CSR Medium-Term Action Plan and Results of Promotion

To advance the global promotion of CSR activities, activity areas were reorganized in fiscal 2012 according to the seven core subjects of ISO 26000.

### Organizational governance

**Broadened CSR awareness**
- Penetration of global awareness towards CSR including overseas locations and Group companies
- Global information dissemination of status of CSR activities

**Risk management**
- Communicating a consciousness for important risks among all departments and sections and establishing a risk management PDCA cycle through efficient and effective audits

**Promotion of IR activities**
- Improve timely and accurate information dissemination capabilities as per the needs of investors and strengthening in-house feedback on information to be used as reference material by management

### Human rights

**Raising awareness of human rights**
- Embedding understanding and consciousness about human rights issues company-wide
- Development of sexual harassment and “power harassment” (workplace bullying & harassment) prevention efforts
- Establish a workplace and corporate culture where human rights issues do not arise
- Company-wide penetration of understanding and consciousness regarding the expansion of employment of the differently-abled people
  1. Achieve company-wide employment rate of 2.2% by the end of FY2013
  2. Plan to increase employment in all divisions

### Labor practices

**Creating a better workplace**
- Enriched education
- Strengthening mental health
- Nurturing the next generation

**Strengthening global human resource development based on the road map for cultivation of global human resources (G-MAP)**
- Conduct effective measures to combat mental health problems from prevention to return to work
- Continue to maintain the next-generation accreditation mark

**Fully implement global education in accordance with G-MAP**
- Strengthening mental health promotion systems and initiatives in the whole company to reduce absence due to mental health disorders
  1. Promoting increased awareness of mental health initiatives among employees, and promoting effective mental health care
  2. Providing a mental health advice system that is easy for employees to use
- Accelerate penetration of knowledge and understanding among employees about next-generation development and work-life balance support

### Results of Promotion

**Number of recipients of CSR sessions / CSR sessions for new employees**
- **1,312** people

**Breakdown of employees by age (FY2012)**
- Under 30: 8,410 (753)
- 30~39: 9,879 (808)
- 40~49: 7,202 (605)
- 50~59: 4,931 (394)
- 60 and over: 527 (23)

**Number of new graduates hired**
- **452** people (44 females)
Results from CSR activities in FY2012

1. Continued to hold CSR sessions at all 12 MHI works and selected Group companies, and session participants were again asked to complete a survey.
2. Established a risk management policy and organization. Identified major risks through discussions between general managers of each department and the general manager of the Management Audit Department.
3. Conducted audits of business segments, administration departments and Group companies, and supported development and improvement of risk management processes.
4. Identified and reorganized risks to MHI, and assigned risk control managers of each risk.
5. Identified major risks to each department and organized processes for managing those risks.
6. Hosted plant tours in Japan and the U.S. for institutional investors and financial analysts. Continued to hold company briefings at MHI facilities across Japan for individual investors, and also plant tours for shareholders.
7. Developed a smartphone app that allows users to read the MHI Annual Report (Japanese only).
8. Provided an online version of the Annual Report.
9. Continued to host business briefings and presentations to announce financial results and business plans.
10. Reached hiring rate of 2.1% for differently-abled people by using recruiting websites, actively participating in recruitment events and making other recruiting efforts, and following-up on employees in each division.
11. Conducted awareness education on “power harassment” (workplace bullying & harassment) prevention for senior managers at all MHI works, and continued e-learning curriculum for power harassment prevention.
12. Continued to hold Committee for Raising Awareness of Human Rights meetings (integrated the Committee for the Promotion of Employment of Differently-Abled People into this committee).
13. Conducted awareness education on “power harassment” workplace bullying & harassment prevention for senior managers at all MHI works, and continued e-learning curriculum for power harassment prevention.
14. Reached hiring rate of 2.1% for differently-abled people by using recruiting websites, actively participating in recruitment events and making other recruiting efforts, and following-up on employees in each division.
15. Conducted audits of business segments, administration departments and Group companies, and supported development and improvement of risk management processes.
17. Continued to hold business briefings and presentations to announce financial results and business plans.

