its initiatives related to respect for human rights, and properly discloses its findings.
- The Mitsubishi Electric Group shall work to ensure that its initiatives related to respect for human rights are implemented with the participation of all executives and employees. Furthermore, the Group shall request cooperation from various stakeholders involved in its whole value chains such as business activities, products, and services, in order to help promote respect for human rights in society at large.
- The Mitsubishi Electric Group shall implement training programs and awareness campaigns on a continuous basis for the purpose of ensuring that all executives and members of the Group understand initiatives related to respect for human rights, and conduct themselves accordingly.

(ii) the Mitsubishi Electric Group Conduct Guidelines and in particular the Group’s Corporate Ethics and Compliance Statement at page 5 of those Guidelines which states:

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

“In all countries and regions where we operate, we will always conduct ourselves in compliance with the following principles:....

### **Respect for Human Rights:**

We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.”

These Guidelines further state at page 6:

“We will not allow any form of child labour or forced labour in any of our companies.”

Mitsubishi Electric Corporation has a continuing programme for the evaluation of the CSR initiatives of “business partners” (i.e. third party suppliers). Mitsubishi Electric Corporation’s policy is to evaluate all new suppliers. During the financial year ending 31 March 2018, Mitsubishi Electric Corporation’s CSR evaluations identified 15 suppliers who were given guidance on various CSR compliance issues including the need to improve the management of working hours, to correct dangerous work areas, and to strengthen of safety measures for machines and devices.

The Mitsubishi Electric Group launched its WΣ21II (Worldwide Strategic Integration for Global Markets in the 21st Century Advance to the Next Stage) activity in April 2017. This includes initiatives to mitigate any perceived risks regarding a range of issues related to ensuring compliance to labour laws and regulations.

- **Procurement of goods and services from third party suppliers**

We apply a proportionate approach to our Due Diligence processes for risk assessment and verification with regard to slavery and human trafficking. For our risk assessment we take into account the relevant products, components, packaging materials and services, production location and supply chain data.

We also take into account a supplier’s self-declaration of compliance and any compliance policy and/or other compliance representations.

Should we identify any higher risk supplier then we would consider deeper verification processes to assess compliance and for remedy of any non-compliance.

### **Our Internal Accountability & Training**

Every M-ACE employee receives a personal copy of the Mitsubishi Electric Group Conduct Guidelines through the Company Handbook, and must conform to those Guidelines and with all applicable laws.

We have briefed our purchasing staff with regard to the requirements of the legislation, our corporate policies and this Anti-Slavery and Human Trafficking Statement.

During the financial year ending 31 March 2018 we have conducted an eLearning compliance training module for the UK Modern Slavery Act 2015 to our staff. 133 members of our staff completed this eLearning.

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

### **Whistleblowing**

We have a whistleblowing procedure in place for our staff.

### **UK Statutory Compliance**

This statement outlines the steps we have taken during the past year to seek to ensure that slavery and human trafficking is not taking place (i) in any of our supply chains, and (ii) in any part of our own business.

This statement is approved by our Board of Directors and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2018 as required by section 54(1) of the UK's Modern Slavery Act 2015 for 'Transparency in supply chains etc.'.

This statement is for publication on the Mitsubishi Electric UK website. The website's homepage carries a prominent link to this statement.

Signed by:



Yoshihiro Sumida  
President and Director  
Mitsubishi Electric Air Conditioning Systems Europe Ltd.

Issue date: 28 September 2018