

Environment and Society

CSR of the MHI Group

MHI Group CSR Action Guidelines (formulated July 2007)

In order to ensure a secure future for the Earth, we will establish and maintain:

Close ties with the Earth

Safeguard an abundantly green Earth through environmental technologies and environmental awareness;

Close ties with Society

Build a relationship of trust with society through proactive participation in society and trustworthy actions;

A bridge to the next Generation

Contribute to the cultivation of human resources who can shoulder responsibility in the next generation through technologies that can realize dreams.

More detailed information on the CSR Action Guidelines is available for viewing on the website.

<http://www.mhi.co.jp/en/csr/guideline/index.html>



Promoting CSR through Manufacturing as an Innovative Contributor to Society

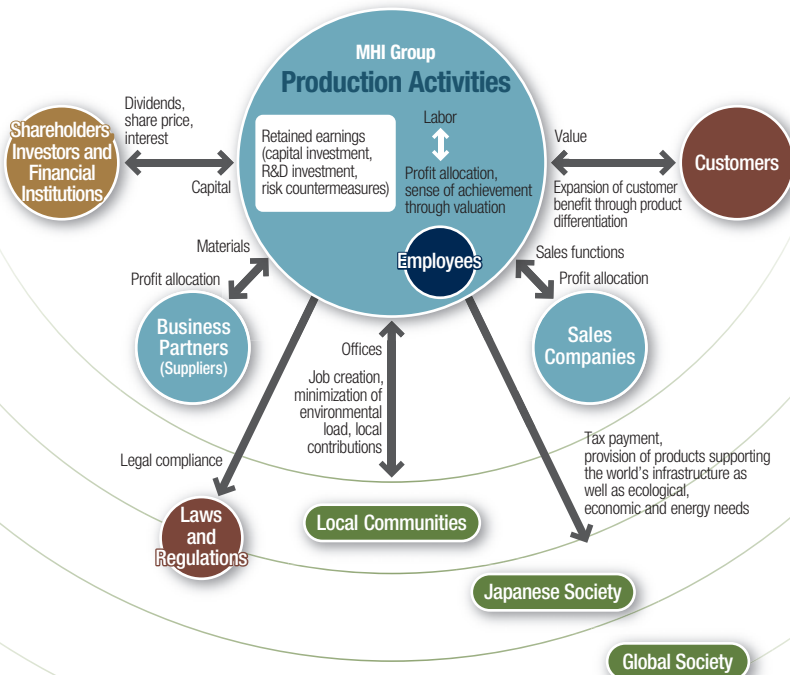
In accordance with the three principles that define the spirit of our creed, the MHI Group serves as a manufacturing corporation that contributes to societal progress through its business endeavors of delivering products and technologies in support of social and industrial infrastructure worldwide. In this way MHI is contributing to the resolution of global issues.

Furthermore, MHI believes the basis of corporate social

responsibility (CSR) is to engage in business activities that take its diverse range of stakeholders into consideration and return profits to all stakeholders in optimum fashion, while at the same time providing excellent products and technologies to realize a sustainable society and a secure future for people and the planet.

Based on our creed and CI statement, "Our Technologies, Your Tomorrow," the MHI Group has also instituted CSR Action Guidelines to serve as collective standards for all Group employees when conducting business activities centered on the principles of CSR.

MHI Group involvement with society



Fulfilling our Policy on Social Contribution Activities

Conducting activities that suit the characteristics of each region based on the MHI policy on Social Contribution Activities

MHI used the opportunity of the publication of the Social and Environmental Report in 2004 to formulate the basic concepts for social contribution, stated as "We are obligated to be an innovative partner to society" and "We place importance on relationships with local communities based on mutual trust."

The MHI policy for social contribution activities was released in 2007 based on extensive discussion and debate regarding the nature of public expectations as well as feedback from external sources. Various programs are being carried out in each region of Japan in accordance with the policy.

MHI Environmental Vision 2030

Objectives behind Formulation of Environmental Vision

The MHI Group believes that simultaneous achievement of the 3E's — energy security, environmental protection and economic growth — is invaluable in order to realize a sustainable future for

the earth and all mankind.

In June 2012 we formulated the “MHI Environmental Vision 2030” in order to contribute to the realization of the 3E's — and open the way to a sustainable future — through total solutions incorporating our wide-ranging products and technologies applied on land, at sea, in the air and in space.

MHI Environmental Vision 2030

Our Technologies, Your Tomorrow

The future of our planet rests in the sustained evolution of humankind while caring, with love and responsibility, for all life forms that inhabit it. MHI will continue to be a company indispensable to ensuring that future.

The MHI Group will pursue energy security while carrying forward environmental protection — not only of the earth but of space also — through its ability to develop new technologies and products, to achieve a secure future that is kind to the earth.

