

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

MITSUBISHI HEAVY INDUSTRIES, LTD.

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	6/8
2. Internal Controls	6	4/12
3. Support to Employees	7	5/14
4. Conflict of Interest	4	2/8
5. Customer Engagement	7	3/14
6. Supply Chain Management	5	0/10
7. Agents, Intermediaries and Joint Ventures	10	3/20
8. Offsets	4	0/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	0	N/A
TOTAL		26/102
BAND		E

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
1
Comments
<p>There is evidence that the company's Group Global Code of Conduct outlines the company's stance against bribery and corruption. There is evidence that this document was authorised and endorsed by the company's leadership in the form of an introductory message from the company's President and CEO. However, the company receives a score of '1' because there is no evidence that the senior leadership directly mentions or addresses the company's stance against all forms of bribery and corruption within the organisation.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.2] Dear Colleagues:</p> <p>The more MHI Group strives to reach the next stage of growth, the greater the challenges we will need to embrace. As we turn these challenges into opportunities, we will be faced more and more often with situations in which we face difficult choices and will be forced to make difficult decisions.</p> <p>As we do, we will confront them, as we have always done in the past, with the integrity and fairness that is a hallmark of the way MHI does business and which is embedded in all of our business practices and conduct. As a global company providing solutions for society's infrastructural needs, the trust and reputation that MHI maintains among our stakeholders has been the keystone of our business for more than 130 years. It has been built not only by the excellence of our technologies and products, but also through our strong commitment to the compliance needs, both legal and social, of our customers, business partners, investors, governments, and the communities that we serve. It is this excellence in products and technologies coupled with an unshakable commitment to compliance in all its forms that have made the group one of the most trusted and reputable in the world.</p> <p>However, a single compliance issue has the potential to damage MHI's reputation in an instant. That's why any MHI Group business that engages in unethical conduct for any reason, including the pursuit of growth, will be terminated immediately and without exception. I strongly believe that there will never be a conflict between growth and compliance. But if such a conflict ever arises, our choice is compliance — every time without fail.</p> <p>The MHI Group Global Code of Conduct sets out the basic principles and policies that all group employees are expected to follow. Please read it carefully and consult it whenever you sense that a business activity may not meet MHI's standards of integrity and fairness. In cases where the Code doesn't provide enough specific guidance, please discuss the situation with your managers and colleagues. I appreciate all of you for your commitment to the Code of Conduct. Our trust and reputation backed by integrity and fairness is something that we should all cherish and strive to maintain, so that we can pass it along, undamaged, to the next generation of MHI employees.</p> <p>Sincerely, Shunichi Miyanaga, President and CEO (When Code of Conduct was established) May 2015</p> <p>[p.3] Dear Colleagues:</p> <p>The MHI Group Global Code of Conduct was first established in May 2015 as a set of basic principles and policies for all Group employees, including Board Members, to follow. These principles and policies have been instilled throughout the Group thanks to resolutions by each Group company. In the last four years, we have also aimed to develop a greater understanding of compliance among all group employees through efforts such as compliance committees, compliance training, and official messages from leadership. Looking at the results of recent employee surveys on compliance awareness, I feel that we have succeeded.</p>

Compliance plays a key role in building a trusted and reputable company, and lack of attention to compliance can create serious problems. Recently, compliance issues have shaken public trust in a number of companies' products due to revelations of insufficient testing, falsified data, and other quality scandals. A single quality compliance issue has the potential to damage a company's reputation in an instant. For that reason, Chapter 5 of the MHI Group Global Code of Conduct has been retitled "Health, safety and quality of services and products," and includes further information on quality to re-emphasize the importance of meeting regulatory, internal, and contractual standards and specifications, as well as the fundamental process of ensuring quality by following established procedures.

For MHI Group to sustain future growth and ensure our reputation as a globally trusted company, it is essential that we use this Code of Conduct to ground our excellence in products and technologies with an unshakable commitment to compliance. Therefore, please take this update as an opportunity to re-familiarize yourself with the content of the Code of Conduct. Compliance is the foundation of growth. There will never be a conflict between the two, but if such a conflict ever arises, remember that our choice is always compliance — every time without fail.

Compliance is everyone's responsibility. Each of us has a personal duty to act with integrity and fairness. The trust our customers put in MHI Group can only be maintained through the commitment of every individual to take ownership of their role in compliance. We must all consistently strive to approach our work with the conviction that integrity and fairness are the key to our sustainable development.

Sincerely, Seiji Izumisawa, President & CEO
June 2019

[p.12] Bribery

MHI is committed to promote fair and honest business practices and will not tolerate bribery of any form. Bribery is the offering, promising or giving, accepting or soliciting of an advantage in order to obtain in return an action which is illegal, unethical or in breach of trust. The "advantage" does not need to be in cash. It can be anything of value such as gifts, loans, kickbacks, fees, commissions, rewards and other monetary and non-monetary benefits (e.g., charitable donations, services, travel, entertainment, hospitality, employment opportunities, etc.), or a promise or an informal agreement to provide similar types of benefits in the future. International legislation against corruption and bribery is developing rapidly. A breach of any of these laws is a serious offense that can result in fines for the individual, as well as for the company and/or its Directors, and/or exclusion from tendering for public contract, and can additionally result in imprisonment for individuals. MHI employees must not engage in bribery of any kind, for any purpose, whether directly or indirectly through third parties, and whether to government officials or to private persons.

In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries.

Question
1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories: a) All employees, including staff and leadership of subsidiaries and other controlled entities; b) All board members, including non-executive directors.
Score
2
Comments
<p>There is evidence that the company has a clear anti-bribery and corruption policy as part of its Group Global Code of Conduct, which specifically prohibits bribery, payments to public officials, commercial bribery and facilitation payments. There is evidence that this policy applies to all employees and board members as described in (a) and (b) in the question.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf <p>[p.3] Dear Colleagues: The MHI Group Global Code of Conduct was first established in May 2015 as a set of basic principles and policies for all Group employees, including Board Members, to follow. These principles and policies have been instilled throughout the Group thanks to resolutions by each Group company. In the last four years, we have also aimed to develop a greater understanding of compliance among all group employees through efforts such as compliance committees, compliance training, and official messages from leadership. Looking at the results of recent employee surveys on compliance awareness, I feel that we have succeeded.</p> <p>[...]</p> <p>Sincerely, Seiji Izumisawa, President & CEO June 2019</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.12] Bribery MHI is committed to promote fair and honest business practices and will not tolerate bribery of any form.</p> <p>Bribery is the offering, promising or giving, accepting or soliciting of an advantage in order to obtain in return an action which is illegal, unethical or in breach of trust. T</p> <p>he "advantage" does not need to be in cash. It can be anything of value such as gifts, loans, kickbacks, fees, commissions, rewards and other monetary and non-monetary benefits (e.g., charitable donations, services, travel, entertainment, hospitality, employment opportunities, etc.), or a promise or an informal agreement to provide similar types of benefits in the future.</p> <p>International legislation against corruption and bribery is developing rapidly. A breach of any of these laws is a serious offense that can result in fines for the individual, as well as for the company and/or its Directors, and/or exclusion from tendering for public contract, and can additionally result in imprisonment for individuals. MHI employees must not engage in bribery of any kind, for any purpose, whether directly or indirectly through third parties, and whether to government officials or to private persons.</p> </p>

In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries.

[p.13] (*) Facilitation payments are small cash payments or items intended to secure or expedite a routine action or performance that the payer is legally entitled to. Facilitation payments are forbidden in most countries and as such considered equivalent to bribes in these countries.

Any MHI employee who has been asked for facilitation payments must inform his or her manager or the WhistleBlowing helpline. The incident must also be reported to HR and the Legal Department.

[3] MHI Performance Data - Compliance (Webpage)

Accessed 23/06/2019

https://www.mhi.com/csr/governance/compliance_data.html

Anti-corruption Policy

MHI maintains a policy prohibiting conduct that leads to any form of corruption, and as a signatory company of the UN Global Compact since 2004, we have worked to disseminate and practice the ten principles contained within the four domains of the Compact, including anti-corruption. MHI strives for fairness in its global commercial transactions by strictly complying with the anti-bribery laws of all countries, including Japan's Unfair Competition Prevention Act which prohibits the giving of illicit benefits to foreign public officials. In 2005, MHI established the Guidelines for the Prevention of Bribery Involving Foreign Civil Servants to define rules of conduct based on the Unfair Competition Prevention Act. In addition, we issued the Anti-Bribery Rules and Anti-Bribery Procedural Guidelines based on these guidelines in February 2012 in order to respond to the enactment of the British Bribery Act 2010 of July 2011 and strengthened regulations in various countries. MHI also set forth screening procedures for engaging with trading companies and distributors. Furthermore, through the MHI Group Global Code of Conduct, established in May 2015, we are thoroughly engaged in preventing bribery toward all Group directors and employees. In September 2016, we also issued the Guidance for the Prevention of Bribery of Foreign Public Officials, an interpretation of related legislation and internal rules, and we strive to comply with the rules and the Global Code of Conduct. A global policy, formulated in September 2017, stipulates MHI Group companies to monitor whether measures to prevent bribery are being appropriately managed and deal with if needed. Moreover, to evaluate and improve the MHI Group's organization for preventing bribery, we appointed an expert and carried out a bribery risk assessment in 2017.

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
2
Comments
<p>There is evidence that the Board of Directors – through the Compliance Committee – is ultimately responsible for oversight of the company's compliance programme, which includes the anti-bribery and corruption programme. In addition, there is evidence that the board engages in formal oversight functions, such as reviewing reports and updated from management, and due to the seniority of the body there is evidence to indicate that it has the authority to require that any necessary changes to the programme are made.</p>
Evidence
<p>[11] MHI 2019 Annual Report (Document) Accessed 01/06/2020 https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf [p.24] Compliance</p> <p>MHI Group attaches importance to complying with applicable laws and social norms, and promoting fair and honest business practices. The Compliance Committee, established in May 2001, meets biannually to draw up Groupwide compliance promotion plans, confirm progress of previously made plans, and engage in other activities.</p> <p>[...] The MHI Board of Directors is keeping grasp of important compliance-related cases of the Group, including status of compliance with the MHI Group Global Code of Conduct, by confirming the status on compliance promotion, compliance risks management, and the occurrence of compliance-related incidents by being reported of the operation on internal control systems as well as the execution of roles and duties of the General Counsel.</p> <p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.45] COMPLIANCE</p> <p>MHI Group attaches importance to complying with applicable laws and social norms and promoting fair and honest business practices. The Compliance Committee, established in May 2001, meets twice annually to draw up groupwide compliance promotion plans, confirm progress, and engage in other activities.</p> <p>Since 2003, to increase awareness of compliance among individual employees, we have conducted discussion-based compliance training every year at the workplace level, themed on compliance cases that could arise on-site. In May 2015, we issued the “MHI Group Global Code of Conduct.” As a global group, MHI Group employs thousands of individuals from different backgrounds, nationalities, and cultures. This diversity of talent and perspectives is one of our greatest assets. Having diverse backgrounds, it is important to work together and to promote our business under a common corporate culture.</p> <p>This code of conduct sets out the basic principles and policies that all MHI employees should follow. We disseminate this code of conduct among MHI Group employees around the world through e-learning and by distributing booklets.</p> <p>In order to ensure thorough compliance throughout MHI Group, we are conducting e-learning and study sessions for Group employees in Japan and overseas on anti-trust laws, anti-bribery, and export-related laws and regulations. In addition, we have created a compliance guidebook for employees engaging in technical and skilled jobs at MHI and Group companies in Japan, and we are promoting face-to-face education at each worksite to enhance compliance awareness.</p> <p>In September 2017, we formulated the “MHI Compliance Global Policy,” clarifying basic matters related to compliance promotion, such as the organizational framework, roles, and administration standards that each Group company should follow. Along with the Global Code of Conduct, this policy clarifies our common code of conduct</p>

and basic rules that must be complied with throughout the Group. In this way, we are working to strengthen internal controls and enhance the level of compliance throughout the entire Group.

