

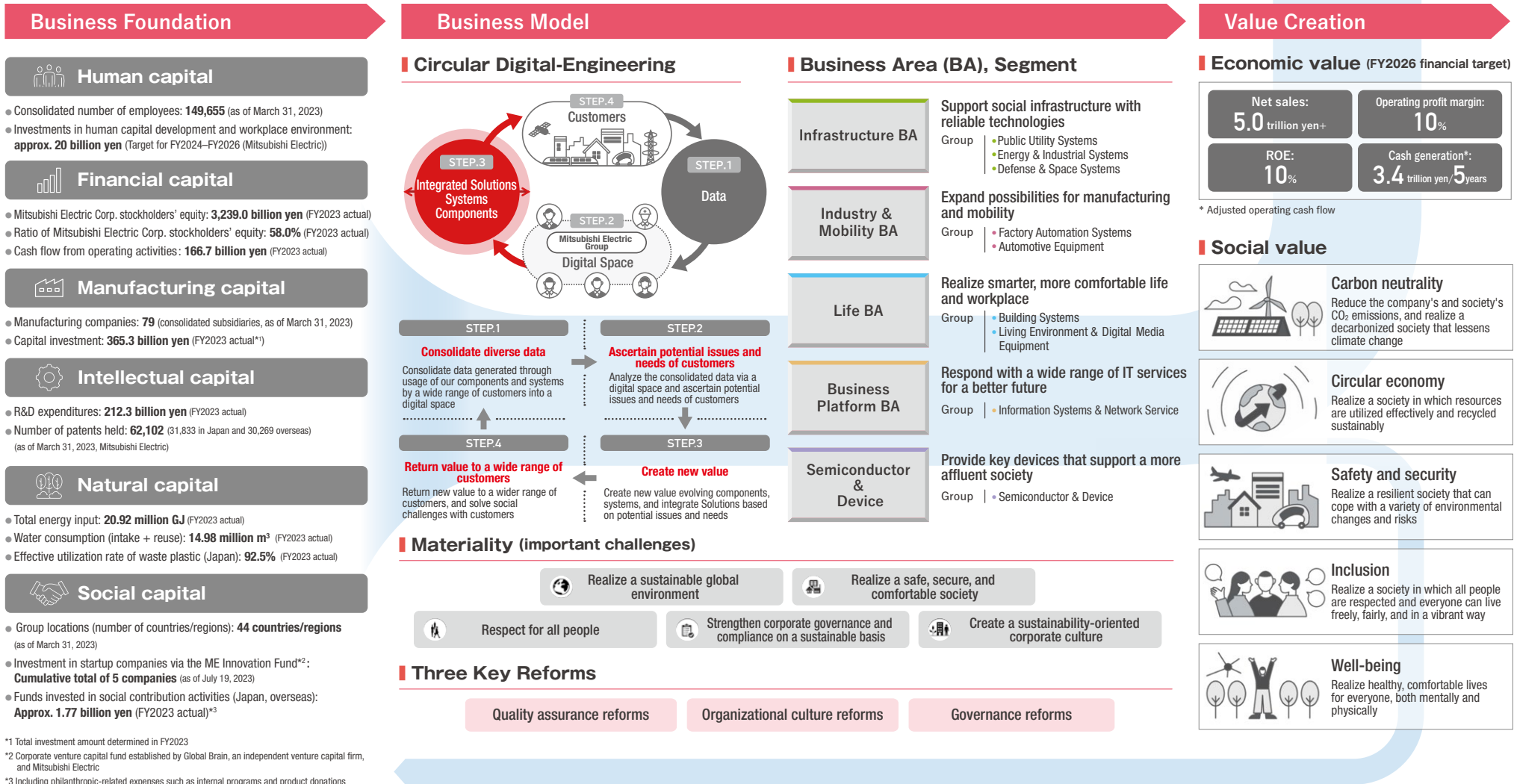
Sustainability Management

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Initiatives to Create Value

The Mitsubishi Electric Group aims to realize "a vibrant and sustainable society" that we have committed to in our Purpose. Furthermore, we have returned to our fundamental principle of "addressing social challenges through our businesses" and positioned the realization of sustainability as the cornerstone of our management. By utilizing all the resources available to the Mitsubishi Electric Group and realizing Circular Digital-Engineering, we aim to create social and economic value, solve social challenges and sustainably enhance our corporate value.

Purpose
We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity.



¹ Total investment amount determined in FY2023

² Corporate venture capital fund established by Global Brain, an independent venture capital firm, and Mitsubishi Electric

³ Including philanthropic-related expenses such as internal programs and product donations

Mitsubishi Electric Corporate Strategy

The Mitsubishi Electric Group has defined its management policy as follows: "In addition to our threefold balanced management policy consisting of 'Growth,' 'Profitability & Efficiency,' and 'Soundness,' we will return to our fundamental principle of 'addressing social challenges through our businesses' and positions the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders."

The Group has established its Corporate Strategy as follows: "Through co-creation and by integrating knowledge within and outside the Group, we will transform into a 'Circular Digital-Engineering' company that provides evolved integrated solutions thereby contributing to solving various social issues."

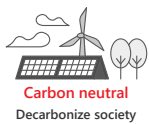
It is essential to strengthen innovation and our business foundation to achieve sustainable growth. To realize this growth, the Mitsubishi Electric Group pursues the strategies and initiatives such as innovation strategies, human capital strategy, risk management, and the Three Key Reforms.

Mitsubishi Electric Corporate Strategy

Sustainability Management

Respond to key social challenges in five basic areas in order to contribute to sustainability

Key social challenges



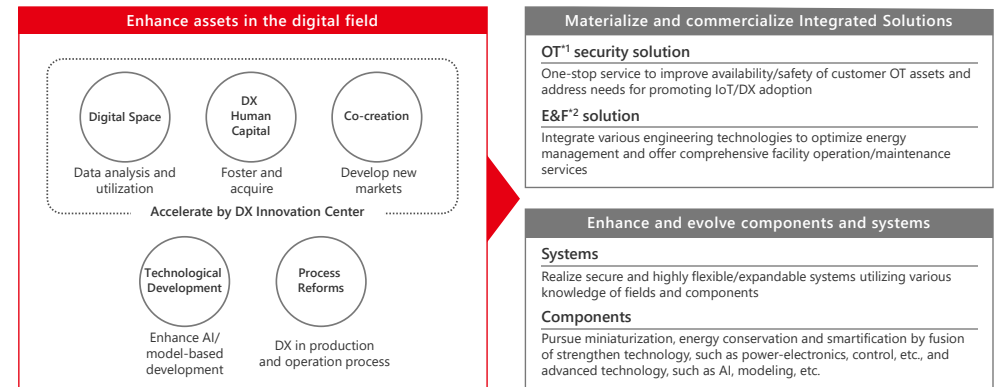
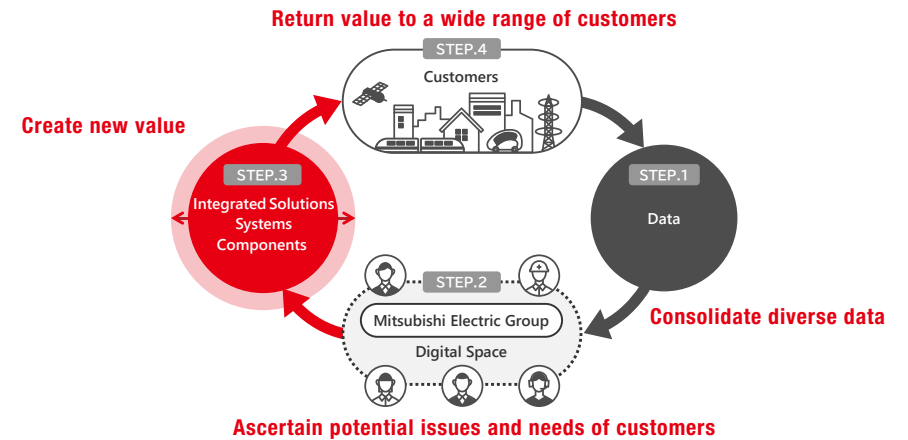
Initiatives for realizing sustainability



Circular Digital-Engineering

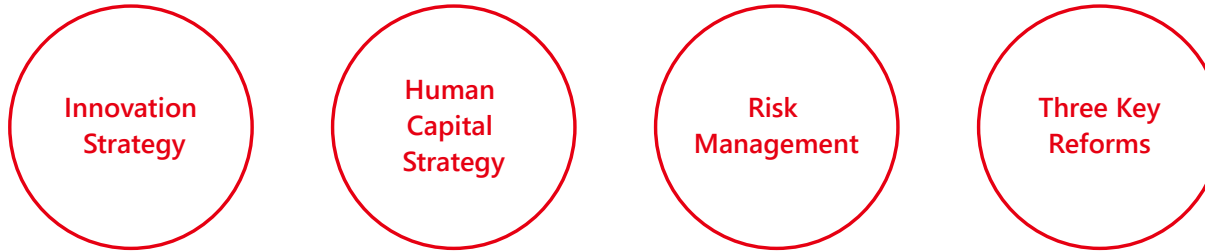
Leverage strong intra-group connections and knowledge sharing in order to consolidate and then analyze data in the digital space to create new value and contribute to solving key social challenges

Solving social challenges through Circular Digital-Engineering



¹ Operational Technology ² Energy & Facility

Enhancement of Innovation and Business Foundation to Achieve Sustainable Growth



Three Key Reforms

Innovation Strategy

Promote open innovation with technical capabilities and creativity

Build digital platform and space to consolidate various data and knowledge, leveraging our advantage, OT¹ and domain knowledge, and reform to a future-oriented business model.

Design the future and provide new value in a timely manner by integrating knowledge within and outside the Group and through co-creation with customers.

Recent strategies and initiatives

Build digital platform and space

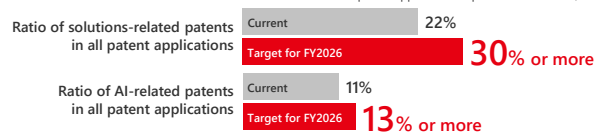
- Established the DX Innovation Center
- Build digital platform that integrates various OT solutions in a composable form², and digital space that fuses data on things, experiences, markets and operation

Co-create with external parties

- Strengthen business-academia collaboration, starting with the Mitsubishi Electric and The University of Tokyo Future Design Conference
- Invested in 4 companies in total, through the ME Innovation Fund³ (total investment amount of ¥5.0 billion). Plan to invest in 4 additional companies in FY2024
- Started with Kao Corporation a sorting trial of plastics, utilizing our advanced sorting technologies, through OTB⁴ activities. Negotiations are underway with 43 companies, seeking co-creation in a variety of industries

KPIs : Digital technology - related patent applications

Number of patent applications expected in FY2026: 4,000



Human Capital Strategy

Grow together with our people and building a brighter future with the power of human capital

Expand and strengthen investment in human capital. Through this initiative, respect career ownership of each person, in particular, and embrace and cherish diverse and versatile human capital who can think independently, act proactively, and continuously take on challenges. Promote early appointment and well-planned development of senior management⁵ candidates who will lead the company, based on open talent management by building a global human capital management system.

Recent strategies and initiatives

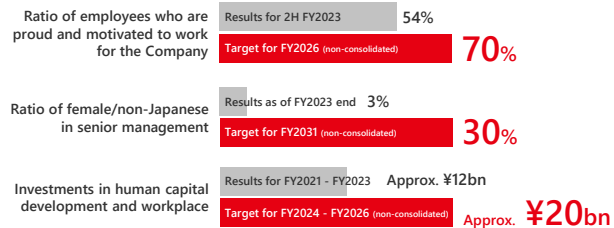
Enhance career ownership that respects self-initiative and challenging spirit

- Enhance initiatives to increase mobility of human capital and personal career development support programs such as in-house job offering/application systems
- Revamp the salary and compensation system into a new, hybrid one by adding the job-based employment to the existing membership-based model

Diversification of senior management and early appointment

- Promote D&I⁶ in management leaders based on succession management utilizing the global job grading
- Early appointment of personnel for managerial positions linked with a management candidate development system and promote recruitment of mid-career people

KPIs : Employee engagement survey, D&I of senior management



Risk Management

Strategically control diversifying uncertainties in the business environment

Visualize our global business structure/supply chains and enhance capability to address increasing risks associated with geopolitics, natural environment, etc.