Promises to Nurture a Secure Future

		CO ₂ reduction	Resource conservation	Energy savings	Energy security	Easing of environmental load
Efficient power generation	We will extract power from diverse energy sources with optimal efficiency.	●	●		●	●
Steady power storage	We will provide ways to store energy to achieve stable power supplies.	●			●	●
Continuous circulation	Through technology, we will promote waste-free use of resources and energy.	●	●			●
Wise utilization	Through energy-saving technology, we will reduce power and fuel usage requirements.	●		●		●
Exploration for tomorrow	Using diverse measurement and research devices, we will probe ways for mankind and the earth to coexist in harmony.	●				●

Promotion of environmentally conscious activities

Throughout its Group wide production activities, MHI will pursue reductions in greenhouse gas emissions, waste generation, and emissions of chemical substances. Also, every effort will be made to use water resources efficiently.

More detailed information on the MHI Environmental Vision 2030 is available for viewing on the website. <http://www.mhi.co.jp/en/csr/vision2030/index.html>

Basic Policy on Environmental Matters (Established 1996)

As clearly laid out in provision 1 of its creed-“We strongly believe that the customer comes first and that we are obligated to be an innovative partner to society.”-MHI believes its primary purpose is to contribute to society through its R&D, manufacturing and other business activities. Accordingly, in the performance of its business activities the company shall embrace the awareness that it is an integral member of society and, in all aspects of its business activities, it will strive to reduce burden on the environment and shall devote its comprehensive technological capabilities to the development of technologies and products that will protect the environment, as its way of contributing to the development of a sustainable society.

Action Guidelines (Established 1996)

1. Accord high priority to environmental protection within company operations, and take steps company-wide to protect and enhance the environment.
2. Clarify roles and responsibilities regarding environmental protection by developing an organized structure to deal with environmental protection matters, defining environment-related procedures, etc.
3. Strive to alleviate burden on the environment in all aspects of company business activities-from product R&D and design to procurement of raw materials, manufacture, transport, usage, servicing and disposal-through pollution prevention, conservation of resources, energy saving, waste reduction, reuse and recycling.
4. Strive to develop and provide advanced, highly reliable, wholly proprietary technologies and products that will contribute to solving environmental and energy problems.
5. Strive continuously to improve and enhance environmental protection activities not only by fully complying with environmental laws and regulations but also, when necessary, by establishing, implementing and evaluating independent standards and setting environmental goals and targets.
6. In the performance of business activities overseas and exportation of products, pay full attention to impact on the local natural and social environments and strive to protect those environments; also, become actively involved in technological cooperation overseas in matters of environmental protection.
7. Take steps to raise environmental awareness among all employees through environmental education, etc., undertake activities to provide environment-related information to the public, and proactively make environment-enhancing contributions to society.

Environment and Society

Highlight of CSR Activities

Donating storage refrigeration units to local fisheries cooperative for reconstruction support

The Air-Conditioning & Refrigeration Systems business headquarters donated prefabricated MHI storage refrigeration units to the Shichigahama branch office of the Japan Fisheries Cooperative in Miyagi Prefecture.

The region had a vigorous seaweed cultivation and fishing industry, however the cultivation and processing equipment, as well as fishing vessels, suffered severe damage from the tsunami caused by the Great East Japan Earthquake.

The donated storage refrigeration units are indispensable for the pollination of seaweed in the summer, and are expected to be of assistance in the restoration efforts.



Holding Business Partner Conferences for the first time for suppliers in India and China

MHI held its first overseas Business Partner Conferences in Bangalore, India in February 2013, and in Shanghai, China in March 2013. The conference in India was attended by 13 business partners.



Opening the Safety Transmission Center, a safety education facility, at Nagasaki Shipyard & Machinery Works

This is a facility opened in October 2012 at the Nagasaki Shipyard & Machinery Works to encourage sensitivity to, and a culture of safety. The facility enables users to learn important points and countermeasures for the prevention of accidents through videos of reenactments and information panels. The facility also offers study on the causes of human error and training in anticipating danger.



More detailed information on the Highlight of CSR Activities is available for viewing on the website.
<http://www.mhi.co.jp/en/csr/csreport/index.html>



Promoting conservation of regional biodiversity, through forest cultivation and elimination of invasive fish species

The Machine Tool business headquarters together with the Konze Production Forestry Cooperative and Ritto City Commercial and Industrial Association, undertakes a volunteer project for forest cultivation known as "Megumi no Mori."

The initiative took advantage of MHI's "Regional and Community Cooperative Funding System," and was attended by 60 employees.

We also took part in a competition to eliminate invasive fish such as the black bass and bluegill from Lake Biwa, as part of our efforts to protect the biodiversity of the region.



