

Fighting Against Forced Labour and Child Labour in Supply Chains Act FY2024 Statement

Company Name: Mitsubishi Electric Sales Canada Inc.

Signed by: Hitoshi Namba, President and CEO

Effective Date: May 31, 2025

Next review: May 2026

Table of Contents

1. Mitsubishi Electric Group's Commitment to Fighting Forced Labour and Child Labour (FY2024) ..	1
2. Basic Information on Mitsubishi Electric Corporation and MESCA	2
3. Mitsubishi Electric Group Human Rights Activities Structure	4
4. Mitsubishi Electric Group Human Rights Policy and Process	4
5. Mitsubishi Electric Group Human Rights Due Diligence Approach	5
6. Mitsubishi Electric Group Grievance Mechanism	7
7. Supply Chain	7
8. Process for identifying and assessing the risk of forced labour and child labour in operations and supply chains, and corrective actions	8
9. Training for employees on forced labour and child labour	9
10. Effectiveness of assurance that forced labour and child labour are not used in operations and supply chains	9

1. Mitsubishi Electric Group's Commitment to Fighting Forced Labour and Child Labour (FY2024)

1. Mitsubishi Electric Sales Canada Inc. ("MESCA") is a wholly owned subsidiary of the Mitsubishi Electric Corporation of Japan and a member of the Mitsubishi Electric Group. This is the second statement MESCA has made under the Fighting Against Forced and Child Labour in Supply Chains Act ("the Law").
2. The statement sets out our ongoing commitment to respect international standards on human rights, to respect the law, to act with the highest integrity, and to always act with respect for human rights.
3. This statement is prepared for Mitsubishi Electric Sales Canada Inc.
4. This statement outlines the steps that the Mitsubishi Electric Group and MESCA, as a member of the Mitsubishi Electric Group, have taken in FY2024 and will continue to take in FY2025 to address the risks of forced labour and child labour in our operations and supply chain in accordance with the Law. The fiscal year 2024 (FY2024) refers to the period from April 1, 2024 to March 31, 2025.

2. Basic Information on Mitsubishi Electric Corporation and MESCA

- MESCA is a wholly owned subsidiary of the Mitsubishi Electric Corporation of Japan and is a member of the Mitsubishi Electric Group.

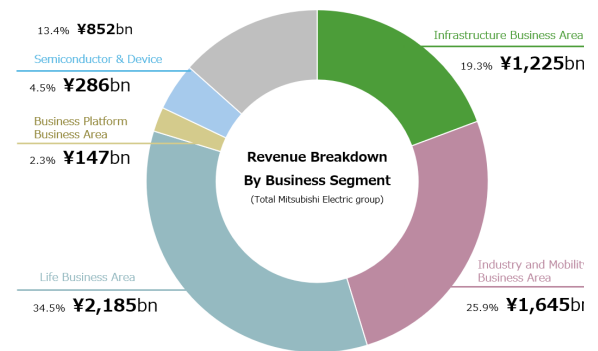
Some basic information about Mitsubishi Electric Corporation and MESCA are provided below (based on the fiscal year ended March 31, 2025):

(a) Basic Information - Mitsubishi Electric Corporation

Corporate Information

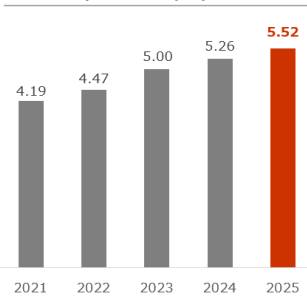
Head Office Location	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo 100-8310
President & CEO	Uruma Kei
Foundation	February 1, 1921
Revenue	5,521,711million
Paid in capital	175,820million
Shares Issued	2,081,513,231 shares
Total Assts	6,375,680million

Revenue Breakdown by Business Segment

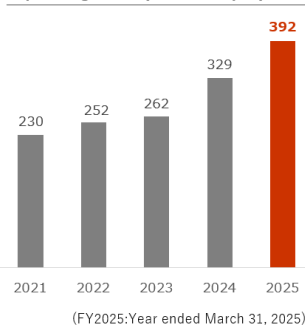


Revenue & Operating Profit

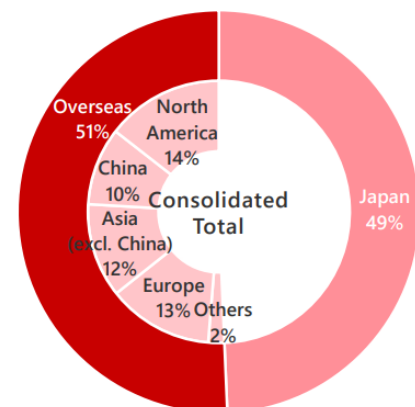
Revenue (trillions of yen)



