

ANTI-SLAVERY & HUMAN TRAFFICKING POLICY STATEMENT
for the financial year ended 31st March 2025

Section 1
General Overview

Policies in relation to anti-slavery and human trafficking

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

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

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

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

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

Our Organisation's structure

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

Our UK business operations include:

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

As of 31st March 2025, we employ 1,067 staff in the UK and our annual turnover to 31st March 2025 in the UK was approximately £192.5 million.

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

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

Our Supply Chains

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

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

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

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

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

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

Due Diligence Processes

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

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

As part of these processes, Mitsubishi Electric Air Conditioning Systems Europe Ltd and Mitsubishi Electric Group Supplier each apply:

The Mitsubishi Electric Group Human Rights Policy: This confirms that protection of human rights and support for internationally agreed human rights are imperatives for the Mitsubishi Electric Group's business activities. Accordingly, as members of the Group, we recognize our duty to prevent any complicity with human rights violations. Further details about this Policy are explained below.

³ See [Sustainable](#) | [Procurement activities](#) | [About](#) | [MITSUBISHI ELECTRIC Global website](#)

The Mitsubishi Electric Group Code of Conduct states:

Respect for Human Rights:

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

Section 2

Mitsubishi Electric Group’s Approach

Mitsubishi Electric Group Human Rights Policy and Process

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

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

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

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

Mitsubishi Electric Group Human Rights Activities Structure

(1) The Mitsubishi Electric Group promotes continuous improvement activities based on the PDCA cycle in order to promote human rights due diligence and other initiatives in accordance with international norms such as “the UN Guiding Principles on Business and Human Rights”. The Sustainability Committee, which is commissioned by the Executive Officers’ Meeting, formulates

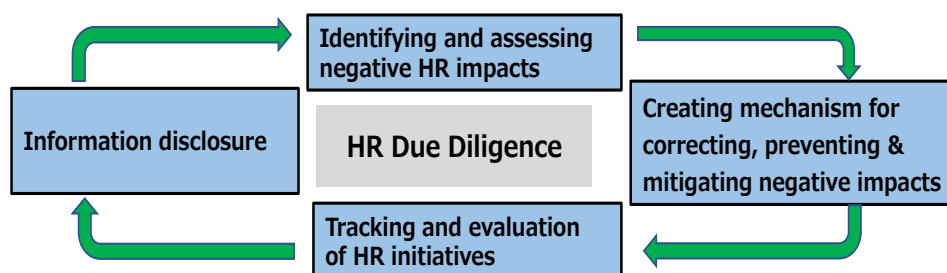
policies and plans for human rights initiatives, checks their performance, and receives approval from higher-level organizations, etc..

(2) In FY2022, a permanent "Human Rights Subcommittee" was established as a subordinate organization of the Sustainability Committee in order to promptly improve the content of human rights-related initiatives and resolve issues. Since issues related to human rights cover a wide range of areas, we will address them after clarifying the divisions responsible for each area. The Human Rights Subcommittee determines the direction of discussions on cross-divisional issues. Progress and results are reported to the Sustainability Committee, which in turn reports them to the Executive Officers' Meeting and the Board of Directors, where they receive guidance and supervision from the Executive Officers and Directors.

(3) In FY2024, the Human Rights Subcommittee was held 3 times and the Human Rights Working Group, which is a subordinate body of the Human Rights Subcommittee and consists of operational members, was held 10 times.

Mitsubishi Electric Group Human Rights Due Diligence Approach

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



On-going Supply Chain measures by Mitsubishi Electric Group

Every three years, the Mitsubishi Electric Group obtains responses to a survey from suppliers representing the top 80% of its purchases in order to verify that the suppliers' efforts to meet the requirements of CSR Procurement Guidelines. Through this survey and the confirmation of the survey responses, we identify high-risk suppliers by individually determining whether there is a particularly serious risk of human rights violations, such as forced labour, child labour and human trafficking, and if we do identify a risk, we continuously seek to correct it through dialogue with the supplier.