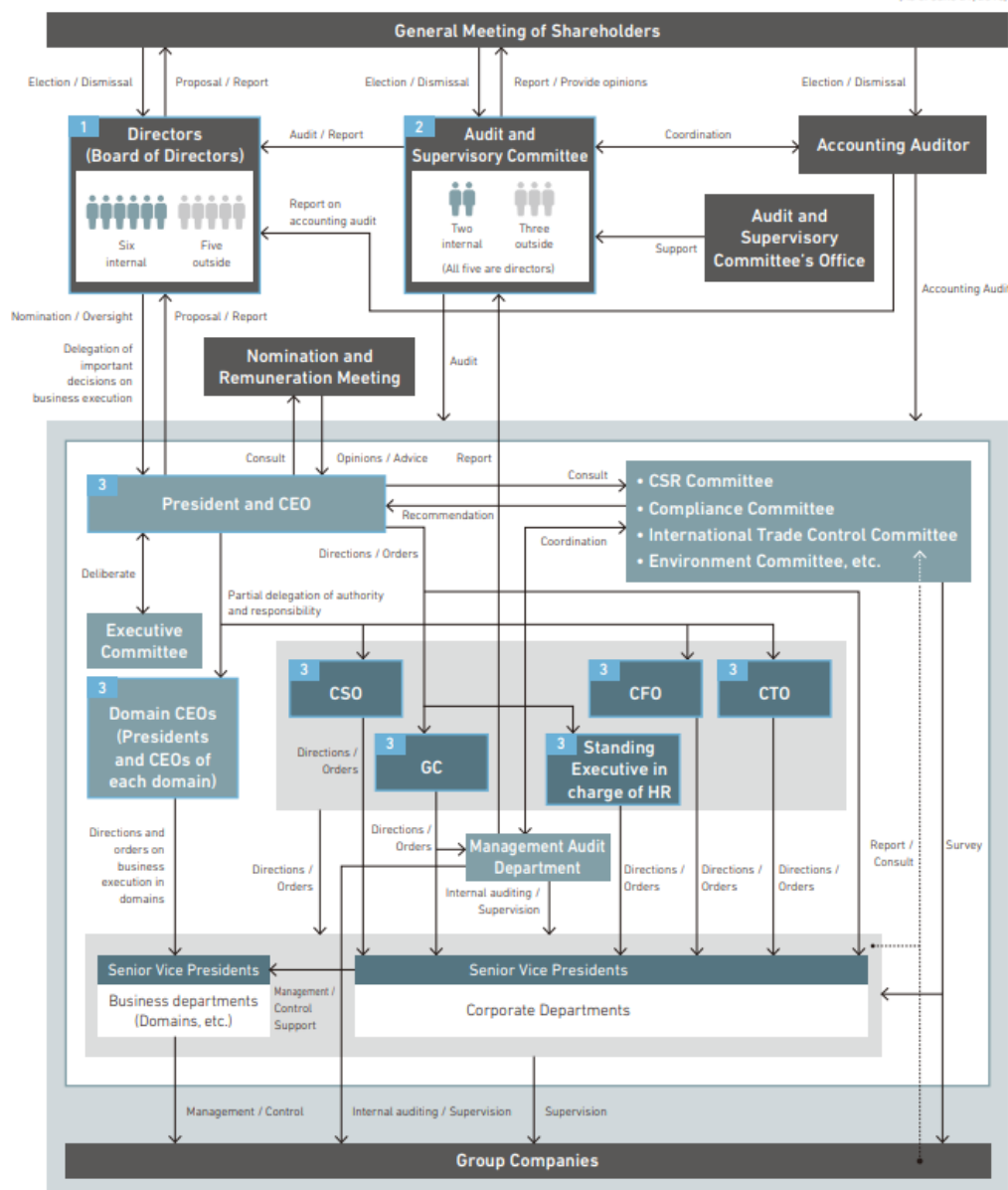
Compliance Promotion System

[as of January 1, 2018]



[p.37]

(As of June 21, 2018)



[3] MHI Performance Data - Compliance (Webpage)

Accessed 23/06/2019

https://www.mhi.com/csr/governance/compliance_data.html**Compliance structure**

Chief executive		Masahiko Mishima (Executive Vice President, GC)
Responsible institution or committee	Name	Compliance committee
	Members	Chaired by the Executive Vice President, General Council, and composed of 24 members.
	Number of meetings	2 (FY2017)

Question										
1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?										
Score										
1										
Comments										
<p>Based on publicly available information, there is some evidence that the company's General Counsel and Executive Vice President is responsible for implementing and managing the company's compliance programme in their role as Chair of the Compliance Committee. There is some evidence to indicate that this individual, through the Compliance Committee, has a reporting line to the President and CEO.</p> <p>However, the company receives a score of '1' because there is no evidence that the individual has a direct reporting line to the body that provides oversight of the compliance programme, which according to publicly available evidence is the Board of Directors. There is also no clear publicly available evidence of reporting and feedback activities between this person and the board as part of the company's reporting structure; for example, attendance or participation at board-level committee meetings.</p>										
Evidence										
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html</p> <p>Compliance structure</p> <table><tr><td colspan="2">Chief executive</td><td>Masahiko Mishima (Executive Vice President, GC)</td></tr><tr><td rowspan="3">Responsible institution or committee</td><td>Name</td><td>Compliance committee</td></tr><tr><td>Members</td><td>Chaired by the Executive Vice President, General Council, and composed of 24 members.</td></tr><tr><td>Number of meetings</td><td>2 (FY2017)</td></tr></table>	Chief executive		Masahiko Mishima (Executive Vice President, GC)	Responsible institution or committee	Name	Compliance committee	Members	Chaired by the Executive Vice President, General Council, and composed of 24 members.	Number of meetings	2 (FY2017)
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<p>[11] MHI 2019 Annual Report (Document) Accessed 01/06/2020 https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf [p.24] Compliance</p> <p>MHI Group attaches importance to complying with applicable laws and social norms, and promoting fair and honest business practices. The Compliance Committee, established in May 2001, meets biannually to draw up Groupwide compliance promotion plans, confirm progress of previously made plans, and engage in other activities.</p> <p>[...]</p> <p>The MHI Board of Directors is keeping grasp of important compliance-related cases of the Group, including status of compliance with the MHI Group Global Code of Conduct, by confirming the status on compliance promotion, compliance risks management, and the occurrence of compliance-related incidents by being reported of the operation on internal control systems as well as the execution of roles and duties of the General Counsel.</p>										
<p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.45] COMPLIANCE</p>										

MHI Group attaches importance to complying with applicable laws and social norms and promoting fair and honest business practices. The Compliance Committee, established in May 2001, meets twice annually to draw up groupwide compliance promotion plans, confirm progress, and engage in other activities.

Since 2003, to increase awareness of compliance among individual employees, we have conducted discussion-based compliance training every year at the workplace level, themed on compliance cases that could arise on-site. In May 2015, we issued the "MHI Group Global Code of Conduct." As a global group, MHI Group employs thousands of individuals from different backgrounds, nationalities, and cultures. This diversity of talent and perspectives is one of our greatest assets. Having diverse backgrounds, it is important to work together and to promote our business under a common corporate culture.

This code of conduct sets out the basic principles and policies that all MHI employees should follow. We disseminate this code of conduct among MHI Group employees around the world through e-learning and by distributing booklets.

In order to ensure thorough compliance throughout MHI Group, we are conducting e-learning and study sessions for Group employees in Japan and overseas on anti-trust laws, anti-bribery, and export-related laws and regulations. In addition, we have created a compliance guidebook for employees engaging in technical and skilled jobs at MHI and Group companies in Japan, and we are promoting face-to-face education at each worksite to enhance compliance awareness.

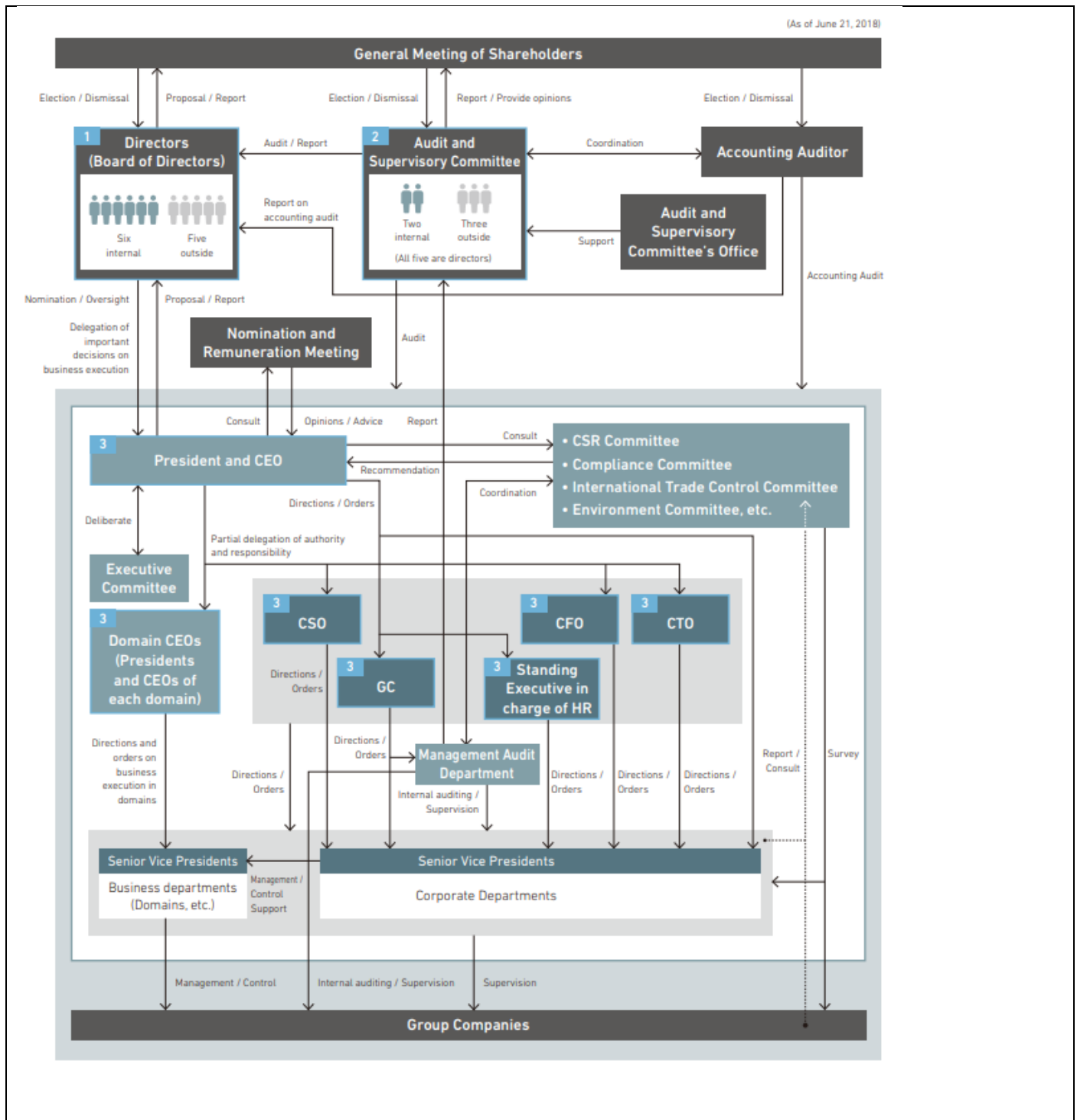
In September 2017, we formulated the "MHI Compliance Global Policy," clarifying basic matters related to compliance promotion, such as the organizational framework, roles, and administration standards that each Group company should follow. Along with the Global Code of Conduct, this policy clarifies our common code of conduct and basic rules that must be complied with throughout the Group. In this way, we are working to strengthen internal controls and enhance the level of compliance throughout the entire Group.