Work to minimize intrinsic risk through a company-wide control and operational process standardization/DX.

Recent strategies and initiatives

Enhance a company-wide risk management system

- Established the Corporate Information Security Division, the Corporate Economic Security Division, and the Corporate Risk Management Division under the direct control of the president to accumulate know-how and knowledge in risk handling. Enhance our company-wide capability to address risks

Reinforce supply chains

- Build a procurement database in the entire company
- Ascertain information on hazards and sanctions in a timely manner; Visualize supply chains, including the 2nd-tier partners and beyond, with the use of AI

Prevent intrinsic risk

- Draw up a risk map to identify prioritized themes/bases
- Eliminate any chance of improper practices with the use of DX in operational process
- Prioritize prevention and foster a mindset that encourages employees to learn from mistakes and to create a better company, and thereby regain trust from society

¹ Operational Technology ² A scheme to provide applications flexibly and efficiently according to requirements by combining independent services ³ A corporate venture capital (CVC) fund established jointly with Global Brain Corporation, an independent venture capital ⁴ Activities to promote co-creation through disclosing technology assets on internal and external websites and vitalizing inter-business collaborations within the company and licensing to external parties

⁵ Senior management: Executive Officers and Directors ⁶ Diversity and Inclusion

Materiality

Mitsubishi Electric Group's Materiality

The Mitsubishi Electric Group has positioned the realization of sustainability at the cornerstone of our management based on the principle of "Provide solutions to social challenges through our businesses." To address sustainability at the management level and to promote it over the long term, we have identified five areas as materiality to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges, starting with contributing to the achieving the SDGs. In our materiality-related initiatives, we promote continuous activities for improvement by implementing the PDCA cycle for mid- to long-term goals as well as for targets/Key Performance Indicators (KPIs).

With regard to the SDGs, we believe that they are in line with our Purpose of contributing to solving social challenges, and we will contribute to the achievement of the 17 Sustainable Development Goals (SDGs) through all of our corporate activities.

	Materiality	Initiative items	Long-term target	Priority SDGs initiatives
Provide solutions to social challenges through our business	 Realize a sustainable global environment	Carbon neutrality	FY2051 : Aiming for net zero greenhouse gas emissions in the entire value chain Achieving a decarbonized society through innovation and integrated solutions	    
		Circular economy	Contributing to the realization of a circular economy	
	 Realize a safe, secure, and comfortable society	Safety/security, inclusion, well-being	Achieving safety/security, inclusion, and well-being through our business activities	
Strengthen our business foundation to enable sustainable growth	 Respect for all people	Human rights	Establishing human rights initiatives based on international norms and implementing responsible supply chains	
		Human capital	Realize workplace where diverse and versatile human capital gathers and works together	
	 Strengthen corporate governance and compliance on a sustainable basis	Governance	Increase effectiveness of the Board of Directors	
		Quality	Prevent the recurrence of improper quality control practices	
		Compliance	True understanding and practices of a compliance motto "Always Act with Integrity"	
 Create a sustainability-oriented corporate culture	Information security	Improve the Cybersecurity maturity level		
	Understanding and practices of sustainability	Understanding and practices of sustainability by employees		
		Communication	Promote communication with stakeholders both inside and outside the company	

Realize a sustainable global environment



The Group has formulated its Environmental Sustainability Vision 2050 to clarify the Group's stance on addressing long-term environmental issues. Based on this, we have engaged in activities since fiscal 2022 in line with our medium-term Environmental Plan 2023, and we aim to achieve carbon neutrality and a circular economy by promoting innovation in products and services, and by providing integrated solutions.

Reasons why it is important

Environmental challenges such as climate change and resource/energy issues are hurdles at a global scale. The Mitsubishi Electric Group will contribute to solving these issues with the aim of realizing a sustainable global environment.

Targets and key performance indicators (KPIs)

Fiscal 2051

Aim for
**net zero greenhouse
gas emissions**

in the entire value chain

Scope: Mitsubishi Electric Group

Fiscal 2031

Aim for
**net zero greenhouse
gas emissions**

from factories and offices

Scope: Mitsubishi Electric Group

Fiscal 2024

90% or more

effective use of waste plastics

Scope: Mitsubishi Electric Group (in Japan)

Provide products, services, and
solutions that contribute to
carbon neutrality

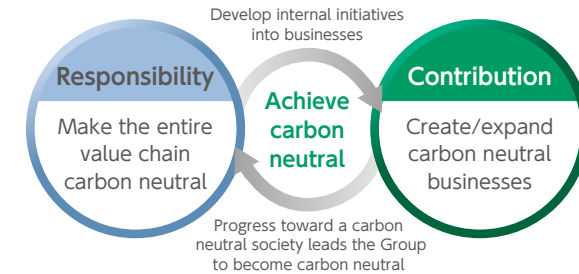
Scope: Mitsubishi Electric Group

Topics

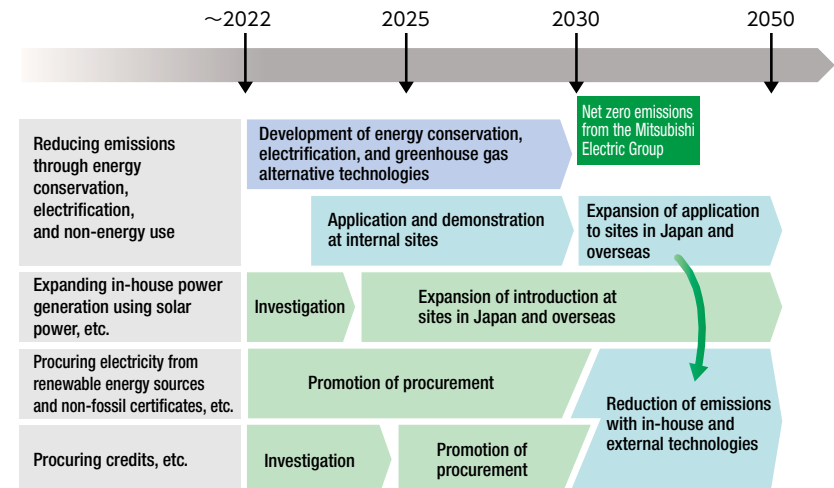
Toward the achievement of carbon neutrality

The Mitsubishi Electric Group is working to achieve carbon neutrality from two aspects: responsibility and contribution. As we expand our business, our target is to achieve effectively zero greenhouse gas emissions from our own operations and carbon neutrality throughout our entire value chain by 2050. Although in May 2022, the Company announced an interim target of "reducing our own emissions to 50% of fiscal 2014 levels by fiscal 2031," we changed the interim target in May 2023 to "aiming for effectively zero greenhouse gas emissions in fiscal 2031" in order to more proactively align with the global movement to keeping the global average temperature rise to below 1.5°C.

Adopted dual approaches to carbon neutral: Responsibility and Contribution.



Roadmap for reducing emissions from factories and offices



Realize a safe, secure, and comfortable society

Since our inception, the Mitsubishi Electric Group has been contributing to society primarily by offering products and services. We aim to solve diversifying social challenges through our businesses to realize the "vibrant and sustainable society" outlined in our Purpose.



Reasons why it is important

Aiming to solve diversifying social challenges, the Mitsubishi Electric Group will contribute to the realization of a safe, secure, and comfortable society by providing integrated solutions that combine the strengths of both inside and outside the Group in the Business Areas and segments of Infrastructure, Industry & Mobility, Life, Business Platforms, and Semiconductor & Devices.

Targets and key performance indicators (KPIs)

**Provide products, services,
and solutions that contribute to
"safety and security"**

Scope: Mitsubishi Electric Group

**Provide products, services and
solutions that contribute to
"inclusion" and "well-being"**

Scope: Mitsubishi Electric Group

Topics

Contributing to the realization of a safe, secure, and comfortable society through business activities

The Mitsubishi Electric Group provides various products and services that contribute to safety/security, inclusion, and well-being, while also promoting co-creation and joint studies with external parties.

[Management Related to Materiality](#)

[Fiscal 2023 Example]

- **Water Surface Condition Monitoring Service MINAMONITOR**

Remote monitoring of water levels in reservoirs, etc. to streamline maintenance and management of agricultural irrigation facilities, which also contributes to disaster prevention and mitigation.



MINAMONITOR (Buoy type water surface sensor)

[Mitsubishi Electric Starts Accepting the Order of Water Surface Condition Monitoring Service MINAMONITOR \(in Japanese text\)](#)

- **Mitsubishi Electric EcoCute P/S series**

These series are equipped with "Kirariyuki Keep PLUS," which sterilizes hot water before bathing or washing by continuous irradiation of deep UV rays. In addition, the "pakatto handle" function enables to users to take hot water easily from the hot water storage tank in case of emergency such as a water outage.

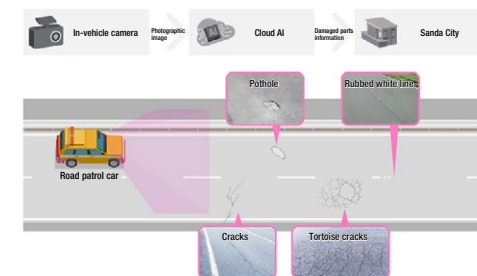


Heat pump unit (left) and hot water storage tank (right)

[Mitsubishi Electric Launches New series of EcoCute \(in Japanese text\)](#)

- **Started joint research with Sanda City on a road management system using cloud AI**

We contribute to improvement of the efficiency of road maintenance and repair work, and optimization of city functions and the "smartification of city hall."



Road Management System (Outline of service)

[Mitsubishi Electric Starts joint research with Sanda City on Road Management system Using Cloud AI \(in Japanese text\)](#)

Respect for all people



We recognize that we enjoy a wide range of relationships with the people and societies in the countries and regions where we operate, and we respect the human rights of all people. In addition, we promote diversity so that diverse people can do their best work, and we make Group-wide efforts to create work environments in which all employees can maintain their physical and mental health as well as work actively.

Reasons why it is important

The protection of human rights is a global issue. Everyone's rights as individuals must be respected. The Mitsubishi Electric Group will respect human rights in all of our activities and realize a workplace environment that helps all employees work actively.

Targets and key performance indicators (KPIs)

Fiscal 2024

Implementation of the Human Rights Impact Assessment based on the United Nations Guiding Principles on Business and Human Rights in all business groups

Scope: Mitsubishi Electric Group

Fiscal 2025

Establishing a mechanism for respecting human rights in the supply chain based on the RBA process

Scope: Mitsubishi Electric Group

Fiscal 2026

Employee engagement score*¹

70% or more

(Scope: Mitsubishi Electric)

60% or more

(Scope: Some of related companies)

Fiscal 2031

Ratio of female and non-Japanese in senior management**²

30% or more

Scope: Mitsubishi Electric

Fiscal 2031

Ratio of female in managerial positions **12% or more**

Scope: Mitsubishi Electric

Topics

Joining JaCER

Mitsubishi Electric has joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which was established in June 2022 to support and promote the redress of grievances by companies. Going forward, we will continue to strengthen its grievance handling mechanisms in order to promote respect for human rights in society.



Improve employee engagement through their career ownership empowerment

The Company is implementing various initiatives to realize a work environment in which all employees can work "actively". In particular, we are implementing numerous measures to empower career ownership that respects employees' sense of initiative and challenges.

- Implementation of career consulting (career interviews)

In addition to the consultation and resolution function between managers and employees, we have established the Career Consulting Room. Employees, regardless of which division they belong to, are free to choose internal or external career consultants (advisors) for advice and guidance on career development.

- Provision of transfer opportunities that contribute to employees' career development

This measure helps employees to realize their desired careers by matching such careers with the human resources needed in their workplaces through the Job-Net system (an intranet-based internal recruitment system) and the Career Challenge system (an internal job search system).

Through these efforts, we are working to improve our employee engagement scores.