Winning the Minister of Economy, Trade and Industry Award with environmentally friendly CO₂ Capture System

A plant system that captures carbon dioxide (CO₂) from flue gas emissions developed by MHI has received the Minister of Economy, Trade and Industry Award at the 39th Outstanding Environmental Systems Awards hosted by the Japan Society of Industrial Machinery Manufacturers (JSIM). The system was highly evaluated for its superlative reliability and economy achieved through ongoing technology improvements carried out over many years, for its abundant delivery track record in commercial applications, and for the effectiveness of its carbon capture and storage (CCS) technology in helping to prevent global warming.

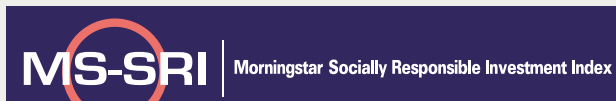


Selection by Eco-funds and SRI indicators

In fiscal 2012, MHI was again included in the eco-funds, formed based upon surveys of companies conducted by corporate rating agencies in Japan and overseas, and MS-SRI, a socially responsible investment index coordinated by Morningstar Japan K.K.

Morningstar Socially Responsible Investment Index

This is the first socially responsible investment index in Japan. It is an index of stock prices of 150 firms selected from among listed companies in Japan based on an assessment of social excellence.



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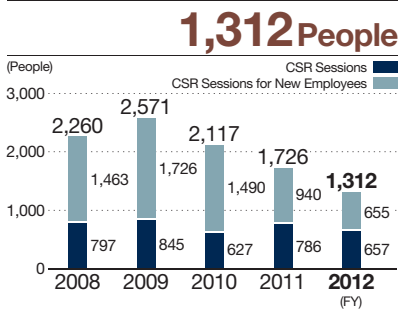
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CSR Medium-Term Action Plan and Results of Promotion

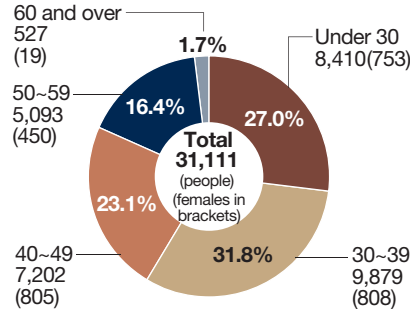
To advance the global promotion of CSR activities, activity areas were reorganized in fiscal 2012 according to the seven core subjects of ISO 26000.

Area	Priority item	Medium-term targets (FY2011-2013)	CSR Action Plans for FY2012
Organizational governance	Broadened CSR awareness	<ul style="list-style-type: none"> Penetration of global awareness towards CSR including overseas locations and Group companies Global information dissemination of status of CSR activities 	<ol style="list-style-type: none"> (1) Continue to hold briefings for overseas Group companies (2) Consider and implement global measures for penetration of corporate culture reforms and CSR (1) Publish CSR report in Japanese and English (2) Consider creating a CSR website in Chinese, and updating it alongside publication of the CSR report
	Risk management	<ul style="list-style-type: none"> Commonizing a consciousness for important risks among all departments and sections and establishing a risk management PDCA cycle through efficient and effective audits 	<ol style="list-style-type: none"> Proactive response through auditing for "Processes to strengthen business" Implement auditing including at corporate regulatory departments for "Compliance consolidation"
	Promotion of IR activities	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Hold more investor events at sites both in Japan and overseas
Human rights	Raising awareness of human rights	<ul style="list-style-type: none"> 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 <ol style="list-style-type: none"> Achieve company-wide employment rate of 2.2% by the end of FY2013 Plan to increase employment in all divisions 	<ol style="list-style-type: none"> Hold meetings of the Committee for Raising Awareness of Human Rights Introducing human rights issues in each training program and continuing implementation Strengthening awareness of sexual harassment and "power harassment" (workplace bullying & harassment) prevention Continuously implementing positive employment actions so as to achieve the target of a hiring rate of 2.1% for differently-abled people.
Labor practices	Creating a better workplace <ol style="list-style-type: none"> Enriched education Strengthening mental health Nurturing the next generation 	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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 <ol style="list-style-type: none"> Promoting increased awareness of mental health initiatives among employees, and promoting effective mental health care 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

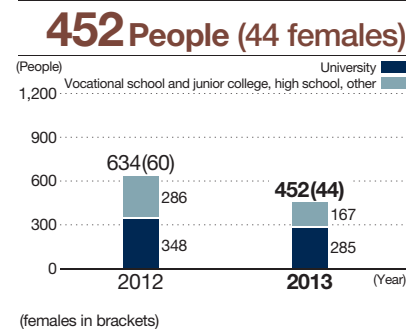
Number of recipients of CSR sessions / CSR sessions for new employees*



Breakdown of employees by age (FY2012)



