

**FY 2020 Modern Slavery Statement****Contents**

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1. Message from Executive Vice President



Mitsubishi Corporation (hereinafter “MC”), since its establishment, has held the Three Corporate Principles as its core philosophy, and aims to contribute to the sustainable development of society by conducting its global business activities with integrity and fairness in line with these principles.

Midterm Corporate Strategy 2021 expands upon this commitment and compels us to pursue businesses that generate value for societies by simultaneously generating economic, environmental and societal value as an essential part of our sustainable growth as a company.

Following deliberation by the Executive Committee and the Board of Directors, we have identified a number of Key Sustainability Issues for MC (Materiality) for management to address in order to ensure our sustained growth as a company, with the aim of simultaneously realizing these three types of value. As we grapple with the challenges posed by these issues, MC will strive to achieve sustainable growth, including in the financial sense, while more actively pursuing business opportunities that add value to society. Furthermore, by responding to each Key Sustainability Issue through these initiatives, MC is also contributing to the achievement of the UN Sustainable Development Goals (SDGs).

The need to find solutions to the challenges facing the global environment and society is becoming urgent, and expectations upon the private sector to be part of those solutions are also increasing. With the expansion of ESG investment in recent years, investors are increasingly looking at how the companies they invest in are addressing environmental and social issues from a long-term perspective in order to assess their potential for sustained growth. Through proactive dialogue with our stakeholders, MC will work to grasp the needs and expectations of society, and in addition to supporting the United Nations Global Compact(* 1) and Guiding Principles on Business and Human Rights(* 2), MC has established Policy for Sustainable Supply Chain Management and by asking its suppliers to endorse, understand, and practice human rights considerations, such as the prohibition of

forced labor and child labor, we will fulfill our responsibilities as a member of the global community.

The MC Group, which has achieved growth by boldly shifting our business models in line with societal changes, will continue to help provide solutions, including with respect to global agenda items such as human rights, etc. through our business.

- *1 A United Nations initiative for businesses and other organizations to support 10 universal sustainability principles in the fields of human rights, labor standards, environment and anti-corruption. MC declared its support for this initiative in 2010.
- *2 Principles developed in 2011 to give effect to the United Nations "Protect, Respect and Remedy" Framework" (2008) submitted to and unanimously approved by the UN Human Rights Council by the UN Secretary-General's Special Representative, Professor John Ruggie of Harvard University. It describes procedures for human rights due diligence that are important for companies to address human rights issues.

2. About the Statement

As a company which carries out a portion of its business in the United Kingdom (hereinafter "UK"), MC has produced this Fiscal Year 2020 (hereinafter "FY2020") Modern Slavery Statement (hereinafter "this Statement") in line with the requirements of Section 54 of the UK Government's [Modern Slavery Act 2015](#) (hereinafter "the Act").

This Statement is intended to communicate the steps that MC has taken during FY2020 to ensure that modern slavery is not occurring in any part of its business or supply chains.

In recognition that modern slavery can manifest in many ways depending on local circumstances, this Statement covers MC's efforts to prevent any form of modern slavery; ensuring that workers are safe throughout its business operations and supply chains; and that all relevant laws and international standards are being upheld.

This Statement has been approved by MC's Board of Directors and has been signed by Akira Murakoshi, Member of the Board and Executive Vice President for MC.

This Statement is publicly available on MC's website and Modern Slavery Statement Registry of UK Home Office.

3. About Mitsubishi Corporation

MC is a global integrated business enterprise that develops and operates businesses together with its offices and subsidiaries in approximately 90 countries and regions worldwide, as well as a global network of around 1,700 group companies, and global workforce of approximately 80,000 professionals.

MC's business spans virtually every industry through its 10 Business Groups: Natural Gas, Industrial Materials, Petroleum & Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution and Urban Development. MC's current activities have expanded far beyond its traditional trading operations to include project development, production and manufacturing operations, working in collaboration with our trusted partners around the globe.

Further details are available via the following link: <http://www.mitsubishicorp.com/jp/en/bg/>

4. MC's Philosophies and Principles

The Three Corporate Principles – Corporate Responsibility to Society; Integrity and Fairness; and Global Understanding through Business established early in MC's history, serve as MC's core philosophy.

