FINAL ASSESSMENT
MITSUBISHI ELECTRIC CORPORATION

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

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TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).
A1: Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score: 0

Comments: Based on public information, there is evidence that the company has published a statement from the Chief Executive Officer referencing the ethics and anti-corruption agenda of the company. However, this is assessed to be insufficiently strong, preventing the company from scoring on this question.

References:

Public:
TI notes:
Company website: CSR - President’s Message
‘The operating environment continues to undergo dramatic changes, reflecting advances in globalization, revisions to legislation, and other factors. What must continue regardless of how the times may change is respect for corporate ethics and compliance and a commitment to not compromise on environmental issues and product quality.

This commitment of the Mitsubishi Electric Group was first articulated in the "Keys to Management" (in Japanese, "Keiei no Yotei"), which was drawn up at the time of the company's founding in 1921. The spirit of this document, which states our contributions in areas such as the prosperity of society, product quality and customer satisfaction, lives on today in our Corporate Mission and Seven Guiding Principles. With these tenets as our core principles, the Group promotes various initiatives in order to fulfill our corporate social responsibilities.’

‘President & CEO
Masaki Sakuyama’.

CSR Report (2013), p.4:
‘The operating environment continues to undergo dramatic changes, reflecting advances in globalization, revisions to legislation, and other factors. What must continue regardless of how the times may change is respect for corporate ethics and compliance and a commitment to not compromise on environmental issues and product quality. This commitment of the Mitsubishi Electric Group was first articulated in the "Keys to Management" (in Japanese, "Keiei no Yotei"), which was drawn up at the time of the company's founding in 1921. The spirit of this document, which states our contributions in areas such as the prosperity of society, product quality and customer satisfaction, lives on today in our Corporate Mission and Seven Guiding Principles. With these tenets as our core principles, the Group promotes various initiatives in order to fulfill our corporate social responsibilities.’


Company website: About Us – At a Glance
‘President & CEO: Masaki Sakuyama (assumed position on April 1, 2014)’.
http://www.mitsubishielectric.com/company/about/at-a-glance/index.html

DMA Europa website: Mitsubishi Electric Appoints New President & CEO, Chairman
Kenichiro Yamanishi was appointed President & CEO in 2010.
A2: Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company, for example through public speeches or involvement in industry anti-corruption initiatives.

References:
Public:
NA
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:
0

Comments:
Based on public information, there is insufficient evidence that the company’s Chief Executive Officer demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company. TI notes that one statement on the company website refers to internal-facing commitment in regard to compliance generally, rather than ethics or anti-corruption in particular.

References:

Public:
TI notes:
Company website: CSR – Compliance
‘Ensuring that Employees are Familiar with Our Compliance Policy
The top management of the Mitsubishi Electric Group, including the President, takes every opportunity to directly address employees on the subject of compliance in a diverse range of situations, ensuring that an awareness of the importance of compliance and our stance on it takes root throughout our organization’.

A4:

Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

0

Comments:

Based on public information, there is evidence that the company publishes a statement of principles representing high standards of business conduct. However, only trust is referenced within the statement, as well as a reference to personal integrity in the Compliance Statement. To score on this question the company would need to provide evidence that other values sought by this question are listed and clearly explained in detail.

References:

Public:

TI notes:

Company website: Corporate Mission - Seven Guiding Principles

'1. Trust
Establish relationships with all stakeholders based on strong mutual trust and respect.
2. Quality
Provide the best products and services with unsurpassed quality.
3. Technology
Pioneer new markets by promoting research and development, and fostering technological innovation.
4. Citizenship
As a global player, contribute to the development of communities and society as a whole
5. Ethics and Compliance
Conduct always in compliance with applicable laws and high ethical standards in all endeavors.
6. Environment
Respect nature, and strive to protect and improve the global environment.
7. Growth
Assure fair earnings to build a foundation for future growth.’
Company website: CRS – Compliance
‘Corporate Ethics and Compliance Statement
Compliance with the Law
We will conduct ourselves always in compliance with applicable laws and with a high degree of sensitivity to changes in social ethics or local practices. We will never establish a target, nor make a commitment, that can only be achieved with conduct that would violate applicable laws or business ethics or practices.
Respect for Human Rights
We will conduct ourselves always with a respect for human rights. We will not discriminate based on nationality, race, religion, gender, disability or any other reason prohibited by applicable laws nor will we violate international laws providing protection for individual and human rights or any treaties providing such protection to which the country where any of our companies is located is a party.
Contributing to Society
Concurrently with the pursuit of a reasonable profit, we will conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of the entire society.
Collaboration and Harmonization with the Community
As a good corporate citizen and neighbor, we will support civic and charitable organizations and activities in the communities where we reside or work that in our view contribute to community development.
Consideration of Environmental Issues
As part of our goal to achieve a recycling-oriented society, we will pay attention to and respect the global environment in every aspect of our business.
Awareness of Personal Integrity
We will conduct ourselves with the highest integrity, making a proper distinction between public and private matters and, we will use company resources, including money, time and information for legitimate business purposes. We will use company computers and various networks and on-line services, including e-mail and Internet access, primarily for company business’.

