

# Sustainability Management

## Basic Policy and Promotional System for Sustainability

### Basic Policy on Sustainability

The management policy of Mitsubishi Electric Group 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." 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:

Value creation	Creating and developing businesses that address social challenges by balancing business growth with the promotion of social sustainability
Foundation enhancement	Strengthening our business foundation, including management related to the environment, society, and governance, to support the sustainable growth of the Mitsubishi Electric Group
Risk management	Anticipating risks arising from long-term social and environmental changes, and mitigating or minimizing the impact on corporate management
Disclosure of initiatives and dialogue engagement	Communicating 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 appointed by the Executive Officers' Meeting of Mitsubishi Electric. The Sustainability Committee is chaired by the Executive Officer in charge of Sustainability, and is composed of the chief officers in charge of specific functions in the corporate divisions, as well as the executive officers in charge of the business divisions.

The discussions of the Sustainability Committee are reported to the Executive Officers' Meeting and the Board of Directors. The Board of Directors treats the status of the various sustainability initiatives as one of the Group's key agenda items. It holds full discussions, considering risk management and profit-generating opportunities, while also 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

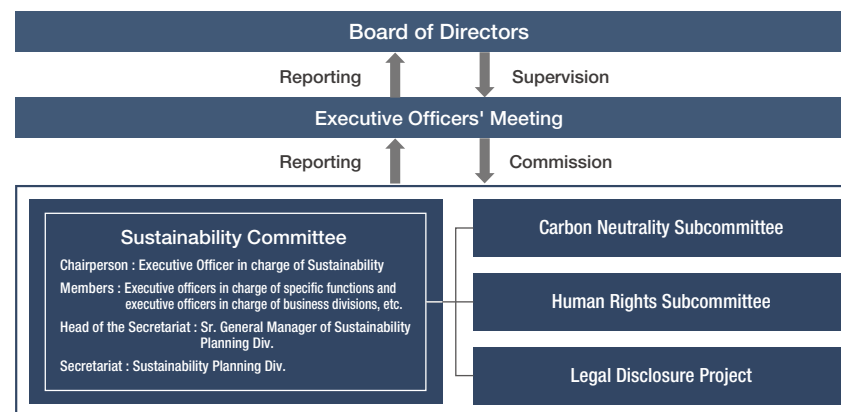
incentive compensation.

Sustainability issues that involve multiple divisions are addressed via subcommittees and projects established under the Sustainability Committee. Specific initiative areas such as ethics and compliance, quality assurance and improvement, environmental protection activities, social contribution activities, and communication with stakeholders are carried out under the responsibility of the relevant divisions.

The policies and plans established by the Sustainability Committee and the specific initiatives promoted by subcommittees and projects are shared with all the internal divisions and associated companies in and outside of Japan. The entire Group works together to solve issues.

In April 2024, the Group enhanced its sustainability promotion structure. Existing divisions in charge of sustainability, environmental measures, DE&I, etc., were integrated to establish the Sustainability Innovation Group, which is now tasked with creating new businesses to address social challenges.

Name of the Meeting body	Objectives, main discussion areas, etc.
Sustainability Committee	Discussing policies and plans regarding sustainability initiatives in the Mitsubishi Electric Group, and sharing information (meets quarterly)
Carbon Neutrality Subcommittee	Promoting the Mitsubishi Electric Group's carbon neutral initiatives
Human Rights Subcommittee	Improving human rights initiatives in the Mitsubishi Electric Group and quickly addressing issues
Legal Disclosure Project	Promoting activities to comply with global requirements for legal disclosure relating to sustainability