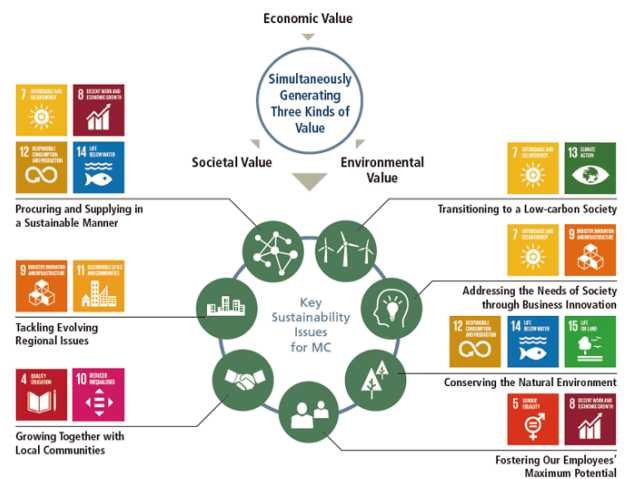
MC has constantly endeavored to enhance its compliance initiatives. Measures have included establishing the [Corporate Standards of Conduct](#) to set forth expectations with regard to how business should be conducted, in conjunction with developing various compliance-related internal rules, introducing a compliance officer system, and expanding and upgrading risk management frameworks.

MC requires employees to conduct business in compliance with local laws and regulations as well as global standards such as the Universal Declaration of Human Rights established by the United Nations (UN) and the core labor standards of the International Labour Organization (ILO). It also requires employees to act in a socially responsible manner by complying with the highest ethical standards by pledging to follow the MC's [Code of Conduct](#).

5. MC's Commitments in Relation to Modern Slavery

MC is committed to respecting human rights and strives to ensure that its business activities do not cause or contribute to adverse human rights impacts, including modern slavery. This commitment is expressed through a variety of channels including the following:

- MC's [Social Charter](#) states that MC “will fully respect human rights” and will also “fully respect fundamental labor rights and endeavor to ensure the provision of proper working environments with consideration for safety, health and other aspects.”
- MC's [Basic Stance on Human Rights](#) affirms MC's commitment to various international standards including the Universal Declaration of Human Rights, the ILO International Labour Standards and the Voluntary Principles on Security and Human Rights.
- MC is a signatory of the [UN Global Compact](#), declaring MC's commitment to the 10 universal principles in the fields of human rights, labor, environment and anti-corruption. Principle 4 of the Compact states that MC should strive for “the elimination of all forms of forced and compulsory labor.”
- MC has identified [7 Key Sustainability Issues \(Materiality\)](#) for MC's sustainable growth as mileposts to help MC realize the simultaneous generation of economic value, societal value and environmental value. Through “Procuring and Supplying in a Sustainable Manner” as one of the Key Sustainability Issues, MC will continue to implement a sustainable approach to procurement and supply operations while taking into account environmental and social factors not only in MC's own business but also throughout the supply chain.
- MC's commitment to respect and uphold human rights also extends to its supply chains. In order to convey this stance to suppliers, MC created the MC's [Policy for Sustainable Supply Chain Management](#) (hereinafter “the Policy”), which all suppliers are expected to understand, embrace and abide by. Article (1) of the



Policy states that “suppliers shall employ all employees of their own free will with no employee being subject to forced or bonded labor.” The Policy goes on to further address issues such as child labor, freedom of association and suitable remuneration.

- MC has established the Timber and Paper Products Procurement Guidelines and the Palm Oil Procurement Guidelines, which set out MC’s stance on human rights in relation to the procurement of those products.

6. MC’s Activities in FY2020 in Relation to Prevention of Modern Slavery

A) Training and Awareness Raising

MC provides training on its corporate philosophy, including respect for human rights and relevant guidelines, on a consolidated basis.

- Training for all officers and employees: MC’s policies and guidelines, including those related to respecting human rights through its businesses and supply chains, are communicated to all new recruits and reinforced at various internal training sessions on a regular basis. These policies and guidelines are also conveyed to employees of overseas businesses and affiliated companies at various internal training seminars on a regular basis.

In addition, content related to child labor and the Act are incorporated into an e-learning program which all executives and employees are required to take every year, in order to cultivate a better understanding toward modern slavery in each of the employees.

MC’s data related to training for FY2020 is as follows.