A5:

Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company belongs to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption.

References:

Public:

NA
A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

1

Comments:
Based on public information, there is evidence that the company has appointed the Corporate Compliance Committee with overall corporate responsibility for its ethics and anti-corruption agenda. However, it is unclear what this responsibility specifically involves, with no formal Terms of Reference for the Committee having been found. The company therefore scores 1.

References:

Public:
Company website: CSR – Compliance
‘Systems which provide support for each specific organization
The Corporate Compliance Committee, Compliance Department and Compliance Managers are examples of systems which provide support.

The Corporate Compliance Committee formulates comprehensive guidelines for compliance and standards of employee conduct for the Mitsubishi Electric Group as a whole. The Corporate Compliance Committee was established in 1991, the year in which the Japan Business Federation (Nippon Keidanren) formulated its Corporate Conduct Charter. The Corporate Compliance Committee is chaired by an executive officer responsible for legal affairs and holds regular meetings twice annually and extraordinary meetings as required.’

Conduct Guidelines (April 2013), p.1:
‘The Corporate Compliance Committee of Mitsubishi Electric Corporation (the “Committee”) was established in 1991 under the control of the Corporate Administration Division. Subsequently, the director in charge of legal affairs (currently the officer in charge of legal Affairs) was appointed as the Committee chairman, and the bureau of the Committee was established within the Legal Division (currently the Corporate Legal & Compliance Division). Reorganization has been done to step up the activities of the Committee with the purpose of
instilling in all employees a heightened awareness of compliance with ethical standards and laws and regulations.

As part of its activities, the Committee has revised the “Guidelines for Corporate Ethics”, which was first published in April 1990. In 2003, it was reissued under a new title, “Corporate Ethics and Compliance Code of Conduct” in order to increase Japanese Mitsubishi Electric Group Companies’ awareness of their responsibilities to comply with ethical standards and laws and regulations. In FY2010, it was renamed again to what it is now called—the “Mitsubishi Electric Group Conduct Guidelines”—so that it can be shared as principles and standards for employees of the Mitsubishi Electric Group worldwide. In response to recent social trend, in 2007, Mitsubishi Electric revised its compliance system based on the policy that “promotion of compliance and promotion of business are inseparable”. Under this revision Mitsubishi Electric redeveloped the compliance system for the respective organizations to support compliance promotion so that the promotion of compliance will function at the respective level of the organizations in promoting business. Furthermore in 2008, Mitsubishi Electric Group Companies throughout the world redeveloped their compliance systems in the same way.

‘The Mitsubishi Electric Group has embarked on efforts to ensure adherence to ethics and compliance in order to regain and maintain trust from society, including our customers. More specifically, we renamed the Legal Division to the Corporate Legal & Compliance Division as of October 1, 2012, thus clarifying which division is responsible for promoting group-wide compliance, and established a Compliance Department in each Group of Mitsubishi Electric Corporation as an organization under direct supervision of the Group President, thereby enhancing the structure for advancing group-wide measures to address compliance, so as to work proactively and systematically to ensure, among other actions, steady implementation of group-wide compliance measures in the respective Group, thorough inspections of the state of compliance in the Group, and fact-finding and recurrence prevention steps in the event of any issue arising. In addition, we have also carried out a series of actions, including strengthening compliance education and revising monitoring procedures.’

A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

2

Comments:
Based on public information, there is evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda. This individual is the head of the Legal Affairs & Compliance, Export Control and Intellectual Property Committee, Nobushi Morooka.

References:

Public:
Company website: About Us – Directors & Executive Officers
‘Nobushi Morooka
In charge of Legal Affairs & Compliance, Export Control and Intellectual Property’.
http://www.mitsubishielectric.com/company/about/organization/managament/index.html
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda.

References:
Public:
NA
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, or evidence of improvement plans being implemented when issues are identified.

