

Mitsubishi Electric Air Conditioning Systems Europe Ltd.

ANTI-SLAVERY & HUMAN TRAFFICKING POLICY STATEMENT **for the financial year ended 31st March 2024**

Section 1

General Overview

Policies in relation to anti-slavery and human trafficking

This document constitutes our modern slavery and human trafficking statement, as required by section 54(1) of the UK's Modern Slavery Act 2015.

We have a zero-tolerance policy with regard to modern slavery and human trafficking, and 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 Policy¹ and Mitsubishi Electric Group Code of Conduct². 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.

Mitsubishi Electric Corporation, and its UK group businesses, have an internal and external whistleblowing system in place. This includes protection for whistleblowers. Implications in terms of modern slavery can be brought via this system. Reports can be made via this system 24/7, 365 days per year.

Our Organisation's structure

Mitsubishi Electric Air Conditioning Systems Europe Ltd. is a wholly owned subsidiary of Mitsubishi Electric Corporation (based in Japan).

Our UK business operations include:

- the manufacture and supply of air conditioning and heat pump systems;
- after sales support of air conditioning and heat pump systems;
- the development of new products together with product trials and quality assurance approvals.

As of 31st March 2024, we employ 1,766 staff in the UK and our annual turnover to 31st March 2024 in the UK was approximately £294 million.

Our Supply Chains

¹ See <https://www.mitsubishielectric.com/en/sustainability/social/humanrights/hrpolicy/index.html>

² See [Mitsubishi Electric Group Code of Conduct \(English language version\)](#)

All raw materials and components are sourced from supply partners, both domestically and internationally, in compliance with 'Mitsubishi Electric Group Supply Chain Code of Conduct'³.

Our principal supplier of goods and services is our parent company Mitsubishi Electric Corporation. We also buy goods and services from other Mitsubishi Electric group companies.

We may source other goods and services to meet our business needs - whether for onward supply to our customers in conjunction with our supply of Mitsubishi Electric goods and services.

Our UK terms and conditions of purchase include Sustainability compliance undertakings from the supplier to apply policies to ensure the supplier and any sub-contractor to the supplier:

- do not permit any slavery or human trafficking in its business or supply chain and to take all reasonable steps to ensure no slavery or human trafficking takes place in its business or supply chain;
- respect ILO (International Labour Organisation) Conventions protecting children and young workers and never use child labour; and
- never use any forced or bonded labour or involuntary prison labour;
- never mistreat or abuse their workers.

Mitsubishi Electric Corporation have been seeking consent from suppliers to agreement on initiatives for social issues including human rights issues – further discussed below. In addition, Mitsubishi Electric Corporation have continued to promote efforts and give instruction to understand human rights violation risks by suppliers (i.e., forced labour using foreign labourers, dangerous and hazardous labour) – see below.

Due Diligence Processes

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, Mitsubishi Electric Air Conditioning Systems Europe Ltd. and Mitsubishi Electric Group Supplier each apply:

The Mitsubishi Electric Group Human Rights Policy: 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. Further details about this Policy are explained below.

The Mitsubishi Electric Group Code of Conduct states:

Respect for Human Rights:

³ See <https://www.mitsubishielectric.com/en/about/procurement/sustainable/index.html>

- “1. We respect human rights and ensure we adequately understand relevant laws and regulations of the countries and regions in which we conduct business. We strive not to violate any human rights.
2. We request cooperation from various stakeholders involved in the whole value chains of our business activities, products and services to help promote respect for human rights in society at large.
3. If we receive and complaint or consultation regarding human rights from various stakeholders, or if we see or hear any behaviour that infringes human rights from various stakeholders, or if we see or hear any behaviour that infringes upon human rights in Mitsubishi Electric Group activities, we promptly contact the department in charge so that measures can be taken to resolve it.”

Section 2

Mitsubishi Electric Group’s Approach

Mitsubishi Electric Group Human Rights Policy and Process

In 2017, the Mitsubishi Electric Group formulated and published “the Mitsubishi Electric Group Human Rights Policy”. We regard it as our responsibility to support and respect the protection of internationally agreed-upon human rights as a precondition for our corporate activities, and to ensure that we ourselves are not complicit in human rights abuses. The Mitsubishi Electric Group recognizes that international standards on human rights, such as “the International Bill of Human Rights” and “the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work”, are minimum standards to be observed. Based on this recognition, we declare that we will appropriately understand the laws, regulations, and rules of each country and region in which we operate, and that we will respect human rights.

