

ANTI-SLAVERY & HUMAN TRAFFICKING POLICY STATEMENT
for the financial year ended 31 March 2023

Our Policy:

Policies in relation to anti-slavery and human trafficking

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

We have a zero tolerance policy with regard to modern slavery and human trafficking, and are committed to monitoring, developing and improving our operations to combat slavery and human trafficking.

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

As a member of the Mitsubishi Electric Corporation group of companies, we apply the Mitsubishi Electric Group Human Rights Policy¹ and Mitsubishi Electric Group Code of Conduct². These include our continuing commitment to respect international standards related to human rights and to respect the law, to act with highest integrity, and always to conduct ourselves with respect for human rights.

Mitsubishi Electric Corporation, and its UK group businesses, have an internal and external whistleblowing system in place.. This includes protection for whistleblowers. Implications in terms of modern slavery can be brought via this system.

Our Organisation's structure

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

Our UK operations include:

The manufacture and supply of air conditioning and heat pump systems.
After sales customer support of air conditioning and heat pump systems.
The development of new products together with product trials and quality assurance approvals.

As of 31 March 2023, we employ over 1,800 staff in the UK and our annual turnover to 31 March 2023 was above £360 Million.

Our Supply Chain

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

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

¹ See: [Mitsubishi Electric Group Human Rights Policy](#)

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

³ See [Mitsubishi Electric Group CSR Procurement Policy](#)

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

Our standard Terms and Conditions of Purchase include Corporate Social Responsibility compliance undertakings from the supplier to apply policies to ensure the supplier and any sub-contractor to the supplier:

- do not permit any slavery or human trafficking as defined by s.54 of the Modern Slavery Act 2015 in its business or supply chain and to take all reasonable steps to ensure no slavery or human trafficking takes place in its business or supply chain;
- respect ILO (International Labour Organisation) Conventions protecting children and young workers and never use child labour; and
- never use any forced or bonded labour or involuntary prison labour;
- never mistreat or abuse their workers.

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

Due Diligence Processes

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

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

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

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

- The Mitsubishi Electric Group recognizes that, as a minimum, it must respect international standards related to human rights, such as the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. On that basis, we shall respect human rights while making sure to adequately understand relevant laws and regulations in every country and region where we do business.
If such laws and regulations do not conform to international standards related to human rights, we shall consult with local authorities on how to properly handle cases involving human rights in order to respect the international standards.
- Based on the United Nations Guiding Principles on Business and Human Rights, the Mitsubishi Electric Group shall undertake human rights due diligence measures, such as specifying and assessing the impact of its business activities on human rights, and studying ways of proactively preventing or mitigating any negative impact of those activities. Furthermore, the Group shall put a framework in place for rectifying any cases in which its business activities are found to have negatively impacted human rights, or its members are found to have been clearly involved in violations of human rights.
- The Mitsubishi Electric Group has identified materialities, has set concrete tasks and goals for those materialities, and works to achieve them, and, through that process, takes steps to ascertain the status of its initiatives related to respect for human rights, and properly discloses its findings.

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

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

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


UK Statutory Compliance

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

This statement is approved by our Board of Directors and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2023 as required by section 54(1) of the UK's Modern Slavery Act 2015 for 'Transparency in supply chains etc.'.

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

Signed by:



Masao Nagano
President and Director
Mitsubishi Electric Air Conditioning Systems Europe Ltd.

Issue date: 06 September 2023