CSR Action Plans for FY2013

1. Continue to hold CSR sessions at all locations, including the Head Office, and consider expanding these sessions to overseas Group companies.
2. Continue to publish a CSR Report in Japanese and English and expand Chinese content.
3. Manage and implement measures for major risks in accordance with the risk management policy.
4. Conduct effective, efficient audits of risks and challenges in business segments, administration departments and Group companies, and provide flexible support.
5. Continue to hold IR events at sites in Japan and overseas.
6. Promote in-house feedback through two-way communication with stock market affiliates.
7. Conduct more effective sexual harassment and power harassment education and awareness activities based on analysis of factors that contribute to harassment.
8. Continuously implementing positive employment actions so as to achieve the target of a hiring rate of 2.2% for differently-abled people.
10. Introducing human rights issues in each training program and continuing implementation.
11. Conduct more effective sexual harassment and power harassment education and awareness activities based on analysis of factors that contribute to harassment.
12. Follow the PDCA cycle in advancing global education in accordance with G-MAP.
13. Continue FY2012 activities.
14. Strengthen other methods for accelerating penetration of knowledge and understanding among employees.

Number of female managers*

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>219</td>
<td>248</td>
<td>266</td>
<td>288</td>
<td>293</td>
</tr>
</tbody>
</table>

* section manager and above; excluding medical staff

Number of rehired employees*

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>2,492</td>
<td>3,311</td>
<td>4,065</td>
<td>4,488</td>
<td>4,794</td>
</tr>
</tbody>
</table>

* excluding those from Group companies

Industrial accident frequency rate*

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(People)</td>
<td>0.31</td>
<td>0.23</td>
<td>0.29</td>
<td>0.27</td>
<td>0.11</td>
</tr>
</tbody>
</table>

* Mitsubishi Heavy Industries, Ltd. non-consolidated

Detailed reports of fiscal 2012 CSR activities, including the results of activities described on this page, are available in the CSR Report section on our website. [http://www.mhi.co.jp/en/csr/csrreport/index.html]
Environment and Society

**Message to Stakeholders**

**Business Model / Important Performance**

**Main Financial Indexes: 11-Year Summary**

**Business Results and Topics during FY2012**

**Interview with the President**

## CSR Action Plans for FY2012

### Area

#### Thorough compliance
- Decrease matters in need of improvement even at Group companies
- Early comprehension and improvement of matters in need of improvement

#### Order compliance
- Continuation of zero policy for violations to the Anti-Monopoly Act
- Penetration of order compliance activities
- Establishment of order compliance consciousness through awareness and educational activities

#### Compliance with the Construction Business Act
- Establishment of a self-compliance system (compliance activities incorporated in company tasks)
- Enhancing compliance at Group companies
- Enhancing contract compliance with business partners

#### Compliance with export-related laws and regulations
- Strengthening the export control management systems and fostering experts in export control management
- Further continuous supports for Group companies to strengthen their export control management systems

#### CSR procurement
- Sharing values regarding the promotion of CSR activities with business partners and avoiding procurement risks with key partners
- Effect extensive compliance and adherence to laws and regulations with regard to procurement tasks
- Continuous compliance to environmental regulations

### Consumer issues

#### Product safety
- Developing product safety activities within quality management
- Steady development of product safety activities
- Maintaining the infrastructure for product safety activities

#### Ensuring quality and safety of nuclear business
- Refine and continually improve QMS (Quality Management System) with an eye on global business development
- Exhibit our comprehensive technological strengths and enhance customer satisfaction
- Enhance the attitude of compliance with laws and rules and cultivate a strong nuclear safety culture

#### Enhancement of brand value
- Acquiring broad recognition as a global company and increasing the number of MHI fans

### Community involvement and development

#### Socially beneficial activities
- Proactive development of social contribution activities with the cooperation of various stakeholders
- Examining possibilities for the globalization of social contribution activities and development of social business