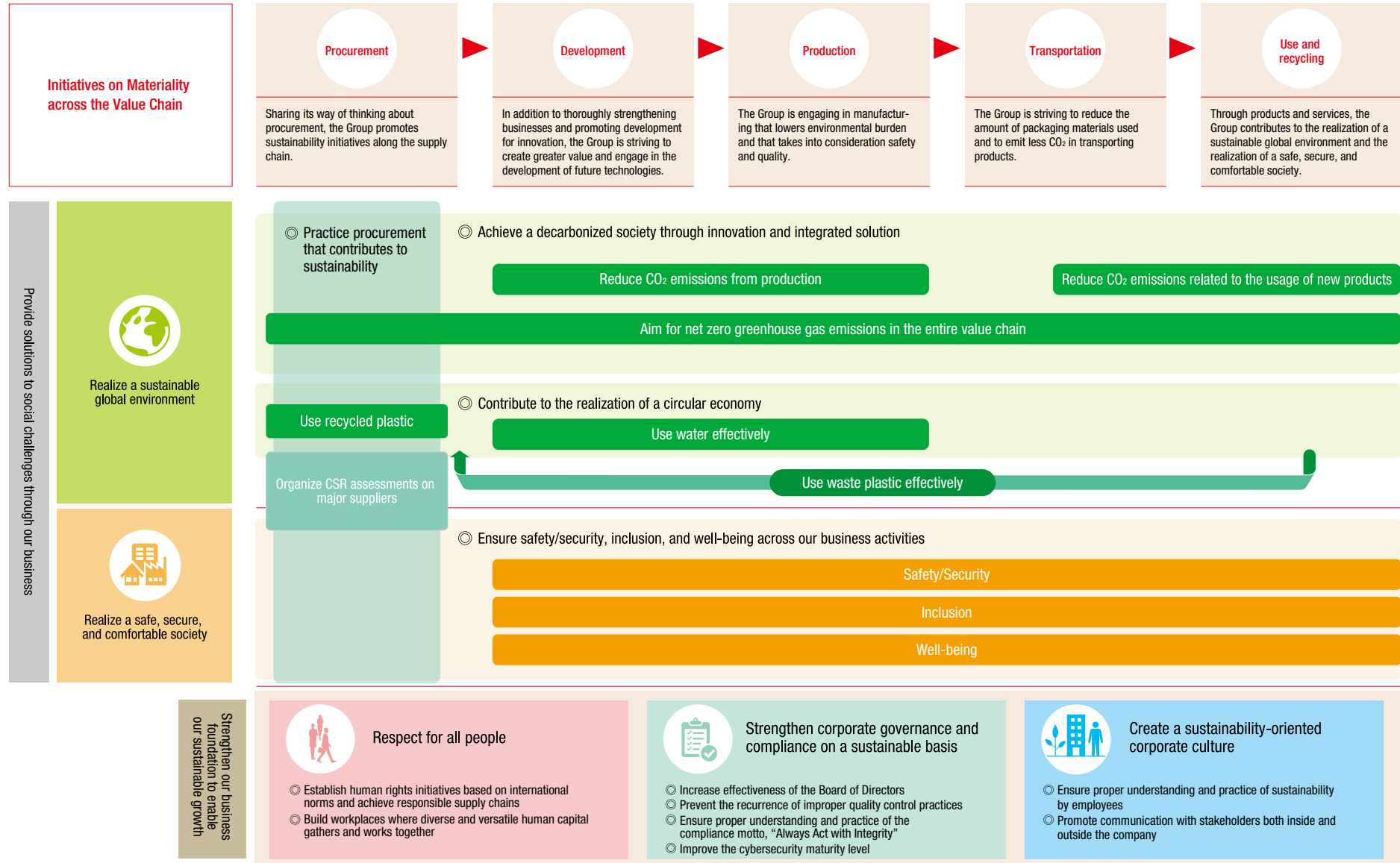


Sustainability promotion framework

## 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.

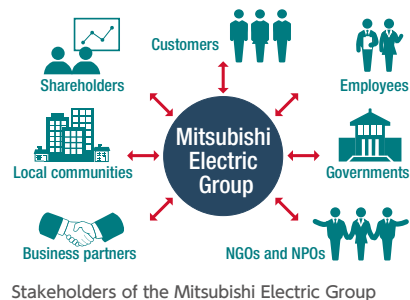


## Communication with Stakeholders

### Basic Policy on Stakeholder Engagement

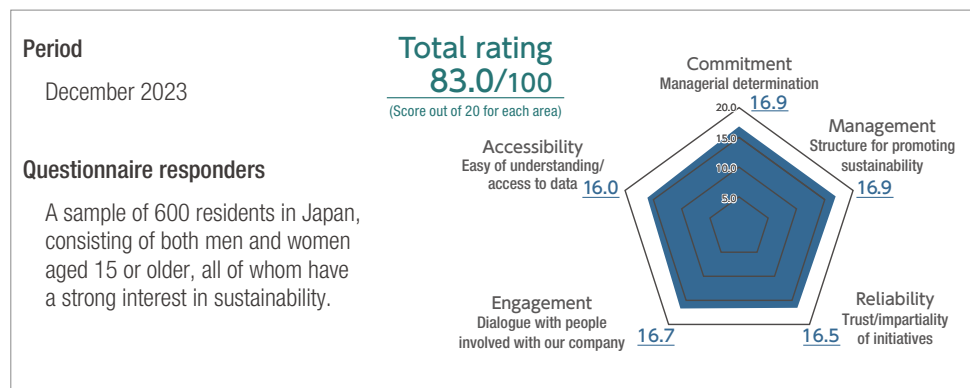
The Mitsubishi Electric Group understands that requests and opinions from its stakeholders are extremely important to pursue initiatives for achieving a sustainable society.

As such, the Group embraces every opportunity to communicate with various stakeholders, it shares opinions and other information received from them among senior management and elsewhere within the Group through the Sustainability Committee, and incorporates these opinions and information within various initiatives.



### 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 2023. In addition to the comprehensive evaluation, the survey responses to a question about expectations regarding dialogue and co-creation with stakeholders revealed an interest in co-creation between the Mitsubishi Electric Group—striving to create new value from its own technologies and knowledge—and corporate and individual customers. There are also expectations that the Mitsubishi Electric Group will communicate with the local community near its offices, academic and research institutions, and shareholders and investment institutions. In addition, there is continuing interest in dialogue between the Group and its employees.



## Dissemination to Our Employees

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	<ul style="list-style-type: none"> <li><b>Sustainability lectures</b> 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.</li> </ul>
Associated companies in Japan	<ul style="list-style-type: none"> <li><b>Sharing of sustainability information in conferences of Mitsubishi Electric Group administrative managers</b> General managers of administrative departments of associated companies in Japan gather at an annual 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.</li> </ul>