References:
Public:
NA
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:
1

Comments:
Based on public information, there is evidence that the company has a process to review and update policies in response to violations. However, no details of this review process are provided. The company therefore scores 1.

References:
Public:
Company website: CSR – Compliance
‘Strengthening Compliance Management
In regard to ethics and legal compliance, the Mitsubishi Electric Group has based its corporate management on the fundamental principle of compliance and has made committed efforts to strengthen internal control with an emphasis on employee training and education.’

CSR Report (2013), p.5:
‘However, it came to light that our Electronic System Group's defense and space systems businesses overcharged expenses and submitted invoices inappropriately. As a result, Mitsubishi Electric received notice of suspension on bidding eligibility and competitive bidding eligibility for contracts with the concerned ministries and agencies. Accepting these revelations with the utmost seriousness, we resolve to do our best to regain trust and confidence as quickly as possible by strengthening our compliance activities, such as thorough investigation into the cause of the matter and the proper implementation of preventive measures formulated based on the results of the investigation.’

(p.7): ‘2013 - Revised the "Mitsubishi Electric Group Conduct Guidelines" to mainly add a message from the president and stipulations concerning compliance with agreements and the antimonopoly law, in response to a case of misconduct that has recently come to light in
A9(a):

Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

1

Comments:

Based on public information, there is evidence that the company has a formal risk assessment procedure that covers ethics and compliance. However, there is insufficient detail provided about this procedure or any associated mitigation plans. The company therefore scores 1.

References:

Public:

Company website: CSR – Risk Management
‘Risk Management System
Mitsubishi Electric maintains a multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers' meetings.
Strictly adhering to this management structure and system, the Mitsubishi Electric Group is redoubling its efforts to implement measures aimed at minimizing business risks and detecting them at an early stage at which they may have significant social impact, such as those related to corporate ethics and compliance, the environment and product quality, to fulfill its responsibilities to stakeholders.’

Company website: CSR – Compliance
‘Compliance Audits
Throughout the Mitsubishi Electric Group, each company and division conducts self-audits of compliance in a variety of forms several times a year based on multiple check sheets covering specific laws and areas of corporate ethics, in order to determine the status of compliance and make corrections as necessary.
We also conduct internal audits of compliance in which the Corporate Auditing Division
takes a central role. Companies and divisions determined to be in need of corrective action as a result of these audits are directed to make improvements.

A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions.

References:
Public:
NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

References:
Public:
NA
A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents.

References:
Public:
NA
A13:
Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:
0

Comments:
Based on public information, there is insufficient evidence that the company makes clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption.

References:
Public:
TI notes:
Company website: CSR – Responsibility to Business Partners
‘Furthermore, we plan to carry out our distribution activities in line with our "CSR Procurement Policy," which was established in fiscal 2008. 
 CSR Procurement Policy
1. Compliance with domestic and foreign laws/regulations and social standards
   (1) Ensuring compliance with laws and regulations
   (2) Respecting human rights and prohibiting discrimination, child labor, and forced labor
   (3) Creating proper work environments
2. Assurance of quality and safety of products and services
3. Environmental considerations
   (1) Procuring materials with less negative impact on the environment
   (2) Ensuring strict management of harmful chemical substances based on an environmental management system
4. Promotion of fair trade based on corporate ethics
   (1) Practicing honest trade on fair and equal footing, based on laws/regulations and agreements
   (2) Ensuring strict management and safeguarding of information by establishing an information security system
‘Building Good Relationships with Suppliers

Based on our supplier selection standards, the Mitsubishi Electric Group regularly evaluates its business partners in terms of quality, price, delivery, customer service, environmental issues, regulatory compliance systems and other attributes.

We make purchases from business partners placing a strong overall evaluation on a priority basis in an effort to build good business relationships from a long-term perspective. The Group gives the designation of "key supplier" to business partners especially important in the promotion of our business activities.

A "key supplier" is defined as a business partner that provides key parts related to product performance or that has high-level technology or other critical attributes.’

A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:

NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:

NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms, including giving and receiving improper payments.

References:
Public:
Conduct Guidelines (April 2013), p.4:
‘Scope of Application
(1) This “Mitsubishi Electric Group Conduct Guidelines” (Guidelines) shall be the overall conduct guidelines for Mitsubishi Electric Group Companies. Mitsubishi Electric Corporation and each Mitsubishi Electric Group Company in Japan shall apply the Guidelines as its Code of Conduct in principle.