Operating Profit (billions of yen)



Revenue by Location of Customers



(b) Business Areas of Mitsubishi Electric Corporation and MESCA

Mitsubishi Electric Corporation

The Mitsubishi Electric Group's business purpose is the manufacture, sale, and service of Energy and Electric Systems, Industrial Automation Systems, Information and Communication Systems, Electronic Devices, Home Appliances, and more.



**Public Utility
Systems**



**Energy &
Electric Systems**



**Defense &
Space Systems**



**Factory
Automation
Systems**



**Automotive
Equipment**



Building Systems



**Air Conditioning
& Home Products**



**Information &
Communication
Systems/Services**



**Semiconductors
& Devices**

Mitsubishi Electric Sales Canada Inc.

MESCA is engaged in the supply and distribution to the Canadian market of heating, ventilation, air conditioning ("HVAC") products and accessories, in addition to hand dryer products, manufactured by Mitsubishi Electric Corporation. MESCA also supplies to the Canadian market a limited number of HVAC products and accessories manufactured by third parties.

(c) Sustainability Management of the Mitsubishi Electric Group

Respond to key societal challenges in five basic areas in order to contribute to sustainability

Key societal challenges



Carbon neutral
Decarbonize society



Circular economy
Build a circular society



Safety/Security
Resilient society



Inclusion
Society that values diversity



Well-being
Vibrant lives

Initiatives for realizing sustainability

Contribution to a sustainable society through business

Decarbonize society with energy management and heat pumps technologies etc.
Build a circular society through innovation in the fields of maintenance/operation and recycling
Build a resilient society through maintenance/management of infrastructures and facility automation etc.
Realize vibrant lives of all people through sophisticated use of people flow data and personal data

Progress in social initiatives
causes positive impacts
on the Company

**Realize
sustainability**

Apply initiatives within
the Company to business

Responsibilities for a sustainable society

Strengthen efforts for cutting greenhouse gas emissions
- FY2051: Aim for net zero greenhouse gas emissions in the entire value chain
- FY2031: Aim for net zero greenhouse gas emissions from factories and offices
Respect for human rights based on international norms
Realize workplace where diverse and versatile human capital gathers and works together
Adherence to compliance

3. Mitsubishi Electric Group Human Rights Activities Structure

1. As a member of the Mitsubishi Electric Group, MESCA follows the Mitsubishi Electric Group Human Rights Activities Structure. The Mitsubishi Electric Group promotes continuous improvement activities based on the Plan-Do-Check-Act (“PDCA”) cycle in order to promote human rights due diligence and other initiatives in accordance with international norms such as “the UN Guiding Principles on Business and Human Rights”. The Sustainability Committee, which is commissioned by the Executive Officers’ Meeting, formulates policies and plans for human rights initiatives, checks their performance, and receives approval from higher-level organizations, etc.
2. In FY2022, a permanent “Human Rights Subcommittee” was established as a subordinate organization of the Sustainability Committee in order to promptly improve the content of human rights-related initiatives and resolve issues. Since issues related to human rights cover a wide range of areas, Mitsubishi Electric Corporation will work on them after clarifying the divisions in charge of them. The Human Rights Subcommittee determines the direction of discussions on cross-divisional issues. Progress and results are reported to the Sustainability Committee, which in turn reports them to the Executive Officers and the Board of Directors, where they receive guidance and supervision from the Executive Officers and Directors.
3. In FY2024, the Human Rights Subcommittee was held 3 times and the Human Rights Working Group, which is a subordinate body of the Human Rights Subcommittee and consists of working members, was held 11 times.