Compliance Promotion System

[as of January 1, 2018]



[p.37]

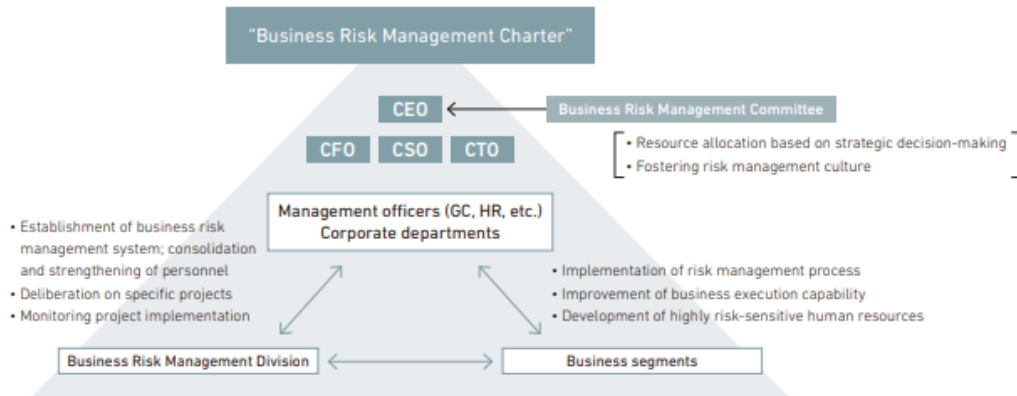


2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company employed an expert individual to conduct a bribery risk assessment of its anti-bribery and corruption systems in 2017. The company indicates that the purpose of this evaluation was to monitor the systems and identify areas for improvement.</p> <p>However, the company receives a score of '1' because it is not clear from publicly available information that the company has a procedure in place to conduct bribery and corruption risk assessments on a regular basis or that the results of risk assessments are reviewed at board level.</p>
Evidence
<p>[11] MHI 2019 Annual Report (Document) Accessed 01/06/2020 https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf [p.27] Anti-corruption Policy</p> <p>[...]</p> <p>A global policy, formulated in September 2017, stipulates MHI Group companies to monitor whether measures to prevent bribery are being appropriately managed and deal with if needed. Moreover, to evaluate and improve the MHI Group's system for preventing bribery, we appointed an expert and carried out a bribery risk assessment in 2017. Based on that assessment, we revised our rules on preventing bribery. Moreover, in 2019 we conducted audits in Asia and other regions to ascertain the status of fraud risk management at high-risk project sites. We are establishing an e-ective system through measures such as reporting major compliance violations to the Board of Directors.</p> <p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.42] BUSINESS RISK MANAGEMENT</p> <p>Throughout its history, MHI Group has achieved sustained growth by taking up diverse new challenges and initiatives in numerous business areas. At the same time, on occasion we have experienced losses on a large scale. In recent years especially, with the globalization of its business activities, the expanding scale of individual projects, and ongoing development of increasingly complex technologies, the scale of attendant risks is becoming larger than ever before.</p> <p>In order for MHI Group to mark sustained growth amid an ever-changing business environment, it is necessary to continue to take up challenges in new fields, new technologies, new regions, and new customers as well as to improve and strengthen operations in its existing business markets. Such challenges will entail business risks, and a company's ability to curb risks wields significant influence on its business results and growth potentials.</p> <p>To promote challenges of this kind and prepare for the next leap into the future, MHI Group, applying its past experience and lessons learned, aims to create the mechanisms that will ensure the effective execution of business risk management. At the same time, we reinforce advanced, intelligent systems and process monitoring, both of which support top management's strategy decisions. Through these approaches, we will pursue "controlled risk-taking" that will enable us to carry out carefully planned challenges toward expanding our business.</p> <p>[p.43] Through the following measures, MHI Group is pursuing more organized business risk management and clarifying the roles of management, business segments, and corporate departments.</p>

1 Observe and practice the Business Risk Management Charter as the Company's foremost set of rules
→Clarify, observe, and practice risk management targets, etc.

2 Hold meetings of the Business Risk Management Committee, headed by the CEO
→Share information on important risks and discuss policy response by top-level management



[3] MHI Performance Data - Compliance (Webpage)

Accessed 23/06/2019

https://www.mhi.com/csr/governance/compliance_data.html

Anti-corruption Policy

[...] A global policy, formulated in September 2017, stipulates MHI Group companies to monitor whether measures to prevent bribery are being appropriately managed and deal with if needed. Moreover, to evaluate and improve the MHI Group's organization for preventing bribery, we appointed an expert and carried out a bribery risk assessment in 2017.

Question

2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?

Score

0

Comments

Based on publicly available information, there is no clear evidence that the company's anti-bribery and corruption programme is subject to audit or review. The company indicates that it conducted audits to identify fraud risks in certain operating sites, however it is not clear from publicly available information that the company conducts specific anti-corruption audits of its compliance programme on a regular basis, nor that the results are reviewed by the board or used to make improvements to the programme.

Evidence**[11] MHI 2019 Annual Report (Document)**

Accessed 01/06/2020

https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf

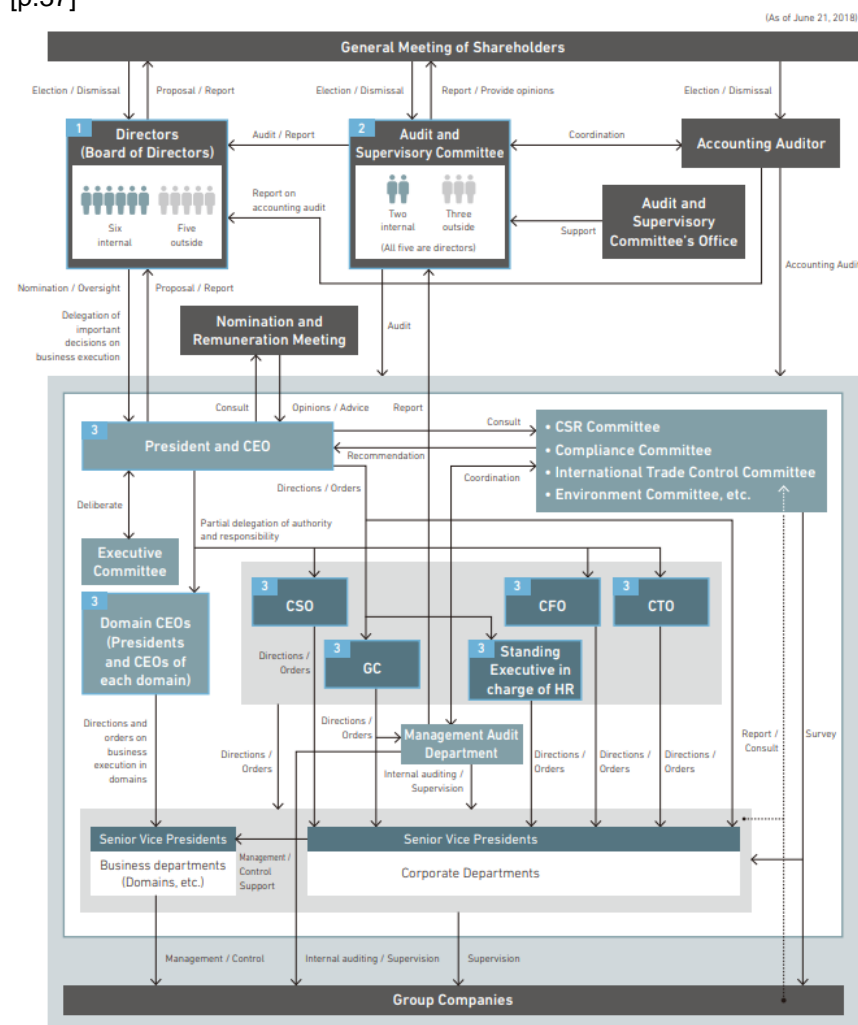
[p.27] [...] Moreover, in 2019 we conducted audits in Asia and other regions to ascertain the status of fraud risk management at high-risk project sites. We are establishing an e-ective system through measures such as reporting major compliance violations to the Board of Directors.

[2] MHI 2018 Annual Report (Document)

Accessed 23/06/2019

https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf

[p.37]



Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
1
Comments
<p>There is evidence that the company publicly commits to investigating incidents and that there is a procedure in place to deal with whistleblowing cases, which is overseen by external lawyers. There is evidence that the company's Compliance Committee Secretariat conducts investigations.</p> <p>However, the company receives a score of '1' because it does not provide further publicly available information on the whole investigation process from receipt to final outcome. In addition, there is no clear evidence to indicate that the company takes steps to ensure the independence of investigations, nor that a central body reviews summary information on all investigations on at least an annual basis. There is also no clear publicly available evidence that the company commits to providing whistleblowers with updates on the outcome of investigations.</p>
Evidence
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Whistle-blowing system We have the MHI Group Whistleblowing Hotline, which is available to all employees, including those of Group companies, and the MHI Group External Whistleblowing Hotline, which is overseen by external lawyers. In addition to Group employees, any related external parties, including business partners, can utilize these hotlines to report concerns on corruption, including bribery, or other compliance-related issues. We also have systems which accept reports in the languages spoken at our major business locations, including English, Chinese, and Thai. The Compliance Committee Secretariat promptly investigates and responds appropriately to all reports made to these hotlines. Information on how to report is contained in the MHI Group Portal accessible by all employees and in bulletins published in-house. This was followed by the establishment of the internal and external Harassment Contact Hotlines in January 2012 as a measure to respond to harassment, which is becoming an increasingly serious social issue.</p> <p>With the operation of the hotlines, protection of the rights afforded to informants, including confidentiality, were set out in the 2007 Company regulations entitled Compliance Promotion Regulations. These regulations state that the whistleblower's name will not be released without his/her consent, and that the whistleblower will not be placed at any disadvantage because of the information he/she has reported.</p> <p>Employees have been advised of the protection of the rights given to whistleblowers with the existence of the hotline.</p> <p>Reporting on breaches In fiscal 2017, we received 113 reports through our whistleblowing system, including reports suggesting corruption, such as embezzlement or bribery. Among them we made corrective action on 59 cases. 26 cases out of them were identified as cases of compliance breaches, as shown in the table above (including breaches carried over from previous fiscal years).</p> <p>There was no significant breach last year, with no related fines or penalties as a result.</p> <p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf [p.43] MHI takes all reports of possible misconduct seriously. The company will investigate the matter confidentially, make a determination whether the Code of Conduct or any law has been violated, and take appropriate corrective action. If any employee becomes involved in any investigation, the employee should cooperate fully and answer all questions completely and honestly.</p>

[2] MHI 2018 Annual Report (Document)

Accessed 23/06/2019

https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf

[p.62] KPI: Number of whistleblowing cases

We have established the MHI Whistleblowing Hotline, which is available to all employees, including those of Group companies, and the MHI External Whistleblower Hotline. The Compliance Committee secretariat promptly investigates and responds appropriately to all reports made to these hotlines.