Each Mitsubishi Electric Group Company outside of Japan, referring to the Guidelines and with written advance approval from the Regional Chief Compliance Officers (RCO), shall modify the content of its existing Code of Conduct or adopt its own Code of Conduct (the “Regional Code”) in accordance with the nature and area of its business, or laws and regulations, business ethics or business practices of the relevant country or region.

If special circumstances cause any Mitsubishi Electric Group Company difficulties in following these Guidelines, such as but not limited to relationships with joint venture partners, that company shall promptly discuss with the Corporate Legal & Compliance Division of head quarters (in Japan) or its RCO in a country other than Japan.’

(p.7): ‘[1-1] General Rules
We will be strongly aware that adhering to corporate ethics and compliance with laws and regulations constitutes an activity of maintaining and strengthening the foundation underpinning our business and also forms the basis for the company to gain trust from society and remain in business, and we will strive sincerely in this regard in a concerted effort across the Group Companies.'
[1-2] Compliance with laws and regulations and implementation with integrity
We will comply with laws and regulations of the countries and regions in which we conduct business, including without limitation treaties applicable to them and will faithfully execute contracts with our customers and suppliers.

[1-3] Conscientious Conduct
We will manage and monitor compliance with laws and regulations at each business unit based on these Guidelines or the Regional Code. Each employee will engage in corporate activities in compliance with laws and regulations and do so in an ethical manner.

(p.9): ‘[3-3] Prohibition of Improper Payments (for example, Company Donations, Political Contributions, Gifts, Entertainment)
(1) We will not make improper payments, whether to public officials or private companies, directly or indirectly, for the purpose of unfairly obtaining or maintaining an advantageous position or acquiring improper benefits in the countries and regions in which we conduct business.

(2) We will not make improper payments through distributors or agencies. We will make agreements for payment of compensation to distributors and agencies in accordance with the provisions of laws and regulations and internal rules and procedures.

(3) We will not make payments that, based on all the facts and circumstances, could give rise to the appearance of impropriety.

(4) We will accept entertainment and gifts from customers and partner companies only to the extent permitted by the laws, business practices of the countries and regions in which we conduct business and internal rules and procedures and never only for the purpose of obtaining a personal benefit.

(5) We will make political contributions and donations to organizations by appropriate methods and according to the laws and regulations of the countries and regions in which such activities are conducted and in compliance with internal rules and procedures.’

(p.10): ‘[3-7] Transactions with Suppliers
(1) We will comply with laws and regulations concerning procurement in the countries and regions in which we conduct business and internal rules and procedures in order to conduct fair and equitable transactions with suppliers.

(2) We will not utilize our superior position as a purchaser to conduct unreasonable or unfair business transactions. We will not engage in transactions that could give rise to the appearance of unreasonableness and unfairness.

(3) We will select suppliers that are good corporate citizens, comply with the law, respect human rights, protect the environment and that can meet our requirements regarding quality, price, delivery time, technological development capability, and stable supply.

(4) We will accept entertainment and gifts from suppliers only to the extent permitted by the laws and business practices of the countries and regions in which we conduct business and internal rule and procedures and never for the purpose of obtaining a personal benefit.’

TI notes that an inspection of the ME UK website does not reveal a published "Regional
Code" for the UK.

(p.12): ‘Conflict of interests
In compliance with the laws and regulations of the counties and regions in which we conduct business and internal rules and procedures, we will avoid any action that results in or could possibly result in a conflict of personal and company interests, whether on the job or during free time. We will check continuously our words and actions to make sure they will not raise misunderstanding or suspicion of such conflict of interests.’
A16: Is the anti-corruption policy explicitly one of zero tolerance?

Score: 0

Comments: Based on public information, there is no readily available evidence of a zero-tolerance anti-corruption policy.

References:

Public: NA
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

2

Comments:
Based on public information, there is evidence that the company's Conduct Guidelines are easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company. The Conduct Guidelines are available on the website, in English, Japanese, Chinese and Thai.

References:

Public:
Conduct Guidelines (April 2013)

Company website: CSR – Compliance
‘The Mitsubishi Electric Group Conduct Guidelines
In addition to the Japanese language, the Code of Conduct is published in English and Chinese (simplified and traditional), and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group employee should conform’.
Conduct Guidelines available to download in multiple languages.
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s Conduct Guidelines are easily understandable and clear to Board members, employees and third parties.