Associated companies overseas	<ul style="list-style-type: none"> <li><b>Sustainability promotion activities in each region</b> Overseas associated companies of the Mitsubishi Electric Group also conduct region-specific activities, such as operating committees to promote sustainability.</li> </ul>
Sustainability officers	<ul style="list-style-type: none"> <li><b>Sustainability officer training</b> Mitsubishi Electric conducts training sessions for sustainability officers at each site and associated companies in Japan. These sessions cover the basic concepts of sustainability, societal demands, and the sustainability initiatives of the Mitsubishi Electric Group.</li> </ul>
Group employees	<ul style="list-style-type: none"> <li><b>Promoting understanding of sustainability through training and in-house newsletters</b> E-learning educational materials are distributed so that employees of Mitsubishi Electric and its associated companies in Japan and overseas can learn about sustainability. In addition, in-house newsletters distributed to the associated companies in Japan and overseas introduce sustainability initiatives both in Japanese and English.</li> </ul>
New employees	<ul style="list-style-type: none"> <li><b>Sustainability training</b> 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 the company's 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.</li> </ul>

### Employee Engagement Survey on the Sustainability Training

Mitsubishi Electric strives to disseminate information to employees in a variety of formats, which includes confirming the level of understanding of individual employees using engagement surveys following e-learning and other training on sustainability, including the SDGs.