#### Improvement of the Mitsubishi Minatomirai Industrial Museum
- Establish its role as a facility that provides opportunities for children to develop an interest in science by showing them the pleasure of manufacturing

### Change in expenditures on social contribution activities

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic research</td>
<td>339</td>
<td>247</td>
<td>164</td>
<td>177</td>
</tr>
<tr>
<td>Education</td>
<td>537</td>
<td>633</td>
<td>596</td>
<td>503</td>
</tr>
<tr>
<td>Community activities</td>
<td>158</td>
<td>141</td>
<td>180</td>
<td>153</td>
</tr>
<tr>
<td>Sports</td>
<td>114</td>
<td>149</td>
<td>133</td>
<td>173</td>
</tr>
<tr>
<td>Other</td>
<td>507</td>
<td>440</td>
<td>1,023</td>
<td>474</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,655</strong></td>
<td><strong>1,610</strong></td>
<td><strong>2,096</strong></td>
<td><strong>1,480</strong></td>
</tr>
</tbody>
</table>

**Percentage of ordinary profit**

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6.89%</td>
<td>2.36%</td>
<td>2.39%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

(Note 1) Figures include cash donations, payments in kind, activities by employees, free use of company facilities, etc., converted into monetary equivalents; activities privately performed by employees are not included.

(Note 2) Includes group companies under consolidated accounting.

(Note 3) Social contribution expenditures in FY2010 do not include those related to the Great East Japan Earthquake (donations, fund-raising, etc.) during March 11-31, 2011. These expenditures were included in FY2011.
Results from CSR activities in FY2012

1. Visited each Group company in the U.S., Europe and India, to confirm current situations in detail and to exchange opinions with local management.
2. Centralized the management of internal audits, risk management, crisis management and compliance, comprehended and analyzed each issue. Confirmed the effectiveness of measures to hedge and/or moderate risk, and built a system to organically promote measures, including those to prevent reoccuring risk.
3. Expanded target to include government, public and private demand both in Japan and overseas. Revisited the rules of conduct with the expansion of targets.
4. Continued to implement special monitoring for order compliance.
5. Held seminars at MHI and Group companies in Japan, Europe, the U.S., and China on compliance with competition laws.
6. Clearly defined function of the secretariat for the Order Compliance Committee.
7. Revised a standardized company-wide form to record the social insurance enrollment of specified constructors and subcontractors into the Installation Organizational Chart Register, in line with revisions to ministerial ordinances.
8. Implemented regime monitoring at 19 Group companies and construction site monitoring for 16 companies.
10. Revised a standardized company-wide form to record the social insurance enrollment of specified constructors and subcontractors into the Installation Organizational Chart Register, in line with revisions to ministerial ordinances.

CSR Action Plans for FY2013

1. Strengthen support for overseas Group companies.
2. Tightened linkage with crisis and risk management.
3. Confirmed the implementation status of rules of conduct and compliance checks.
4. Implement efficient and effective special monitoring.
5. Promote instructional/educational activities for order compliance.
6. Implement drafting of measures for detecting problems in maintenance of Installation Organizational Chart Registers.
8. Formulate measures to deal with compliance issues in contracts with business partners.
9. Continuously implement internal training at all levels.
10. Promote further acquisition of export control expert qualifications.
11. Continuously audit Group companies implement regular training.
12. Reexamine scope and implementation method of surveys conducted at business partners.
13. Monitoring of procurement-related laws and regulations and effecting improvement follow-ups.

FEATURE BUSINESS SEGMENT REVIEW

- Intellectual Property
- R&D Activities
- Corporate Data
- MHI’s Worldwide Network

ANNUAL REPORT 2013 58
Environment and Society

### Results of Promotional Efforts of Medium- to Long-Term Environmental Targets

In fiscal 2002, MHI established its Medium- to Long-Term Environmental Targets, earlier than other heavy industry companies, and has made efforts to carry out environmental preservation activities. Moreover, in fiscal 2010 we extended the target for our activities to the end of fiscal 2012 with the aim of establishing environmental targets for the following period, based on the MHI Environmental Vision 2030 (which was established in June 2012). As a result we have been able to achieve our targets for many items, including the realization of a low-carbon society and formation of a recycling-based society. We were unable to achieve our targets related to total generated waste, landfill disposal amount, chemical substance emissions, and energy conservation and reduced CO₂ emissions from product transportation. However, we will continue working to achieve these targets through initiatives such as incorporating them into our environmental management systems for the next period.