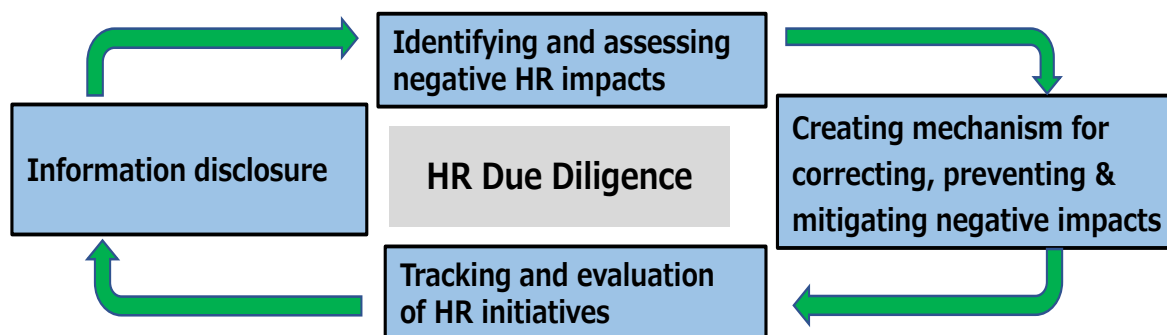
4. Mitsubishi Electric Group Human Rights Policy and Process

1. In 2017, the Mitsubishi Electric Group formulated and published “the Mitsubishi Electric Group Human Rights Policy”. We regard it as our responsibility to support and respect the protection of internationally agreed-upon human rights as a precondition for our corporate activities, and to ensure that we ourselves are not complicit in human rights abuses. The Mitsubishi Electric Group recognizes that international standards on human rights, such as “the International Bill of Human Rights” and “the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work”, are minimum standards to be observed. Based on this recognition, we declare that we will appropriately understand the laws, regulations, and rules of each country and region in which we operate, and that we will respect human rights.
2. The Mitsubishi Electric Group signed “the Ten Principles of the United Nations Compact” on Human Rights, Labour, Environment and Anti-Corruption in 2018. The entire Mitsubishi Electric Group is committed to implementing policies and procedures consistent with its moral and ethical obligation to end modern-day slavery.
3. In order to implement the contents of the Human Rights Policy, the Mitsubishi Electric Group is conducting Human Rights Impact Assessments in 2018, 2021, and 2023 to identify risks of human rights violations, including forced labour and child labour, and to correct, prevent, and mitigate negative impacts based on the identified results.
4. The Mitsubishi Electric Group is committed to efforts to promote human rights due diligence in our human

rights policy. The Human Rights Subcommittee, consisting of the heads of related divisions of the Mitsubishi Electric Group, determines the direction of cross-divisional human rights issues, and reports the progress of human rights respect initiatives to the Sustainability Committee and the Executive Officers' Meeting. Through the guidance and supervision of executive officers and directors, the effectiveness of the PDCA cycle for human rights due diligence is continuously checked.

5. Mitsubishi Electric Group Human Rights Due Diligence Approach

1. To address the various risks of modern-day slavery, the Mitsubishi Electric Group has adopted a human rights due diligence approach as outlined in “the UN Guiding Principles on Business and Human Rights” and “the OECD Due Diligence Guidelines”. The Mitsubishi Electric Group's human rights due diligence is based on the processes and tools of the Responsible Business Alliance (RBA), which Mitsubishi Electric Corporation joined in February 2022, being deployed throughout the Group and the Group supply chain. A new Group-wide activity was launched in FY2024 that actively utilizes the knowledge of external third-party organizations.



