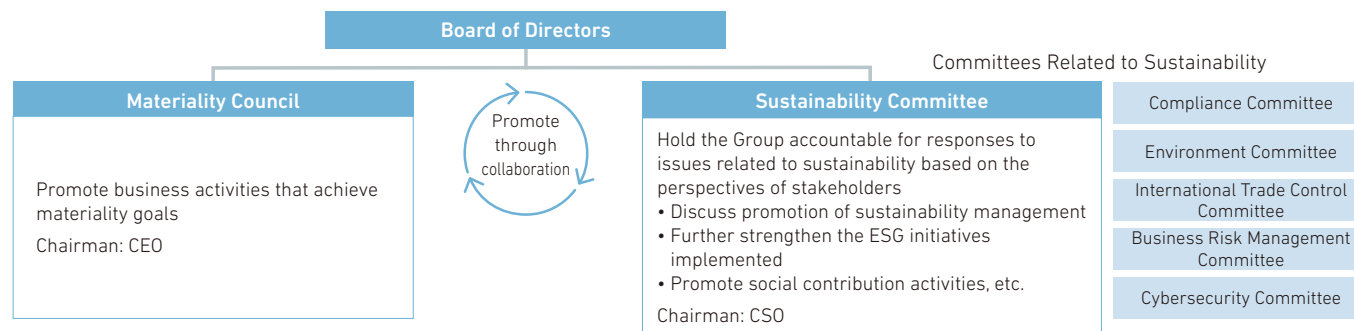


# Sustainability

MHI Group serves as a manufacturer that contributes to societal progress through its business endeavors of delivering products and technologies in support of social and industrial infrastructure worldwide. MHI Group shall not only make contributions through its products and technologies to resolve social issues such as environmental problems but also work on resolving a wide range of social challenges through various activities in the process of its overall business and conduct sustainability management in tandem with its business activities.

## Sustainability Promotion System

Matters of importance concerning the challenges involved in approaching sustainability are discussed at the Sustainability Committee, with reports then provided to the Board of Directors in relation to the relevant matters. The contents of activities undertaken in relation to Material Issues are also the subject of reports to be provided to the Board of Directors on a periodic basis and serve as important themes for us to consider when it comes sustainability management.



## Key Initiatives in FY2024

### Responses to Risks and Opportunities Caused by Climate Change

MHI Group has endorsed the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations and discloses climate-related information in accordance with the TCFD recommendations. In our FY2024 review, we added the data center business—earmarked for significant future growth—to the scope of scenario analysis.



Disclosure in Accordance with the TCFD Recommendations

### Promoting Respect for Human Rights

MHI Group is committed to respecting human rights and workers' rights of employees in accordance with international treaties and other guidelines relating to human rights. Through the MHI Group Global Code of Conduct, which was compiled making reference to the UN Guiding Principles on Business and Human Rights, we aim to cultivate a shared corporate culture. MHI Group values the individual contributions of all people, irrespective of race, color, religion, political convictions, gender, age, nationality, sexual orientation, marital status, or disability status.

As a human rights risk assessment, potential human rights risks

across the value chain, including our own operations, were investigated for the 39 countries where MHI Group has business locations.

Based on this, we identified the following two salient human rights issues as priorities for the Group to address.

1. Human rights violation risks within our supply chain in high-risk regions
2. Human rights violation risks concerning migrant workers (particularly foreign technical intern trainees) within Japan

In FY2024, we conducted in-depth investigations into these two issues. As a result, forced labor, labor conditions (working hours, wages, occupational health and safety, harassment, discrimination, etc.), and displacement of residents and impacts on local communities due to land grabbing and pollution were identified as potentially significant risks. Going forward, we will continue to advance prevention and mitigation activities based on the findings of this in-depth survey.

We also conduct sustainability surveys with major Tier 1 suppliers. In FY2024, we carried out additional on-site assessments of nine companies, mainly in Asia, to help prevent and mitigate human rights risks.

### Preserving Natural Capital and Biodiversity

MHI Group's business activities both depend on and have potential to impact biodiversity and natural capital in various ways. In keeping with the Kunming-Montreal Global Biodiversity Framework, the Group profoundly recognizes the importance of adopting nature-positive initiatives and realizing a world that lives in harmony with nature by 2050. MHI Group will undertake the initiatives to conserve and restore biodiversity and natural capital.

In FY2024, Wadaoki Forest, a forested area cultivated near the site of the company's Wadaoki Plant at the Mihara Machinery Works in Mihara, Hiroshima Prefecture, has been certified as a Nationally Certified Sustainably Managed Natural Site by Japan's Ministry of the Environment. Wadaoki Forest is an 8.3-hectare forest cultivated by MHI, started in 1974 when the company began planting trees on land that originally had no vegetation. Over the last 50 years, through proper maintenance and management, MHI has created a landscape that is in harmony with the natural environment around the plant, as well as a healthy ecosystem where about 40 species of birds can be seen throughout the year. Wadaoki Forest was recognized for its value as an "area for provision of ecosystem services, where there exists a healthy ecosystem consisting of a variety of plant and animal species, mainly native species."