References:
Public:
Conduct Guidelines (April 2013), p.9:
‘[3-3] Prohibition of Improper Payments (for example, Company Donations, Political Contributions, Gifts, Entertainment)
(1) We will not make improper payments, whether to public officials or private companies, directly or indirectly, for the purpose of unfairly obtaining or maintaining an advantageous position or acquiring improper benefits in the countries and regions in which we conduct business.
(2) We will not make improper payments through distributors or agencies. We will make agreements for payment of compensation to distributors and agencies in accordance with the provisions of laws and regulations and internal rules and procedures.
(3) We will not make payments that, based on all the facts and circumstances, could give rise to the appearance of impropriety.
(4) We will accept entertainment and gifts from customers and partner companies only to the extent permitted by the laws, business practices of the countries and regions in which we conduct business and internal rules and procedures and never only for the purpose of obtaining a personal benefit.
(5) We will make political contributions and donations to organizations by appropriate methods and according to the laws and regulations of the countries and regions in which such activities are conducted and in compliance with internal rules and procedures.’
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

1

Comments:

Based on public information, there is evidence that the company's Conduct Guidelines explicitly apply to all employees. However, there is no evidence that the Conduct Guidelines also apply to members of the Board. The company therefore scores 1.

References:

Public:
Conduct Guidelines (April 2013), p.1:
‘Over and above the compliance structure that the Mitsubishi Electric Group has thus rebuilt, what is critical for us to further increase the level of compliance is a strong awareness in each and every employee working for the respective group companies that “adherence to ethics and compliance forms the basis for the company to remain in business” and that “there should be no engagement in any activity or act that conflicts with any law or contract”.

“Mitsubishi” is a brand that enjoys wide public trust. To earn the confidence of the public and be a high-integrity corporate group that constantly aspires “Changes for the Better” — the spirit of our corporate statement— every employee in the Mitsubishi Electric Group Companies should join in working to steadily and surely implement the subjects provided in “Mitsubishi Electric Group Conduct Guidelines”.

Company website : CSR – Compliance
‘The Mitsubishi Electric Group Conduct Guidelines
In addition to the Japanese language, the Code of Conduct is published in English and Chinese (simplified and traditional), and offers identical content for each country and region in which we operate, presenting norms to which every Mitsubishi Electric Group employee should conform’.

A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:

2

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest, which includes a definition and several examples. The company therefore scores 2.

References:
Public:
Conduct Guidelines (April 2013), p.12:
‘Conflict of interests
In compliance with the laws and regulations of the counties and regions in which we conduct business and internal rules and procedures, we will avoid any action that results in or could possibly result in a conflict of personal and company interests, whether on the job or during free time. We will check continuously our words and actions to make sure they will not raise misunderstanding or suspicion of such conflict of interests.

[Note]
Actions that result in a conflict of personal and company interests include but are not limited to the following actions;
(i) Transaction with our own company, to the extent our company’s benefit is postponed to the personal benefit in violation of internal rules and procedures (for example, improper personal discounts),
(ii) Private use or diversion of company assets such as facilities (including office equipment, e-mails, computer applications, etc.) or intellectual property owned by the company for personal gain,
(iii) Use of a large amount of time during working hours for private purposes,
(iv) Decision-making in the course of executing company work that is based on promoting personal interests rather than company interests,
(v) Use of information or property obtained through the use of company position to create a personal business opportunity when the company also has interest in the same business opportunity.’
A21:
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:
Based on public information, there is evidence that the company has a policy for the receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. The policy on giving gifts is made implicitly through the prohibition of making improper payments. There is no evidence that the company sets upper limits for gift exchange or value thresholds for senior management authorisation. The company therefore scores 1.

References:
Public:
Conduct Guidelines (April 2013), p.9:
‘[3-3] Prohibition of Improper Payments (for example, Company Donations, Political Contributions, Gifts, Entertainment)
(1) We will not make improper payments, whether to public officials or private companies, directly or indirectly, for the purpose of unfairly obtaining or maintaining an advantageous position or acquiring improper benefits in the countries and regions in which we conduct business.
(2) We will not make improper payments through distributors or agencies. We will make agreements for payment of compensation to distributors and agencies in accordance with the provisions of laws and regulations and internal rules and procedures.
(3) We will not make payments that, based on all the facts and circumstances, could give rise to the appearance of impropriety.
(4) We will accept entertainment and gifts from customers and partner companies only to the extent permitted by the laws, business practices of the countries and regions in which we conduct business and internal rules and procedures and never only for the purpose of obtaining a personal benefit.
(5) We will make political contributions and donations to organizations by appropriate methods and according to the laws and regulations of the countries and regions in which such activities are conducted and in compliance with internal rules and procedures.’
A22:
Does the company's anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:
1

Comments:
Based on public information, there is evidence that the company has a policy for the receipt of hospitality, to ensure that such transactions are bona fide and not a subterfuge for bribery. The policy on giving hospitality is made implicitly through the prohibition of making improper payments. There is no evidence that the company sets upper limits for hospitality exchange, or value thresholds for senior management authorisation. The company therefore scores 1.