Scope	Total time spent	Percentage of Training Participants(* 3)
Non-Consolidated Officers and Employees	5 hours	99.1%

*3 Average rate of participants for each training course.

- Spotlight on the UK: In the UK, MC provides regular training through workshops and seminars to board members, management and employees. Training has also been extended to a number of UK-based subsidiaries.

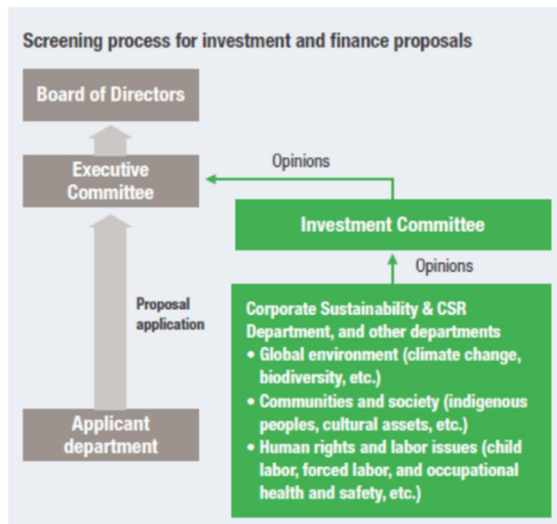


Further details are available via the following link:

<https://www.mitsubishicorp.com/gb/en/csr/slavery/>

B) Loan and Investment Proposal Screening

In order to ensure that the direct business operations and relationships that MC enters into do not cause or contribute to adverse human rights impacts, all loan and investment proposals are vetted through a screening process that considers not only financial and legal risks but also environmental, social and governance (ESG) factors, including human rights. With regard to human rights, we conduct thorough examinations of (1) the rights of indigenous people, (2) the rights of children are not infringed, and (3) due diligence on the status of human rights considerations not only at the investment destination but also at the business partner (Supply Chains) of the investment destination, and make use of the results for deliberation. By having the General Manager of the Corporate Sustainability & CSR Department serve as a member of the Investment Committee, MC has put in place a screening system that reflects potential environmental and social impacts in decision-making. MC's ESG screening takes into account various standards which emphasize the importance of human rights. The standards include the International Finance Corporation (IFC) guidelines and the Guidelines for Confirmation of Environmental and Social Considerations published by the Japan Bank for International Cooperation (JBIC).



Further details are available via the following link:

<https://mitsubishicorp.disclosure.site/en/themes/109#1208>

C) Supply Chain Management

a) Formulation of Guidelines

MC strives to ensure that it does not contribute to adverse human rights impacts throughout the supply chain. As part of these efforts, MC has established [the Policy](#), which is made available to MC's suppliers.

In addition, in year ended in March 2020 (hereinafter "FY2019") MC established the Timber and Paper Products Procurement Guidelines and the Palm Oil Procurement Guidelines, and started initiatives aiming to resolve specific issues related to those products.

b) Supply Chain Surveys

In order to confirm that its policies and guidelines are being upheld, MC conducts regular supplier assessments (hereinafter "the Supply Chain Surveys") for products that are considered to have high levels of human rights risks, including modern slavery. Products subject to this assessment are determined based on external developments by the two criteria of country/region of origin and product type. MC asks suppliers questions that take into account the specific issues and risks of the products handled by each supplier, with a focus on aspects including "existence of policies, compliance

with laws and regulations”, “prevention of forced labor, child labor and discrimination towards workers”, “environmental protection” and “information disclosure”. In FY2019, MC launched and began using the internet-based System for Supply Chain Survey (hereinafter “the System”). In addition to improving access for suppliers to MC’s policies, guidelines and supplier survey, the System allows MC to efficiently monitor its supply chains in real time and take necessary corrective measures in a timely fashion.

Based on the results of the assessment, MC has incorporated a mechanism to monitor suppliers in terms of their governance and operations, identify high-risk suppliers, and determine whether further surveys or site visits are required. In the event that potential or actual adverse impacts are identified, or further improvement is deemed necessary, MC commits to engaging with suppliers to ensure that corrective measures and improvement plans are implemented. Should a supplier fail to take the necessary steps to cease or prevent the adverse impacts identified, MC will reevaluate its business relationship with the supplier. The level of communication with suppliers achieved through these surveys and site visits provides a valuable opportunity to deepen the suppliers’ understanding of MC’s stance on sustainability. It also gives MC the opportunity to deepen communication with its suppliers and provide them with training and assistance as necessary.