Number of new graduates hired



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>



• Results of other activities related to the priority item

Results from CSR activities in FY2012

- Continued to hold CSR sessions at all 12 MHI works and selected Group companies, and session participants were again asked to complete a survey
- Continued to publish a CSR Report (brochure and website) in Japanese and English, and posted CSR-related content in Chinese to the Mitsubishi Heavy Industries (China) Co., Ltd. website

- 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
- Conducted audits of business segments, administration departments and Group companies, and supported development and improvement of risk management processes

- Identified and reorganized risks to MHI, and assigned risk control managers of each risk
- Identified major risks to each department and organized processes for managing those risks

- 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

- Developed a smartphone app that allows users to read the MHI Annual Report (Japanese only)
- Provided an online version of the Annual Report
- Continued to host business briefings and presentations to announce financial results and business plans

- 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)

- Continued to hold human rights training session and other awareness-raising activities using printed materials throughout the Group

- 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

- 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

- In FY2012, roughly 1,750 employees attended group training and 48 young employees undertook MHI Global Training (MGT) in accordance with G-MAP

- Held an industrial medicine conference for the entire company and sectional meetings to explore and implement an organization and actions to promote mental health

- Hosted MHI's first lecture by a non-Japanese, female external director, and periodically held round-table meetings for employees who are on or have taken childcare leave

- Actively worked to find overseas training opportunities for young employees (since beginning the program in 2012, around 100 young employees were sent abroad in accordance with G-MAP by April 2013)
- Produced curriculum (Starter Kit) presenting the company's history, management philosophy, and business overview to impart essential knowledge to employees and cultivate in each individual a sense of connection with the MHI Group. The Starter Kit was distributed to 187 Group companies (84 overseas companies, 103 Japanese companies)

- Around 560 Group company employees in Japan attended stratified education (such as training for division managers), skill-oriented training, English skill enhancement, and other types of training

CSR Action Plans for FY2013

- Continue to hold CSR sessions at all locations, including the Head Office, and consider expanding these sessions to overseas Group companies
- Continue to publish a CSR Report in Japanese and English and expand Chinese content

- Manage and implement measures for major risks in accordance with the risk management policy
- Conduct effective, efficient audits of risks and challenges in business segments, administration departments and Group companies, and provide flexible support

- Continue to hold IR events at sites in Japan and overseas
- Promote in-house feedback through two-way communication with stock market affiliates

- Hold meetings of the Committee for Raising Awareness of Human Rights
- Introducing human rights issues in each training program and continuing implementation

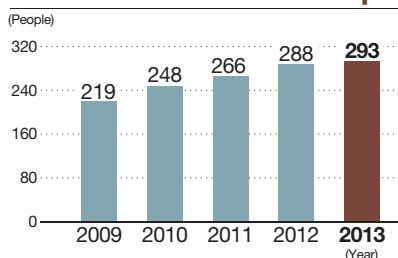
- Conduct more effective sexual harassment and power harassment education and awareness activities based on analysis of factors that contribute to harassment

- Continuously implementing positive employment actions so as to achieve the target of a hiring rate of 2.2% for differently-abled people.

- Follow the PDCA cycle in advancing global education in accordance with G-MAP
- Continue FY2012 activities
- Strengthen other methods for accelerating penetration of knowledge and understanding among employees