References:

Public:
Conduct Guidelines (April 2013), p.9:
‘[3-3] Prohibition of Improper Payments (for example, Company Donations, Political Contributions, Gifts, Entertainment)

(1) We will not make improper payments, whether to public officials or private companies, directly or indirectly, for the purpose of unfairly obtaining or maintaining an advantageous position or acquiring improper benefits in the countries and regions in which we conduct business.

(2) We will not make improper payments through distributors or agencies. We will make agreements for payment of compensation to distributors and agencies in accordance with the provisions of laws and regulations and internal rules and procedures.

(3) We will not make payments that, based on all the facts and circumstances, could give rise to the appearance of impropriety.

(4) We will accept entertainment and gifts from customers and partner companies only to the extent permitted by the laws, business practices of the countries and regions in which we conduct business and internal rules and procedures and never only for the purpose of obtaining a personal benefit.

(5) We will make political contributions and donations to organizations by appropriate methods and according to the laws and regulations of the countries and regions in which...
such activities are conducted and in compliance with internal rules and procedures.”
A23:

Does the company have a policy that explicitly prohibits facilitation payments?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:

Public:
NA
A24:
Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

1

Comments:
Based on public information, there is some evidence that the company regulates political contributions. However, there is no evidence that the company provides additional guidelines to regulate political contributions or publicly discloses all such contributions. The company therefore scores 1.

References:
Public:
Conduct Guidelines (April 2013), p.9:
‘(5) We will make political contributions and donations to organizations by appropriate methods and according to the laws and regulations of the countries and regions in which such activities are conducted and in compliance with internal rules and procedures.’
A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, or discloses the issues on which it lobbies.

References:
Public:
NA
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

1

Comments:
Based on public information, there is some evidence that the company regulates charitable contributions in order to prevent undue influence or other corrupt intent. However, there is no evidence that the company provides additional guidelines to regulate charitable contributions or publicly discloses all such contributions. The company therefore scores 1.

References:
Public:
Conduct Guidelines (April 2013), p.9:
‘[3-3] Prohibition of Improper Payments (for example, Company Donations, Political Contributions, Gifts, Entertainment)
(1) We will not make improper payments, whether to public officials or private companies, directly or indirectly, for the purpose of unfairly obtaining or maintaining an advantageous position or acquiring improper benefits in the countries and regions in which we conduct business.’

(5) We will make political contributions and donations to organizations by appropriate methods and according to the laws and regulations of the countries and regions in which such activities are conducted and in compliance with internal rules and procedures.’
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

1

Comments:

Based on public information, there is evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s compliance policy. However, as this guidance is not publicly available it is not possible to assess whether it ensures unambiguous understanding of the policies in place, such as through illustrations or scenarios. The company therefore scores 1.

References:

Public:
Company website: CSR - Compliance
‘Compliance Education by Diverse Means

The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools, including workshops, e-learning programs, the distribution of manuals, and screen displays when employees log in. In using these tools, we carefully consider and provide the optimum content for different businesses, job levels, job categories, and regions (overseas).

In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. For example, Mitsubishi Electric Group employees in all of the countries in which we operate are required to take part in an education program concerning the major relevant laws and the Group's concept of compliance, either through e-learning programs, group lessons, or distance learning. Compliance Managers also distribute materials concerning improper conduct to supervisors at Mitsubishi Electric and our affiliates in Japan in order to help us prevent such conduct from occurring.

We also conduct workshops at our various bases (branch offices and production sites) for personnel responsible for compliance at affiliates located in those regions. These workshops seek to foster a thorough awareness of compliance and a deeper understanding of key
legislation at our affiliates, in addition to promoting closer cooperation with Mitsubishi Electric.

In fiscal 2012, the Corporate Legal & Compliance Division of Mitsubishi Electric Corporation conducted approximately 190 compliance-related workshops throughout the Group, participated in by a total of 18,400 people.’

