

MITSUBISHI HITACHI POWER SYSTEMS EUROPE, LTD.

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Mitsubishi Hitachi Power Systems Europe, Ltd. (MHPS-EU) modern slavery and human trafficking statement for the financial year ending 31 March 2020 pursuant to section 54 of the Modern Slavery Act 2015. This statement has been approved by the board of directors of MHPS-EU. This statement is applicable to MHPS-EU and its subsidiaries and branches.

OUR BUSINESS, STRUCTURE AND SUPPLY CHAINS

MHPS-EU is a subsidiary of Mitsubishi Hitachi Power Systems, Ltd. one of the world's leading suppliers of equipment and services to the power generation market headquartered in Yokohama, Japan.

MHPS-EU is headquartered in London and provides a wide variety of products and services in the field of thermal power generation systems and environmental technology across Europe, the Middle East and Africa. MHPS-EU has branch offices in Germany, Ireland, Italy, the Netherlands, Poland, Spain, Tunisia and Turkey and subsidiaries in Egypt, Romania and Germany.

The majority of the equipment, parts and components procured by MHPS-EU is from our Japanese parent company or from suppliers located in the European Union and consists of high value engineered parts. We have a limited need for mass produced components. In order to carry out maintenance services to meet customer requirements, MHPS-EU may procure third party labour services from both the European Union and other countries in which we operate.

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

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

MHPS-EU is committed to taking effective steps to assess, prevent and mitigate the risk of modern slavery in our operations and supply chains. We aim to be transparent about these steps and expect the same of our suppliers and contractors.

As reported in previous statements, we adopted by board resolution the Mitsubishi Heavy Industries (MHI) Group Global Code of Conduct. We adopted the MHI Code because MHI is the majority shareholder of our 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: <https://www.mhi.com/company/aboutmhi/policy/conduct.html>

Our group's Modern Slavery Act policy remains in place and has been communicated to all our employees and is available internally for their reference. We regularly remind our employees of the requirements to comply with our policies and discuss compliance topics, including compliance with the Modern Slavery Act.

We continue to maintain our Whistleblowing Policy and process, which is primarily aimed at our employees but also available to external parties through the Company website as a means to confidentially capture any Modern Slavery or Human Trafficking concerns.

DUE DILIGENCE PROCESSES

In order to continue ensuring a robust supply chain and operations process in respect of Modern Slavery and Human Trafficking we have:

- Updated our Supply Chain “Vendor Profile Screening questionnaire” to include additional requirements on the part of the vendor. This will assist us in better evaluating whether the vendor has sufficient policies, procedures and controls in place. This questionnaire forms part of Supply Chains wider vendor due diligence process and is required for those vendors which are deemed higher risk, based on criteria which includes amongst others, Legal and Compliance risks;
- Continued to educate employees on modern slavery and human trafficking and associated risks, in order that they are able to identify and respond appropriately when confronted with such situations. Further details are provided below under the heading "Training";

STEPS TO ASSESS AND MANAGE RISKS

Several functions in our organization support our measures to assess and manage modern slavery and human trafficking risks. These include amongst others:

- Internal Control and Compliance, through management of compliance policies and procedures, and review of key controls;
- Risk Management, through proactively identifying a Corporate risks, including Compliance risks and that of Modern Slavery and Human Trafficking as applicable to our business.
- MHI Europe Internal Audit Team, as the independent third line of defence within our company. The MHI Europe Internal Audit team operates in accordance with the guidelines of the Institute of Internal Auditors UK & Ireland.
- Legal, through interaction with staff and management and external law firms and legal advisors, ensure that we remain at the forefront of changes in legislation and corporate requirements.
- Human Resources, through development of the relevant policies which cover our staff's interaction with internal and external parties. (E.g. Employee Handbook, Equal Opportunity policy and others)
- Quality/Supply Chain, through the management of vendor due diligence and the assessment of vendor profile information questionnaires.

Our company has a flat organization structure with open communication. Employees are encouraged to discuss concerns with their supervisors without fear of repercussions. This structure allows us to identify issues quickly when they would occur.

TRAINING

Subject matter training was provided to staff to ensure that they understand and can identify modern slavery and human trafficking risks in our supply chains and wider business operations. The training was developed in liaison with an external law firm and specialist training provider and was rolled out via an interactive online training session. The training was targeted at all field based staff, supply chain staff, and all levels of management including the CEO.

Additionally, our staff is required to complete MHI/MHPS Compliance training sessions every year, including amongst others, training on MHI's Group Global Code of Conduct. We closely monitor the results of this training.

OUR EFFECTIVENESS IN ELIMINATING SLAVERY AND HUMAN TRAFFICKING

To assess the effectiveness of the steps outlined in this statement, during the last 12 months, MHPS-EU reports on the following priority areas and points of action.

Staff Training Levels

During 2019/20, training was provided to the following departments/groups of employees: Field Services, Supply Chain and all staff categorised as Manager level and above.

Strengthen verification over Supply Chain

We have increased the requirements from vendors as part of the due diligence process as we recognized that increased oversight in this area was required. This includes analysis of vendor supply chain and product origin and vendor history in respect of compliance with law.

Risk Identification

In recognition of the need to capture and mitigate risks more timely, the corporate risk management process was implemented during 2019/20. This includes various categories of risks, including Compliance (eg. Modern Slavery and Human Trafficking).

This statement was approved by the board of directors of MHPS-EU on 29 July 2020.

Mr. Carlos Peton
Chief Executive Officer
Mitsubishi Hitachi Power Systems Europe, Ltd.