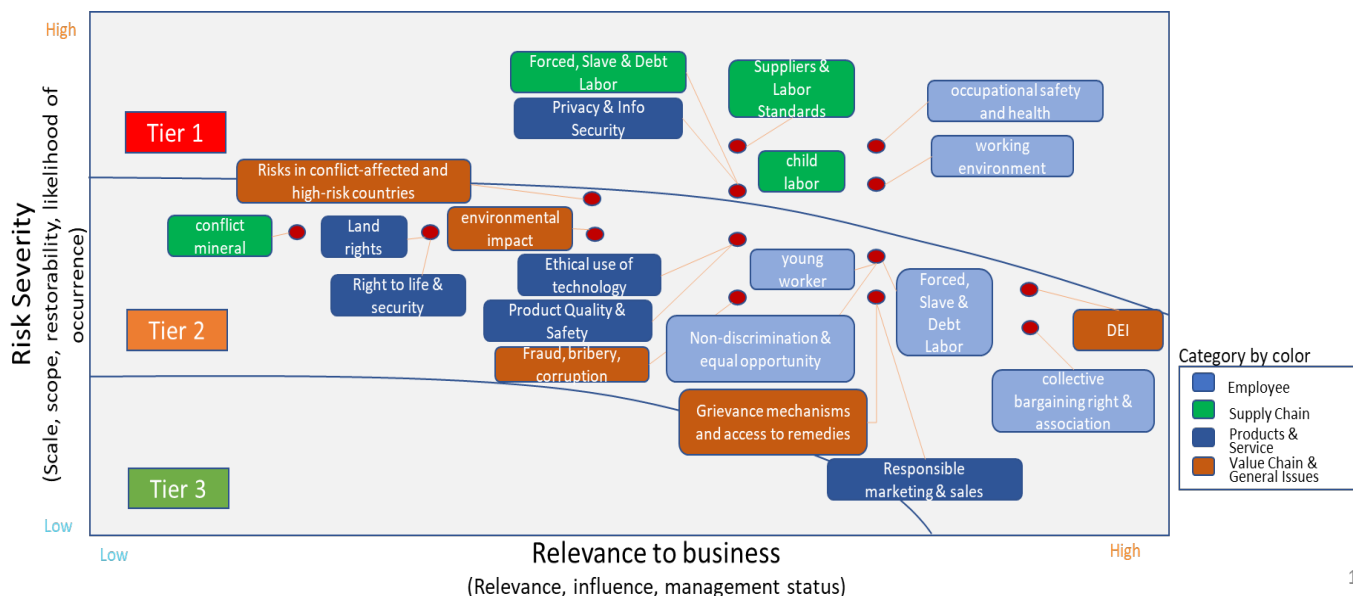
2. Activities at each step of the Mitsubishi Electric Group's human rights due diligence

(a) Identifying and assessing negative human rights impacts

(i) Human Rights Impact Assessment

In FY2023, Mitsubishi Electric Corporation conducted a "Human Rights Impact Assessment" in collaboration with a third-party organization, Business for Social Responsibility (BSR). As a result, we identified 21 potential human rights risks, including forced labour and child labour risks in the entire value chain of the Mitsubishi Electric Group. BSR presented 86 recommendations for the Mitsubishi Electric Group's corporate activities (including supply chain) as proposed measures to prevent the occurrence of the 21 identified human rights risks.

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



17

(b) Identifying and assessing negative human rights impacts

For the 86 items recommended by BSR in the Human Rights Impact Assessment conducted in FY2023, each division in charge has formulated an improvement plan with the goal of completing improvement measures by the end of FY2026, and has started activities. As of the end of FY2024, the Mitsubishi Electric Group confirmed that 53.5% of the 86 recommendations had been implemented as a result of checking the status of initiatives in each department. In some cases, improvements itself will take a long time, so we have set a KPI of achieving 100% implementation of improvements by the end of FY2026, and will check the status at the end of FY2025 and FY2026 and take follow-up action as necessary (for details, please refer to section 8).

(c) Tracking and Evaluation of human rights initiatives

(i) Tracking and evaluation within the Mitsubishi Electric Group

Mitsubishi Electric Corporation will annually check the status of improvement of implementation of the 86 recommendations presented by BSR in FY2023.

In addition, in order to confirm that the risk of forced labour, child labour, etc. is being reduced at all 16 of the Mitsubishi Electric Group's manufacturing sites in Japan, the RBA's Self-Assessment Questionnaire (SAQ) was implemented in FY2024, and it was confirmed that the results for all 16 sites were of medium risk and that there was no use of forced labour or child labour. From 2025 onwards, SAQ will be conducted annually at 16 sites, and will be expanded to include Group companies inside and outside of Japan.

(ii) Tracking and evaluation in the supply chain

From FY2024, the Mitsubishi Electric Group began checking the status of human rights initiatives in the supply chain using the newly established "Mitsubishi Electric Group Supply Chain Code of Conduct" and "RBA-SAQ". In FY2024, we distributed the "Mitsubishi Electric Group Supply Chain Code of Conduct" to approximately 5,000 companies and obtained confirmation of agreement from suppliers accounting for 88% of our purchases. We also requested approximately 500 suppliers in Japan to complete the SAQ,

and we received responses from 50% of them. No cases of forced labor or child labor have been confirmed at the suppliers from which we have obtained responses. From FY2025 onwards, we will continue to work to achieve 100% agreement with the Mitsubishi Electric Group Supply Chain Code of Conduct. We will also expand the scope of SAQ implementation requests to suppliers outside Japan, and continue to engage in dialogue with suppliers to improve the rate of SAQ responses. We will conduct SAQ checks every year (for details, please refer to Sections 7 & 8).