Ratio of employees who are proud and motivated to work for the Company

Results for 2H FY2023

54%

Target for FY2026(non-consolidated)

70%

*1 Average percentage of positive responses to the five questions in the employee attitude survey conducted annually (twice a year since fiscal 2021):

"Pride in working for the Company," "Willingness to contribute," "Desire to change jobs," "Encouraging others to join the Company," and "Sense of achievement through work"

**2 Senior management: Directors, Executive Officers and Executive Officers (Associate)

Strengthen corporate governance and compliance on a sustainable basis



While maintaining the flexibility of its operations and promoting management transparency, the Mitsubishi Electric Group works to strengthen the supervisory functions of management with the goal of realizing sustained growth. Our fundamental policy is to build and improve a corporate structure that is more able to meet the expectations of customers, shareholders and all of its stakeholders, while endeavoring to further increase corporate value. 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.

Reasons why it is important

Corporate governance and compliance are fundamental preconditions for a company's continued existence. The Mitsubishi Electric Group will continue to reinforce these areas.

Targets and key performance indicators (KPIs)

Maintain the ratio of independent
outside director

over 50%

Scope: Mitsubishi Electric

Promote Three Key Reforms (quality
assurance, organizational culture, and
governance), monitoring of the Three Key
Reforms by the Board of Directors, and
appropriate information disclosure

Scope: Mitsubishi Electric Group

Provide compliance education on a
continuous basis

Scope: Mitsubishi Electric Group

FY2029

**Achieve Level 2
or higher**

in the Cybersecurity Maturity
Model Certification

Scope: Mitsubishi Electric Group

Topics

Roundtable discussion with Outside Directors and members involved with the reform project for the purpose of monitoring the Three Key Reforms

The Mitsubishi Electric Group is implementing the Three Key Reforms in response to a series of improper quality control practices. One of these, the governance reforms include efforts to strengthen directors' monitoring function with respect to business execution.

Recently, as part of this project, a roundtable discussion was held among all seven outside directors and six members involved with the reform project. By sharing not only what has changed in Mitsubishi Electric as a result of the reform project's efforts but also the challenges that must be overcome, opinions were exchanged from diverse perspectives regarding the progress of organizational culture reform. The discussion concluded with confirmation that the Board of Directors will continue to provide advice and support as well as to closely monitor the reform.

Key Topics

- How to improve employees' understanding of the need for change
- The current situation of working at the manager level
- Employee engagement, including job satisfaction



Roundtable discussion between outside directors and members involved with the reform project (May 2023, Information Technology R&D Center)

Create a sustainability-oriented corporate culture



To contribute to realizing sustainability, the Mitsubishi Electric Group must instill a corporate culture that includes: a commitment to solving social challenges from a long-term perspective, having sensitivity and adaptability to changes in society, and proactive disclosure of information to stakeholders. Corporate culture cannot be changed overnight. We will work to build this culture over a long period as a foundation to support sustainable management.

Reasons why it is important

The Mitsubishi Electric Group will contribute to realizing sustainability through all of our activities. To this end, we will proactively communicate with stakeholders and foster a corporate culture that encourages employees to pursue initiatives from a mid-to-long-term perspective.

Targets and key performance indicators (KPIs)

Fiscal 2026

Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey

Good

75% or more

Scope: Mitsubishi Electric

Fiscal 2024

Issue the Sustainability Report and the Integrated Report, hold dialogues with experts, and conduct sustainability report questionnaires

Scope: Mitsubishi Electric Group

Topics

Organizational culture reform through the company-wide reform project "Team Sousei (Creation)"

"Team Sousei (Creation)" is a company-wide reform project led by the president and composed of volunteers selected through internal recruitment. The aims are to foster the culture "Employees feel that they can consult with their superiors," "failures are tolerated," and "problems are solved together." In Fiscal 2023, the project's second year, "revitalizing communication" was positioned as a top priority for organizational culture reform, and measures were implemented to deepen understanding of what the term "psychological safety" means. We will continue to make efforts to promote the understanding that a high level of psychological safety is essential to organizational development and to have this awareness deeply take root.

Information about "Team Sousei (Creation)" activities is posted as necessary to the company website so that all employees can check the current status and share comments.

Key measures implemented

Activities to change awareness and behavior, such as on why psychological safety is necessary, throughout the company from the top down:

- The "Psychological Safety Guidelines" rolled out company-wide as the ideal interpersonal relationships to achieve in our company
- Lectures for personnel in executive management positions and middle management
- Job-level specific lectures to promote practices of senior managers and section managers
- Collaboration with the measure for productivity improvement such as meeting guidelines, etc.



A lecture for personnel in executive management positions and middle management with Mr. Ryosuke Ishii

Mid- to long-term initiatives and goals for FY2024 (17 items)

Materiality	Item	Long-term target	Mid-term target / KPI	Initiatives for FY2024	Scope
Realize a sustainable global environment	Carbon neutrality	[Scope 1, 2, 3] FY2051 : Aiming for net zero greenhouse gas emissions in the entire value chain		[Scope 3] Newly developed models with an energy efficiency improvement of 1.0% or more compared to the previous models	Mitsubishi Electric Group
			[Scope 1, 2] FY2031 : Aim for net zero greenhouse gas emissions from factories and offices	Reduce greenhouse gas emissions from factories and offices by 30% or more compared to FY2014	Mitsubishi Electric Group
	Achieving a decarbonized society through innovation and integrated solutions	Provide products, services and solutions that contribute to carbon neutrality			Mitsubishi Electric Group
Realize a safe, secure, and comfortable society	Safety/Security, Inclusion, and Well-being	Achieving safety/security, inclusion, and well-being through our business activities	Provide products, services and solutions that contribute to safety/security		Mitsubishi Electric Group
			Provide products, services and solutions that contribute to inclusion and well-being		
Respect for all people	Human rights	Establishing human rights initiatives based on international norms and implementing responsible supply chains	FY2025: Establish a foundation for human rights due diligence in accordance with international norms	Implementation of the Human Rights Impact Assessment based on the United Nations Guiding Principles on Business and Human Rights in all business groups	Mitsubishi Electric Group
			FY2025: Establishing a mechanism for respecting human rights in the supply chain based on the RBA process	Operational development for the transition to the RBA supplier human rights due diligence process	
	Human capital	Realize workplace where diverse and versatile human capital gathers and works together	FY2026: Employee engagement score*1 of 70% or more (Mitsubishi Electric) and 60% or more (Some of related companies)	<ul style="list-style-type: none"> Steady implementation of organizational culture reforms (related measures) Strengthening of support for career autonomy Consideration of a new personnel treatment system 	Mitsubishi Electric Group (in Japan)
			FY2031: Ratio of female/non-Japanese in senior management*2 30% or more	<ul style="list-style-type: none"> Promotion of strategic recruitment of external human resources Planned succession planning for leadership candidates within the company, etc. 	Mitsubishi Electric
		FY2031: Ratio of female in managerial positions 12% or more	<ul style="list-style-type: none"> Promotion of programs to promote women to managerial positions Linking to management candidate development programs, etc. 	Mitsubishi Electric	
Strengthen corporate governance and compliance on a sustainable basis	Governance	Increase effectiveness of the Board of Directors	Maintain the ratio of independent outside director of Mitsubishi Electric over 50%	<ul style="list-style-type: none"> Outside directors as more than 50% of directors Continued disclosure of the skills matrix in General Meeting of Shareholders reference documents Appointment of an outside director as Chairman of the Board of Directors 	Mitsubishi Electric
	Quality	Prevent the recurrence of improper quality control practices	Promote Three Key Reforms (quality assurance, organizational culture and governance), monitoring of the Three Key Reforms by the Board of Directors, and appropriate information disclosure		Mitsubishi Electric Group
	Compliance	True understanding and practices of a compliance motto "Always Act with Integrity"	Provide compliance education on a continuous basis		Mitsubishi Electric Group
	Information security	Improve the Cybersecurity maturity level	FY2029: Achieve level 2 or higher*3 in the Cybersecurity Maturity Model Certification		Mitsubishi Electric Group
Create a sustainability-orientated corporate culture	Understanding and practices of sustainability	Understanding and practices of sustainability by employees	FY2026: Understanding on the operation of business in line with the corporate purpose and goals according to the results of the employee awareness survey 75% or more	Promotion of sustainability awareness via internal newsletters, the intranet, training, etc.	Mitsubishi Electric
	Communication	Promote communication with stakeholders both inside and outside the company	Issue the Sustainability Report and the Integrated Report Hold dialogues with experts, and conduct sustainability report questionnaires		Mitsubishi Electric Group

*1 Ratio of employees who respond that they feel that they are proud and motivated to work for the Company in the employee awareness survey

*2 Senior management: Directors, Executive Officers and Executive Officers (Associate)

*3 Framework for Cybersecurity Maturity Model Certification set forth by the U.S. Department of Defense (CMMC 2.0)

Basic policy and Promotional System for Sustainability

| Basic policy on Sustainability

The Mitsubishi Electric Group implements sustainability-oriented initiatives in all corporate activities in accordance with its "Purpose," "Our Values," and "Commitment." Our management policy states, "we will return to our fundamental principle of 'addressing social challenges through our businesses' and position the realization of sustainability as the cornerstone of our management. From this approach, we will pursue a sustained enhancement of our corporate value and fulfill our responsibility to society, to our customers, shareholders and employees, and to all other stakeholders." We will pursue initiatives for achieving a sustainable society to incorporate the expectations, requests, and opinions from society into activities, and to minimize the negative impact on society and the environment.

Actions to promote the realization of sustainability

To realize sustainability, we have set the following four points as actions to advance:

Contribution to a sustainable society through our businesses	To contribute to the realization of a "vibrant and sustainable society" by solving social and environmental issues through our business activities
Responsibility for a sustainable society	To conduct business responsibly in a manner that does not cause or exacerbate social challenges or environmental issues
Risk management for long-term social and environmental changes	To adapt to changes in society and the environment not only in the short and medium terms but also in the long term. To create business opportunities and sustainable development. To predict risks and to control or minimize their impacts on business management
Communication with stakeholders	To communicate with society, customers, shareholders, employees, and other stakeholders through highly transparent disclosure of information in a way that reflects society's expectations, requests, and opinions in our corporate management

| Promotional System for Sustainability

The policies and planning for the sustainability activities of the Mitsubishi Electric Group are decided by the Sustainability Committee, which is chaired by the Chief Strategy Officer (CSO), the Executive Officer in charge of corporate planning and sustainability, and appointed by Mitsubishi Electric's Executive Officers meeting. The Sustainability Committee comprises of the heads of Mitsubishi Electric's corporate divisions and corporate strategic planning divisions (as of April 1, 2023, there are 34 members in charge of environmental, social and governance aspects from divisions such as Corporate Strategic Planning and Corporate Human Resources). Based on the materiality, the Committee discusses monitoring the results of activities,, decisions on future activity plans, and responses to law amendments, and promoting initiatives from a perspective that spans the entire Mitsubishi Electric Group. In addition, the corporate divisions are responsible for the promotion of specific initiatives such as ethics and legal compliance, quality assurance and improvement, environmental protection activities, social contribution activities, and stakeholder communication.

The Sustainability Planning Division provides the secretariat for the Sustainability Committee. We have established the Sustainability Planning Division under the direct control of the President as the core organization responsible for this task from fiscal 2024 in order to realize sustainability.

The Sustainability Committee generally holds meetings at least three times a year, and the details on the discussion are reported to the senior executives the Executive Officers' Meeting. From fiscal 2022, the details on the discussion are also reported to the Board of Directors. The Board of Directors regards the statuses of sustainability initiatives as one of "main agenda items" for the Mitsubishi Electric Group and it holds full discussions from the perspective of risk management and profit-generating opportunities, receiving diverse opinions from independent outside directors, as well as supervising the status of initiatives by Executive Officers.

The promotion of sustainability initiatives is one of the compensation indicators for Executive Officers, and the achievement of performance indicators in non-financial areas such as sustainability and ESG-related areas is reflected in incentive compensation.