A27: Does the company have a training programme that explicitly covers anti-corruption?

Score:

1

Comments:

Based on public information, there is evidence that the company has a compliance training programme. However, there is no evidence of an explicit anti-corruption training module. The company therefore scores 1.

References:

Public:
Company website: CSR - Compliance
‘Compliance Education by Diverse Means - The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools, including workshops, e-learning programs, the distribution of manuals, and screen displays when employees log in. In using these tools, we carefully consider and provide the optimum content for different businesses, job levels, job categories, and regions (overseas).

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We also conduct workshops at our various bases (branch offices and production sites) for personnel responsible for compliance at affiliates located in those regions. These workshops seek to foster a thorough awareness of compliance and a deeper understanding of key legislation at our affiliates, in addition to promoting closer cooperation with Mitsubishi Electric.

In fiscal 2012, the Corporate Legal & Compliance Division of Mitsubishi Electric Corporation conducted approximately 190 compliance-related workshops throughout the Group, participated in by a total of 18,400 people.’
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

2

Comments:
Based on public information, there is evidence that compliance training is provided in all countries where the company operates.

References:
Public:
Company website: CSR - Compliance
‘Compliance Education by Diverse Means
In addition to educational activities conducted independently by each of the Group's affiliated companies and business divisions, we also carry out Group-wide educational initiatives. For example, Mitsubishi Electric Group employees in all of the countries in which we operate are required to take part in an education program concerning the major relevant laws and the Group's concept of compliance, either through e-learning programs, group lessons, or distance learning. Compliance Managers also distribute materials concerning improper conduct to supervisors at Mitsubishi Electric and our affiliates in Japan in order to help us prevent such conduct from occurring.’
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to members of the Board.

References:
Public:
NA
A30: Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score: 1

Comments: Based on public information, there is some evidence that the company provides compliance training for employees in sensitive positions. However, the company does not specify which high risk positions are targeted. The company therefore scores 1.

References:
Public:
Company website: CSR - Compliance
‘Compliance Education by Diverse Means
The Mitsubishi Electric Group works to ensure that employees are aware of the Group's concept of compliance and of the laws that are essential to the conduct of our business activities, using a variety of tools, including workshops, e-learning programs, the distribution of manuals, and screen displays when employees log in. In using these tools, we carefully consider and provide the optimum content for different businesses, job levels, job categories, and regions (overseas).’
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a clear and formal process by which employees declare conflicts of interest.

References:
Public:
NA
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

1

Comments:
Based on public information, there is evidence that the company considers applying disciplinary procedures to individuals found to have violated the Conduct Guidelines. However, there is no evidence of an explicit commitment to apply disciplinary procedures, or that they will be applied to Board members. The company therefore scores 1.

References:
Public:
Conduct Guidelines (April 2013), p.4:
‘Application of disciplinary measures are considered toward any conduct in violation of the Guidelines or the Regional Code, according to each Mitsubishi Electric Group Company’s disciplinary rules/staff handbook.’
A33:

Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

2

Comments:

Based on public information, there is evidence that the company has well-publicised channels for employees to report concerns or instances of suspected corrupt activity. This includes both internal and external hotlines that allow for anonymous reporting.

References:

Public:

Company website: CSR – Compliance:
‘Establishment of Internal and External Ethics and Legal Compliance Hotlines’

We have established an "Ethics and Legal Compliance Hotline" to enable us to identify instances of improper or unethical conduct and infringements of the law, and to correct such cases by our own efforts. Any information provided to the hotline is investigated by the Corporate Auditing Division and if any violations of the law or other examples of improper conduct are discovered, the individual responsible is subject to punishment or the relevant division is directed to make improvements. Internal rules clearly set out protections for the whistleblower, including prevention of discriminatory treatment and protection of anonymity.

In April 2006, in line with the launch of the Whistleblower Protection Act, we established external hotlines to legal offices. These hotlines are also open to our business partners and affiliates in Japan.

The Ethics and Legal Compliance Hotline system is explained in the booklet containing the Mitsubishi Electric Group Corporate Ethics and Compliance Code of Conduct, which is distributed to all employees. We also work to make employees aware of the hotlines through posters, the Group's intranet, and other means.’

A33(a):

Are the whistleblowing channels available to all employees in all geographies?

Score:

1

Comments:

Based on public information, there is evidence that across geographies, all employees have access to at least one whistleblowing channel. However, the company’s external hotlines are only available to company affiliates in Japan. The company therefore scores 1. To score higher the company would need to provide evidence that across geographies, all employees have access to more than one whistleblowing channel.