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
0
Comments
There is no publicly available evidence that the company assures itself of the quality of investigations, for example by indicating that staff conducting investigations are properly trained, by implementing a policy to handle complaints about the process or by reviewing the investigation process every three years.
Evidence
No evidence found.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
0
Comments
There is no publicly available evidence that the company publicly commits to report material findings from its investigations to the board or to relevant authorities if necessary.
Evidence
No evidence found.

Question

2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?

Score

2

Comments

There is evidence that the company publishes high-level data on an annual basis regarding ethical or bribery and corruption-related incidents and investigations involving company employees at all levels. The company provides information on the number of reports received, including the number received through whistleblowing channels, the number of investigations launched, and the number of disciplinary actions as a result of investigation findings.

Evidence**[3] MHI Performance Data - Compliance (Webpage)**

Accessed 23/06/2019

https://www.mhi.com/csr/governance/compliance_data.html

Number of whistle-blowing reports	2013	2014	2015	2016	2017	coverage
	240	185	131	118	113	Group

Reporting on breaches

In fiscal 2017, we received 113 reports through our whistleblowing system, including reports suggesting corruption, such as embezzlement or bribery. Among them we made corrective action on 59 cases. 26 cases out of them were identified as cases of compliance breaches, as shown in the table above (including breaches carried over from previous fiscal years).

There was no significant breach last year, with no related fines or penalties as a result.

[2] MHI 2018 Annual Report (Document)

Accessed 23/06/2019

https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf

[p.62] KPI: Number of whistleblowing cases We have established the MHI Whistleblowing Hotline, which is available to all employees, including those of Group companies, and the MHI External Whistleblower Hotline. The Compliance Committee secretariat promptly investigates and responds appropriately to all reports made to these hotlines.

Number of whistleblowing cases, by type	FY/cases		
	2015	2016	2017
Labor and the work environment	39	42	49
Overall discipline and breaches of manners	24	28	17
Transaction-related laws	8	11	11
Consultations and opinions	11	3	0
Other	49	34	36
Total (number of corrections and improvements)	131 (85)	118 (64)	113 (59)

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company provides training for its employees that outlines the basic principles of its anti-bribery and corruption policy. The company indicates that it provides this training to all employees worldwide.</p> <p>However, the company receives score '1' because there is no publicly available evidence to indicate that employees must undertake and refresh their training at least every three years, nor is it clear evidence that this training specifically covers the whistleblowing options available.</p>
Evidence
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Employee training</p> <p>Since fiscal 2014, we have promoted anti-bribery education across MHI and Group companies in Japan and overseas. Since fiscal 2015, we have conducted training to make every employee in MHI Group worldwide aware of the MHI Group Global Code of Conduct, which includes prohibition of bribery. Since fiscal 2014, MHI and its Group companies worldwide have steadily conducted e-learning education to prevent bribery, mainly for manager-level employees. Approximately 17,000 employees in total have taken these courses so far. In 2017, we conducted face-to-face training on bribery prevention in eight locations nationwide, and around 800 people have taken this training so far.</p> <p>Whistle-blowing system</p> <p>We have the MHI Group Whistleblowing Hotline, which is available to all employees, including those of Group companies, and the MHI Group External Whistleblowing Hotline, which is overseen by external lawyers. In addition to Group employees, any related external parties, including business partners, can utilize these hotlines to report concerns on corruption, including bribery, or other compliance-related issues. We also have systems which accept reports in the languages spoken at our major business locations, including English, Chinese, and Thai. The Compliance Committee Secretariat promptly investigates and responds appropriately to all reports made to these hotlines. Information on how to report is contained in the MHI Group Portal accessible by all employees and in bulletins published in-house. This was followed by the establishment of the internal and external Harassment Contact Hotlines in January 2012 as a measure to respond to harassment, which is becoming an increasingly serious social issue.</p> <p>With the operation of the hotlines, protection of the rights afforded to informants, including confidentiality, were set out in the 2007 Company regulations entitled Compliance Promotion Regulations. These regulations state that the whistleblower's name will not be released without his/her consent, and that the whistleblower will not be placed at any disadvantage because of the information he/she has reported.</p> <p>Employees have been advised of the protection of the rights given to whistleblowers with the existence of the hotline.</p> <p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.45] MHI Group attaches importance to complying with applicable laws and social norms and promoting fair and honest business practices. The Compliance Committee, established in May 2001, meets twice annually to draw up</p>

groupwide compliance promotion plans, confirm progress, and engage in other activities. Since 2003, to increase awareness of compliance among individual employees, we have conducted discussion-based compliance training every year at the workplace level, themed on compliance cases that could arise on-site.

Number of
participants at
compliance training

Approximately

84,300

(FY2017)

Question
3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees: a) Employees in high risk positions, b) Middle management, c) Board members.
Score
1
Comments
<p>There is some evidence that the company provides tailored anti-bribery and corruption training to employees based on an assessment of their role. The company indicates that it provides specific training and guidance for employees in technical and skilled jobs.</p> <p>However, there is no publicly available evidence that the company provides tailored anti-corruption training to employees in middle management positions and to board members. In addition, there is no evidence that employees in high risk positions must refresh their training on an annual basis and it is not clear that the training is tailored on the basis of exposure to corruption risk.</p>
Evidence
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Employee training Since fiscal 2014, we have promoted anti-bribery education across MHI and Group companies in Japan and overseas. Since fiscal 2015, we have conducted training to make every employee in MHI Group worldwide aware of the MHI Group Global Code of Conduct, which includes prohibition of bribery. Since fiscal 2014, MHI and its Group companies worldwide have steadily conducted e-learning education to prevent bribery, mainly for manager-level employees. Approximately 17,000 employees in total have taken these courses so far. In 2017, we conducted face-to-face training on bribery prevention in eight locations nationwide, and around 800 people have taken this training so far.</p> <p>[11] MHI 2019 Annual Report (Document) Accessed 01/06/2020 https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf [p.24] In addition, and in order to keep raising awareness of compliance, we are conducting e-learning and training programs for Group employees in Japan and overseas on anti-trust laws, anti-bribery, and export-related laws and regulations. Furthermore, we have created a compliance guidebook for employees engaging in technical and skilled jobs at MHI and Group companies in Japan, and we are promoting face-to-face training at each worksite.</p> <p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.45] MHI Group attaches importance to complying with applicable laws and social norms and promoting fair and honest business practices. The Compliance Committee, established in May 2001, meets twice annually to draw up groupwide compliance promotion plans, confirm progress, and engage in other activities. Since 2003, to increase awareness of compliance among individual employees, we have conducted discussion-based compliance training every year at the workplace level, themed on compliance cases that could arise on-site.</p>

Question														
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?														
Score														
1														
Comments														
<p>There is evidence that the company measures and reviews the effectiveness of its compliance communications and training programme through metrics such as completion rates and employee awareness surveys. There is evidence that the company undertakes these reviews on an annual basis.</p> <p>However, the company receives a score of '1' because there is no clear publicly available evidence that the results of such reviews are used to update specific parts of the company's anti-bribery and corruption communications and training programme, nor that a review of the programme takes place at least every three years.</p>														
Evidence														
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Compliance awareness survey</p> <p>Since fiscal 2004, MHI has been conducting a yearly compliance awareness survey. Since fiscal 2013, MHI had expanded this survey to all employees of the Group, in combination with its e-learning compliance training. In fiscal 2015, we checked the degree of recognition and awareness of the MHI Group Global Code of Conduct, formulated that year, which has led to greater awareness of compliance among employees and consideration of measures to ensure thorough compliance promotion. Through these surveys, we are able to check the efficacy of existing measures while keeping our compliance efforts consistent and thorough.</p> <p>Employee training</p> <p>Since fiscal 2014, we have promoted anti-bribery education across MHI and Group companies in Japan and overseas. Since fiscal 2015, we have conducted training to make every employee in MHI Group worldwide aware of the MHI Group Global Code of Conduct, which includes prohibition of bribery. Since fiscal 2014, MHI and its Group companies worldwide have steadily conducted e-learning education to prevent bribery, mainly for manager-level employees. Approximately 17,000 employees in total have taken these courses so far. In 2017, we conducted face-to-face training on bribery prevention in eight locations nationwide, and around 800 people have taken this training so far.</p> <p>[11] MHI 2019 Annual Report (Document) Accessed 01/06/2020 https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf [p.28] Compliance situation</p> <table><tr><th>Training</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>Coverage</th></tr><tr><td>Number of attendees</td><td>82,292</td><td>75,303</td><td>93,353</td><td>84,300</td><td>90,300</td><td>Group</td></tr></table> <p>Compliance awareness survey</p> <p>Since fiscal 2004, MHI has been conducting a yearly compliance awareness survey. Since fiscal 2013, MHI had expanded this survey to all employees of the Group, in combination with its e-learning compliance training. In fiscal 2015, we checked the degree of recognition and awareness of the MHI Group Global Code of Conduct, formulated that year, which has led to greater awareness of compliance among employees and consideration of measures to ensure thorough compliance promotion. Through these surveys, we are able to check the efficacy of existing measures while keeping our compliance efforts consistent and thorough.</p>	Training	2014	2015	2016	2017	2018	Coverage	Number of attendees	82,292	75,303	93,353	84,300	90,300	Group
Training	2014	2015	2016	2017	2018	Coverage								
Number of attendees	82,292	75,303	93,353	84,300	90,300	Group								

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no publicly available evidence that the company's incentive schemes for employees incorporate anti-bribery and corruption principles.
Evidence
No evidence found.