Number of female managers*

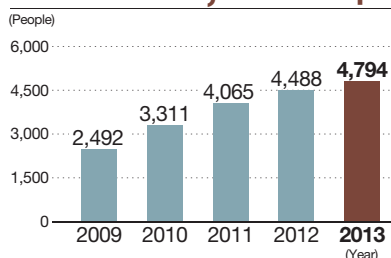
293 People



* section manager and above; excluding medical staff

Number of rehired employees*

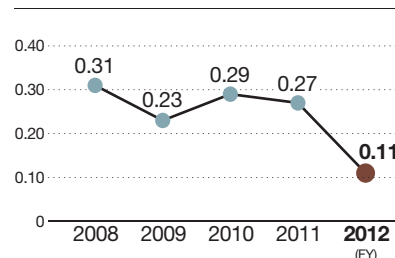
4,794 People



* excluding those from Group companies

Industrial accident frequency rate*

0.11

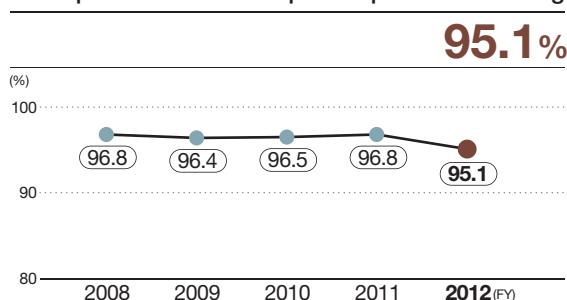


* Mitsubishi Heavy Industries, Ltd. non-consolidated

Environment and Society

Area	Priority item	Medium-term targets (FY2011-2013)	CSR Action Plans for FY2012
Fair operating practices	Thorough compliance	<ul style="list-style-type: none"> Decrease matters in need of improvement even at Group companies Early comprehension and improvement of matters in need of improvement 	<ol style="list-style-type: none"> Strengthen support for overseas Group companies Strengthen collaboration for crisis and risk management
	Order compliance	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Confirm the implementation status of rules of conduct and compliance checks Implement efficient and effective special monitoring Promote instructional/educational activities for order compliance
	Compliance with the Construction Business Act	<ul style="list-style-type: none"> Establishment of a self-compliance system (compliance activities incorporated in daily tasks) Enhancing compliance at Group companies Enhancing contract compliance with business partners 	<ol style="list-style-type: none"> Implement drafting of measures for detecting problems in maintenance of Installation Organizational Chart Registers Monitor current status of Group company compliance Formulate measures to deal with compliance issues in contracts with business partners
	Compliance with export-related laws and regulations	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Continuously implement internal training at all levels Promote further acquisition of export control expert qualifications Continuously audit Group companies implement regular training
	CSR procurement	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Reexamine scope and implementation method of surveys conducted at business partners Monitoring of procurement-related laws and regulations and effecting improvement follow-ups Reducing transportation energy
Consumer issues	Product safety	<ul style="list-style-type: none"> Developing product safety activities within quality management Steady development of product safety activities Maintaining the infrastructure for product safety activities 	<ol style="list-style-type: none"> Integrate product safety activities and development work into quality management Continually develop foundation for product safety activities (developing human resources, maintenance of standards)
	Ensuring quality and safety of nuclear business	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Continually strive for better safety and quality through initiatives taken by the "Managing Board for Innovation in the Nuclear Business" Reflect lessons learned from Fukushima and effective countermeasures for accident prevention to the PWR design in order further improve nuclear safety Continually strive to cultivate a strong nuclear safety culture
	Enhancement of brand value	<ul style="list-style-type: none"> Acquiring broad recognition as a global company and increasing the number of MHI fans 	<ol style="list-style-type: none"> Promoting a global advertisement strategy by building an integrated corporate image
Community involvement and development	Socially beneficial activities	<ul style="list-style-type: none"> 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 	<ol style="list-style-type: none"> Evaluate activities with affiliated NGO/NPOs and formulate plans for the next fiscal year. Begin collaboration with an NGO/NPO for the management of the fund for social contributions Improve/expand the system for the following year, based on the performance of the fund
	Improvement of the Mitsubishi Minatomirai Industrial Museum	<ul style="list-style-type: none"> Establish its role as a facility that provides opportunities for children to develop an interest in science by showing them the pleasure of manufacturing 	<ol style="list-style-type: none"> Responding systematically to both the intangible (staff training) and tangible (exhibit refurbishment) aspects

Participation rates for compliance promotion training



Change in expenditures on social contribution activities

	(million yen)			
	FY2009	FY2010	FY2011	FY2012
Academic research	339	247	164	177
Education	537	633	596	503
Community activities	158	141	180	153
Sports	114	149	133	173
Other	507	440	1,023	474
Total	1,655	1,610	2,096	1,480
Percentage of ordinary profit	6.89%	2.36%	2.39%	1.00%

(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 of other activities related to the priority item

Results from CSR activities in FY2012

CSR Action Plans for FY2013

- 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 reoccurring risk

- Reorganized the Compliance Committee into the Risk Compliance Committee

- 1 Expanded target to include government, public and private demand both in Japan and overseas. Revised the rules of conduct with the expansion of targets
- 2 Continued to implement special monitoring for order compliance
- 3 Held seminars at MHI and Group companies in Japan, Europe, the U.S., and China on compliance with competition laws

- Clearly defined function of the secretariat for the Order Compliance Committee

- 1 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
- 2 Implemented regime monitoring at 19 Group companies and construction site monitoring for 16 companies
- 3 Continued to conduct seminars on Construction Business Act for business partners

- Implemented regime and construction site monitoring for 9 business segments
- Continued to conduct seminars on Construction Business Act at all our bases of operation

- 1 Continued to implement e-learning for all employees engaging in export operations and also training sessions for managers of each division
- 2 Continued to promote acquisition of the expert qualification
- 3 Created an English version of e-learning materials to provide support for export control activities at its overseas bases

- 1 Implemented surveys for all five points (quality, price, delivery, technology, and management) at around 2,300 companies and had these companies evaluate themselves on the extent to which they are engaging in CSR
- 2 Applied results and examples of improvement from monitoring of procurement-related laws and regulations at each office to similar processes
- 3 Transportation energy (FY2008 unit energy consumption: 100 attained out of 111.6)