### Results of Promotional Efforts of Medium- to Long-Term Environmental Targets (as of the End of Fiscal 2012)

<table>
<thead>
<tr>
<th>Item</th>
<th>Goals</th>
<th>Progress (as of the end of FY2012)</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Realization of a low-carbon society</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy savings</strong></td>
<td>More than 5% reduction of unit energy consumption in transportation in FY2012 (from FY2008 level)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Form a recycling-based society</strong></td>
<td>Detoxification of high concentration PCB waste in storage (transformers, condensers, dies) to be completed by FY2015 (including bulk and smaller equipment)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Management of chemical substances</strong></td>
<td>Analysis and confirmation of low PCB devices (low concentration) to be finished by FY2012, complete detoxification by FY2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated environmental management system</strong></td>
<td>Ongoing ISO 14001 renewal by domestic works, Head Office, branch offices and research &amp; development centers</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Collecting and disclosing of environmental management information</strong></td>
<td>Collecting environmental information/data and environmental accounting through environmental management information systems and disclosing information through CSR reports and other releases</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Promotion of green purchasing</strong></td>
<td>Promoting the purchase of environmentally friendly products based on the company’s own green purchasing guidelines (Purchasing ratios 99% by volume and 95% by value)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Development and provision of environmentally friendly technologies and products</strong></td>
<td>Development and provision of new products and technology based on MHI’s Basic Guideline on Production of Environmentally Friendly Products (formulated in 2005) to help reduce society’s environmental burden</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Form a society that consists with nature (Preserving biodiversity)</strong></td>
<td>We will continue revegetation, alien fish removal, building biotopes and breeding Japanese honeybees, among other activities relating to biodiversity and examine the possibilities for evaluating the effect of our business activities on the preservation of biodiversity as necessary in light of global trends</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note) In principle, all the data represents data of Mitsubishi Heavy Industries, Ltd. non-consolidated.
Results from CSR activities in FY2012

- Upgraded a total of 1,893 air conditioning units based on the plan
- Introduced monitoring systems at five works, including small-scale introductions
- Achieved 9.8% reduction of CO2 emissions (FY2012 results) compared with FY1990 level
- Promoted CO2 emissions reduction at production plants
- Acquired approximately 130,000 tons of CO2 emission credits from a CDM project
- Reduced greenhouse gas emissions excluding CO2 emissions from energy use
- Utilizing one million kWh of green power annually thanks to wind power generation
- Promotion of energy conservation in transport through modal shift and load ratio improvement
- Promoted the preservation of biodiversity in accordance with the Environmental Policy and CSR Action Guidelines
- Promoted the reduction of waste landfill disposal volumes
- Reduced water usage during production
- Promoted the reduction of chemical substance usage (VOCs, etc.)

CO2 emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>47.2</td>
</tr>
<tr>
<td>2009</td>
<td>44.9</td>
</tr>
<tr>
<td>2010</td>
<td>43.5</td>
</tr>
<tr>
<td>2011</td>
<td>43.7</td>
</tr>
<tr>
<td>2012</td>
<td>42.5</td>
</tr>
</tbody>
</table>

Gross energy input

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (TJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>11,145</td>
</tr>
<tr>
<td>2009</td>
<td>10,065</td>
</tr>
<tr>
<td>2010</td>
<td>10,022</td>
</tr>
<tr>
<td>2011</td>
<td>9,950</td>
</tr>
<tr>
<td>2012</td>
<td>9,745</td>
</tr>
</tbody>
</table>