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
0
Comments
<p>There is some evidence that the company encourages all employees to act with integrity and to avoid unethical conduct in the pursuit of growth, or face potential termination. There is no publicly available evidence that the company commits to support and protect employees who refuse to act unethically, even where such actions may result in a disadvantage or loss of business. There is also no clear evidence that the company assures itself of its employees' commitment in this statement through clearly stated means such as anonymised surveys.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.2] a single compliance issue has the potential to damage MHI's reputation in an instant. That's why any MHI Group business that engages in unethical conduct for any reason, including the pursuit of growth, will be terminated immediately and without exception. I strongly believe that there will never be a conflict between growth and compliance. But if such a conflict ever arises, our choice is compliance — every time without fail.</p> <p>[...]</p> <p>Sincerely, Shunichi Miyanaga, President and CEO (When Code of Conduct was established) May 2015</p> <p>[p.3] Compliance is the foundation of growth. There will never be a conflict between the two, but if such a conflict ever arises, remember that our choice is always compliance — every time without fail. Compliance is everyone's responsibility. Each of us has a personal duty to act with integrity and fairness.</p> <p>Sincerely, Seiji Izumisawa, President & CEO June 2019</p>

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
1
Comments
<p>Based on publicly available information, there is evidence the company promotes a policy of non-retaliation against whistleblowers and employees who report bribery and corruption issues. There is evidence to indicate that the company's policy on non-retaliation extends to external parties, who may use its whistleblowing line.</p> <p>However, the company receives a score of '1' because there is no evidence that the company assures itself of its employees' confidence in this commitment through surveys, usage data, or other clearly stated means.</p>
Evidence
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Whistle-blowing system We have the MHI Group Whistleblowing Hotline, which is available to all employees, including those of Group companies, and the MHI Group External Whistleblowing Hotline, which is overseen by external lawyers. In addition to Group employees, any related external parties, including business partners, can utilize these hotlines to report concerns on corruption, including bribery, or other compliance-related issues. We also have systems which accept reports in the languages spoken at our major business locations, including English, Chinese, and Thai. The Compliance Committee Secretariat promptly investigates and responds appropriately to all reports made to these hotlines. Information on how to report is contained in the MHI Group Portal accessible by all employees and in bulletins published in-house. This was followed by the establishment of the internal and external Harassment Contact Hotlines in January 2012 as a measure to respond to harassment, which is becoming an increasingly serious social issue.</p> <p>With the operation of the hotlines, protection of the rights afforded to informants, including confidentiality, were set out in the 2007 Company regulations entitled Compliance Promotion Regulations. These regulations state that the whistleblower's name will not be released without his/her consent, and that the whistleblower will not be placed at any disadvantage because of the information he/she has reported.</p> <p>Employees have been advised of the protection of the rights given to whistleblowers with the existence of the hotline.</p> <p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf [p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct. (*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company. (**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.43] It is in the best interest of MHI that employees report breaches of the Code of Conduct. As such MHI will not tolerate retaliation against anyone who reports non-compliance with the Code of Conduct, regardless of whether or not their claim can be substantiated. Any retaliation against an employee who raises an issue honestly is a violation of the Code of Conduct.</p>

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company provides several whistleblowing and advice channels that allow employees and third parties, including business partners, to raise concerns and seek advice on its compliance programme. There is evidence that these channels allow for confidential reporting and that they are available to all employees in all jurisdictions where the company operates, and in all relevant languages.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that it provides an external reporting mechanism for employees, such as a channel operated by an independent third party. In addition, it is not clear whether the company's channels allow for anonymous reporting where possible.</p>
Evidence
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Whistle-blowing system We have the MHI Group Whistleblowing Hotline, which is available to all employees, including those of Group companies, and the MHI Group External Whistleblowing Hotline, which is overseen by external lawyers. In addition to Group employees, any related external parties, including business partners, can utilize these hotlines to report concerns on corruption, including bribery, or other compliance-related issues. We also have systems which accept reports in the languages spoken at our major business locations, including English, Chinese, and Thai. The Compliance Committee Secretariat promptly investigates and responds appropriately to all reports made to these hotlines. Information on how to report is contained in the MHI Group Portal accessible by all employees and in bulletins published in-house. This was followed by the establishment of the internal and external Harassment Contact Hotlines in January 2012 as a measure to respond to harassment, which is becoming an increasingly serious social issue.</p> <p>With the operation of the hotlines, protection of the rights afforded to informants, including confidentiality, were set out in the 2007 Company regulations entitled Compliance Promotion Regulations. These regulations state that the whistleblower's name will not be released without his/her consent, and that the whistleblower will not be placed at any disadvantage because of the information he/she has reported.</p> <p>Employees have been advised of the protection of the rights given to whistleblowers with the existence of the hotline.</p> <p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf [p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.13] When you are asked to provide or offered a bribe, or in the event of any other suspicious requests, you must immediately inform your manager or the Whistle-Blowing helpline, and subsequently the incident must be reported to HR and the Legal Department. The same principle applies to facilitation payments* intended to secure or</p>

expedite performance; such payments might be considered “borderline” cases by some, but they are illegal in most (but not all) countries.

Any MHI employee who has been asked for facilitation payments must inform his or her manager or the WhistleBlowing helpline. The incident must also be reported to HR and the Legal Department.

[p.42] Reporting a breach of the Code of Conduct Employees are strongly encouraged to take action promptly when faced with an actual or potential breach of the Code of Conduct. Employees should report breaches to their line manager or supervisor. When an employee feels uncomfortable approaching his or her line manager, the employee should approach another management representative, the Legal Department or their company's WhistleBlowing helpline.

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
1
Comments
<p>Based on publicly available information, there is evidence the company has a formal policy on conflicts of interest, which refers to actual, potential and perceived conflicts of interests. There is evidence that the policy applies to all employees and board members across the company, including those employed by subsidiaries and controlled entities. In addition, there is evidence that the company's policy addresses possible conflicts of interest related to employee relationships, financial interests and other employment.</p> <p>However, the company receives a score of '1' because it is not clear from publicly available information that its policy addresses possible conflicts arising from government relationships.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.20] A conflict of interest occurs when an individual's obligations and interests in the work environment conflict with his or her own private interests. The mere appearance of what might be a conflict of interest can seriously damage a company's reputation and ultimately its business. All business activities should be conducted in the best interests of MHI and not in the interest of an individual employee. Employees are expected to declare immediately any direct or indirect personal interest they might have in any transaction or project MHI plans to execute. Personal interests should be declared to the line manager and the Legal Department. In order to avoid even the appearance of a potential conflict of interest, employees must have clearance from their line manager or the Legal Department, in order to proceed further with the transaction or project. A conflict of interest can take many forms. It is each employee's responsibility to exercise sound judgment over situations where conflicts of interest could arise. #</p> <p>Examples of potential conflicts of interest include:</p> <p>Investments</p> <ul style="list-style-type: none"> • Significant investments by MHI employees, or their close relatives, in MHI's business partners or competitors • Sale of MHI business activities to, or purchase from, close relatives, friends or business relations • Buying and selling MHI shares based on information the employee had privileged access to, due to the employee's position within the company (for more details on this point see Section 8 on insider trading) <p>[p.21] Procurement</p> <ul style="list-style-type: none"> • Procurement of goods and services from a close relative or friend • Interaction with family and friends • Hiring or supervising close relatives or friends • Actively influencing management to hire a close relative or friend • Conducting business negotiations with a business partner where your counterpart is a close relative or friend

- Authorizing payments to a close relative or friend

Outside employment and directorships

Professional engagement in businesses outside MHI can represent a conflict of interest. MHI does not allow any form of employment, consultancy, part-time work, board service or any other type of engagement with MHI's customers, suppliers, competitors, companies in the same line of business as MHI or any other interested party without written consent from the HR Department and the Legal Department. Employees are encouraged to take advice from their manager or the Legal Department before taking on any outside engagements.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
1
Comments
<p>Based on publicly available information, there is evidence the company has procedures in place to identify, declare and manage conflicts of interest. There is evidence that the company's Legal Department is responsible for the appropriate management and handling of conflicts of interest cases, and that disciplinary measures apply for breaches of the policy.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that all employee and director declarations are held in a dedicated central register that is accessible to the Legal Department. There is also evidence that the company provides examples of criteria for recusals.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.20] ... Employees are expected to declare immediately any direct or indirect personal interest they might have in any transaction or project MHI plans to execute. Personal interests should be declared to the line manager and the Legal Department. In order to avoid even the appearance of a potential conflict of interest, employees must have clearance from their line manager or the Legal Department, in order to proceed further with the transaction or project. A conflict of interest can take many forms. It is each employee's responsibility to exercise sound judgment over situations where conflicts of interest could arise.</p> <p>[p.21] Outside employment and directorships</p> <p>[...] MHI does not allow any form of employment, consultancy, part-time work, board service or any other type of engagement with MHI's customers, suppliers, competitors, companies in the same line of business as MHI or any other interested party without written consent from the HR Department and the Legal Department. Employees are encouraged to take advice from their manager or the Legal Department before taking on any outside engagements.</p> <p>[p.43] Violation of the Code of Conduct may result in disciplinary action up to and including dismissal. In cases where a breach of the Code of Conduct implies a violation of the law, criminal prosecution may result.</p>

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
There is no publicly available evidence that the company has a policy regulating the employment of current and former public officials.
Evidence
No evidence found.

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company publishes details of the contracted services of serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on political contributions to ensure that these payments are not used as vehicles of bribery. There is evidence that the company's Legal Department must pre-approve political contributions and that the policy – which is a part of the Group Global Code of Conduct – applies to all employees, including board members and group companies.</p> <p>However, the company receives a score of '0' because it does not clearly prohibit corporate political contributions. In addition, there is evidence that the company is associated – through a local subsidiary – with a Political Action Committee (PAC) in the United States.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf [p.34] Corporate political activities</p> <p>MHI may, at its discretion, disclose its political views and participate in government initiatives if invited by political or public bodies. In many countries, however, there are stringent legal restrictions on contributions (financial and non-financial) that can be made to elected officials, members of their staff and political parties. Employees should not provide or offer company funds or other company contributions (directly or indirectly) for politically related causes or activities without pre-approval by the Legal Department. Political contributions are defined broadly and can even include buying tickets for or loaning corporate resources to a political fundraising event. In principle, all political contributions should be disclosed to avoid being construed as a bribe designed to improperly influence the recipients.</p> <p>[p.5] To whom does the Code of Conduct apply?</p> <p>All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well as anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Total Donations and Contributions (fiscal 2018) Political contributions: ¥33 million (Donate to: The People's Political Association)</p>

[12] OpenSecrets Mitsubishi Power PAC Summary (Webpage)

Accessed 24/11/2020

<https://www.opensecrets.org/political-action-committees-pacs/mitsubishi-power/C00565309/summary/2020>**PAC Contribution Data, 2019-2020**

Contributions from this PAC to federal candidates (list recipients)	\$6,000
<i>0.00% to Democrats, 100.00% to Republicans</i>	

Contributions to this PAC from individual donors of \$200 or more (list donors)	\$25,747
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PAC Registration Details


Official PAC Name:	MITSUBISHI POWER AMERICAS, INC. POLITICAL ACTION COMMITTEE
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Location:	LAKE MARY , FL 32746
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Industry:	Misc Energy ; Power plant construction & equipment
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Treasurer:	MITRA, ARUNAVA
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FEC Committee ID:	C00565309
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Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
<p>There is evidence that the company publishes some details of its political contributions on an annual basis. The company publishes a high-level figure of the total value of its political donations for the most recently reported financial year, and there is some evidence to indicate that there was only one major recipient, which the company names in its public reports. Although the company does not explicitly provide this information, the recipient is understood to be located in Japan.</p> <p>However, the company receives a score of '0' because there is no evidence that it publishes details further of the contributions made by its subsidiary's Political Action Committee (PAC) in the United States, nor does it provide a direct link to its official disclosures of this information.</p>
Evidence
<p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Total Donations and Contributions (fiscal 2018) Political contributions: ¥33 million (Donate to: The People's Political Association)</p> <p>[4] ESG Data Book 2018 (Document) Accessed 23/06/2019 https://www.mhi.com/csr/library/pdf/esgdatabook2018_all.pdf [p.21]</p> 