The Mitsubishi Electric Group is committed to ensuring that slavery and human trafficking do not occur within its any business operations or supply chains and continually strives to ensure we are maintaining ethical business practices. As part of this commitment, we aim to carry out ongoing due diligence on suppliers, including regular communication, monitoring of high-risk regions, and targeted spot checks of local operations. This can be measured against certain performance indicators and through taking reasonable steps to assess working conditions at factory level, either directly or through trusted overseas contacts, to ensure that no forced labour, human trafficking, or exploitative practices are taking place within the supply network.

Transition to RBA compliant initiatives

In FY2022, we used the "CSR Procurement Guidelines", but in FY2023, we established a new "Mitsubishi Electric Group Supplier Code of Conduct" in compliance with the RBA Code of Conduct and are working to obtain written confirmation of agreement to the Code of Conduct from all

suppliers. In addition, we are working to implement SAQ provided by the RBA for the top 80% of suppliers in terms of purchases. The SAQ will be conducted every year.

Processes are carried out to identify and assess supply chains.

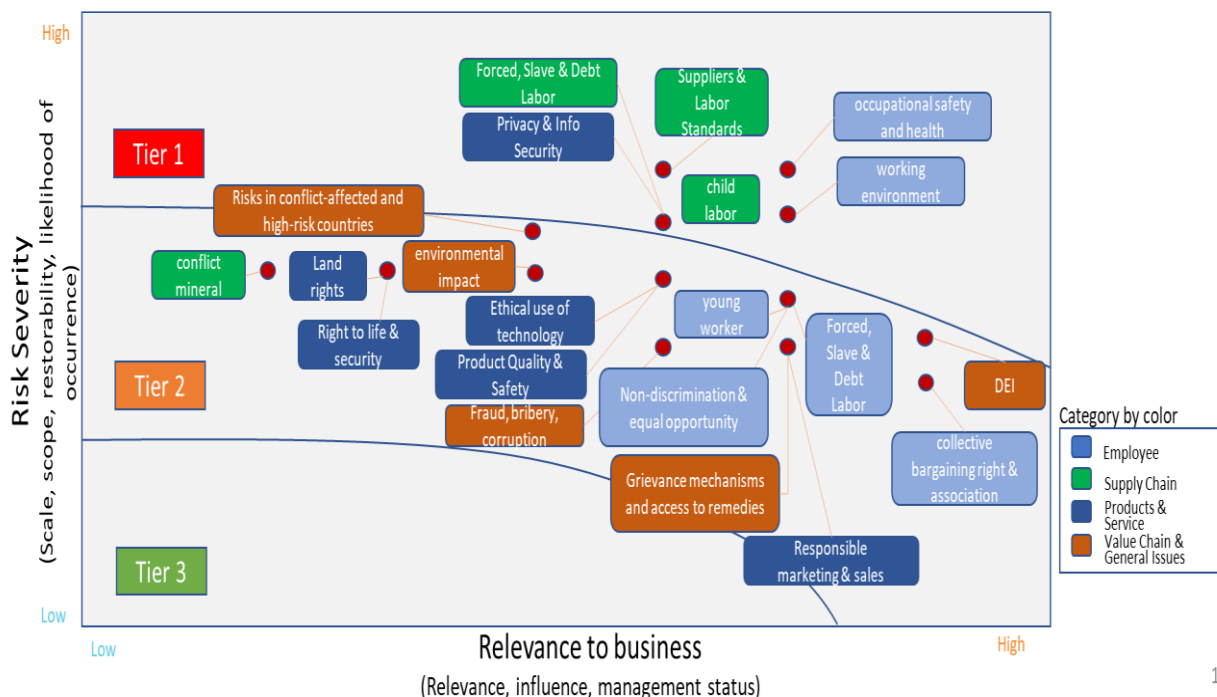
For example, if we identify a high-risk supplier, we will evaluate compliance and consider a more detailed verification process to remedy the violation.

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

Human Rights Impact Assessment

In FY2023, Mitsubishi Electric Group conducted a "Human Rights Impact Assessment" in collaboration with a third-party organization, Business for Social Responsibility (BSR). As a result, we have identified 21 human right risks that may affect different rights holders (employees, supply chain workers, consumers, customers, and surrounding communities) in the Mitsubishi Electric Group's value chain. These include forced labour and child labour. BSR presented 86 recommendations for the Mitsubishi Electric Group's corporate activities (including supply chain) as proposed measures to prevent the occurrence of the 21 identified human right risks.