In order to deal with sustainability challenges that involve multiple divisions in a cross-sectional manner, we also have established 'Sub-committees' as permanent meetings and 'Projects' as temporary meetings under the Sustainability Committee. The two subcommittees,



Sustainability Committee

the "Carbon Neutrality Subcommittee" and the "Human Rights Subcommittee," promote initiatives in response to legal and social requirements. In addition, we have established the "Integrated Report/Legal Disclosure Working Group" and "TCFD Working Group" to consider the clarification of individual categories of activities and the roles of participating divisions, information disclosure in accordance with norms, and other matters. Subcommittees and projects are led by the relevant corporate division, and the progress of these subcommittees' initiatives is confirmed at each Sustainability Committee meeting.

Further, to share and execute the policies and plans established by the Sustainability Committee, we have established the "Sustainability Communication Meeting" aimed at collaboration between internal divisions and affiliates in Japan and overseas.

[Materiality](#)

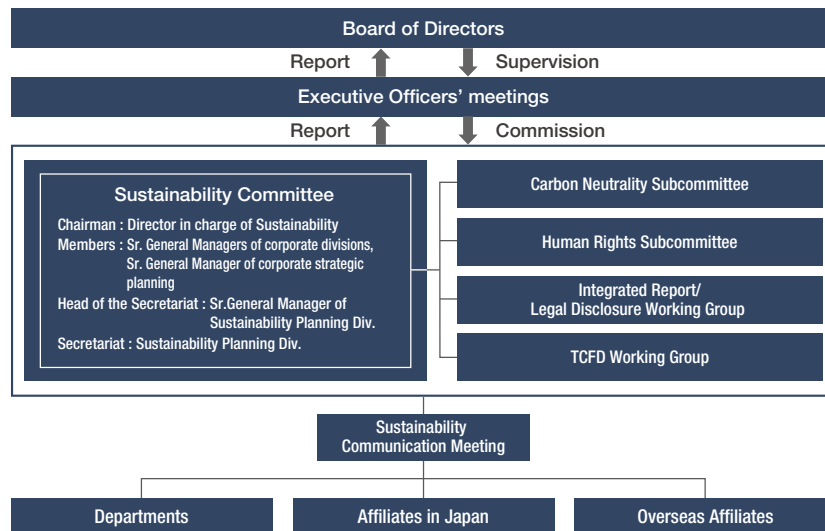
[Corporate governance](#)

[Human Rights Subcommittee](#)

[Carbon Neutrality Subcommittee](#)

[Integrated Report/Legal Disclosure Working Group](#)

[TCFD Working Group](#)



Sustainability Promotion Framework

Main agenda of the Sustainability Committee (Apr., Oct., and Jan., FY2023, and Apr., FY2024)

- Sustainability initiatives at the management level
- Strengthening the management of the Sustainability Committee (setting up Subcommittees and Projects, etc.)
- Report on achievements made in the previous fiscal year and activities planned in the current fiscal year, with focus on materiality initiatives
- Responses to sustainability-related legal regulations and to requests from stakeholders
- Responses to the sustainable development goals (SDGs)
- Initiatives to carbon neutrality
- Human rights initiatives
- Response to TCFD
- Responses to legal disclosures related to sustainability
- Production of Sustainability Reports and Integrated Reports
- Promotion of social contribution activities

Main suggestions from the Board of Directors

- Sustainability initiatives are necessary to gain customer trust and sustain the business.
- Society expects the Mitsubishi Electric Group to "realize a sustainable global environment" and to "realize a safe, secure, and comfortable society," and the Group must demonstrate its capabilities in these areas, with carbon neutrality at the forefront of such efforts.
- More and more companies are being criticized for greenwashing*. It is important to get the facts right.
- In order to disseminate the Purpose, Management policy, and so forth, it is necessary for management to communicate directly and repeatedly with employees.

* Creating an illusion of efforts being made for the environment when in reality, such efforts were non-existent

Carbon Neutrality Subcommittee

The Carbon Neutrality Subcommittee confirms items related to decarbonization of the Mitsubishi Electric Group that are to be reported to the Sustainability Committee, along with holding discussions on issues that practicing departments such as the Corporate Total Productivity Management & Environmental Programs Group and each business group are not able to resolve on their own.

Main agenda of the Carbon Neutrality Subcommittee (FY2023)

- Initiatives toward zero emissions from our company in fiscal 2031
- Initiatives in the Contribution category
- SBT certification updates
- Using internal carbon pricing
- Sharing external trends related to carbon neutrality

Integrated Report/Legal Disclosure Working Group

We have established the Integrated Report/Legal Disclosure Working Group under the Sustainability Committee to comply to sustainability legal disclosures on a global scale.

Main agenda of Integrated Report/Legal Disclosure Working Group (FY2023)

- Responses to CSRD and ESRS
- Responses to laws and regulations around the world related to sustainability
- Warranty of sustainability information
- Response to revisions to the Annual Securities Report
- Production of the Integrated Report

 [Human Rights Subcommittee](#)

 [TCFD Working Group](#)

| Materiality of the Mitsubishi Electric Group

The Mitsubishi Electric Group has positioned the realization of sustainability as the cornerstone of our management based on the principle of "Provide solutions to social challenges through our businesses." To address sustainability at the management level and to promote it over the long term, we have identified five areas as materiality (important challenges) to "Provide solutions to social challenges through our businesses" and as part of our "Strengthen our business foundation to enable sustainable growth." Through these materiality initiatives, we will create economic and social value and will contribute to solving social challenges, starting with contributing to the achieving the SDGs. In our materiality-related initiatives, we promote continuous activities for improvement by implementing the PDCA cycle for mid- to long-term goals as well as for targets/Key Performance Indicators (KPIs). In terms of targets and KPIs, we have identified 17 essential company-wide sustainability-related targets for fiscal 2024 from among a range of initiatives, and the Sustainability Committee confirms and drives progress towards these targets to increase corporate value.

With regard to the SDGs, we believe that they are in line with our Purpose of contributing to solving social challenges, and we will contribute to the achievement of the 17 Sustainable Development Goals (SDGs) through all of our corporate activities.

About the Sustainability Report

The Sustainability Committee discusses and confirms creation policy for the reports, sustainability management, and other especially important items regarding the Sustainability Report before publication. In particular, the report describes the results of materiality-related initiatives and targets approved by the Sustainability Committee for such initiatives.

Process of Identification and Review of Materiality

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

In fiscal 2021, a full internal review of the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) was undertaken by the Sustainability Expert Committee and Sustainability Business Promotion Committee, in view of subjective evaluations from inside and outside the company, featuring questionnaires and interviews from a total of 1,551 people, including Mitsubishi Electric Group employees, suppliers, investors, analysts, and general consumers.

We have carried out stakeholder questionnaires targeted at general consumers (600 respondents) since fiscal 2017, and we held a questionnaire in fiscal 2022 as well. We will take evaluation from external parties into account as we review these mid-to-long-term initiatives and targets.

While incorporating opinions from inside and outside the company, these initiatives will continue to be improved, and the materiality, mid-to-long-term initiatives, and targets/key performance indicators (KPIs) will be reviewed by implementing the PDCA cycle.

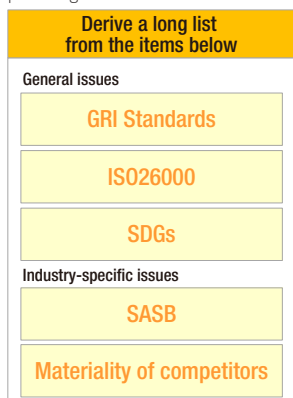
Step 1 Awareness of social issues (fiscal 2021)

Candidate materiality (357 issues) were identified based on ISO26000*1, the GRI Standards*2, the SASB standards*3, and the Sustainable Development Goals (SDGs).

*1 Guidelines concerning social responsibility issued by the International Organization for Standardization (ISO)

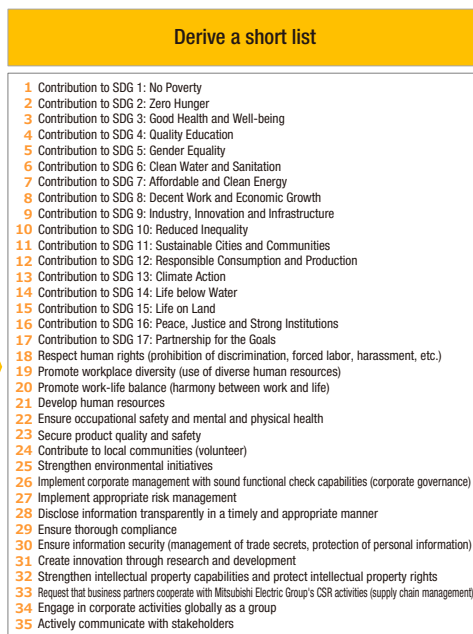
*2 International standards for sustainability reporting issued by the international NGO, Global Reporting Initiative (GRI)

*3 Information disclosure rules concerning the environment, society, and governance (ESG) created by the Sustainability Accounting Standards Board (SASB), a non-profit organization in the U.S.



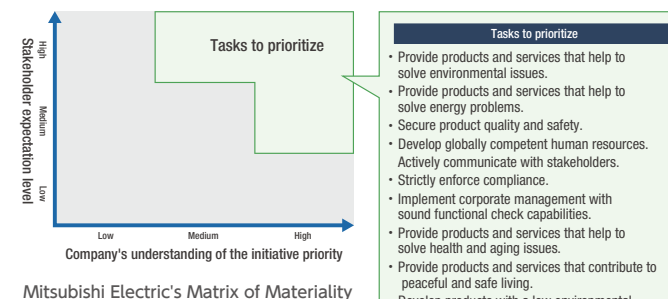
- Sort similar items
- Eliminate items that have little relevance to Mitsubishi Electric's business
- Eliminate economic-related items

Extraction of candidate materiality from guidelines, etc.



Step 2 Assessment of internal and external views and study of materiality (fiscal 2021)

Using the short list created in step 1, we conducted a questionnaire survey of consumers, suppliers, investors, and Mitsubishi Electric Group employees, who are our stakeholders, regarding what expectations they have for the Mitsubishi Electric Group to contribute to addressing social challenges. In addition, we received opinions from experts regarding the identification of materiality through interviews and dialogues with them in order to assess both internal and external views of the Mitsubishi Electric Group. Based on the results obtained, internal working groups narrowed down the issues that the Mitsubishi Electric Group should address as top priority, and the Sustainability Expert Committee and Sustainability Business Promotion Committee are studying the materiality of such issues.



Internal working groups



Interviews with experts

Step 3 Identification of materiality (fiscal 2021)

Identification by the Sustainability Committee

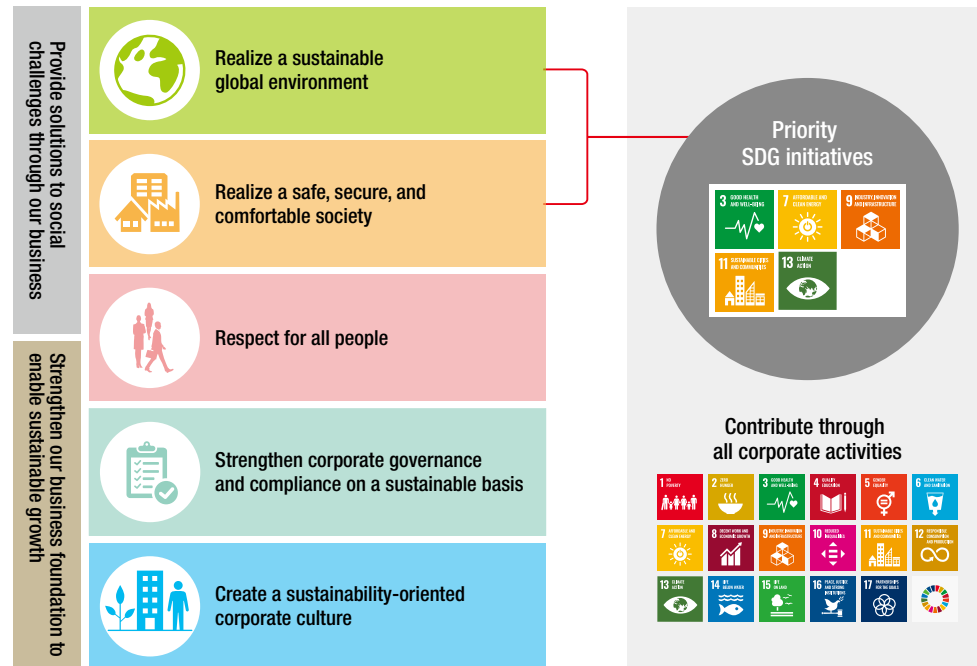
The issues thus extracted and studied through the above-described process and specific mid-to-long-term initiatives and targets/key performance indicators (KPIs) were confirmed by executive officers and identified as the Mitsubishi Electric Group's materiality by the Sustainability Committee.

| Materiality and 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 Purpose that "We, the Mitsubishi Electric Group, will contribute to the realization of a vibrant and sustainable society through continuous technological innovation and ceaseless creativity" 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, social and governance (ESG)-related activities, the Mitsubishi Electric Group is contributing to meeting the 17 SDGs.