Question																																																																																																
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?																																																																																																
Score																																																																																																
0																																																																																																
Comments																																																																																																
<p>Based on publicly available information, there is evidence that the company acknowledges the risks associated with charitable donations and that it publishes some high-level information on its annual expenditure on such activities.</p> <p>However, there is no publicly available evidence that it has a clear policy or procedure in place with specific controls in place to reduce the possible bribery and corruption risks associated with charitable donations and sponsorships, such as due diligence on recipients. In addition, there is no evidence that the company publishes full details of its donations including details of the recipient, amount, country of recipient and which corporate entity made the payment.</p>																																																																																																
Evidence																																																																																																
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf [p.12] Bribery MHI is committed to promote fair and honest business practices and will not tolerate bribery of any form. Bribery is the offering, promising or giving, accepting or soliciting of an advantage in order to obtain in return an action which is illegal, unethical or in breach of trust. The “advantage” does not need to be in cash. It can be anything of value such as gifts, loans, kickbacks, fees, commissions, rewards and other monetary and non-monetary benefits (e.g., charitable donations, services, travel, entertainment, hospitality, employment opportunities, etc.), or a promise or an informal agreement to provide similar types of benefits in the future.</p> <p>[5] MHI Performance Data – Corporate Philanthropy (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/social/data.html</p> <p>Social contribution input</p> <table><tr><th>Social contribution input</th><th></th><th>Unit</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th></tr><tr><td rowspan="8"></td><td>Coverage</td><td></td><td>Group</td><td>Group</td><td>Group</td><td>Group</td><td>Group</td></tr><tr><td>Total amount</td><td>Millions of yen</td><td>1,899</td><td>2,053</td><td>2,542</td><td>1,668✓</td><td>1,766</td></tr><tr><td rowspan="6">Category</td><td>Academic research</td><td>Millions of yen</td><td>428</td><td>452</td><td>491</td><td>438✓</td><td>379</td></tr><tr><td>Education</td><td>Millions of yen</td><td>596</td><td>636</td><td>1,115</td><td>627✓</td><td>607</td></tr><tr><td>Community</td><td>Millions of yen</td><td>135</td><td>295</td><td>108</td><td>94✓</td><td>123</td></tr><tr><td>Sports</td><td>Millions of yen</td><td>177</td><td>100</td><td>134</td><td>90✓</td><td>70</td></tr><tr><td>Others</td><td>millions of yen</td><td>563</td><td>570</td><td>693</td><td>419✓</td><td>587</td></tr></table> <table><tr><th>Type</th><th></th><th>Millions of yen</th><th>2014</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th></tr><tr><td rowspan="4"></td><td>Cash contributions</td><td>Millions of yen</td><td>770</td><td>1,027</td><td>856</td><td>783</td><td>678</td></tr><tr><td>Time contributions</td><td>Millions of yen</td><td>490</td><td>819</td><td>1,126</td><td>283</td><td>405</td></tr><tr><td>In-kind giving</td><td>Millions of yen</td><td>105</td><td>40</td><td>22</td><td>31</td><td>14</td></tr><tr><td>Management overheads</td><td>Millions of yen</td><td>534</td><td>167</td><td>538</td><td>571</td><td>669</td></tr></table>	Social contribution input		Unit	2014	2015	2016	2017	2018		Coverage		Group	Group	Group	Group	Group	Total amount	Millions of yen	1,899	2,053	2,542	1,668✓	1,766	Category	Academic research	Millions of yen	428	452	491	438✓	379	Education	Millions of yen	596	636	1,115	627✓	607	Community	Millions of yen	135	295	108	94✓	123	Sports	Millions of yen	177	100	134	90✓	70	Others	millions of yen	563	570	693	419✓	587	Type		Millions of yen	2014	2015	2016	2017	2018		Cash contributions	Millions of yen	770	1,027	856	783	678	Time contributions	Millions of yen	490	819	1,126	283	405	In-kind giving	Millions of yen	105	40	22	31	14	Management overheads	Millions of yen	534	167	538	571	669
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5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company has a policy on lobbying. There is evidence that employees who plan to engage in lobbying activities must request approval from the Legal Department, and that the policy applies to all employees, including board members and third parties acting on the company's behalf.</p> <p>However, the company receives a score of '1' because there is no evidence that the company provides clear guidelines on what behaviours or standards of conduct are acceptable. There is also no evidence that the company has clear oversight mechanisms that apply to in-house, external and association lobbyists.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.34] Lobbying In many countries, there are also strict rules governing corporate lobbying activities whereby lobbyists might require registration. Lobbying requires disclosure to the government and covers many kinds of activities. Employees may be deemed to engage in lobbying activities if their work involves: • contacts with legislators, regulators, government officials or their staff, • sales and marketing activities related to government procurement contracts, and • efforts to influence legislative or administrative action. No MHI employee should engage in any activity that might be considered lobbying without prior approval from the Legal Department.</p>

Question

5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?

Score

1

Comments

Based on publicly available evidence, the company publishes some information on the topics on which it lobbies. However, there is no evidence that it publishes further details of its lobbying aims and the activities that were carried out in a relevant period. It is also not clear from publicly available information whether these aims apply to all jurisdictions in which the company lobbies, or primarily to the jurisdiction in which it is headquartered.

Evidence**[2] MHI 2018 Annual Report (Document)**

Accessed 23/06/2019

https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf

[p.61]

Integrated Defense & Space Systems

Expand existing domestic fields and peripheral fields

Existing fields	<ul style="list-style-type: none"> Steadily start up our next core businesses Expand our business fields (command and control, M&S*, etc.)
Peripheral fields	<ul style="list-style-type: none"> Expand MRO business in the maintenance and repair services field Advance into new peripheral fields (unmanned platforms, big data utilization, etc.)

Expand overseas business

Adapt MHI key components for use in overseas equipment	<ul style="list-style-type: none"> Utilize channels shared with overseas manufacturers that were cultivated through existing partner businesses Collaborate with other companies while lobbying the Japanese government
International joint development projects	<ul style="list-style-type: none"> Participate in joint development projects with allied nations Start up and promote initiatives in collaboration with the Japanese government

Establish dual-use development businesses

	<ul style="list-style-type: none"> Utilize core technologies from the defense business Expand private demand, primarily in the commercial security field
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*M&S: Modeling and Simulation




Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes information on its global lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on gifts and hospitality to prevent bribery and corruption. The company's policy indicates that gifts must be reasonable and states that employees should avoid gifts in cash or from third parties in connection with work activities.</p> <p>However, it is not clear from publicly available information that the company's policy specifies financial or proportional limits or different approval procedures for different types of promotional expenses, nor is there evidence that it addresses the risks associated with gifts and hospitality given to or received from a domestic or foreign public official. There is also no evidence that gifts and hospitality in a dedicated central register that is accessible to those responsible for oversight of the process.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.12] MHI is committed to promote fair and honest business practices and will not tolerate bribery of any form. Bribery is the offering, promising or giving, accepting or soliciting of an advantage in order to obtain in return an action which is illegal, unethical or in breach of trust. The "advantage" does not need to be in cash. It can be anything of value such as gifts, loans, kickbacks, fees, commissions, rewards and other monetary and non-monetary benefits (e.g., charitable donations, services, travel, entertainment, hospitality, employment opportunities, etc.), or a promise or an informal agreement to provide similar types of benefits in the future.</p> <p>[p.14] Gifts, entertainment and hospitality MHI is aware that gifts, entertainment and hospitality are tokens of gratitude in business and private relations and can be important in building long term business relationships. These expenses must however always stay within reasonable limits, be consistent with local custom and practice, and in all cases avoid being excessive or improper to ensure MHI retains its reputation of transparency and integrity. Money or cash equivalents are always inappropriate gifts.</p> <p>In general, MHI employees should try to not accept gifts from third parties in connection with work activities. However, the culture of gift giving differs from country to country. In some cultures the rejection of a gift might be considered offensive. If returning a gift would offend the giver, or the circumstances under which it was given preclude its return, the employee may accept the gift, but should notify his or her manager, who will work with the employee either to donate the item to charity, or to distribute or raffle the item among a large group of employees.</p>

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
0
Comments
<p>There is some evidence that the company has a procurement policy, however there is no clear publicly available evidence that the company requires and ensures the involvement of its procurement department in the establishment of new supplier relationships. There is also no evidence that the company assures itself that proper procedures regarding the onboarding of suppliers are followed through clearly stated means, such as an audit or other assurance process, at least every three years.</p>
Evidence
<p>[6] MHI Procurement (Webpage) Accessed 23/06/2019 https://www.mhi.com/company/procurement/</p>  <p>Procurement Policy > MHI Procurement Policy</p> <p>MHI Group Supply Chain CSR Promotion Guidelines > Request to our Business Partners</p> <p>Procurement Network > Procurement network in the world</p> <p>Registration > Supplier registration procedures</p> <p>[7] MHI Procurement Policy (Webpage) Accessed 23/06/2019 https://www.mhi.com/company/procurement/policy/</p> <p>Procurement Policy</p> <p>Openness We strive to provide business opportunities openly to suppliers throughout the world, and welcome creative and competitive suppliers.</p> <p>Fairness We provide chances for competition to qualified suppliers, and evaluate and select suppliers fairly based on criteria such as the suppliers' product quality, price, delivery schedule, technology and financial conditions.</p> <p>Partnership We regard our suppliers as partners based on the mutual understanding that both partners should benefit from the relationship.</p> <p>Compliance We comply with rules, regulations and social norm based on our compliance management policy, and all information submitted to MHI will be kept and used properly.</p> <p>Exclusion of anti-social forces We do not make deals with anti-social forces or companies, organizations and individuals who are supporting anti-social forces and/or collaborating with them.</p>

Question							
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?							
Score							
0							
Comments							
Based on publicly available information, there is some evidence the company has formal procedures to conduct anti-corruption due diligence when engaging with third parties. However, there is no evidence that the company provides further details on its due diligence process and it is unclear whether suppliers specifically are subject to due diligence.							
Evidence							
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity, inserting in agreements or contracts with third parties appropriate contractual provisions requiring them to act properly, ensuring that all fees and expenses paid to third parties represent appropriate and justifiable remuneration for legitimate services rendered by them, and keeping accurate financial records of all payments to third parties. <p>[p.41] It is MHI's expectation that employees always perform proper "Due Diligence" when initiating contacts with new business partners to prevent and detect illegal financial transactions.</p> <p>[9] MHI Performance Data – Supply Chain Management (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/scm_data.html</p> <p>Supply chain monitoring</p> <table border="1"> <tr> <td>Supply chain monitoring</td><td>We monitor and evaluate our critical Tier 1 suppliers' quality, cost, delivery, technical capability, and management (incl. ESG) based on each business unit. We conduct a questionnaire to check the status of suppliers' CSR initiatives.</td></tr> <tr> <td>Evaluated suppliers in last 3 years</td><td>1,050 (6.0% of Tier1)</td></tr> <tr> <td>Suppliers targeted by the questionnaire</td><td>725</td></tr> </table>		Supply chain monitoring	We monitor and evaluate our critical Tier 1 suppliers' quality, cost, delivery, technical capability, and management (incl. ESG) based on each business unit. We conduct a questionnaire to check the status of suppliers' CSR initiatives.	Evaluated suppliers in last 3 years	1,050 (6.0% of Tier1)	Suppliers targeted by the questionnaire	725
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Evaluated suppliers in last 3 years	1,050 (6.0% of Tier1)						
Suppliers targeted by the questionnaire	725						

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
0
Comments
Based on publicly available information, there is no clear evidence that the company ensures that its suppliers have anti-bribery and corruption policies in place that meet a high standard. There is no clear evidence that the Group Global Code of Conduct applies to suppliers.
Evidence
<p>[8] MHI Group Supply Chain CSR Promotion Guidelines Accessed 23/06/2019 https://www.mhi.com/company/procurement/csr/</p> <p>1. Compliance and Corporate Ethics We ask all Partners to persist in compliance related to all business activities, to foster corporate ethics, and also, to work on building and operating an organization to facilitate this. In particular, we ask all Partners:</p> <ol style="list-style-type: none"> 1. To comply thoroughly with the laws and social norms in countries and regions where the business activities are conducted. 2. To maintain free and fair competition, without limitation or obstruction. Moreover, to prevent unfair activities, and to detect and to deal with them as early as possible. 3. To share and disclose information proactively, and to ensure accountability to society and corporate transparency. 4. To manage confidential information, technical information, and personal information without unfair nor improper acquisition, usage nor disclosure, through establishing and using of information management systems. 5. To neither demand nor provide benefits, gifts, or services. 6. To respect and not to infringe intellectual property rights of others. 7. To ensure that imports/exports comply with applicable rules and guidance. <p>For each of the above goals, we ask that our Partners implement appropriate internal procedures and controls to improve and maintain compliance.</p> <p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well as anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> • conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity, • inserting in agreements or contracts with third parties appropriate contractual provisions requiring them to act properly,

- ensuring that all fees and expenses paid to third parties represent appropriate and justifiable remuneration for legitimate services rendered by them, and
- keeping accurate financial records of all payments to third parties.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
0
Comments
There is no publicly available evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required throughout the supply chain.
Evidence
No evidence found.