Electricity purchases

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>757,335</td>
</tr>
<tr>
<td>2009</td>
<td>766,802</td>
</tr>
<tr>
<td>2010</td>
<td>731,045</td>
</tr>
<tr>
<td>2011</td>
<td>712,456</td>
</tr>
<tr>
<td>2012</td>
<td>712,456</td>
</tr>
</tbody>
</table>

Waste generation by material

- Waste paper: 4.4%
- Waste oil: 4.6%
- Waste plastic: 5.4%
- Slag: 6.1%
- Waste wood: 7.0%
- Acid and alkali wastes: 7.3%

Upgraded a total of 1,893 air conditioning units based on the plan
- Introduced monitoring systems at five works, including small-scale introductions
- Achieved 9.8% reduction of CO2 emissions (FY2012 results) compared with FY1990 level
- Promoted CO2 emissions reduction at production plants
- Acquired approximately 130,000 tons of CO2 emission credits from a CDM project
- Reduced greenhouse gas emissions excluding CO2 emissions from energy use
- Utilizing one million kWh of green power annually thanks to wind power generation
- Promotion of energy conservation in transport through modal shift and load ratio improvement
- Promoted the preservation of biodiversity in accordance with the Environmental Policy and CSR Action Guidelines
- Promoted the reduction of waste landfill disposal volumes
- Reduced water usage during production
- Promoted the reduction of chemical substance usage (VOCs, etc.)

Acquired certifications of environmental ISO standards and others to 83 domestic and 28 overseas Group companies
- Established the MHI Group 2nd Environmental Targets, including targets for overseas Group companies
- Held Environmental Meetings at six domestic Group companies

- Promoted CO2 emissions reduction at production plants
- Acquired approximately 130,000 tons of CO2 emission credits from a CDM project
- Reduced greenhouse gas emissions excluding CO2 emissions from energy use
- Utilizing one million kWh of green power annually thanks to wind power generation
- Promotion of energy conservation in transport through modal shift and load ratio improvement
- Promoted the preservation of biodiversity in accordance with the Environmental Policy and CSR Action Guidelines
- Promoted the reduction of waste landfill disposal volumes
- Reduced water usage during production
- Promoted the reduction of chemical substance usage (VOCs, etc.)

Environmental data for domestic and overseas Group companies
- Holding Environmental Meetings, for domestic Group companies

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>4,000</td>
</tr>
<tr>
<td>2008</td>
<td>2,990</td>
</tr>
<tr>
<td>2009</td>
<td>2,718</td>
</tr>
<tr>
<td>2010</td>
<td>2,563</td>
</tr>
<tr>
<td>2011</td>
<td>2,719</td>
</tr>
<tr>
<td>2012</td>
<td>2,563</td>
</tr>
</tbody>
</table>

Paper usage*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>3,536</td>
</tr>
<tr>
<td>2009</td>
<td>2,950</td>
</tr>
<tr>
<td>2010</td>
<td>2,718</td>
</tr>
<tr>
<td>2011</td>
<td>2,719</td>
</tr>
<tr>
<td>2012</td>
<td>2,563</td>
</tr>
</tbody>
</table>

* including Head Office usage amount

Water usage* and reduction ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (10,000 tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2007</td>
<td>722</td>
</tr>
<tr>
<td>2009</td>
<td>755</td>
</tr>
<tr>
<td>2010</td>
<td>722</td>
</tr>
<tr>
<td>2011</td>
<td>702</td>
</tr>
</tbody>
</table>

* The above is the total of water supply, industrial water, and groundwater usage

Atmospheric emissions of organochlorides

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>19.6% reduction</td>
</tr>
<tr>
<td>2000</td>
<td>24.2% reduction</td>
</tr>
<tr>
<td>2005</td>
<td>26.3% reduction</td>
</tr>
<tr>
<td>2010</td>
<td>8.8t</td>
</tr>
</tbody>
</table>

(Note) In principle, all graphs have shown the production plant data of Mitsubishi Heavy Industries, Ltd. non-consolidated.