*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.

| Priority SDG initiatives

In line with the materiality identified for fiscal 2022, we reviewed the SDGs to address on a priority basis that we determined in fiscal 2019. In the course of reviewing our goals, we conducted an internal and external survey. As a result of it, we found that Mitsubishi Electric is expected to contribute to resolving social challenges through its business activities.

Based on a study within the company, we set SDGs 3, 7, 9, 11, and 13 as the Priority SDG initiatives, which correspond to "realize a sustainable global environment" and "realize a safe, secure, and comfortable society," the areas that the Group will focus on going forward. 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.

- Goal 3: Good Health and Well-being
- Goal 7: Affordable and Clean Energy
- Goal 9: Industry, Innovation, and Infrastructure
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

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 our materiality initiatives.

| Initiatives related to the 17 SDGs

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).

Management Related to Materiality

FY2023 Targets and Results

For single-year goals ○: Goals achieved △: Partially not achieved or not achieved for reasonable causes (Excluding non-numerical goals) ×: Not achieved
For multiple-year goals ○: Expected to be achieved in the final fiscal year △: Slight delay for the final fiscal year ×: Delay for the final fiscal year

Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)		FY2023 Result	Scope	Evaluation	
		Target year	Quantitative targets				
Realize a sustainable global environment	Realize a decarbonized society through innovation and Integrated Solutions	Reduce CO ₂ emissions related to the usage of new products and improve the rate of "CO ₂ emission reduction contribution by product use" compared to the previous model	FY2024	1.0% or higher	2.8%	Mitsubishi Electric Group ○	
		Reduce CO ₂ emissions from our company	FY2024	30% or higher vs. FY2014	27%	○*1	
	Contribute to achieving a circular economy	Use recycled plastics (in terms of the volume of molding and packaging materials)	FY2024	10.0% or higher	8.1%	Mitsubishi Electric Group (in Japan) △	
		Make effective use of waste plastics	FY2024	90.0% or higher	92.5%	○	
		Rate of reduction in water usage at high-risk sites (per unit of sales)	FY2024	4% or higher vs. the FY2020 level	16%	Mitsubishi Electric Group (Overseas) ○	
Realize a safe, secure, and comfortable society	Contribution through business activities in the areas of safety/security, inclusion, and well-being	Safety/security	① Promotion of products, services, and solutions that contribute to minimizing damage due to natural threats, including prevention of natural disasters		<ul style="list-style-type: none"> Next Generation Geostationary Meteorological Satellite (Himawari-10) Water surface condition monitoring service MinaMonitor Ecocute 	Mitsubishi Electric Group ○	
			② Promotion of products, services, and solutions that contribute to avoidance, damage mitigation, and quick solutions regarding human-caused threats, including crime and accident suppression		Developed a technology to automatically detect dangerous behaviors with high accuracy from camera images		
			③ Promotion of products, services, and solutions that contribute to improving adaptability to urban and social challenges, including labor shortages, declining population, and depopulation		Launched joint research on a cloud AI-operated road management system to streamline road maintenance and repair operations		
	Inclusion	Promotion of products, services, and solutions that reduce the impact of physical limitations (age, disability, etc.) and environmental limitations such as residential areas		<ul style="list-style-type: none"> Service for watching over seniors MeAMOR AI × watching over service for seniors kizkia-Knight 	○		
Well-being	Promotion of products, services, and solutions that contribute to realizing more comfortable and healthy living		<ul style="list-style-type: none"> Mitsubishi Electric and AIST established the Human-Centric system design collaboration laboratory SUSTIE, a ZEB-related technology demonstration building, acquired Platinum WELL certification Released the Emoco Eye Mitsubishi room air conditioner Kirigamine Z Series equipped with emoco eye 	○			
Respect for all people	Promote human rights initiatives that are based on international norms	Identify and improve priority initiative items based on the results of the FY2022 Human Rights Impact Assessment	FY2024	All items addressed	Developed improvement plans for items that had yet to be addressed	Mitsubishi Electric Group △	
		Grasp the improvement statuses of human rights initiatives based on the FY2023 Human Rights Impact Assessment	FY2023	100%	100%	○	
		Enhance response for grievances on human rights				<ul style="list-style-type: none"> Have established and run JaCER in addition to the contact points for inquiries regarding sustainability and harassment as well as the ethics and compliance hot line Improved accessibility and transparency by improving the "Sustainability Inquiries" section of the official website and joining JaCER 	○
		Provide education on human rights and e-learning sessions		FY2023	100%	100%	Mitsubishi Electric ○

*1 Rated as good because we achieved the target emissions for FY2023, which are equivalent to the quantitative targets for the target year.

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For multiple-year goals ○: Expected to be achieved in the final fiscal year △: Slight delay for the final fiscal year ×: Delay for the final fiscal year

Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)			FY2023 Result	Scope	Evaluation		
		Target year	Quantitative targets						
Respect for all people	Procurement that contributes to sustainability	Carry out CSR assessments of major suppliers to build a responsible supply chain, and identify and correct risks related to human rights violations			Conducted CSR Procurement surveys of 300 major business partners; confirmed that there are no serious human rights violations, such as forced labor or child labor	Mitsubishi Electric Group	○		
		Establish a plan for sustainability procurement policy guidelines (Integrate the Green Procurement Standards Guide with the CSR Procurement Guidelines)			Reviewed plans to ensure that the procurement guidelines are developed in a manner that complies with the RBA process				
	Realize a workplace environment that helps all employees work actively	Carry out a transformation starting with the renewal of the personnel system based on the "Robust Policies" from the company-wide reform project "Team Sousei (Creation)"			Facilitated internal human resource mobility by updating the rules for operating the internal recruitment program and internal job search program	Mitsubishi Electric Group (in Japan)	○		
		Continue to promote the Mitsubishi Electric Workplace Reform Program. In particular, accelerate initiatives for improving employee engagement (Quantitative targets for Mitsubishi Electric only)			<ul style="list-style-type: none"> Implemented a variety of measures from Mitsubishi Electric's Workplace Culture Reform Program Promoted work style reforms at domestic affiliates 				
		Employee engagement score* (for Mitsubishi Electric only) * Percentage of employees with pride and motivation in their work	FY2023	70% or higher	54%			×	
		Work-life balance score* (for Mitsubishi Electric only) *Percentage of employees who respond that they feel that they have a good work-life balance in the employee awareness survey	FY2023	70% or higher	66%				
	Promote diversity	Increase the ratio of women among new recruits (Reference value: the average of the past five years, FY2017 to FY2021) *1			FY2026	1.2 or more times the baseline	1.3 times*1	Mitsubishi Electric	○
		Increase the ratio of women in managerial positions			FY2026	2.00 or more times the ratio of FY2021	1.38 times		
		Encourage male employees to take child-care leave (including those taking leave when their spouse gives birth)			FY2026	70.0% or higher	76.1%		
		Overseas actively appoint local national staff as executives for overseas bases			Promoted one local national staff member to Senior Executive Officer, and another to head of an overseas office		Mitsubishi Electric Group (Overseas)	○	
		Promote the hiring of people with disabilities at more than the statutory employment rates and promote the development of a workplace environment that is comfortable for them (including special subsidiary companies ; Mitsubishi Electric Life Service Corporation and Melco Tender Mates Corporation)			FY2024	2.50% or higher	2.47%	Mitsubishi Electric	△
		Make improvements regarding the rate of lost worktime injuries*2			FY2023	0.25 or less	0.37	Mitsubishi Electric	×
	Promotion of occupational health and mental and physical health	Realization of a workplace environment where people can work while maintaining their mental and physical health through the establishment of a health-conscious management by implementing Mitsubishi Electric Group Health Plan 21 activities and other initiatives.					Mitsubishi Electric Group (in Japan)	×	
		Percentage of employees who were classified as having high stress levels at stress checks	FY2023	Less than 9.0%	9.8% (Mitsubishi Electric)				

*1 Total number from FY2022

*2 Total number of accidents per 1 million hours Mitsubishi Electric

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For multiple-year goals ○: Expected to be achieved in the final fiscal year △: Slight delay for the final fiscal year ×: Delay for the final fiscal year

Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)			FY2023 Result	Scope	Evaluation
			Target year	Quantitative targets			
Strengthen corporate governance and compliance on a sustainable basis	Improve the board of directors' effectiveness	Continue to strengthen the function of the board of directors and the three statutory committees based on the effectiveness assessment			Had a third-party evaluation of the effectiveness of the Board of Directors carried out in FY2023, and made improvements based on the evaluation results	Mitsubishi Electric	○
		Realize a highly independent composition in the board of directors	FY2023	Over 50%	58%		○
	Thorough compliance	Compliance training on a continuous basis			Conducted training by a variety of means such as workshops, e-learning programs, and handouts	Mitsubishi Electric Group	○
		Rate of attendance in e-learning programs about the Code of Conduct	FY2023	100%	100%	Mitsubishi Electric	○
		Fair competition (prevention of antimonopoly violations) •Establish and thoroughly implement antimonopoly prevention measures: provide practical training on an ongoing basis, conduct monitoring with an eye toward establishing regulations and rules			Conducted training on antimonopoly laws (Mitsubishi Electric)	Mitsubishi Electric Group	○
		Major incidents of the violation of the prevention of antimonopoly violations	FY2023	0	0		○
		Corruption prevention (prevention of bribery) •Establish and thoroughly implement bribery prevention measures: provide bribery prevention education, and conduct monitoring with an eye toward establishing regulations and guidelines			Conducted anti-bribery training (Mitsubishi Electric)		○
		Information security activities to protect important information	Number of major bribery incidents	FY2023	0	0	Mitsubishi Electric Group
	Number of major information leakage incidents		FY2023	0	0	○	
	Violation of information security related laws and regulations		FY2023	0	0	Mitsubishi Electric Group	○
	Improve the information security maturity level*1		FY2026	Level 2 or higher	Made steady progress toward achievement in FY2026	Mitsubishi Electric Group (in Japan)	○
	Complete reform in the area of quality assurance with an aim for zero quality-related fraud	Reconstruct functions for checks and balances •Conduct quality audits and promote improvements once a year at all manufacturing facilities and plants			100%	Mitsubishi Electric	○
		Measures for technology capability and resource issues •Build a system for compliance with quality-related laws, regulations and public standards; develop and implement an investment plan for infrastructure development, etc. related to the quality assurance system			•Developing an environment to confirm the latest standards by utilizing an online standard viewing system (accessed 23,470 times) •Establishing a consultation contact point related to product quality laws and regulations •Reorganizing check items and content for laws and regulations development/modification management	Mitsubishi Electric Group	○
Renewed efforts to raise awareness on quality compliance •Improve quality compliance awareness and provide e-learning (Attendance rate of 100%) Survey the awareness of employees on quality			•E-learning attendance rate: 100% •Conducted a biannual employee awareness survey on quality •Comprehension level of the employee awareness survey related to quality philosophy rules and regulations: 86%	Mitsubishi Electric Group (in Japan)	○		

*1 Framework of the Cyber Security Maturity Model Certification (CMMC) issued by the U.S. Department of Defense.