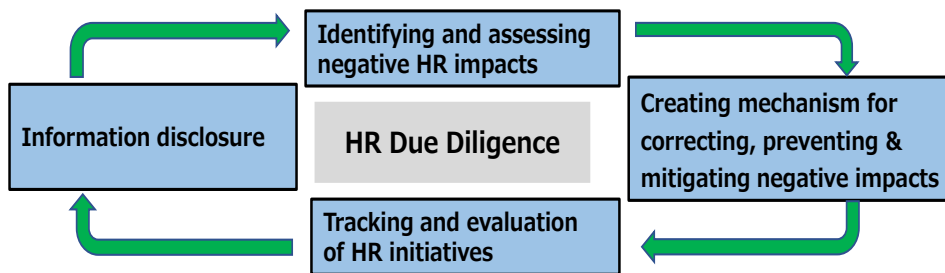
The Mitsubishi Electric Group signed “the Ten Principles of the United Nations Global Compact” on Human Rights, Labour, Environment and Anti-Corruption in 2018. The entire Mitsubishi Electric Group is committed to implementing policies and procedures consistent with its moral and ethical obligation to end modern slavery.

In order to implement the contents of the Human Rights Policy, the Mitsubishi Electric Group has conducted Human Rights Impact Assessments in 2018, 2021, and 2023 to identify risks of human rights violations, including forced labour, child labour and human trafficking, and to correct, prevent, and mitigate negative impacts based on the identified results.

The Mitsubishi Electric Group is committed to promoting human rights due diligence as part of our human rights policy. The progress of human rights respect initiatives is reported to the Sustainability Committee and the Executive Officers' Meeting, and under the guidance and supervision of executive officers and directors, we continuously verify the effectiveness of the PDCA cycle of human rights due diligence.

Mitsubishi Electric Group Human Rights Due Diligence Approach

To address the various risks of modern slavery, the Mitsubishi Electric Group has adopted a human rights due diligence approach as outlined in “the UN Guiding Principles on Business and Human Rights” and “the OECD Due Diligence Guidelines”. The human rights due diligence is in line with the Responsible Business Alliance (RBA) standards, which we joined in February 2022, within the Group and to our supply chain. A new Group-wide activity was initiated in FY2023, actively utilizing the expertise of external third-party organizations. (*Nb. FY2023 means April 2023 – March 2024).



On-going Supply Chain measures by Mitsubishi Electric Group

Every three years, the Mitsubishi Electric Group obtains responses to a survey from suppliers representing the top 80% of its purchases in order to verify suppliers' efforts to meet the requirements of CSR Procurement Guidelines. Through this survey and the confirmation of the survey responses, we identify high-risk suppliers by individually determining whether there is a particularly serious risk of human rights violations, such as forced labour, child labour and human trafficking, and if we do identify a risk, we continuously seek to correct it through dialogue with the supplier. In the latest survey in FY2022, we have not identified any suppliers with such serious human rights violation risk concerns. In addition, we have also included the reduction of excessive working hours and the right to minimum wages in our guidelines and are in the process of confirming this in the survey form.

Transition to RBA compliant initiatives

In FY2022, we used the “CSR Procurement Guidelines”, but in FY2023, we established a new “Mitsubishi Electric Group Supplier Code of Conduct” in compliance with the RBA Code of Conduct and are working to obtain written confirmation of agreement to the Code of Conduct from all suppliers. In addition, we are working to implement SAQ provided by the RBA for the top 80% of suppliers in terms of purchases. The SAQ will be conducted every year.

Processes are carried out to identify and assess supply chains.

For example, if we identify a high-risk supplier, we will evaluate compliance and consider a more detailed verification process to remedy the violation.

We regularly review our suppliers to ensure that robust processes are in place to minimize the risk of Modern slavery in our operations and supply chain.

Human Rights Impact Assessment

As part of human rights due diligence required by the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group periodically carries out "Human Rights Impact Assessments" in order to assess the impact of the Group's business activities on human rights.

Section 3

On-going measures in the UK and abroad

Key performance indicators to measure effectiveness of steps being taken, and training on modern slavery and human trafficking

Every Mitsubishi Electric Air Conditioning Systems Europe Ltd. employee receives a copy of the Mitsubishi Electric Group Code of Conduct 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.

Company-wide periodic e-learning training based upon the UK Modern Slavery Act 2015, is conducted, and all UK staff are compelled to partake in such training.

In addition, outside of the UK, Mitsubishi Electric Corporation have been conducting a sustainability-related e-learning program that includes themes on human rights for employees of Mitsubishi Electric and domestic affiliated companies.

Mitsubishi Electric Corporation will continue raising employee awareness of human rights within the Mitsubishi Electric Group.

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 31st March 2024 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 our website. Our website's homepage carries a prominent link to this statement.

Signed by:

A handwritten signature in black ink that reads "T. Hattori". The signature is written in a cursive style with a large, sweeping initial 'T'.

Taro Hattori

President

Mitsubishi Electric Air Conditioning Systems Europe Ltd.

Issue date: September 2024