

## **Contents**

1. Message from the Executive Vice President	<a href="#">P1</a>
2. About the Statement	<a href="#">P2</a>
3. About Mitsubishi Corporation	<a href="#">P3</a>
4. MC's Philosophies and Principles	<a href="#">P3</a>
5. MC's Commitments in Relation to Modern Slavery	<a href="#">P4</a>
6. MC's Activities in Fiscal Year 2021 in Relation to the Prevention of Modern Slavery	
A) Training and Awareness Raising	<a href="#">P5</a>
B) Loan and Investment Proposal Screening	<a href="#">P6</a>
C) Supply Chain Management	
a) Formulation of Guidelines	<a href="#">P7</a>
b) Review of our Purchasing Policy	<a href="#">P7</a>
c) Supply Chain Surveys	<a href="#">P7</a>
d) Communication with Suppliers	<a href="#">P10</a>
e) Dialogue with Stakeholders	<a href="#">P11</a>
7. Looking Ahead	<a href="#">P12</a>
8. Approval by MC's Board of Directors	<a href="#">P13</a>

## 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 2024 sets forth "MC Shared Value (MCSV)" as the continuous creation of significant shared value by elevating the MC Group's collective capabilities in order to address societal challenges. In addition, with six years having passed since our Key Sustainability Issues were identified, stakeholder expectations of companies regarding issues such as climate change have grown even higher, and the issues that companies must address also continue to evolve. Therefore, with the aim of creating MCSV, we announced the redefinition of our previous "Key Sustainability Issues" in the form of eight "Materiality" as the crucial societal issues that the MC Group will prioritize through our business activities. As we grapple with the challenges posed by the Materiality, 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 Materiality 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 a 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 endorsed 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 2021 (hereinafter "FY2021") 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 FY2021 (from April 2020 to March 2021) to prevent any occurrence of modern slavery 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 Yutaka Kashiwagi, Director, Executive Vice President for MC.

This Statement is publicly available on MC's website and the Modern Slavery Statement Registry of the 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 has 10 Business Groups that operate across virtually every industry: 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: <https://www.mitsubishicorp.com/jp/en/>

### **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), the Guiding Principles on Business and Human Rights, and the core labor standards of the International Labour Organization (ILO). Through the [Code of Conduct](#), MC also requires employees to act in a socially responsible manner by complying with the highest ethical standards [in the conduct of their business](#).

## 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 to the [UN Global Compact](#), declaring support for the 10 universal principles in the fields of human rights, labor, environment and anti-corruption. Principle 4 of the Compact states that signatories should strive for “the elimination of all forms of forced and compulsory labor.”
- MC has announced eight revised "[Materiality](#)" in Midterm Corporate Strategy 2024 as a set of crucial societal issues that we will prioritize through our business activities. Through “Promoting Stable, Sustainable Societies and Lifestyles“ and “Respecting Human Rights in Our Business Operations”, 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.

	Issues	Overview
Realizing a Carbon Neutral Society and Striving to Ethical Society with Integrity and Spirituality	 Contributing to Decarbonized Societies	Contribute to the realization of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while providing products and services that support decarbonization during the transition period.
	 Conserving and Effectively Utilizing Natural Capital	Recognizing the Earth itself to be our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint.
	 Promoting Stable, Sustainable Societies and Lifestyles	Promote sustainable societies and lifestyles of the future through businesses in a diverse range of countries and industries, while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, etc., in line with the needs of countries and customers.
	 Utilizing Innovation to Addressing Societal Needs	Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation.
	 Addressing Regional Issues and Growing Together with Local Communities	Strive to contribute to the development of economies and societies by addressing issues facing countries and regions, while seeking to grow together and collaborate with diverse stakeholders, regions and communities.
Striving to Serve as a "Platform for Generating Triple-Value Growth"	 Respecting Human Rights in Our Business Operations	Respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions for value chain-related issues, while considering the local conditions in each country.
	 Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce	Recognizing that our human resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization, and also seek to develop an organization where diverse human resources share common values and grow together while furthering their connections and inspiring one another to excel.
	 Realizing a Highly Transparent and Flexible Organization	While swiftly responding to changes in the business environment, strive to realize effective governance on a global, consolidated basis and maintain/strengthen a sound organization that is transparent and flexible.

- 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 [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 also addresses issues such as child labor, freedom of association and suitable remuneration.
- MC has established the Palm Oil Procurement Guidelines and the Timber and Paper Products Procurement Guidelines and which set out MC's stance on human rights in relation to the procurement of those products.

## 6. MC's Activities in FY2021 in Relation to the 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 human rights violations 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 of modern slavery.

MC's data related to training for FY2021 is as follows.

Scope	Total time spent	Participation Rate (*3)
Non-Consolidated Officers and Employees	4 hours	99.2%

\*3 Average rate of participants for each training course.

- Spotlight on the UK: In the UK, MC has provided regular training through workshops and seminars to board members, management and employees. In

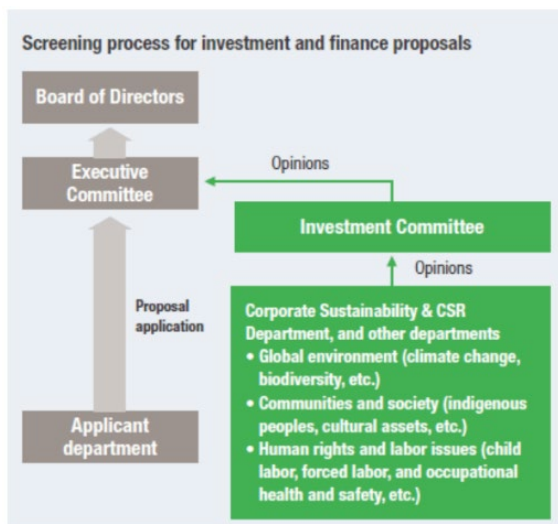
FY2021, due to the Coronavirus pandemic, MC conducted an online webinar for certain regional subsidiaries regarding the Modern Slavery Act and other related legal matters, in order to raise awareness of human rights issues.