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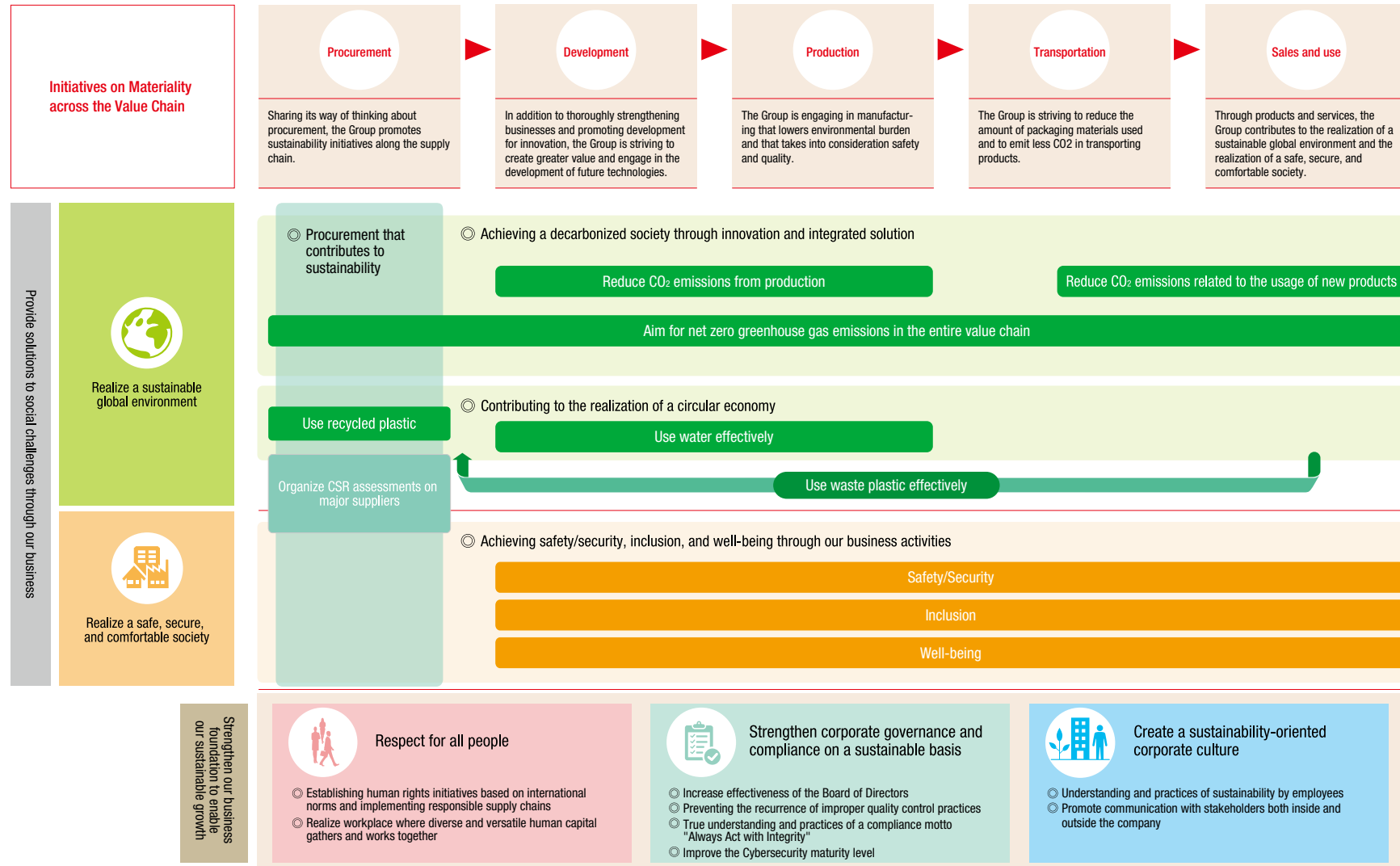
Materiality	Mid- to long-term initiatives	FY2023 targets/Key performance indicators (KPIs)			FY2023 Result	Scope	Evaluation	
			Target year	Quantitative targets				
Create a sustainability-orientated corporate culture	Promote mid- to long-term initiatives for addressing social challenges	Strengthen the management system to realize sustainability management that integrates the promotion of sustainability •Report to the Executive Officers' Meeting and the Board of Directors at least three times •Business divisions participating in the Sustainability Committee			•Reported to executive officers and directors at least three times •Business units began participating, starting from the Sustainability Committee meeting in October 2022	Mitsubishi Electric Group	○	
		Improve understanding on the relationship between business operation and sustainability	Rate of employees who understand the new management policy according to the results of an employee engagement survey	FY2023	80% or higher		71%	×
			Rate of employees who understand the operation of business in line with the management policy according to the results of an employee engagement survey	FY2023	75% or higher		67%	
		Promote activities aimed at realizing an inclusive society •Coexistence with the global environment: As an activity related to the Mitsubishi Electric Outdoor Classroom, contribute to biodiversity preservation activities by using BIOME, a living things collection application developed by Kyoto University's environmental venture company, Biome Inc. (1,000 participants) •Coexistence with the local community: Support organizations that contribute to solving social challenges including support for people with disabilities, based on the SOCIO-ROOTS Fund •Coexistence with all people: Promote the development of people in the next generation through support for science, technology, culture, art, and sports			Although the number of BIOME participants did not reach the target, the activities are making steady progress		△	
	Promote organizational culture reform with focus on the Robust Policies Plan from "Team Sousei"			Promoted by encouraging employees to greet, express appreciation, and address one another with the "san" honorific, implementing the psychological safety guidelines, etc.		○		
	Improve sensibility and adaptability to changes in values among society and individuals	Discuss social trends in Sustainability Committee meetings and respond to these trends			Conducted a survey of global laws and regulations, and discussed and considered responses at the Sustainability Committee meeting	○		
	Promote active communication with stakeholders based on highly transparent information disclosure	•Issue the Sustainability Report and the Integrated Report, •Hold dialogues with experts, and conduct sustainability report questionnaires			•Issued the Sustainability Report and Integrated Report in FY2023 •Held dialogues with experts •Conducted a survey of 600 members of the general public	○		

Please refer to materiality for mid- to long-term initiatives and goals for FY2024 (17 items), and back issues of our Sustainability Report for results to date.

[Materiality](#)
[Reports \(Sustainability\)](#)

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 sustainability initiatives across the entire value chain with a focus on materiality.



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 sustainability activities based on international norms.

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

[UN Global Compact](#)

* A voluntary initiative to participate in creating a global framework to achieve sustainable growth.



SBT

It is recognized that the Mitsubishi Electric Group's greenhouse gas reduction targets for 2030 are based on scientific grounds to "Holding the increase in the global average temperature to well below 2°C above preindustrial levels" as stipulated in the Paris Agreement. We have obtained certification from the SBT (Science Based Targets) initiative.

[Mitsubishi Electric Sets Ambitious Greenhouse Gas Reduction Targets](#)



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) and has been promoting initiatives and disclosing information according to its recommendations.

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



Joining CLOMA

On April 1, 2023, Mitsubishi Electric joined the Japan Clean Ocean Material Alliance (CLOMA) to help solve marine plastic waste problems. By accelerating our efforts toward solving waste plastic problems including those related to marine plastics through the use of our proprietary advanced plastic sorting technology, we will further contribute to realizing a circular society.

[Joining the Clean Ocean Material Alliance \(CLOMA\) \(in Japanese text\)](#)



Participating in the GX League

Mitsubishi Electric is participating in the GX League announced by the Ministry of Economy, Trade and Industry (METI). The GX League has been established by companies which actively work on green transformation (GX) together with players who strive to achieve GX, including governments, academia, public research institutions, and financial institutions, as a forum for discussing the overall economic and social system and creating new markets accordingly. Mitsubishi Electric will promote efforts to achieve GX through the activities of the GX League.



[Participating in METI's GX League \(in Japanese text\)](#)

Joining the RBA

In February 2022, Mitsubishi Electric joined the Responsible Business Alliance (RBA), an alliance that promotes corporate social responsibility in global supply chains. We commit to progressively align our own operations with the provisions of the RBA Code of Conduct, a global standard, to promote continuous improvement of our sustainability efforts.

[Mitsubishi Electric Joins the Responsible Business Alliance \(RBA\)](#)



Joining JaCER as a Founding Member

Mitsubishi Electric has joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which was established in June 2022 to support and promote the redress of grievances by companies, as a founding member (regular member). Going forward, we will continue to strengthen its grievance handling mechanisms in order to promote respect for human rights in society.

[Mitsubishi Electric Joins Japan Center for Engagement and Remedy on Business and Human Rights as a Founding Member](#)



Main initiatives in which Mitsubishi Electric is participating

- Japan Business Federation (Keidanren)
- Ministry of the Environment (30by30 Alliance for Biodiversity)
- 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

| Positive Impact Finance

Mitsubishi Electric has entered into a Positive Impact Finance (PIF) financing agreement, which is intended to continuously support the activities of companies that comprehensively assess and monitor the impacts of their corporate activities on the environment, society, and the economy, thereby contributing to the achievement of the SDGs, with MUFG Bank, Ltd. Upon entering the agreement, we received qualitative and quantitative assessment from Mitsubishi UFJ Research and Consulting Co., Ltd. and obtained independent opinions from Japan Credit Rating Agency, Ltd.

[📄 Mitsubishi Electric Enters into a PIF Agreement with MUFG Bank \(in Japanese text\)](#)

| CDP

Mitsubishi Electric was selected as a "Supplier Engagement Leader" in the Supplier Engagement Rating from CDP. We also received "A-" (Leadership Level) ratings in the Climate Change and Water Security categories.

[📄 Mitsubishi Electric Named CDP Supplier Engagement Leader for Three Consecutive Years and Sixth Time](#)



| EcoVadis

Mitsubishi Electric has been awarded the Bronze Rating in corporate social responsibility (CSR) by EcoVadis, the global CSR assessment agency. The Bronze Rating places Mitsubishi Electric among the top 50 percent of all companies assessed by EcoVadis.



| 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](#) and the [FTSE Blossom Japan Sector Relative Index](#). These indexes have also been adopted as investment outlets by the Government Pension Investment Fund (GPIF).



FTSE4Good



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index

| MSCI Indexes

MSCI (USA) is a company that calculates and announces various indexes of global constituents.

Mitsubishi Electric was selected as a constituent for the MSCI Japan Empowering Women Index (WIN), consisting of select companies in Japan displaying excellent gender diversity. The index has also been adopted as an investment outlet by GPIF.

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2023 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

| 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.



| PRIDE Index 2022

Mitsubishi Electric received the Gold award in the "PRIDE Index 2022," an index to evaluate initiatives for LGBTQ and other sexual minorities at workplaces in Japan. We were recognized for our continuing LGBTQ initiatives and received the Gold award for the first time following our receipt of the Silver award in 2021.

[📄 Mitsubishi Electric Receives "PRIDE Index 2022" Gold Award \(in Japanese text\)](#)



| Eruboshi

Mitsubishi Electric has received Eruboshi (Grade 2) from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.



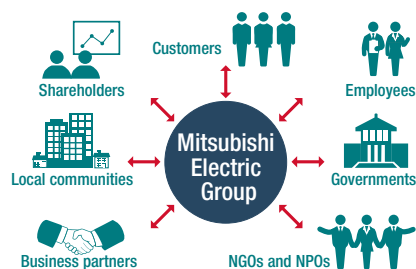
Communicating with stakeholders

Basic policy on stakeholder engagement

The Mitsubishi Electric Group understands that requests and opinions from its stakeholders are extremely important—not only to avoid acts that will inconvenience society, but also to pursue initiatives for achieving a sustainable society.

As such, the Group captures every opportunity to communicate with various stakeholders, it shares opinions and other information received from them among director-level personnel and elsewhere within the Group through the Sustainability Committee, and we incorporate these opinions and information within various initiatives.

Going forward, the Mitsubishi Electric Group aims to realize a vibrant and sustainable society while endeavoring to ensure transparent disclosure of information on sustainability and while working to solve social challenges together with its stakeholders.



Stakeholders of the Mitsubishi Electric Group

Reflecting stakeholders' opinions

Stakeholders have expressed a variety of opinions regarding the Mitsubishi Electric Group's efforts in FY2023. In response, the Group has been working to promote and implement sustainability initiatives.

