Leading Societal Change with our Technology

MITSUBISHI HEAVY INDUSTRIES GROUP

SUSTAINABILITY MANAGEMENT
As a global leader in manufacturing and engineering, the Mitsubishi Heavy Industries Group has been contributing to people’s daily lives and society around the world with its partners inside and outside Japan since its foundation in 1884.

**COMPANY OVERVIEW**

**SALES**

3,860.2 billions of yen (sales revenue; consolidated/IFRS)  
*March 2022

**NUMBER OF EMPLOYEES**

77,991 (consolidated)  
*As of March 31, 2022

**GROUP COMPANIES**

188 Overseas  
*As of March 31, 2022

**FOUNDATION**

1884

**CAPITAL**

265.6 billion yen  
*As of March 31, 2022

**HEAD OFFICE LOCATION**

Tokyo

**RENEWABLE ENERGY CONSUMPTION**

124 GWh  
*FY2021

**CSR EXPENDITURES**

1.06 billion yen  
*FY2021
MHI Group contributes to creation of a sustainable society with our skills and technology developed over many years and by offering optimal solutions in a wide range of business areas covering land, sea, sky, and space.

**ENERGY SYSTEMS**
With development of a decarbonized society as a goal, we offer a wide variety of energy and environmental solutions.

**PLANTS & INFRASTRUCTURE SYSTEMS**
We offer commercial ships, transportation systems, CO2 capture plants, chemical plants, environmental systems, and metals machineries to support industry and society.

**LOGISTICS, THERMAL & DRIVE SYSTEMS**
We create products such as forklift trucks, air conditioning systems, turbochargers, and engines that support daily living.

**NUCLEAR ENERGY SYSTEMS**
We design and construct nuclear plants that supply a large volume of stable electricity and build devices for them.

**MACHINERY SYSTEMS**
We design, manufacture, and construct products including toll collection systems, mechanical parking lots, food packaging machines, and box making machines to support social infrastructure.

**INTEGRATED DEFENSE & SPACE SYSTEMS**
We offer rocket launch services and also develop, design, and manufacture various defense products.

**COMMERCIAL AVIATION SYSTEMS**
We supply components such as main wings and fuselages to the world’s leading aircraft manufacturers.
We will decarbonize MHI Group’s business activities by 2040 and contribute to building energy infrastructure for establishing a decarbonized society by 2050.

MHI Group Sustainability Management

PROVIDE ENERGY SOLUTIONS TO ENABLE A CARBON NEUTRAL WORLD

By maximizing the use of AI and digitalization technology, we will create a society where economic development and solutions to social issues become realities at the same time (Society 5.0).

TRANSFORM SOCIETY THROUGH AI AND DIGITALIZATION

In addition to observing laws and regulations and fully committing to integrity and fair and just business practices, we disclose management information and ensure fairness and transparency.

ENHANCE CORPORATE GOVERNANCE

MHI Group has set five material issues to address in order to achieve sustainability management. We will contribute to creation of a sustainable society through energy transition to develop a carbon-neutral society and digital transformation that shifts people’s lives to a better future.

FIVE MATERIAL ISSUES TO ADDRESS TO ACHIEVE SUSTAINABILITY MANAGEMENT

By applying our business experience and knowledge, we will build social systems that are flexible and robust, and save labor. We will contribute to the realization of a safer and more secure society.

BUILD A SAFER AND MORE SECURE WORLD

By promoting diversity and health and productivity management, we support the growth and health maintenance of our human resources. We will develop human resources who can contribute to society even after retirement.

PROMOTE DIVERSITY AND INCREASE EMPLOYEE ENGAGEMENT

04
MHI Group has defined two growth areas: Energy Transition, whereby we pursue decarbonization as an energy supplier, and creation of Smart Infrastructure through which we achieve decarbonization, energy saving, and labor saving as an energy consumer. In addition to the above, we will advance decarbonization, electrification, and intelligence in existing businesses to achieve Net Zero and a carbon neutral society in 2040.

### SCOPE 1 & 2
(MHI GROUP FACTORY EMISSIONS)

<table>
<thead>
<tr>
<th>Specific Measures to Be Implemented</th>
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<tbody>
<tr>
<td>- Energy saving</td>
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<tr>
<td>- Introduction of proprietary technology</td>
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<tr>
<td>- Introduction of decarbonized power sources</td>
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<td>- Carbon neutral factories</td>
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### SCOPE 3
(ENTIRE VALUE CHAIN)

<table>
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<tr>
<th>Specific Measures to Be Implemented</th>
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<tr>
<td>- Energy transition</td>
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<tr>
<td>- Development of decarbonization technology and implementation in society</td>
</tr>
<tr>
<td>- Application of decarbonization technology to society</td>
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<tr>
<td>- Electrification and efficiency improvement of existing businesses</td>
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<td>- Expansion of the CCUS business</td>
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**Achievement of Net Zero**