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes high-level results from ethics-related reports, investigations and disciplinary actions against suppliers.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company has a policy covering the use of agents. There is evidence that the company's Group Global Code of Conduct applies to agents and lists some controls to address the corruption risks associated with the use of agents. There is also evidence that this policy applies to subsidiaries and the company's business partners.</p> <p>However, the company receives score of '1' because there is no clear evidence that the policy commits to establishing and verifying that the use of agents is, in each case, necessary to perform a legitimate business function.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well as anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13] • conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity,</p> <ul style="list-style-type: none"> • inserting in agreements or contracts with third parties appropriate contractual provisions requiring them to act properly, • ensuring that all fees and expenses paid to third parties represent appropriate and justifiable remuneration for legitimate services rendered by them, and • keeping accurate financial records of all payments to third parties.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
<p>There is some evidence that the company conducts due diligence on its third parties. However, there is no evidence that the company provides further publicly available details on this process so it is not clear whether such checks include anti-bribery and corruption provisions, nor that they are conducted on a regular basis and specifically on all agents.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf [p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> • conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity, • inserting in agreements or contracts with third parties appropriate contractual provisions requiring them to act properly [...] <p>[3] MHI Performance Data - Compliance (Webpage) Accessed 23/06/2019 https://www.mhi.com/csr/governance/compliance_data.html Anti-corruption Policy</p> <p>[...] MHI also set forth screening procedures for engaging with trading companies and distributors. Furthermore, through the MHI Group Global Code of Conduct, established in May 2015, we are thoroughly engaged in preventing bribery toward all Group directors and employees.</p>

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
There is no publicly available evidence that the company aims to establish the ultimate beneficial ownership of its agents.
Evidence
No evidence found.

Question
7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
<p>Based on publicly available information, there is evidence that the company's anti-bribery and corruption policy applies to agents and intermediaries acting for or on its behalf. The company indicates that it includes contractual provisions in its agreements with third parties to regulate their conduct.</p> <p>However, there is no publicly available evidence that the company's contracts with agents and intermediaries specifically include clear audit and termination rights to detect, control and prevent breaches. In addition, although the company indicates that its contracts with third parties include rules on conduct, it is not clear whether this includes following the standards outlined in its anti-bribery and corruption policy.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> • conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity, • inserting in agreements or contracts with third parties appropriate contractual provisions requiring them to act properly, • ensuring that all fees and expenses paid to third parties represent appropriate and justifiable remuneration for legitimate services rendered by them, and • keeping accurate financial records of all payments to third parties.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company recognises incentive structures for agents as a risk factor in bribery and corruption. The company indicates that fees and expenses paid to third parties must represent appropriate and justifiable remuneration for the services rendered.</p> <p>However, the company receives a score of '1' because there is no evidence that it imposes a threshold on the payment of sales commissions to agents. There is also no evidence that the company requires that remuneration is paid in stage payments or into local bank accounts.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> ensuring that all fees and expenses paid to third parties represent appropriate and justifiable remuneration for legitimate services rendered by them, and keeping accurate financial records of all payments to third parties.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for and on its behalf.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes high-level results from ethical reports, investigations and associated disciplinary actions involving its agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
There is some evidence that the company conducts due diligence on third parties. However, there is no evidence that the company provides further publicly available details on this process so it is not clear whether such checks include anti-bribery and corruption provisions, nor that they are conducted on a regular basis and specifically on all joint venture partners.
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity,

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
1
Comments
<p>There is evidence that the company's Group Global Code of Conduct applies to business partners acting on its behalf, which can be understood to include joint venture partners. The company indicates that its agreements or contracts with third parties must include contractual provisions requiring them to act properly.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that the company's contracts with joint venture partners specifically include clear audit and termination rights to detect, control and prevent breaches. In addition, although the company indicates that its contracts with third parties include rules on conduct, it is not clear whether this includes following the standards outlined in its anti-bribery and corruption policy.</p>
Evidence
<p>[1] MHI Group Global Code of Conduct (Document) Accessed 23/06/2019 https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf</p> <p>[p.5] To whom does the Code of Conduct apply? All MHI Group* employees**, including Board Members, must adhere to the principles and requirements documented in this Code of Conduct.</p> <p>(*) MHI Group is defined as companies in which MHI directly or indirectly has a majority interest or has a majority of the voting rights. This Code of Conduct was authorized by the corporate resolution of Mitsubishi Heavy Industries, Ltd. and shall be effective in each group company through the corporate resolution of the applicable group company.</p> <p>(**) As used in this Code of Conduct, "MHI employees" refers to any employee of an MHI Group company, as well as anyone acting on behalf of MHI, such as agents, consultants or any other business partner. Additionally, references to "MHI" are intended to include all of the MHI Group companies.</p> <p>[p.12] In certain jurisdictions a company can be held responsible for bribery activity even if the activities were carried out by an agent, consultant, joint venture partners or any other intermediary working for or on behalf of the company. It is therefore very important that MHI employees take steps to ensure that bribes are not offered or made for MHI or on its behalf by third party intermediaries. Such steps must include:</p> <p>[p.13]</p> <ul style="list-style-type: none"> conducting anti-corruption Due Diligence before entering into the respective relationship with third parties to verify their qualification, reputation and integrity, inserting in agreements or contracts with third parties appropriate contractual provisions requiring them to act properly,

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
There is no publicly available evidence that the company commits to take an active role in preventing bribery and corruption in its joint ventures.
Evidence
No evidence found.

8. Offsets

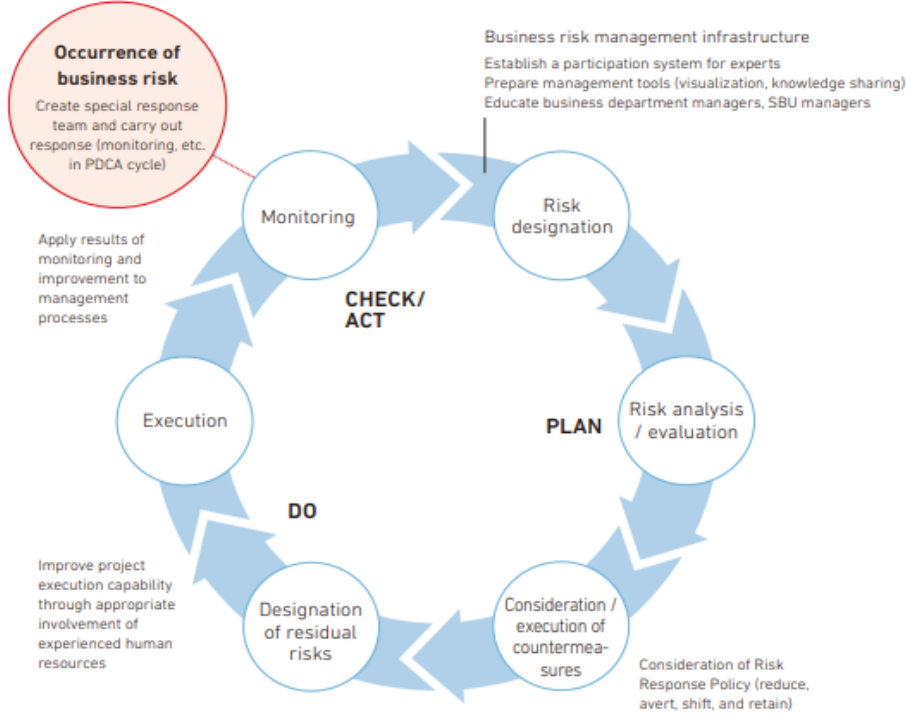
Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
There is no publicly available evidence that the company addresses the corruption risks associated with offset contracting, nor is there evidence that a dedicated body, department or team that is responsible for monitoring its offset activities. There is no evidence that the company publishes a statement to indicate that it does not engage in such practices.
Evidence
No evidence found.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
0
Comments
There is no publicly available evidence that the company has a procedure in place to conduct due diligence on its offset obligations.
Evidence
No evidence found.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of its offset obligations or contracts.
Evidence
No evidence found.

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
There is no publicly available evidence that the company acknowledges the corruption risks of operating in different markets, or that risk assessment procedures are used to inform the company's operations in high risk markets. There is evidence that the company has an overall risk management system in place, but it is not clear that this accounts for market risk or anti-bribery and corruption specifically.
Evidence
<p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.44]</p> <p>Business Risk Management Process</p>  <p>The diagram illustrates the Business Risk Management Process as a circular flow. It starts with 'Occurrence of business risk' (red circle) leading to 'Monitoring'. 'Monitoring' leads to 'Risk designation', which leads to 'Risk analysis / evaluation'. 'Risk analysis / evaluation' leads to 'Consideration / execution of countermeasures'. 'Consideration / execution of countermeasures' leads to 'Designation of residual risks'. 'Designation of residual risks' leads to 'Execution'. 'Execution' leads back to 'Monitoring'. The cycle is divided into three main phases: 'CHECK/ACT' (Monitoring to Risk designation), 'PLAN' (Risk designation to Risk analysis / evaluation), and 'DO' (Risk analysis / evaluation to Designation of residual risks). A fourth phase, 'Improve project execution capability through appropriate involvement of experienced human resources', is associated with the 'Execution' step. A box at the bottom left lists four key actions: 'Define and categorize business risks', 'Have knowledgeable specialists participate in risk assessment discussions', 'Develop tools' (risk quantification, visualization, AI utilization), and 'Strengthen discussions' (participation of top management, business divisions, and corporate departments). A green arrow points from this box to a green box on the right that says 'Business risk prevention and reduced frequency of occurrence'.</p>