The breakdown of the recommendations is as follows: 18 for management systems (including the establishment of a human rights promotion system), 17 for employee rights, 19 for supply chain rights, 16 for product services and human rights, and 16 for other cross-cutting issues (including improvements to the grievance mechanism).



17

Creating mechanism for correcting, preventing & mitigating negative impacts

For the 86 items recommended by BSR in the Human Rights Impact Assessment conducted in FY2023, each division in charge has formulated an improvement plan with the goal of initiating improvement measures by the end of FY2026 and has started activities.

As of the end of FY2024, we confirmed that 46 (54%) of the 86 recommendations had been initiated the improvement measure as a result of checking the status of initiatives in each division. We will

continuously check the status at the end of FY2025 and FY2026 and take follow-up action as necessary.

Tracking and evaluation of human right initiatives

a. Tracking and evaluation within the Mitsubishi Electric Group:

- We will annually check the status of improvement implementation for the 86 recommendations presented by BSR in the Human Rights Impact Assessment conducted in FY2023.
- In addition, in order to confirm that the risk of forced labour, child labour, etc. is being reduced at all 16 of the Mitsubishi Electric Group's manufacturing sites in Japan, the RBA's Self-Assessment Questionnaire (SAQ) was implemented in FY2024, and it was confirmed that the results for all 16 sites were of medium risk and that there was no use of forced labour or child labour. From FY2025 onwards, SAQ will be conducted annually at 16 sites, and will be expanded to include Group companies in Japan and overseas.

b. Tracking and evaluation in the supply chain

- From FY2024, the Mitsubishi Electric Group began checking the status of human rights initiatives in the supply chain using the newly established “Mitsubishi Electric Group Supply Chain Code of Conduct” and “RBA-SAQ”. In FY2024, we distributed the “Mitsubishi Electric Group Supply Chain Code of Conduct” to approximately 5,000 companies and obtained confirmation of agreement from suppliers accounting for approximately 80% of our purchases. We also requested approximately 500 suppliers in Japan to complete the SAQ, and we received responses from 50% of them. No cases of forced labour or child labour have been confirmed at the suppliers from which we have obtained responses. From FY2025 onwards, we will continue to request suppliers to implement and comply with “Mitsubishi Electric Group Supply Chain Code of Conduct”.
- We will also expand the scope of SAQ implementation requests to suppliers outside Japan, and continue to engage in dialogue with suppliers to improve the rate of SAQ responses. We will conduct SAQ checks every year.

Supply Chain

(1) Identification and remediation of risks of serious human rights violations (forced labour, child labour) in the supply chain

The Mitsubishi Electric Group is continuously working to identify suppliers that are at high risk of forced labour, hazardous labour, and child labour through responses to the RBA-SAQ survey form, which is sent to the top 80% of suppliers in terms of purchasing value each year.

In FY2024, the RBA-SAQ has been rolled out to domestic suppliers, and from FY2025 onwards, the scope of the RBA-SAQ will be expanded to include overseas suppliers.

If we do identify a risk, we continuously seek to correct it through dialogue with the supplier. In the latest survey in FY2024, we have not identified any suppliers with such serious human rights violation risk concerns. In addition, we have also included the reduction of excessive working hours and the right to minimum wages and are in the process of confirming this in the RBA-SAQ.

(2) Promoting Responsible Mineral Procurement Activities

- The Mitsubishi Electric group adheres to “the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”, and will eliminate minerals involved in serious human rights abuses and environmental destructions from our procurement supply chain.
- Mitsubishi Electric takes part in “the Responsible Minerals Trade Working Group” of the Japan Electronics and Information Technology Industries Association (JEITA), and collaborates with other industry organizations to address restrictions on conflict minerals. Surveys are conducted using the survey forms (CMRT*1 and EMRT*2) which are commonly used in the automobile, electric, and

electronic industries. In FY2024, surveys were carried out on 1,036 suppliers, and responses in survey form were obtained from 916. As a result of the survey, 368 smelters were identified. Of the identified smelters, 233 were RMAP*3 compliant. We will continue to promote RMAP compliance among smelters through industry activities.