Implementing operations in accordance with management philosophy	67%
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## 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
<b>Customers</b> Individual and corporate customers	<ul style="list-style-type: none"> <li>Improvement of customer satisfaction</li> <li>Product safety and quality</li> <li>Customer response and support</li> </ul>	<ul style="list-style-type: none"> <li>Sales departments</li> <li>Quality departments</li> </ul>	<a href="#">Inquiry centers</a> (home appliances: Customer Relations Center; building systems: Information Center, etc.), sales activities, websites, showrooms, events, exhibitions, customer questionnaires, mass media/commercials
<b>Employees</b> Workers related to the Mitsubishi Electric Group in general	<ul style="list-style-type: none"> <li>Ensure occupational health and safety</li> <li>Respect for human rights</li> <li>Human capital development</li> <li>Respect for diversity</li> </ul>	<ul style="list-style-type: none"> <li>Personnel departments</li> <li>Sustainability promotion departments</li> </ul>	<a href="#">Hotlines</a> , intranets, in-house bulletins, <a href="#">training programs</a> , <a href="#">meetings between management and employees</a> , <a href="#">employee engagement surveys</a>
<b>Government, local governments, industrial organizations</b> Governmental institutions, local governments and industrial organizations relevant to the business activities of the Mitsubishi Electric Group	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Compliance with restrictions</li> <li>Policy proposals</li> </ul>	<ul style="list-style-type: none"> <li>External affairs departments</li> </ul>	Participation in advisory councils and committees, <a href="#">participation in the activities of industrial and economic organizations</a>
<b>NGOs and NPOs</b> NGOs, NPOs, citizen groups, etc. with relevance to the social and environmental aspects of Mitsubishi Electric Group	<ul style="list-style-type: none"> <li>Grants and partnerships through contributions to regional communities</li> <li>Dialogues on social and environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability promotion departments</li> </ul>	<a href="#">Philanthropic activities (funds, foundations, volunteer activities)</a> , dialogues on social and environmental issues
<b>Business partners</b> Business partners that supply raw materials and parts	<ul style="list-style-type: none"> <li>Fair transactions</li> <li>Sustainability promotion through the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Materials departments</li> </ul>	<a href="#">Information sessions on sustainability procurement</a> , <a href="#">BCP seminars</a> , <a href="#">meetings based on the results of fair selection and evaluation of business partners</a>
<b>Regional communities</b> Communities near Mitsubishi Electric offices	<ul style="list-style-type: none"> <li>Contribution to activities in four philanthropic areas (social welfare; science and technology; global environmental conservation; culture, art and sports)</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability promotion departments</li> </ul>	Contributions through business, <a href="#">philanthropic activities (funds, overseas foundations, volunteer activities)</a> , grants to universities, plant inspection tours, factory open-house events
<b>Shareholders</b> Shareholders, investment institutions, investors, etc. directly or indirectly possessing Mitsubishi Electric Group shares	<ul style="list-style-type: none"> <li>Increase in corporate value</li> <li>Proper redistribution of profits</li> <li>Information disclosure</li> <li>Response to ESG investments</li> </ul>	<ul style="list-style-type: none"> <li>Investor and shareholder relations departments</li> </ul>	<a href="#">Financial results presentation meeting (4 times yearly)</a> , <a href="#">general meetings of shareholders (once a year)</a> , <a href="#">sustainability briefings (once a year)</a> , <a href="#">IR events/individual meetings</a> , <a href="#">websites (IR library)</a> , <a href="#">responses to interviews</a> , <a href="#">shareholder communications</a>
<b>Academic institutions and research institutions</b>	<ul style="list-style-type: none"> <li>Cooperation in creating innovation</li> <li>Joint studies</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D departments</li> </ul>	<a href="#">Industry-academia cooperation in research</a>
<b>Future generations</b>	<ul style="list-style-type: none"> <li>Provision of education opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability promotion departments</li> <li>Overseas foundations</li> </ul>	<a href="#">Inquiry centers</a> , <a href="#">philanthropic programs</a> , classroom support, factory inspection tours, grants via foundations, events, <a href="#">METoA</a>

## Key Initiatives for Fiscal 2024

### Regional Communities

#### Classroom Support Using “Design Thinking” for Elementary School Students

The Integrated Design Center holds workshop-style classes for elementary school students in partnership with educational institutions. This initiative allows the Group to gain fresh insights by engaging with the local community and exploring diverse perspectives. The workshops have been running since fiscal 2022 with local issue-based themes such as waste disposal problems and community revitalization allowing elementary school students to tackle familiar issues. In fiscal 2024, the workshop was held at Harayama Elementary School, Inzai City, Chiba Prefecture.



A scene from classroom support using “design thinking” (Harayama Elementary School, Inzai City, Chiba Prefecture)

The methodology used in the classes is “design thinking.” This involves observing and understanding the current situation, considering what issues need to be solved, and then considering ideas for solving them through discussion. We continue to conduct this activity based on the belief that it will lead to the realization of a sustainable society if children, who will drive the future, think about their future themselves and develop the desire to improve it through this classroom experiences.

### Employees

#### Direct Dialogue between Management and Employees

Mitsubishi Electric holds dialogue meetings where management and employees conduct two-way exchanges of opinion at each of its offices. In fiscal 2024, the Company held 455 such meetings using a small-scale town hall meeting format, and the diverse opinions received from employees are being utilized in a variety of reforms.