

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

### **ANTI-SLAVERY & HUMAN TRAFFICKING POLICY STATEMENT for the financial year ended 31 March 2017**

#### **Our Policy**

We have zero tolerance policy with regard to modern slavery and human trafficking.

We 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 Group of companies, we apply the Mitsubishi Electric Group Conduct Guidelines<sup>1</sup>. These include our continuing commitment to respect the law, to act with highest integrity, and always to conduct ourselves with respect for human rights.

#### **Our Organisation's Structure**

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

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 at March 2017 we employed 894 staff in the UK and our annual turnover to 31 March 2017 was £164.4 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"<sup>2</sup>.

<sup>1</sup>See link to the English language version at:

[http://www.mitsubishielectric.com/company/csr/social/fair\\_compliance/pdf/Conduct\\_Guidelines\\_Final.pdf](http://www.mitsubishielectric.com/company/csr/social/fair_compliance/pdf/Conduct_Guidelines_Final.pdf)

<sup>2</sup>See: [http://www.mitsubishielectric.com/company/csr/society/fair\\_csr/index.html](http://www.mitsubishielectric.com/company/csr/society/fair_csr/index.html)

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

All products/materials/components supplied to M-ACE by third party suppliers are subject to extensive technical assessment, testing and approval. Supplier qualification is 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.

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 Due Diligence processes for slavery and human trafficking**

- **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 risk assessment, verification and auditing processes 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 the Mitsubishi Electric Group Supplier each apply the Mitsubishi Electric Group Conduct Guidelines and in particular the Group’s Corporate Ethics and Compliance Statement at page 5 of those Guidelines which states:

“In all countries and regions where we operate, we will always conduct ourselves in compliance with the following principles:

#### **Respect for Human Rights:**

We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.”

These Guidelines further state at page 6:

“We will not allow any form of child labour or forced labour in any of our companies.”

Mitsubishi Electric Corporation has a continuing programme for the evaluation of the Corporate Social Responsibility (“CSR”) initiatives of “business partners” (i.e. third party suppliers). Mitsubishi Electric Corporation’s policy is to evaluate all new suppliers. In the financial year ending 31 March 2017:

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

- approximately 1,000 suppliers were evaluated by Mitsubishi Electric Corporation as to the status of their CSR initiatives; and
- Mitsubishi Electric Corporation's CSR evaluations identified forty-five suppliers who were given guidance on various CSR compliance issues including the need to improve the management of working hours to ensure compliance with applicable laws.
- **Procurement of goods and services from third party suppliers**

We apply a proportionate approach to our Due Diligence processes for risk assessment and verification with regard to slavery and human trafficking. For our risk assessment we take into account the relevant products, components, packaging materials and services, production location and supply chain data. We also take into account the supplier's self-declaration of compliance and any compliance policy and / or other compliance representations.

Should we identify any higher risk Supplier, then we would consider deeper verification processes and potentially, a site audit.

### **Our Internal Accountability & Training**

Every M-ACE employee is made aware of the Mitsubishi Group Conduct Guidelines through the Company Handbook, 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.

During the financial year ending 31 March 2017 we have conducted an eLearning compliance training module for the UK Modern Slavery Act 2015 to our staff who are involved in selection of and procurement from suppliers and subcontractors: 116 members of our staff completed this eLearning.

### **Whistleblowing**

We have a whistleblowing procedure in place for our staff.

### **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.

## **Mitsubishi Electric Air Conditioning Systems Europe Ltd.**

This statement is approved by our Board of Directors and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2017 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 home page carries a prominent link to this statement.

Signed by:



Yoshihiro Sumida  
President and Director  
Mitsubishi Electric Air Conditioning Systems Europe Ltd.

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