Question												
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?												
Score												
1												
Comments												
<p>There is evidence that the company publishes a list of its subsidiaries in its annual report and on its website. The company provides details of the full names of each entity, as well as an indication of the country and region of incorporation.</p> <p>However, the company receives a score of '1' because there is no evidence that it publishes further information such as its percentages ownership and the country or countries of incorporation and operation for each entity. The company publishes some details on its website, but it is not clear how frequently this list is updated or published.</p>												
Evidence												
<p>[2] MHI 2018 Annual Report (Document) Accessed 23/06/2019 https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf [p.73]</p> <table><tr><th>Overseas Head Offices and Networks</th><th>Overseas Offices</th></tr><tr><td>North America 1 Mitsubishi Heavy Industries America, Inc. 2 MHI Shared Services Americas, Inc.</td><td>Europe and CIS 16 Turkey Liaison Office</td></tr><tr><td>Latin America 3 Mitsubishi Industrias Pesadas do Brasil Ltda. 4 Mitsubishi Heavy Industries Mexicana, S.A. de C.V.</td><td>Middle East 17 Middle East Office</td></tr><tr><td>Europe and CIS 5 Mitsubishi Heavy Industries France S.A.S. 6 Mitsubishi Heavy Industries Europe, Ltd. 7 MHI Russia LLC</td><td>Asia and Oceania 18 Taipei Office 19 Hanoi Liaison Office 20 Ho Chi Minh City Liaison Office 21 Kuala Lumpur Office 22 Jakarta Liaison Office</td></tr><tr><td>Africa 8 MHI Technologies S.A.E</td><td></td></tr><tr><td>Asia and Oceania 9 Mitsubishi Heavy Industries (China) Co., Ltd. 10 Mitsubishi Heavy Industries (Shanghai) Co., Ltd. 11 Mitsubishi Heavy Industries, (Hong Kong) Ltd. 12 Mitsubishi Heavy Industries Asia Pacific Pte. Ltd. 13 Mitsubishi Heavy Industries (Thailand) Ltd. 14 Mitsubishi Heavy Industries India Private Ltd. 15 MHI Australia, Pty. Ltd.</td><td></td></tr></table>	Overseas Head Offices and Networks	Overseas Offices	North America 1 Mitsubishi Heavy Industries America, Inc. 2 MHI Shared Services Americas, Inc.	Europe and CIS 16 Turkey Liaison Office	Latin America 3 Mitsubishi Industrias Pesadas do Brasil Ltda. 4 Mitsubishi Heavy Industries Mexicana, S.A. de C.V.	Middle East 17 Middle East Office	Europe and CIS 5 Mitsubishi Heavy Industries France S.A.S. 6 Mitsubishi Heavy Industries Europe, Ltd. 7 MHI Russia LLC	Asia and Oceania 18 Taipei Office 19 Hanoi Liaison Office 20 Ho Chi Minh City Liaison Office 21 Kuala Lumpur Office 22 Jakarta Liaison Office	Africa 8 MHI Technologies S.A.E		Asia and Oceania 9 Mitsubishi Heavy Industries (China) Co., Ltd. 10 Mitsubishi Heavy Industries (Shanghai) Co., Ltd. 11 Mitsubishi Heavy Industries, (Hong Kong) Ltd. 12 Mitsubishi Heavy Industries Asia Pacific Pte. Ltd. 13 Mitsubishi Heavy Industries (Thailand) Ltd. 14 Mitsubishi Heavy Industries India Private Ltd. 15 MHI Australia, Pty. Ltd.	
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<p>[10] MHI Global Network (Webpage) Accessed 23/06/2019 https://www.mhi.com/network/alphabetize/#mi-mz A - L <u>Company subject to consolidation</u></p>												

BREAKER ELECTRICAL PTY, LTD.

Address: 19 Lang Parade, Milton Qld 4064, Australia
Telephone: 61-7-3878-0888

CBC Industrias Pesadas S.A.

Address: Rodovia Dom Gabriel Paulino Bueno Couto, Km.68-Medeiros CEP 13212-240 Jundiai SP Brazil
Telephone: 55-11-4431-3900
URL: <http://www.cbcsa.com.br/>

Business Activities:

Design and manufacturing of boiler, heat exchanger, pressure vessels, and environmental protection equipment.

Chiba Eco-Creation Co., Ltd.

Address: 727-1, Sankaku-cho, Hanamigawa-ku, Chiba, 262-0011, Japan
Telephone: 81-43-286-3932
Facsimile: 81-43-286-3933

Business Activities:

Overall activities for the operation management, maintenance management, environmental control, and information control for the facilities and equipment of the North Waste Disposal Plant of Chiba City.

Churyo Engineering Co., Ltd.

Address: 60-1, Iwatsuka-cho-aza-kutanjyo, Nakamura-ku, Nagoya, 453-0862, Japan
Telephone: 81-52-412-3830
Facsimile: 81-52-412-4276

Business Activities:

Design of aircrafts, space equipment, etc.

Concast(India) Ltd.

Address: 47-48, Jolly Maker Chambers II, Nariman Point, Mumbai-400021
Telephone: 91-22-2202-0414
Facsimile: 91-22-2285-0480
URL: <http://www.concastindia.com/>

Crystal Mover Services, Inc. (CMS)

Address: 815 N.W. 57th Avenue, Suite 222 Miami, FL 33126, U.S.A.
Telephone: 1-786-476-5985
Facsimile: 1-786-476-6056
URL: <http://www.crystal-mover.com/>

Business Activities:

Operation and Maintenance of APM system.

[List continued on the company's website]

Company not subject to consolidation

Amagasaki Kenko No Mori Co., Ltd.

Aomori Eco-Creation Co., Ltd.

Telephone: 81-17-757-8260
Facsimile: 81-17-757-8261

Artemis Intelligent Power Ltd. (AIP)

Address: Unit 3 Edgefield Industrial Estate, Loanhead, Midlothian EH20 9TB, UK
Telephone: 44 131 440 6260
Facsimile: 44 131 448 0005

Central Iwate Eco-Creation Co., Ltd.

Telephone: 81-197-17-7277
Facsimile: 81-197-17-7278

Diamond Air Service, Ltd.

Address: 1, Toyoba, Toyoyama-cho, Aichi Prefecture, 480-0293, Japan
Telephone: 81-568-29-0020
Facsimile: 81-568-29-0021
URL: <http://www.das.co.jp/en/>

Business Activities:

Servicing of the products manufactured by Mitsubishi Heavy Industries.

Kouza Eco-Creation Co., Ltd.

Address: 3-8-10, Kokubuminami, Ebina-shi, Kanagawa, 243-0405, Japan
Telephone: 81-46-231-0235

[List continued on the company's website]

Question**9.3 Does the company disclose its beneficial ownership and control structure?****Score****2****Comments**

There is evidence that the company is a publicly listed entity on the Tokyo Stock Exchange (TYO) and therefore it does not need to disclose further information about its beneficial ownership to receive a score of '2'. There is also evidence that the company discloses information on its major shareholders in its annual report.

Evidence**[2] MHI 2018 Annual Report (Document)**

Accessed 23/06/2019

https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf

[p.72]

CORPORATE DATA

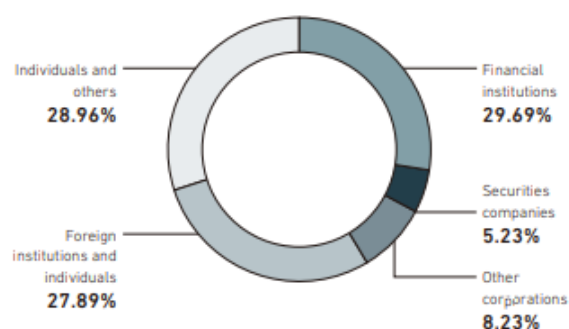
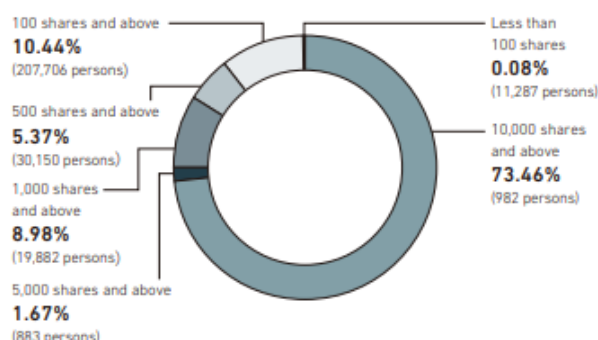
As of March 31, 2018

Head Office:	16-5, Konan 2-chome, Minato-ku, Tokyo 108-8215, Japan Phone: +81-3-6716-3111
Established:	January 11, 1950
Paid-in Capital:	¥265.6 billion
Total Number of Issuable Shares:	600,000,000
Total Number of Shares Issued:	337,364,781
Number of Shareholders:	270,890
Number of Employees:	80,652 (Consolidated) 14,717 (Non-consolidated)

Stock Listings:	Tokyo, Nagoya, Fukuoka, and Sapporo Stock Exchanges
Ticker Code:	7011
Manager of the Register of Shareholders:	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan
Independent Auditors:	KPMG AZSA LLC 1-2 Tsukudo-cho, Shinjuku-ku, Tokyo 162-8551, Japan

Major Shareholders

	Number of shares owned by major shareholders	Shareholder Composition (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,478,900	4.88
Japan Trustee Services Bank, Ltd. (Trust Account)	11,603,300	3.43
Meiji Yasuda Life Insurance Company	8,002,274	2.37
The Nomura Trust and Banking Co., Ltd. (Retirement Benefit Trust Account for The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	6,526,300	1.93
Japan Trustee Services Bank, Ltd. (Trust Account 5)	6,404,400	1.89
State Street Bank West Client - Treaty 505234	6,212,881	1.84
Mizuho Securities Co., Ltd.	6,108,020	1.81
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,396,500	1.59
Japan Trustee Services Bank, Ltd. (Trust Account 1)	4,760,000	1.41
Japan Trustee Services Bank, Ltd. (Trust Account 2)	4,686,000	1.38

Classified by Type of Shareholder**Classified by Number of Holdings**

Question
9.4 Does the company publish a percentage breakdown of its defence sales by customer?
Score
0
Comments
There is no evidence that the company publishes any information on its defence sales by customer.
Evidence
No evidence found.

10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	MHI Group Global Code of Conduct	02/07/2019	https://www.mhi.com/company/aboutmhi/policy/pdf/codeofconduct_en.pdf
02	Document	MHI 2018 Annual Report	02/07/2019	https://www.mhi.com/finance/library/annual/pdf/report_2018.pdf
03	Webpage	MHI Performance Data – Compliance	02/07/2019	https://www.mhi.com/csr/governance/compliance_data.html
04	Document	ESG Data Book 2018	02/07/2019	https://www.mhi.com/csr/library/pdf/esgdatabook2018_all.pdf
05	Webpage	MHI Performance Data – Corporate Philanthropy	02/07/2019	https://www.mhi.com/csr/social/data.html
06	Webpage	MHI Procurement	02/07/2019	https://www.mhi.com/company/procurement/
07	Webpage	MHI Procurement Policy	02/07/2019	https://www.mhi.com/company/procurement/policy/
08	Webpage	MHI Group Supply Chain CSR Promotion Guidelines	02/07/2019	https://www.mhi.com/company/procurement/csr/
09	Webpage	MHI Performance Data – Supply Chain Management	02/07/2019	https://www.mhi.com/csr/governance/scm_data.html
10	Webpage	MHI Global Network	02/07/2019	https://www.mhi.com/network/alphabetize/#mi-mz
11	Document	MHI 2019 Annual Report	01/06/2020	https://www.mhi.com/csr/library/pdf/esgdatabook2019_all.pdf
12	Webpage	OpenSecrets Mitsubishi Power PAC Summary	24/11/2020	https://www.opensecrets.org/political-action-committees-pacs/mitsubishi-power/C00565309/summary/2020