

MITSUBISHI HEAVY INDUSTRIES AIR-CONDITIONING EUROPE, LTD.

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Mitsubishi Heavy Industries Air-Conditioning Europe, Ltd. (MHIAE) modern slavery and human trafficking statement for the financial year ending 31 March 2018 pursuant to section 54 of the Modern Slavery Act 2015. This statement has been approved by the board of directors of MHIAE.

OUR BUSINESS, STRUCTURE AND SUPPLY CHAINS

MHIAE is a subsidiary of Mitsubishi Heavy Industries Thermal Systems, Ltd., which is headquartered in Tokyo, Japan, and one of the leading suppliers of air-conditioning and heat pump systems

MHIAE is headquartered in London and distributes air-conditioning systems for home and commercial use to distributors in Europe and CIS region.

Further details can be found at <http://www.mhiae.com/>.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We will not tolerate modern slavery or human trafficking in our supply chains or in any part of our business. We are committed to ensure there is transparency in our own business and to tackle any modern slavery and human trafficking in our supply chain. We expect the same standards from our suppliers and contractors.

In 2015, we adopted by board resolution the MHI Group Global Code of Conduct. We adopted the MHI Code since MHI is our sole parent company. The Code prohibits the use of compulsory or forced labour and child labour, and requires us to maintain a framework of fair and just remuneration, fair working hours and benefits.

The Code is available at:

<http://www.mhi-global.com/company/aboutmhi/policy/ebook/codeofconduct/index.html>

In 2018, we continue to look to identify the best ways that we can work with our suppliers and our contractors, to ensure that we apply common standards and philosophies to help the eradication of modern slavery and human trafficking.

We ensure consistent messaging of the Group Global Code of Conduct throughout our business and management at all levels, including direct and interactive communication at General Managers meeting as well as communicating our expectations to our supply chain.

DUE DILIGENCE PROCESSES

In order to identify and mitigate modern slavery and human trafficking risks, we adopt a risk-based approach and are putting in place processes to:

- identify and assess risk areas in our business and supply chains;
- monitor potential risk areas in our business and supply chains;
- mitigate the risk of modern slavery and human trafficking occurring in our business and supply chains; and
- protect whistle blowers.

STEPS TO ASSESS AND MANAGE RISKS

Several functions in our organization support our measures to address the identification of modern slavery and human trafficking risks. These include amongst others:

- Corporate Division
- Sales Division
- Operation Division
- Technical Division

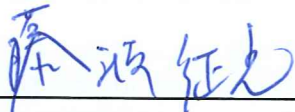
TRAINING

To ensure that our staff understand and can identify modern slavery and human trafficking risks in our supply chains and business, we continue to develop and provide appropriate training, with targeted training for personnel in procurement and/or with responsibility for supply chain management.

In addition, our staff participated with MHI Group's Code of Conduct training.

OUR EFFECTIVENESS IN ELIMINATING SLAVERY AND HUMAN TRAFFICKING

During 2018, we will continue to review the effectiveness of the measures we take in ensuring that there is no modern slavery or human trafficking in either our business or our supply chains, and we will use this to inform the development of our procedures and best practices.



Masayuki Fujinami
Managing Director
Mitsubishi Heavy Industries Air-Conditioning Europe, Ltd.