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 regards to human rights, we conduct thorough examinations of potential negative impacts on stakeholders (size, scope and difficulty to make improvements) and the likelihood that such risks will occur (procurement country status, industry and region). These factors are all carefully scrutinized for deliberation and consideration. 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. These 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://www.mitsubishicorp.com/jp/en/csr/management/framework/>

### 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 the year ended in March 2020 (hereinafter "FY2019") MC established the Timber and Paper Products Procurement Guidelines (Revised in FY2021) and the Palm Oil Procurement Guidelines (Revised in FY2020), and started initiatives aiming to resolve specific issues related to those products.

#### b) Review of our Purchasing Policy

By sharing its Policy for Sustainable Supply Chain Management in the terms and conditions of its purchasing contract, MC ensures its suppliers abide by the Basic Policy. MC may ask a supplier to correct their business behavior if there is a violation of the Policy. MC will continue to work with our suppliers to ensure that environmental and social considerations are taken into account.

#### c) 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 environmental and human rights risks, including modern slavery.

MC selects “products to be monitored” from among all of its business products based on various international supply chain management declarations and international norms such as the UN Guiding Principles on Business and Human Rights and prioritizes them in terms of the following regarding potential impacts to stakeholders: 1. severity (scale, range, difficulty to make improvements) and 2. probability (procurement country status, industry and region). In FY2021 the number of “products to be monitored” has increased to 14 from the original 8 that were identified in FY2016. Current “products to be monitored” are as following;

Shrimp, Cacao, Coffee, Sugar (cane/raw sugar), Chicken, Palm oil, Tuna, Apparel, Tea, Tires (natural rubber), Natural Gas/LNG, Plastics (PP, PE etc.), Crude oil, Wood (biomass)

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”. We have also established our own web system to improve convenience and accessibility for suppliers for our supply chain survey, and we conduct the survey through this system.

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 FY2021 the survey was conducted with additional items such as how human rights policies are communicated to employees, and whether or not there are mechanisms for reporting and consultation regarding human rights.

For the survey conducted in FY2021, MC received replies from approximately 1000 companies in 40 countries including China and Thailand. For apparel, the scope of the survey was expanded to include Tier 2 suppliers, whereas previously the survey was conducted on first-tier (Tier 1) suppliers. 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 FY2021 are as follows.

Area	Number of survey responses	The number (%) of suppliers MC is working with to share concerns, solve issues, etc. (*4)
North/Central/South America	42	13 (2%)
Europe, Middle East, Africa	24	1 (0%)
East Asia	274	6 (1%)
Asia/Oceania	193	18 (2%)
Japan	289	60 (7%)

\*4 As of January 2022 (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/ja/themes/126#1039>

#### d) Communication with Suppliers

In FY2021, MC conducted an online meeting interview (\*5) with the management and employees of Fisheries Cooperative Association of Mitsushima-cho, a supplier of tuna (located in Nagasaki prefecture, Tsushima city) to one of MC's subsidiary companies, Toyo Reizo.

\*5 This meeting and interview were conducted online due to Coronavirus pandemic.

In the meeting, in addition to the external environment related to sustainability, we also explained our sustainability initiatives (our basic stance on human rights and our efforts to identify and address sustainable supply chains as one of our key management issues). The meeting provided an opportunity to deepen their understanding of sustainability and our company's initiatives importance.

In the online interview, MC learned that the company is engaged in activities that lead to sustainable fishing such as collecting debris from the ocean, that there have been no human rights violations or other problems due to its efforts to create an open work environment, and that employees engaged in work that involves occupational health and safety concerns are not only provided with appropriate training, but that their personnel assignments are made such that workloads are not unevenly distributed.

Through the interview, MC confirmed that the company's internal policies on environmental and social considerations mentioned above were not clearly documented in writing. MC therefore requested that these policies be clarified in order to ensure thorough awareness of the policies and to deepen efforts related to sustainability initiatives.



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. In FY2021, we conducted 70 direct dialogues with NGOs, including 2 in Japan, 48 in Europe and 20 in Americas.
- Investors and shareholders: In order to accurately grasp and respond to the ever-changing demands of society, we place great importance on constructive dialogue

with our investors, including our shareholders. In FY2021, we held approximately 30 direct dialogues with investors on sustainability issues. We take into account the opinions on environmental and social issues obtained through these dialogues and reflect them onto our policies and measures, and promote timely and appropriate disclosure of the policies we have formulated. To further strengthen dialogues, in FY2021 we updated the "Human Rights" and "Supply Chain Management" pages of our Sustainability Website in cooperation with an outside consultant to expand the disclosure of sustainability-related information to stakeholders.

## **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, Yutaka Kashiwagi, hereby certify that the information contained in this Statement is factual and has been approved by MC's Board of Directors on 15<sup>th</sup> July 2022.

July 19<sup>th</sup>, 2022



Yutaka Kashiwagi

Director, Executive Vice President

Mitsubishi Corporation