<table>
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<th>Year</th>
<th>Reduction Percentage</th>
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<tbody>
<tr>
<td>2014</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
</tr>
<tr>
<td>2030</td>
<td>50%</td>
</tr>
<tr>
<td>2040</td>
<td>50%</td>
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* Compared to 2014 level

CCUS: Carbon dioxide Capture, Utilization and Storage

**Scope 3**: The calculation standard is based on the GHG Protocol. However, we also account for reductions achieved by CCUS as an MHI original index.
MHI GROUP COMMITMENT TO SUSTAINABILITY

In the pursuit of an early market release of hydrogen gas turbines, we created the Takasago Hydrogen Park at Takasago Machinery Works, our gas turbine development and manufacturing base. Takasago Hydrogen Park is the world’s first facility for testing the whole technological process from hydrogen production to power generation. We will gradually enhance the relevant equipment for the release in 2025 of a large frame gas turbine enabling 30% hydrogen co-firing and medium and small gas turbines enabling 100% hydrogen firing.

VALIDATION OF HYDROGEN PRODUCTION AND POWER GENERATION TECHNOLOGY

TAKASAGO HYDROGEN PARK

With the goal of creating a sustainable society, we are developing and demonstrating hydrogen gas turbines, building a CO₂ ecosystem in which CO₂ is captured, converted and utilized, applying hydrogen production technology to achieve zero carbon, and developing automated and intelligent products.

CO₂ CAPTURE AND RECYCLING

CCUS (CO₂ CAPTURE SYSTEM)

We will build a CO₂ value chain such as CCUS (capturing, transferring, utilizing, and storing CO₂) to create an environment-friendly CO₂ Solutions Ecosystem. We will reorganize the CCUS value chain in the context of the CO₂NTAIN, CO₂NECT, and CO₂NVERT approaches and seek to achieve a carbon neutral society in each area.
Aiming for use in the mid-2030s, we are developing the Innovative Next-Generation PWR (Pressurized Water Reactor), a nuclear power plant that will achieve the world’s highest level of safety by utilizing innovative technology as well as have high economic efficiency. In addition, we have improved the functionality for power adjustment to compensate for the power fluctuation of renewable energy. These PWR plants will contribute to both a carbon-neutral society and a stable energy supply.

“ΣSynX” is a standardization platform that synchronizes and coordinates various mechanical systems and integrates digital technologies that enable their optimal operation. In ΣSynX, Σ is the total sum, Syn represents synchronization and coordination, and X refers to the future. With these elements, the term ΣSynX was created based on the concept of “developing technology centered on people and that can be coordinated with people.” We will apply ΣSynX to our many different products, such as automated forklift trucks.
LOW-CARBON TRANSPORT SOLUTIONS

Through delivery and O&M services for transport systems, we will help achieve a carbon-neutral society by solving environmental issues around the world.

WASTE-TO-ENERGY PLANTS

The Waste-to-Energy plants we developed safely incinerate and stabilize waste from general households and effectively utilize the extra heat from incineration for electric power.

AUTOMATED GUIDED FORKLIFTS TRUCKS TO SOLVE LOGISTICS WORK PROBLEMS

By developing automated guided forklifts, we solve issues such as labor shortages and the securing of storage space for increasing and fluctuating loads.

VLGC TO CONTRIBUTE TO PRACTICAL USE OF AMMONIA FUEL

We completed the conceptual design of a Very Large Gas Carrier (VLGC) that can be converted from using LPG fuel to using ammonia fuel that does not emit CO₂.

EBLOX FOR OPTIMAL USE OF RENEWABLE ENERGY

EBLOX is a stand-alone triple hybrid power system that makes the most out of renewable power sources by combining batteries with engine generators. We conducted demonstration studies in Japan and Turkey and are now planning full-scale sales.

HEAT PUMPS

Taking advantage of heat pump technology, we generate heat with low CO₂ emissions and little energy. We use refrigerants having low global warming potential.
THIRD-PARTY RECOGNITION OF MHI GROUP

We have received wide-ranging recognition from third-party organizations for our sustainability-related activities and information disclosures with the primary focus on ESG information.

**CDP**
(Carbon Disclosure Project)

CDP Climate Change 2021 Score B

CDP, an international non-profit organization, assesses corporate climate change and water security actions. The Group received a score of B in the 2021 CDP Climate Change Assessment.

**EcoVadis**

Silver rating from EcoVadis

EcoVadis, an organization that assesses supply chain sustainability, awarded the Group a Silver rating in 2022.

**Dow Jones Sustainability Index (DJSI)**

A DJSI Asia Pacific Index company for five consecutive years

We have been included in the Asia Pacific Index of DJSI, a stock price index that assesses corporate sustainability, for five consecutive years.

**SOMPO Sustainability Index**

Inclusion in the SOMPO Sustainability Index since 2012

We have been selected every year since 2012 as a member of this index, which consists of companies that scored at or above a standard in a comprehensive ESG scoring.