- Continued to hold business partner conferences in Japan and also hold similar conferences in India and China

- 1 Strengthen support for overseas Group companies
- 2 Tighten linkage with crisis and risk management

- 1 Confirm the implementation status of rules of conduct and compliance checks
- 2 Implement efficient and effective special monitoring
- 3 Promote instructional/educational activities for order compliance

- 1 Implement drafting of measures for detecting problems in maintenance of Installation Organizational Chart Registers
- 2 Monitor current status of Group company compliance
- 3 Formulate measures to deal with compliance issues in contracts with business partners

- 1 Continuously implement internal training at all levels
- 2 Promote further acquisition of export control expert qualifications
- 3 Continuously audit Group companies implement regular training

- 1 Reexamine scope and implementation method of surveys conducted at business partners
- 2 Monitoring of procurement-related laws and regulations and effecting improvement follow-ups
- 3 Reducing transportation energy

- 1 Incorporated product safety activities into quality management using model products
- 2 Developing basic product safety activities (developing human resources, maintenance of standards)

- 1 Deploy product safety activities into quality management companywide
- 2 Continually develop foundation for product safety activities (developing human resources, maintenance of standards)

- 1 Implemented activities under a new organization by replacing the "Managing Board for Innovation in the Nuclear Business" with the "Managing Board for Safety Promotion in the Nuclear Business" as the main body for promoting related activities under the direction of a steering committee
- 2 Proactively responded to anticipated changes in nuclear regulations from Fukushima; implemented countermeasures for accident prevention and nuclear safety
- 3 Promoted "Safety First" culture to further improve nuclear safety by sharing issues throughout the company and determining actions for resolution, continuing efforts to improve quality management system, and fostering a strong nuclear safety culture

- 1 Make further advancements and continuous improvement in QMS from a global perspective
- 2 Grasp social trends and customer needs to provide products and services with a caliber of safety and reliability, while leveraging the MHI Group's comprehensive capabilities
- 3 Further cultivate a strong nuclear safety culture and enhance attitude for accountability

- 1 In Japan, undertook activities that utilize TV commercials, advertisements in newspapers and public transportation, websites, and radio commercials to introduce manufacturing technologies. As a part of an overseas campaign, in the U.K., launched a series of product advertisements in newspapers

- 1 Promoting a global advertisement strategy by building an integrated corporate image

- 1 Planned and implemented social contribution activities at each MHI office. As a result, provided support to 16 organizations with the earmarked budget
- 2 Examined the results of CSR activities carried out in FY2012 and compile a budget and an outline of activities for FY2013. Also taking into account our reorganization, decided upon the allocation of budget to those business segments that are mainly in charge of the particular activity

- Continued support for reconstruction after the Great East Japan Earthquake
- Carried out science classes at each MHI office

- 1 Continue to promote those activities implemented in FY2012 (rename the fund for social contributions as Funds for Community Engagement, as this more accurately describes the system)

- 1 Held a commemorative ceremony to celebrate the 2 millionth visitor. Engineers from MHI Nagoya Guidance & Propulsion Systems Works conducted science classes. Revamped the Environment / Energy Zone

- 1 Responding systematically to both the intangible (staff training) and tangible (exhibit refurbishment) aspects

Environment and Society

Area	Priority item	Medium-term targets (FY2011-2013)	CSR Action Plans for FY2012
Environment	Reduced CO ₂ emissions	<ul style="list-style-type: none"> Average CO₂ emission between FY2008 and FY2012 to be reduced by 6% compared to 1990 level Establish CO₂ emission reduction target until FY2020 (including Group companies) and promote reduction activities 	<ol style="list-style-type: none"> Promoting CO₂ reduction measures (introduction of or upgrade to energy-saving equipment), implement upgrades based on In-house Air-Conditioner Upgrade Plan Expand the monitoring system to the whole company Implement regular follow-ups for reduction plans of individual works and their actual reduction performances
	Group environmental management	<ul style="list-style-type: none"> Increase the Group's environmental performance data collection rate both in Japan and overseas Encourage the acquisition of certifications of environmental ISO standards and others to Group companies in Japan and overseas that are consolidated 	<ol style="list-style-type: none"> Promote acquisition of environmental ISO standards, etc. for domestic and overseas Group companies Promote the setting of environmental targets for overseas Group companies Hold the domestic Group company environmental meetings, and hold the Environment Liaison Conferences at each overseas regional supervising office

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 environmental targets for the next period.