References:

Public:
Company website: CSR – Compliance
‘Establishment of Internal and External Ethics and Legal Compliance Hotlines
We have established an "Ethics and Legal Compliance Hotline" to enable us to identify instances of improper or unethical conduct and infringements of the law, and to correct such cases by our own efforts. Any information provided to the hotline is investigated by the Corporate Auditing Division and if any violations of the law or other examples of improper conduct are discovered, the individual responsible is subject to punishment or the relevant division is directed to make improvements. Internal rules clearly set out protections for the whistleblower, including prevention of discriminatory treatment and protection of anonymity.
In April 2006, in line with the launch of the Whistleblower Protection Act, we established external hotlines to legal offices. These hotlines are also open to our business partners and affiliates in Japan.
The Ethics and Legal Compliance Hotline system is explained in the booklet containing the Mitsubishi Electric Group Corporate Ethics and Compliance Code of Conduct, which is distributed to all employees. We also work to make employees aware of the hotlines through posters, the Group's intranet, and other means.’
A33(b):

Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has mechanisms to assure itself that whistleblowing by employees is not deterred, or that whistleblowers are treated supportively. TI notes the company states that internal rules set protections for whistleblowers, but evidence does not suggest that this includes mechanisms such as employee surveys or monitoring of whistleblower channel usage statistics.

References:

Public:
TI notes:
Company website: CSR – Compliance
‘Establishment of Internal and External Ethics and Legal Compliance Hotlines
We have established an "Ethics and Legal Compliance Hotline" to enable us to identify instances of improper or unethical conduct and infringements of the law, and to correct such cases by our own efforts. Any information provided to the hotline is investigated by the Corporate Auditing Division and if any violations of the law or other examples of improper conduct are discovered, the individual responsible is subject to punishment or the relevant division is directed to make improvements. Internal rules clearly set out protections for the whistleblower, including prevention of discriminatory treatment and protection of anonymity.

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The Ethics and Legal Compliance Hotline system is explained in the booklet containing the Mitsubishi Electric Group Corporate Ethics and Compliance Code of Conduct, which is distributed to all employees. We also work to make employees aware of the hotlines through posters, the Group's intranet, and other means.’
A34:

Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

1

Comments:

Based on public information, there is evidence that the company has well-publicised resources available to all employees where help and advice can be sought. The website provides a statement, where it is clear that Compliance Departments have been set up in every business division with management "guiding and supervising" staff members. However, the emphasis seems to be on ensuring compliance, rather than providing advice and guidance. The company therefore scores 1.

References:

Public:
Company website: CSR - Compliance
'The independent compliance systems established in each of our companies and business divisions are systems which function to advance compliance by clarifying the roles of management and every individual affiliated with that company or division, and ensuring that each individual is aware that they are responsible for the promotion of compliance. In concrete terms, the management of each company and division guide and supervise staff members and establish a compliance promotion system in that company or division. To this end, the management implement measures including establishing the Compliance Promotion Committee to formulate concrete initiatives for the advancement of compliance in that company or division. In addition, each member of staff promotes compliance within the scope of their particular work duties. Furthermore, each business group in Mitsubishi Electric has its own Compliance Department. These departments are responsible for promoting compliance within their respective business groups, based on companywide compliance initiatives.'

'Compliance Managers are appointed for specific companies, divisions, or levels, and their particular roles and the details of their activities are explicated in in-house regulations.

Overseas, in addition to the systems of assistance discussed above, we have also established systems to provide assistance operating across entire regions. Regional Compliance Officers ("RCOs") responsible for assisting affiliates in their specific region are assigned in the United States, Europe, Asia, China (including Hong Kong), Taiwan and Korea, and work to improve
the level of compliance by means of Regional Compliance Committees ("RCCs"). We are also working to gradually establish similar systems in other regions, depending on the specific circumstances of the region in question.

A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

1

Comments:
Based on public information, there is limited evidence that the company has a commitment to non-retaliation for bona fide reporting of corruption. However, there is no evidence that disciplinary measures are applied to employees who breach this policy. The company therefore scores 1.

References:
Public:
Company website: CSR – Compliance
‘Internal rules clearly set out protections for the whistleblower, including prevention of discriminatory treatment and protection of anonymity.’
Information Sources:

Company Website:
http://www.mitsubishielectric.com/

Company Website, CSR – Compliance:

Conduct Guidelines (April 2013):

CSR Report (2013):