Opinion 1: Clarification of four areas to promote the realization of sustainability

We identified four areas to promote the realization of sustainability in response to an employee's comment that we should be more specific about what the Mitsubishi Electric Group will do to realize sustainability.

[📄 Basic policy and promotional system for sustainability](#)

Opinion 2: It is difficult to see what specific activities the Mitsubishi Electric Group is implementing

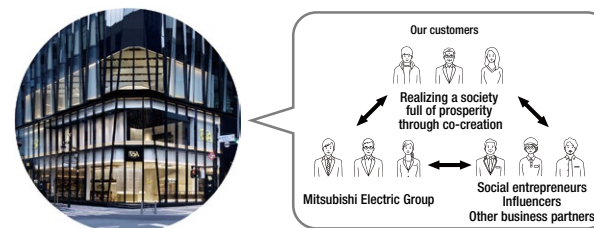
Investors and other stakeholders have commented that the Mitsubishi Electric Group should disclose the specific details of how it will strive to reform. In our 2023 Sustainability Report, we will disclose what social issues our products and services are attempting to solve and how we are working to reform our organizational culture, including the views of our employees.

Opinion 3: Please explain the concept of Circular Digital-Engineering in an easy-to-understand manner

We have received many comments asking us to explain Mitsubishi Electric's concept of "Circular Digital-Engineering" in an easy-to-understand manner using concrete examples. We did our best to provide an easy-to-understand explanation at Corporate Strategy briefings and other meetings in FY2024.

We are also giving serious consideration to many other comments that we have received, and we will incorporate them into the Mitsubishi Electric Group's sustainability efforts.

METoA Ginza, a place for co-creation with stakeholders



METoA Ginza, which is located in Tokyo Ginza district, aims to be a "space for co-creation" with stakeholders by providing opportunities to experience ideas in the development stage at the Mitsubishi Electric Group and by incorporating the opinions gathered there into the development process.

Visitors are diverse, ranging from families and foreign tourists to students, government officials, customers, and employees. In this place, visitors can deepen their understandings of social issues and solutions both in the physical and digital worlds. Hands-on exhibits showcase the latest technologies that can help solve social issues, while public recordings and archives of speaking events roundtable discussions among social entrepreneurs, influencers, and Mitsubishi Electric engineers can be accessed via the website.

In fiscal 2023, we received approximately 8,000 comments and opinions from visitors, which has motivated our employees to provide even better products and services. In addition, when we exhibited "ekinote," a guidebook application that integrates transportation, sightseeing, and dining information at approximately 9,100 stations across Japan and their surrounding towns and cities, we incorporated approximately 8,200 pieces of visitor feedback into our development process, thus contributing to regional revitalization.

By expanding METoA Ginza's activities as a "space for co-creation," we will increase the number of people who will work together to realize a sustainable future, and together with our stakeholders, we will work toward the realization of a "sustainable society full of prosperity."

[📄 METoA Ginza](#)

Dialogues with Experts



From right to left

External Experts

- Mr. Peter David Pedersen, President of NELIS, a non-profit organization, Full-time Professor, Graduate School of Leadership and Innovation, Shizenkan University, Director of the Center for Sustainability and Innovation
- Ms. Yukari Takamura, Professor, Institute for Future Initiatives, the University of Tokyo
- Ms. Chieko Matsuda, Professor, Faculty of Economics and Business Administration and Graduate School of Management, Tokyo Metropolitan University

Mitsubishi Electric

- Kei Uruma, Representative Executive Officer, President and CEO
- Yoji Saito, Executive Officer
- Asako Ueno, Head of the Sustainability Planning Division

The Mitsubishi Electric Group incorporates opinions from external experts on sustainability into our management activities and initiatives. We invited three experts to our head office to exchange their views with three executives, including the president, in March 2023.

We began by explaining the Mitsubishi Electric Group's Corporate Strategy for becoming a Circular Digital-Engineering Company, which is our new framework for promoting sustainability from fiscal 2024, and the progress we have made in specific initiatives. We also introduced "My Purpose" activities, which we are currently promoting to have every employee personally adopt the Company's Purpose, and the "President's School," which is designed to develop future executives. Experts shared their perspectives on our initiatives based on the latest global trends, and we used their input to deepen our discussions.

During the discussions, the experts provided a wide range of advice on various topics, including our efforts to achieve carbon neutrality by 2050, how to prepare TCFD (Task Force on Climate-related Financial Disclosures) disclosures, and measures to integrate sustainability into management.

The dialogue lasted for two hours with positive feedback and expectations for the management structure, which consists of four Business Areas (hereafter, BA), and the governance reform.

Main topics of discussion

- Toward achieving carbon neutrality by 2050
- How to integrate TCFD into management
- Spreading awareness within the company and fostering the next generation
- Expectations for the governance reform

Setting clear timescales for achieving goals and working with stakeholders to keep initiatives moving forward

Professor, Institute for Future Initiatives, the University of Tokyo
Ms. Yukari Takamura

I consider that the BA management structure, which was put in place in fiscal 2023, is an effective platform for addressing specifically to social challenges. My expectation is that BAs will make good use of the diverse technological seeds that they have collected and grow buds of new businesses, starting from the question of "How can we help solve social challenges?"

To achieve the goal of carbon neutrality by 2050, it is important to consider initiatives with a clear understanding of the timescale, including the technological prospects. It is also essential for employees to share the timeline in which the technological development they are involved in will contribute to achieving the goal and the importance of their contributions to the company's initiatives in order to increase motivation. Moreover, it is not easy to reduce Scope 3 emissions, because your company has a wide range of products. It is desirable for Mitsubishi Electric to be able to clearly demonstrate its approach to initiatives and the progress made.

Thinking about and working with stakeholders is critical to recognizing the materiality of sustainability as a social challenge and helping to address it. Mitsubishi Electric must establish similar mechanisms for other issues, just as you have worked with and engaged in dialogue with international NGOs and other organizations to address human rights issues in the supply chain.

In terms of the structure for promoting sustainability, I expect that stronger measures will be taken with the Sustainability Planning Division being positioned under the direct control of the president in fiscal 2024. Meanwhile, the company could consider inviting third parties to serve on the Sustainability Committee. Establishing governance is an important step in integrating sustainability issues into the business. I look forward to seeing how the President's initiatives have progressed in a year's time.



Looking forward to the realization of green innovation that converts "environmental costs" into "corporate value"

President of NELIS, a non-profit organization
Full-time Professor, Graduate School of Leadership and Innovation, Shizenkan University, Director of the
Center for Sustainability and Innovation

Mr. Peter David Pedersen

When considering sustainability and its relevance to business, it is important to take into consideration the particular focus and strengths of different business lines in a company. I expect Mitsubishi Electric to realize green innovation by leveraging the strengths of its diverse technologies and products to reduce CO₂ emissions, to recycle resources, to regenerate ecosystems, and to solve water issues.

We recognize that the goal of carbon neutrality by 2050 is important, but we will not be able to achieve it all at once. It is essential for those in charge of the business to accumulate experience by steadily building a solid foundation while obtaining small wins by solving each problem in a stepwise fashion before realizing the distant future vision. While formulating strategies to solve big problems based on backcasting, it is important to build technologies and businesses through forecasting.

Although the TCFD may seem like a severe restriction in that it requires the disclosure of the specified items based on standards, it is essential to demonstrate how you will incorporate them into your company's strategy based on a full understanding of the elements contained within those standards. I would like to see the company demonstrate its management skills by transforming "environmental costs" into "corporate value" and realizing "trade-ons" instead of "trade-offs."

In my opinion, the Circular Digital-Engineering Company value creation model is an excellent vision to strive for. The four BAs also have great market potential. I hope that under the leadership of the BA owners, the entire business will be linked to sustainability and spiral upwards. The ultimate responsibility that a company should bear is not "responsibility to shareholders" but "responsibility to the future," specifically future generations yet to be born, and I hope that the company will accelerate innovation as a true pioneer.

Sharing with employees the story of business and management for the future, and continuing rapid reforms

Professor at the Faculty of Economics and Business Administration and Graduate School of Management,
Tokyo Metropolitan University

Ms. Chieko Matsuda

I participated in the Dialogue last year as well, and I have seen several developments in advancing sustainability over the past year. It is commendable as a demonstration of the company's determination that the starting point is clearly stated as "solving social challenges through business" and that "My Purpose" activities to disseminate the Purpose are being carried out under the President's leadership.

On the other hand, there are several points that need to be re-examined to improve the approach. There is room for improvement in the diagram currently used to represent the three innovation areas of "Green By," as it is not sufficiently clear in terms of the timeframes, resources to be used, and business models. The four elements that are becoming the framework for sustainability disclosure—namely Strategy, Risk Management, Metrics and Targets, and Governance—are essentially a series. First, there is the Corporate Strategy, and then consideration of risk scenarios to implement the strategy. Quantitative indicators and targets have been set to manage and understand the risks assumed in the scenarios. Get the governance that monitors the risk scenarios to work, and feed the results back into the strategy. It is important to follow the PDCA cycle in this way.

In the four BAs, the question is how much authority and power the BA owners have to lead the company. To advance business based on market response, direct dialogue between investors and BA owners could be considered. In addition, developing the next generation of managers to have excellent management acumen is essential to achieving sustainability transformation.

It is also important to consider employees as stakeholders. Employees want to know where Mitsubishi Electric is heading and what its business and management story will be.

Because your company has experienced the crisis brought about by the improper quality control practices, I believe that the company is now in a situation in which it is possible to make drastic revisions to all internal systems and structures. I sincerely hope that this crisis will be turned into an opportunity and that the company will continue to carry out its reforms with a sense of urgency.

After the dialogue

The various opinions we heard have renewed our determination to achieve sustainability starting from "solving social challenges through our businesses."

As the Sustainability Planning Division came under the direct control of the president in fiscal 2024, we will strive to further strengthen the connection with management and to make effective efforts. We seriously consider the comment that the three innovation areas of "Green by" and the timescale for achieving carbon neutrality have not been communicated well, and we will revise them to strengthen our communications with stakeholders.

We also appreciate the valuable comments on the TCFD's proposed framework of Strategy, Risk management, Metrics and Targets and Governance, which is not intended to be completed on an item-by-item basis but is necessary to properly implement the PDCA cycle for managing risks and opportunities on climate change as well as to disclose these four elements as a whole process. This framework will be used not only for climate change but for human capital, diversity, and other sustainability disclosures. Through the dialogue, I was convinced that it is necessary to have a proper understanding of why these items are important and to ensure that they are rooted in the PDCA cycle of Corporate Strategy. Thank you for your time today.

Senior General Manager of Sustainability Planning Division, Mitsubishi Electric Corporation **Asako Ueno**

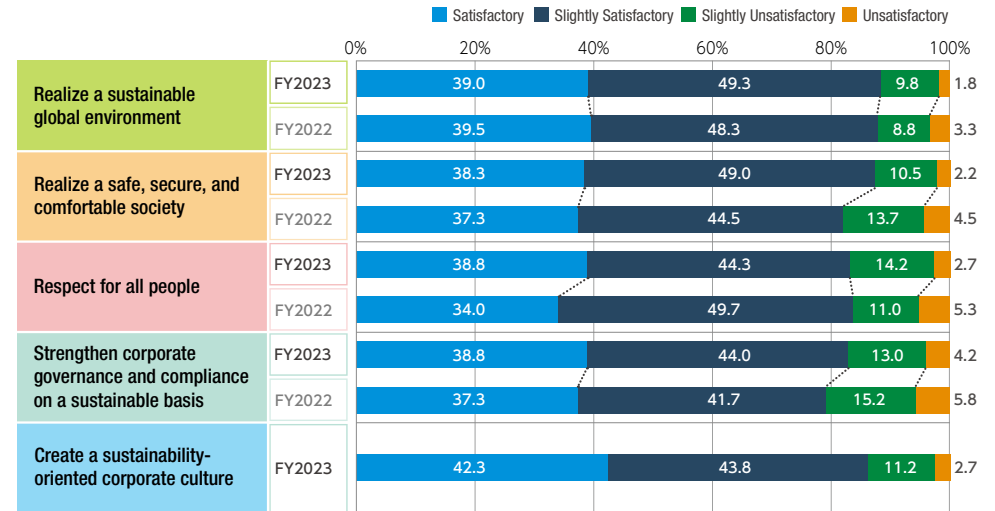
Results of Reader Surveys

Questionnaire-based Survey Conducted on the Sustainability Report

The Mitsubishi Electric Group conducted a survey questionnaire among its stakeholders in Japan regarding the Group's sustainability initiatives and Sustainability Report 2021, 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 pushing further forward on its sustainability efforts.