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

○=target achieved △=target partially achieved ×=requires further efforts

Item	Goals	Progress (as of the end of FY2012)	Evaluation
Realization of a low-carbon society	Reduced CO ₂ emissions from business activities	6% reduction of the average CO ₂ emission amount for the five years from FY2008 to 2012 (from FY1990 level); to be achieved through reduction efforts at all production plants CO ₂ emissions: 452,000 tons (average) 4.1% reduction from FY1990 level The amount that has not been achieved will be allocated as emission credits.	△
	Energy savings (global warming measure)	More than 13% reduction of the average CO ₂ emission amount for the five years from FY2008 to 2012 (from FY2005 level); to be achieved through reduction efforts at offices and operations divisions (Head Office, domestic offices and research & development centers) CO ₂ emissions: 13,500 tons (average of Head Office [Shinagawa and Yokohama combined] from FY2008 to FY2011) 16.1% reduction on FY2005 level	○
Form a recycling-based society	Reduced energy usage and CO ₂ emissions from product transportation	More than 5% reduction of unit energy consumption in transportation in FY2012 (from FY2008 level) by promoting efforts to reduce transportation energy (unit energy consumption of FY2008: 45.7 to 43.4 by FY2012) FY2012 unit energy consumption: 51.0 11.6% increase on FY2008 level	×
	Reduced waste generation and emissions	By FY2012, reduce total generated waste by 40% of FY1992 level : to be achieved by conserving resources and reducing the purchase of materials Total emissions:132,000 tons 39.0% reduction from FY1992 level	×
(waste and water resource countermeasures)	Reducing reliance on landfill	By FY2012, cut landfill waste disposal volume by 98% relative to FY2000 landfill waste disposal volume cut by 97.5%	×
	More efficient water usage	The landfill waste disposal ratio in FY2012 will be below 1% landfill waste disposal ratio 0.5%	○
Management of chemical substances	Water consumption in FY2012 will be cut to 9.35 million tons, a reduction of 2% relative to average consumption of 9.54 million tons in the period FY2005 to FY2007 Water consumption reduced to 7.02 million tons 26.3% reduction	○	
	Elimination of equipment using PCBs and detoxification treatment	Detoxification of high concentration PCB waste in storage (transformers, condensers, oils) to be completed by FY2015 (including ballasts and smaller equipment) Ongoing consignment of processing of high concentrations PCB waste to JESCO (Japan Environmental Safety Corporation) Testing and analysis of machines and devices containing low or trace concentrations of PCBs is underway at all works	— (To be evaluated in FY2015)
(control of chemical substances)	Reduced VOCs emissions	Analysis and confirmation of low PCB devices (low concentration) to be finished by FY2012, complete detoxification by FY2015 Total VOCs emissions 1,782 tons 21.4% reduction from FY2000 level	×
	Consolidated environmental management system	More than 30% reduction of atmospheric emission of VOCs with focus on xylene, toluene and ethylbenzene (reduced by 704 tons from 2,268 tons in FY2000 to 1,564 tons in FY2012) Aim for zero atmospheric emissions by FY2012 of VOC organochlorinated hazardous air pollutants: dichloromethane, trichloroethylene and tetrachloroethylene Total combined emissions of dichloromethane, trichloroethylene and tetrachloroethylene = 8.8 tons	×
Group environmental management	Collecting and disclosing of environmental management information	Ongoing ISO 14001 renewal by domestic works, Head Office, branch offices and research & development centers Continued ISO 14001 certification renewal at domestic production bases along with research & development centers, Head Office, and domestic branch offices.	○
	Promotion of green purchasing	Collecting environmental information (environmental data and environmental accounting) from environmental management information systems and disclosing information through CSR Reports and other releases Collected environmental information (environmental data and environmental accounting) through the database system and disclosing information through this CSR Report.	○
	Development and provision of environmentally friendly technologies and products	Promoting the purchase of environmentally friendly products based on the company's own green purchasing guidelines: (Purchasing ratios 90% by volume and 95% by value) 95.0% by quantity 97.2% by value	○
	Form a society that coexists with nature (Preserving biodiversity)	Development and provision of new products and technology based on our Basic Guideline on Production of Environmentally Friendly Products (formulated in 2005) to help reduce society's environmental burden In particular, we will work to develop technology and provide products that are revolutionary and contribute to solving global warming and building a low-carbon society MHI supplied environmental products designed to combat global warming, such as high-efficiency generators (wind power generators, etc.) and CO ₂ recovery systems	○
Form a society that coexists with nature (Preserving biodiversity)	Promote activities for the protection of biodiversity and nature	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 Revegetation activities coordinated with various local municipal authorities across Japan, as well as biotope and Japanese honeybee breeding programs were continued Performed evaluations of MHI's degree of initiatives in consideration of biodiversity in its current corporate activities.	○

(Note) In principle, all the data represents data of Mitsubishi Heavy Industries, Ltd. non-consolidated.