Furthermore, in order to improve the effectiveness of the Supply Chain Surveys, MC continuously reviews the content of the questionnaire. In FY2019, besides increasing the number of open-ended questions, MC added a question for Japanese suppliers in order to better understand the situation related to employment of foreign technical interns.

For the assessment conducted in FY2020, MC received replies from approximately 400 companies in 30 countries including China and Thailand. As previously, the results of this assessment are shared with stakeholders via MC’s website. MC also began disclosing the number and percentage of suppliers the company is working with to share concerns, solve issues, etc., in order to increase transparency and share progress with all stakeholders.

Our results for FY2020 are as follows.

Area	Number of survey responses	The number (%) of suppliers MC is working with to share concerns, solve issues, etc. (* 4)
Asia / Oceania	388	17 (4.38%)
North Central South America	17	0 (0%)
Europe / Middle East / Africa	12	0 (0%)
Total	417	17 (4.08%)

* 4 As of March 2021 (figure excludes the number of suppliers with which MC has already worked to share concerns, resolve issues, etc.)

Further details are available via the following link:

<https://mitsubishicorp.disclosure.site/en/themes/126#1039>

c) Communication with Suppliers

In FY2020, MC employees visited a garment factory of MC subsidiary Mitsubishi Corporation Fashion Co., Ltd., a supplier of apparel products in Japan, and conducted interviews with employees and company management.

As a result, MC confirmed that: (1) employee rights are respected throughout the employment process, including in recruitment, execution of employment contracts, training and management of working hours; (2) methods have been established to create an environment where on-site managers exchange daily reports with each employee, and employees can submit opinions to management directly; (3) on the environmental side, efforts are made to utilize LEDs for fluorescent lighting in the factory, reuse scrap materials, etc.; (4) information regarding industrial health and safety, such as wearing a mask to prevent inhalation of product particles, etc.; indoor ventilation and evacuation routes is properly displayed; (5) and, although the number of accidents at MC is small at one or two incidents per year, efforts are considered together with employees to prevent accidents, such as using stepladders with handrails and installing handrails on stairs to prevent falls, which are the main causes of accidents. MC aims to achieve continuous improvement in its operations.



Minor issues relating to health and safety were pointed out during the visit, but they were addressed promptly after inspection (for example, thorough installation of hazard-prevention implements such as needle and eye guards on the sewing machines pictured below).



d) Dialogue with Stakeholders

In order to respond to the ever-changing demands of society, MC believes it is important to conduct dialogues with all stakeholders, formulate policies, and follow up with implementation plans. The main content of dialogue with stakeholders is as follows.

- Sustainability Advisory Committee: MC has established a Sustainability Advisory Committee which consists of external experts representing the perspectives of MC's diverse stakeholders including NGOs, international agencies and the ESG investment sector, as an advisory body to the Corporate Functional Officer (Corporate Sustainability & CSR). MC conveys its stance on sustainability policies to Committee members and, with the aim of improving stakeholder engagement,

receives advice and recommendations from them. Moreover, MC conducts tours of business sites for committee members in order to deepen their understanding of MC's businesses.

- **NGO engagement:** As representatives of the global community and the general public, NGOs are recognized as important stakeholders by MC, and the company takes seriously the opinions and requests it receive through close communication on a daily basis to improve our policies. MC is also working together with NGOs to resolve environmental and social issues.

7. Looking Ahead

Within the context of its broader human rights commitments, MC recognizes the importance of maintaining constant vigilance to identify and address any impacts associated with modern slavery throughout its global operations and supply chains. In recognition of the salience of these issues, MC is committed to continuing to enhance its capacity to identify, prevent and mitigate any actual or potential impacts in this field including the following initiatives.

- We will work to strengthen our engagement with suppliers and strengthen the risk associated with Supply Chains.
- We will strengthen training and educational activities related to Supply Chain Management and promote stronger Supply Chains Management.
- We will strengthen information disclosure related to Supply Chains and enhance transparency related to Supply Chain Management.

8. Approval by MC's Board of Directors

I, Akira Murakoshi, hereby certify that the information contained in this Statement is factual and has been approved by MC's Board of Directors.

July 16th, 2021



Akira Murakoshi

Member of the Board, Executive Vice President
Mitsubishi Corporation