(d) Information disclosure

Mitsubishi Electric Corporation discloses activities in its Integrated Report every year.

6. Mitsubishi Electric Group Grievance Mechanism

1. The Mitsubishi Electric Group accepts inquiries and complaints from all stakeholders in the Mitsubishi Electric Group's global value chain 24 hours a day, 365 days a year, through the following two contact points.
2. In addition, each Mitsubishi Electric Group site has its own contact point for handling various types of harassment, as well as a contact point based on the Whistleblower Protection act.
3. The Mitsubishi Electric Group has not received any reports of forced labour or child labour at the multiple contact points it has established.

Point	User	Contents (What, Who)	Language
(1) Sustainability Inquiries desk	All the stakeholders (Everyone in Value chain including Mitsubishi Electric Group employee)	Inquiries about the sustainability of Mitsubishi Electric Group (including Human Rights) and various other inquiries about the corporate activities	Japanese English
(2) External desk on Human Right (operated by JaCER)	Everyone in Supply chain (others can if they wish)	Consultation desk for Human Rights violations mainly in the supply chain of the Mitsubishi Electric Group	Japanese English Chinese

7. Supply Chain

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

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

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

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

minimum wages and are in the process of confirming this in the RBA-SAQ.

(b) Promoting Responsible Mineral Procurement Activities

The Mitsubishi Electric group adheres to “the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” and removes certain minerals from the procurement supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.

Mitsubishi Electric Corporation takes part in “the Responsible Minerals Trade Working Group” of the Japan Electronics and Information Technology Industries Association (JEITA), and addresses restrictions on conflict minerals in cooperation with other industry organizations. Surveys are conducted using the survey form (CMRT*1 and EMRT*2) that is commonly used in the automobile, electric, and electronic industries. In FY2024, surveys were carried out on 1,036 suppliers, and responses in survey form were obtained from 916. As a result of the survey, 368 smelters were identified. Of the identified smelters, 233 were RMAP*3 compliant. Mitsubishi Electric Corporation will continue to promote RMAP compliance among smelters through industry activities.

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

*2 Cobalt/Mica Reporting Template issued by the Responsible Minerals Initiative

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

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

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

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

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

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

In the supply chain of the Mitsubishi Electric Group, the Mitsubishi Electric Group implements a due diligence process for risk assessment and verification as part of our CSR procurement activities.

- (i) We hold briefing sessions for our suppliers to provide an opportunity to explain the Mitsubishi Electric Group's sustainability initiatives and social trends surrounding business and human rights.
- (ii) We request suppliers to sign a form confirming their agreement to the “Mitsubishi Electric Group Supply Chain Code of Conduct” based on the RBA Code of Conduct.
- (iii) We confirm the risk of forced labor and child labor at our suppliers using the CSR questionnaire (RBA-SAQ), and request improvements based on the evaluation results.
- (iv) If we identify a high-risk supplier, we will evaluate compliance and consider a more detailed verification process to remedy the violation.

- (v) All of the above procedural controls are regularly reviewed to ensure that robust processes are in place to minimize the risk of Modern-day slavery in our operations and supply chain.

9. Training for employees on forced labour and child labour

1. Mitsubishi Electric Corporation conducts an annual e-learning program on "Sustainability in the Mitsubishi Electric Group," which includes education on human rights. The number of participants in FY2024 is 41,882 from Mitsubishi Electric Corporation (including contract and temporary employees) and 21,508 from domestic affiliates.
2. In conjunction with World Human Rights Day, Mitsubishi Electric Corporation deployed Human Rights Day awareness materials to all Mitsubishi Electric group sites and affiliate companies in Japan and overseas to raise awareness of human rights among all Group employees and to spread awareness of the materiality "Respect all people".
3. In Canada, MESCA has raised awareness of Human Rights Day by disseminating these materials through an e-learning module to all of its employees.

10. Effectiveness of assurance that forced labour and child labour are not used in operations and supply chains

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

within the Mitsubishi Electric group:

2. Mitsubishi Electric Corporation will periodically conduct human rights impact assessments with the support of an external human rights specialist organization to objectively evaluate the Group's efforts to respect human rights and implement continuous improvement activities based on the results.

to Suppliers:

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

This statement was approved by the Board of Directors of Mitsubishi Electric Sales Canada Inc.

Signed by :

MITSUBISHI ELECTRIC SALES CANADA INC.



Hitoshi Namba

President & CEO