• Results of other activities related to the priority item

Results from CSR activities in FY2012

- 1 Upgraded a total of 1,893 air conditioning units based on the plan
- 2 Introduced monitoring systems at five works, including small-scale introductions
- 3 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

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

- 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.)

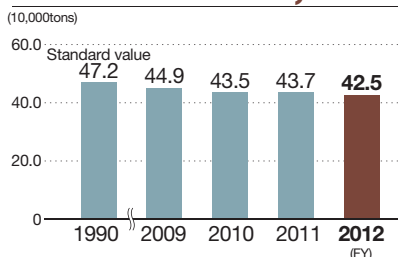
CSR Action Plans for FY2013

- 1 Upgrading of air conditioning units based on the In-house Air-Conditioner Upgrade Plan
- 2 Expanding introduction of monitoring systems
- 3 Establishing a project with the goal of energy conservation, and implementing energy-conservation activities

- 1 Support the acquisition of certifications of environmental ISO standards and others to domestic and overseas Group companies
- 2 Comprehend environmental data for domestic and overseas Group companies
- 3 Holding Environmental Meetings, for domestic Group companies

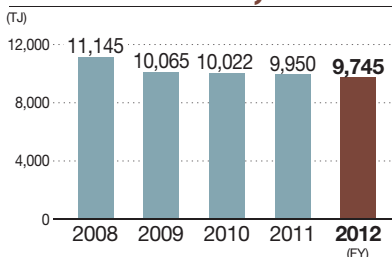
CO₂ emissions

425,000t



Gross energy input

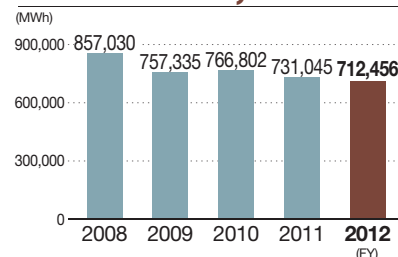
9,745TJ*



* 1TJ (terajoule) = 1 trillion joules (1,000,000,000,000 J)

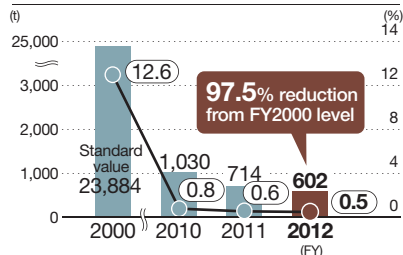
Electricity purchases

712,456MWh



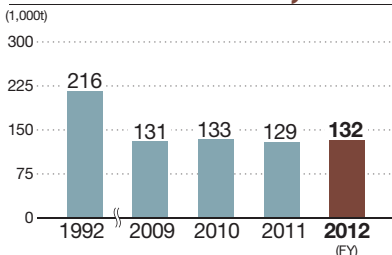
Landfill disposal volume / ratio

602t → **0.5%**

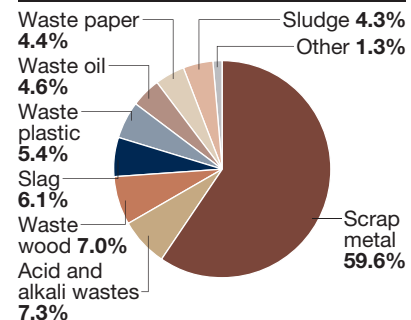


Total generated waste

132,000t

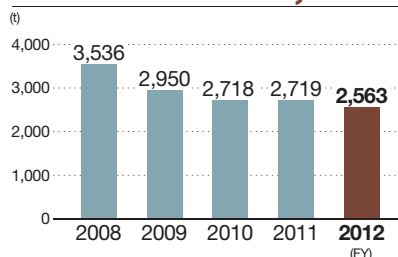


Waste generation by material



Paper usage*

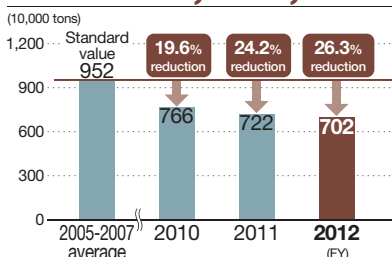
2,563t



* including Head Office usage amount

Water usage* and reduction ratio

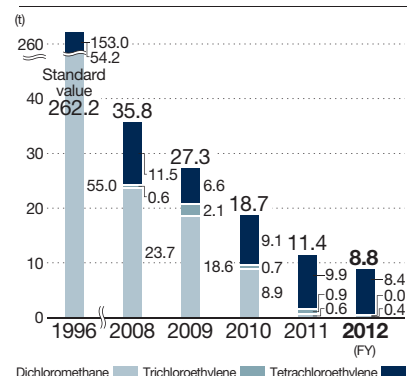
7,020,000t



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

Atmospheric emissions of organochlorides

8.8t



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