

LR Independent Assurance Statement

Relating to Mitsubishi Heavy Industries, Ltd.'s Fiscal Year 2019

Social data within ESG DATA BOOK 2020

This Assurance Statement has been prepared for Mitsubishi Heavy Industries, Ltd. in accordance with our contract but is intended for the readers of this report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Mitsubishi Heavy Industries, Ltd. ("the Company") to provide independent assurance on its social data in fiscal year 2019 starting from 1 April 2019 to ending at 31 March 2020 reported in ESG DATA BOOK 2020 ("the report"), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE3000.

Our assurance engagement covered the operations and activities of the Company and its subsidiaries in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of the data only for the selected indicators listed below:¹
 - <Social contribution data>
 - Social contribution input
 - Cumulative total number of science classes
 - Records of natural disaster affected area assistance programs
 - Record of Supporting conservation survey for loggerhead turtles in Tanegashima
 - <Occupational health and safety data>
 - Fatalities²
 - LTIFR (Lost Time Injury Frequency Rate)²
 - OIFR (Occupational Illness Frequency Rate)³
 - Number of Industrial accidents²
 - Working hours²

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data

¹ LR undertook the limited assurance of the social data marked with ✓ within the ESG DATA BOOK 2020 and MHI website.

² The boundary covers Mitsubishi Heavy Industries, Ltd. and its 23 consolidated subsidiaries in Japan. The performance data includes the employees of subcontractors who work in the Company's facilities. LTIFR is frequency rate of the lost time injuries per the total working hours (in the unit of million hours) within the reporting period. Number of Industrial accidents represents accidents including those requiring leave of absence.

³ The boundary covers only Mitsubishi Heavy Industries, Ltd. OIFR is frequency rate of the occupational illness per the total working hours (in the unit of million hours) within the reporting period.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with ISAE3000. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing to the key persons responsible for compiling the data and drafting the report.
- Re-calculating the aggregated data by the Company and checking the activity records in sampling basis.

Observations

Further observation and finding, made during the assurance engagement, is:

- The Company should continue to improve the accuracy and reliability of ESG data and information by maintaining the control systems with internal verification.

LR's standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LR is the Company's certification body for ISO 9001, ISO 14001, ISO 45001. The verification and certification assessments are the only work undertaken by LR for the Company and as such does not compromise our independence or impartiality.

Signed



Takashi Odamura

LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited

10th Floor, Queen's Tower A, 2-3-1, Minatomirai, Nishi-ku, Yokohama, Japan

LR reference: YKA4005601

Dated: 30 September 2020

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