Creating a structure to ensure that we are a company trusted by society

In Japanese, “corporate governance” is a system for governing and supervising corporate management.

Yeah! This time’s theme is “corporate governance”.

Outside Director -> governance management team
Consultation Disclosure of information rights protection
Shareholders
Stakeholders other than shareholders

It’s finally the last materiality issue!

I see.
Let’s see how it works right now.

In short, the idea is that a third party can objectively stand guard so that companies don't commit fraud or make bad decisions.

Yeah. I see. Besides, making the right decisions allows companies to gain the trust of society and is an important foundation that supports the growth of corporate value.
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<th>Company-wide goals</th>
<th>Indicators to monitor progress (KPI)</th>
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<tr>
<td>Further enhance deliberations by the Board of Directors</td>
<td>Maintain the ratio of Independent Outside Directors on the Board of Directors at 50% or more</td>
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<td>Evaluate the effectiveness of the Board of Directors annually to maintain and improve its function</td>
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<td>Promote legal compliance and honest and fair business practices</td>
<td>Ensure zero serious violations of laws or cases of misconduct</td>
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<td>Continue activities that promote an open organizational culture</td>
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<td>Further promote responsible (CSR) procurement in the global supply chain</td>
<td>Promote sustainability and CSR values in procurement activities with partners to build a sustainable supply chain</td>
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<td>Offer continuous education on sustainable and responsible purchasing practices to suppliers/business partners in order to establish and maintain a sustainable supply chain</td>
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<tr>
<td>Create opportunities to explain non-financial information</td>
<td>Management expertise, and the Management to conduct ESG briefings to investors at least once a year</td>
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**Internal directors**, who also run businesses, are expected to give candid opinions on management from a neutral standpoint.

**Their role is to supervise the company so that it operates more soundly and transparently while correcting its path if there is any bias in its thinking.**

At MHI, for example, half of the 12 directors are independent outside directors, each with the necessary management expertise, and the remaining members are internal directors.
Chapter 1: General Provisions

Chapter 5: Outside Directors

Article 5: Appointment and Role of Outside Directors

1. Outside Directors shall endeavor to maintain and improve the transparency and efficiency of Mitsui's management, and to provide outside perspectives that will contribute to the improvement of corporate governance and corporate management. Outside Directors shall also exercise their duties in an independent manner, having been elected by the shareholders. Outside Directors shall exercise their duties in a manner that is not contrary to the best interests of the Company.

And one more is the delegation of responsibility and authority of the CEO (president) to several chief officers.

The "chief officer system" is also important.

Because of 50% are independent outside directors, it is easy to express opinions without having to give undue care to inside directors, which is a relief.
we make information about our management, including our financial situation and our approach to sustainability, available to the public.

Our approach to sustainability

Disclosure of information on management

In addition, to ensure fairness and transparency in corporate management, our financial condition makes sense!

Having responsibility and authority makes the chain of command clear, which leads to stronger governance and more efficient operations.

What we have introduced so far is a mechanism for better corporate management, but we have also established “MHI Group Global Code of Conduct”, which summarizes what each member of the Group should keep in mind as they conduct themselves.

It's designed so that people who work in the MHI group around the world have a common way of thinking about how to behave.

MHI GROUP GLOBAL CODE OF CONDUCT
Hmmm.

As a company grows, so does its impact on the environment and society. It also means more social responsibility.

What do you mean?

Oh, and we also practice CSR procurement activities with our business partners with the aim of creating a sustainable supply chain.

is working to create a "manufacturing flow" that has less impact on the environment and society.

That's why the MHI Group, along with its many manufacturing partners,

Exactly! You seem to have gained a better understanding of this last materiality topic too.

so it means we’re trying to make the whole flow of manufacturing sustainable.

I see. Many companies are involved in getting any single product into the hands of the end user,
Our Principles (established June 1, 1970)

-- We deliver reliable and innovative solutions that make a lasting difference to customers and communities worldwide.

-- We act with integrity and fairness, always respecting others.

-- We constantly strive for excellence in our operations and technology, building on a wide global outlook and deep local insights.

The company’s approach to the five materiality issues we have learned so far overlap with the spirit of MHI Group’s corporate philosophy.

Now, do you have the full picture of materiality at MHI Group?

Yeah! MHI considers society far more than I thought. And that makes a positive impact on the world.

We will continue to periodically review the materiality issues we have learned as the times and social issues change.

MHI Group has continued to contribute to solving the world’s most pressing issues. I feel kind of proud.

Our approach to materiality will contribute to the SDGs.

Now it’s your turn to teach everyone about materiality!

With the awareness that my actions help support society, I’m ready to face my work more seriously than ever.

See you again!!!