*1 Conflict Minerals (tin, tantalum, tungsten, and gold) Reporting Template issued by the Responsible Minerals Initiative

*2 Extended Minerals (Cobalt and Mica) Reporting Template issued by the Responsible Minerals Initiative

*3 Responsible Minerals Assurance Process: A program in which a third party certifies that the minerals processed by a smelter come from sources that are not complicit in conflicts or human rights abuses

Process for identifying and assessing the risk of forced labour and child labour in operations and supply chain, and corrective actions

(1) Identification and assessment of risks to the Mitsubishi Electric Group

Forced labour and child labour within the company and in the supply chain were identified as one of the key potential human right risks which require continued attention in the Human Rights Impact Assessment conducted in FY2023. For human rights risks identified in the Impact Assessment, we have designated a division in charge, which is responsible for correcting, preventing, and mitigating negative impacts.

At this time, there is no evidence of forced labour or child labour at any Mitsubishi Electric Group site or in the Group's supply chain.

(2) Risk assessment and measures taken in the supply chain

In our supply chain, we carry out a due diligence process for risk assessment and verification as part of our CSR procurement activities.

- a. We hold briefing sessions for our suppliers to provide an opportunity to explain the Mitsubishi Electric Group's sustainability initiatives and social trends surrounding business and human rights.
- b. We request suppliers to sign a form confirming their agreement to the "Mitsubishi Electric Group Supply Chain Code of Conduct" based on the RBA Code of Conduct.
- c. We confirm the risk of forced labour and child labour at our suppliers using the CSR questionnaire (RBA-SAQ), and request improvements based on the evaluation results.
- d. If we identify a high-risk supplier, we will evaluate compliance and consider a more detailed verification process to remedy the violation.
- e. All of the above procedural controls are regularly reviewed to ensure that robust processes are in place to minimize the risk of Modern-day slavery in our operations and supply chain.

Effectiveness of assurance that forced labour and child labour are not used in

Business activities and supply chain

(1) The Mitsubishi Electric Group currently uses the following process to assess the risk of human rights violations, including child labour and forced labour, within the Group and its suppliers to ensure the accuracy and objectivity of the results.

- Within the Mitsubishi Electric group:

We periodically conduct human rights impact assessments with the support of an external human rights specialist organization to objectively evaluate the Group's initiatives to respect human rights and implement continuous improvement activities based on the results.

- Suppliers:

We request suppliers to sign a form confirming their agreement to the "Mitsubishi Electric Group Supply Chain Code of Conduct" and responses to a survey form (RBA-SAQ) to confirm that there is no risk of human rights violations, including forced labour and child labour, in our supply chain. We believe that by utilizing the tools of the RBA, which are international standards, we can better ensure effectiveness.

Section 3

On-going measures in the UK and abroad

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

Every Mitsubishi Electric Air Conditioning Systems Europe Ltd employee receives a copy of the Mitsubishi Electric Group Code of Conduct and must conform to those Guidelines and with all applicable laws.

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

Company-wide periodic e-learning training based upon the UK Modern Slavery Act 2015, is conducted, and all UK employees are compelled to partake in such training and pass accordingly. This e-learning is also disseminated to all employees within the EMEA region.

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

Mitsubishi Electric Corporation will continue raising employee awareness of human rights within the Mitsubishi Electric Group through training both face to face and online via e-learning programmes.

UK Statutory Compliance

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

This statement is approved by our Board of Directors and constitutes our slavery and human trafficking statement for the financial year ending 31st March 2025 as required by section 54(1) of the UK's Modern Slavery Act 2015 for 'Transparency in supply chains etc.'.

This statement is for publication on our website. Our website's homepage carries a prominent link to this statement.

Signed by:



Taro Hattori
President
Mitsubishi Electric Air Conditioning Systems Europe Ltd

Issue date: September 2025