Whether the company's efforts to address materiality are sufficient



* The "Create a sustainability-oriented corporate culture" was not surveyed in Fiscal 2022 because it was newly formulated in Fiscal 2023.

Survey summary and partial results

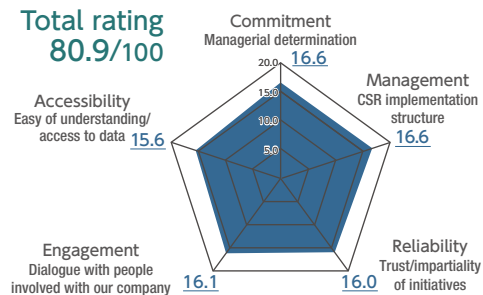
[Period] November 2022

[Questionnaire responders] ● Japan ● 600 persons

- General population nationwide, men and women aged 15 or older (people with a strong interest in sustainability)

[Main questions]

- Is senior management pursuing sustainability initiatives in earnest?
- Does the company have the framework that will allow it to implement sustainability efforts as a total organization?
- Are the 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.).
- Whether the company's efforts to address materiality (important challenges) are sufficient
- What is the social challenge among five areas that you particularly expect to be solved in the core businesses?
- What kind of stakeholder groups do you think the company should be fostering a dialog with?



Main comments received on expectations regarding materiality

Realize a sustainable global environment	<ul style="list-style-type: none"> • Issues such as the realization of a sustainable global environment and the occurrence of extreme weather events seem to be alarm bells and cries from the earth for humanity. These issues are very important for companies that are heavily involved in energy (Male over 60). • A process chart for decarbonizing and a policy compatible with the circular economy are clearly laid out (Male, 30s).
Realize a safe, secure, and comfortable society	<ul style="list-style-type: none"> • I feel that the company is learning from a series of issues related to misconduct of the past and is correcting its corporate structure in a number of ways (Male, 50s). • I hope that universal design efforts will continue to be promoted to create products that are easy for many people to use and apply in their daily lives (Male, 60s).
Respect for all people	<ul style="list-style-type: none"> • Proactive efforts are being made to reform the corporate culture to eliminate gender barriers, with an example being the promotion of women and the provision of maternity leave for men (Female, 30s). • The company takes on the challenge of creating an environment where employees can work confidently while being well-rounded, physically and mentally healthy individuals, regardless of their diversity with regard to point of view, gender, and abilities. And I find it very wonderful that the company is showing these efforts to every section of the company, thereby promoting a corporate environment where employees have abundant opportunities to freely realize their dreams and goals (Male, 20s and below).
Strengthen corporate governance and compliance on a sustainable basis	<ul style="list-style-type: none"> • I like their orientation towards listening to and understanding employees' feedback proactively (Female, 40s). • I think the reform of the system is sufficient, but the most important thing is the restoration of trust and the building of a track record for the future (Male, 50s).
Create a sustainability-oriented corporate culture	<ul style="list-style-type: none"> • I hope that the company pursue essential wealth and happiness for people (Female, 30s). • I think disclosure is sufficient. If I had to choose, I hope that the company describe more about the results of internal communication and alignment of understandings (Male, 30s).

Measures for Internal Dissemination

The Mitsubishi Electric Group is implementing various internal dissemination measures to help employees understand sustainability and to unite the Group in its efforts for addressing social challenges through our businesses. The main measures are as follows.

Internal Dissemination Measures

Target	Description of Initiative
Executives	<p>•Sustainability lectures</p> <p>Lecture presentations are held by experts who are asked to speak about changes in social perspectives and the latest industrial trends concerning sustainability to Mitsubishi Electric executives and members of the Sustainability Committee.</p>
Affiliate companies in Japan	<p>•Sharing of sustainability information in conferences of Mitsubishi Electric Group administrative managers</p> <p>Twice a year, general managers of administrative departments of affiliate companies in Japan gather in a conference to discuss compliance and other related matters, in which they share information on the Mitsubishi Electric Group's company-wide sustainability policy and initiatives.</p>
Affiliate companies overseas	<p>•Sustainability promotion activities in each region</p> <p>Overseas affiliates of the Mitsubishi Electric Group also hold committees for promoting sustainability and otherwise implement activities as needed for each region.</p>
Sustainability managers	<p>•Sustainability manager training</p> <p>Mitsubishi Electric holds training for sustainability managers from the company's offices and affiliates in Japan. Through lectures, they learn the basic principles of sustainability, social demands, and the Mitsubishi Electric Group's sustainability initiatives.</p>
Group employees	<p>•Promoting understanding of sustainability through training and in-house newsletters</p> <p>E-learning educational materials are distributed so that employees of Mitsubishi Electric and its group companies in Japan can learn about sustainability. In addition, in-house newsletters distributed to the group companies in Japan and overseas introduce sustainability initiatives both in Japanese and English.</p>
New employees	<p>•Sustainability training</p> <p>Sustainability training is provided to new Mitsubishi Electric employees to give them an opportunity to deepen their understanding of sustainability, which is positioned as the cornerstone of its management. They are also informed of the importance of ensuring ethical and legal compliance as well as addressing quality and environmental issues in their daily work.</p>

Key Initiatives for Fiscal 2023

Direct dialogue between executives and employees

Mitsubishi Electric holds interactive meetings between executives and employees at each workplace to communicate executives' thoughts regarding reforms to employees, as well as to exchange views between them. In fiscal 2022, these meetings were held at a total of 42 bases, and in fiscal 2023, 314 meetings were held in the form of small-scale town hall meetings to facilitate deeper dialogue. We have listened to our employees' diverse opinions and will feed them back into various reforms.



Scene at a town hall meeting

Sustainability lectures for executives

Lecture presentations are held by experts regarding changes in social perspectives and the latest industrial trends concerning sustainability for Mitsubishi Electric executives and members of the Sustainability Committee. These are opportunities for executives to reaffirm the importance of sustainability.



Sustainability lectures for executives

Sustainability training

To deepen each employee's understanding, we conduct training, such as e-learning and new employee training, and check the degree of dissemination through an employee awareness survey.

We also disseminate the SDGs to our employees in various ways to help them understand the context of their adoption and their individual goals, and to help them contribute to the achievement of the SDGs.

Results of the employee survey on the awareness of sustainability training

Understanding of the new management policy	71%
Implementing operations in accordance with management philosophy	67%

Dissemination of information to group employees

The Mitsubishi Electric Group actively utilizes information to disseminate sustainability internally. In particular, it is important for employees to understand our Management policy and Corporate strategy, which position the realization of sustainability as the cornerstone of our management.

For this reason, we have posted easy-to-understand video contents on the intranet and posters for employees at manufacturing sites, which are about "Sustainability Management," "Addressing Social Challenges through our Businesses," "Circular Digital- Engineering company," and "Purpose," etc. from the perspectives of what is different from the past and how to apply the concepts to their work.



The thoughts behind Mitsubishi Electric's Purpose and the need for "Purpose"



Video of executive officers answering employees' various questions regarding sustainability management



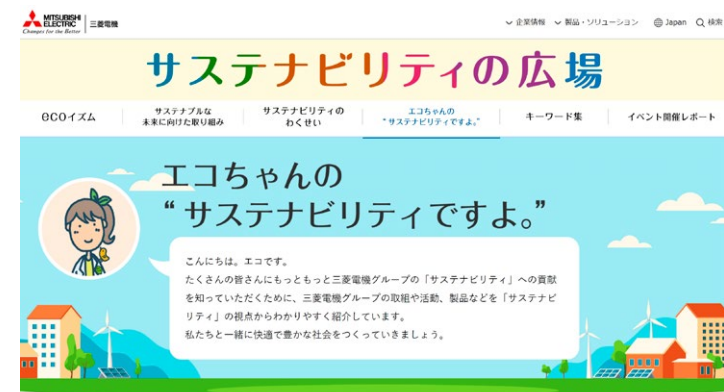
Posters for employees who are not in the environment to access the videos on the intranet (scripted overview)



Eco-chan activities

As stated in our corporate strategy, the Mitsubishi Electric Group contributes to realizing sustainability by solving social issues through the products and services we provide. One measure to disseminate our sustainability efforts to our employees is creating the "Sustainability Square" website. This site features easy-to-understand explanations of how Mitsubishi Electric Group's products and services contribute to solving social issues by using characters such as "Eco-chan." In addition, the site also includes content that introduces human rights and other sustainability initiatives.

Employees are regularly notified by email of new content postings. Timely, appropriate content is also added in response to the employee questionnaire. We strive to ensure that all employees of the Mitsubishi Electric Group deepen their understandings of our sustainability initiatives.



Sustainability Square (in Japanese text)



Example content appearing in the Sustainability Square



Human rights explanation video

Communication with stakeholders

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.

Major stakeholders	Responsibilities and issues	Major contact departments	Major communication opportunities
Customers Individual and corporate customers	<ul style="list-style-type: none"> Improvement of customer satisfaction Product safety and quality Customer response and support 	<ul style="list-style-type: none"> Sales departments Quality departments 	Inquiry centers (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media / commercials
Employees Workers related to the Mitsubishi Electric Group in general	<ul style="list-style-type: none"> Occupational health and safety Respect for human rights Human resource development Respect for diversity 	<ul style="list-style-type: none"> Personnel departments Sustainability promotion departments 	Hotlines , intranets, in-house bulletins, training programs , meetings between management and employees , employee awareness surveys
Government, local governments, industrial organizations Governmental institutions, local governments and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	<ul style="list-style-type: none"> Compliance with laws and regulations Compliance with restrictions Policy proposals 	<ul style="list-style-type: none"> External affairs departments 	Participation in advisory councils and committees, participation in the activities of industrial and economic organizations
NGOs and NPOs NGOs/NPOs citizens groups, etc. with relevance to the social and environmental aspects of Mitsubishi Electric Group	<ul style="list-style-type: none"> Grants and partnerships through contributions to regional communities Dialogues on social and environmental issues 	<ul style="list-style-type: none"> Sustainability promotion departments 	Philanthropic activities (funds, foundations, volunteer activities) , dialogues on social and environmental issues
Business partners Business partners that supply raw materials and parts	<ul style="list-style-type: none"> Fair transactions Sustainability promotion through the supply chain 	<ul style="list-style-type: none"> Materials departments 	Information sessions on sustainability procurement, BCP seminars , meetings based on the results of fair selection and evaluation of suppliers
Regional communities Communities near Mitsubishi Electric offices	<ul style="list-style-type: none"> Contribution to four activity philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports) 	<ul style="list-style-type: none"> Sustainability promotion departments 	Contributions through business, philanthropic activities (funds, overseas foundations, volunteer activities) , grants to universities , plant inspection tours , factory open-house events
Shareholders Shareholders, investment institutions, investors, etc. directly or indirectly possessing Mitsubishi Electric Group shares	<ul style="list-style-type: none"> Increase in corporate value Proper redistribution of profits Information disclosure Response to ESG investments 	<ul style="list-style-type: none"> IR departments 	Financial results presentation meeting (4 times yearly) , general meetings of shareholders (once a year) , IR events/individual meetings , websites (IR library) , responses to interviews , shareholder communications
Others Academic institutions and research institutions	<ul style="list-style-type: none"> Cooperation in creating innovation Joint studies 	<ul style="list-style-type: none"> R&D departments 	Industry-academia cooperation in research , stakeholder dialogues (once a year)
Future generations	<ul style="list-style-type: none"> Provision of education opportunities 	<ul style="list-style-type: none"> Sustainability promotion departments Overseas foundations 	Inquiry centers, philanthropic programs , factory inspection tours , grants via foundations , events, METoA