

Contributions to Society

► Labor Practice

MHI considers diversity to be essential for human resources, which represent the core of its business activities, from the perspective of accelerating globalization and adapting to various business environments. Focusing on securing and enhancing the readiness of our global business as well as on affirmative action for female employees, we will strengthen diversity management.

In July 2014, MHI set a target to increase the number of female managers (in positions of section manager and higher) in the Company threefold from the current level by 2020. Our current phase of activity addresses four themes: increasing the number of female employees, offering career support for employees raising children or providing nursing care, systematically developing female employees in managerial positions, and fostering a corporate culture that supports diversity management. Moreover, we are considering flexible working styles that facilitate a quick return to work after childbirth or raising children, and creating a framework and an environment to further promote the careers of female employees.

Number of the Company's female managers

2015

79 (MHI)

Performance Data

Labor Practice

Diversity and Equal opportunity

Number of employees (At the end of the fiscal year)		unit	2011	2012	2013	2014	2015	coverage
Total			32,494	31,111	22,147	21,117	19,357	MHI
Male			29,638	28,276	20,013	19,069	17,414	MHI
		%	91.2	90.9	90.4	90.3	90.0	MHI
Female			2,856	2,835	2,134	2,048	1,943	MHI
		%	8.8	9.1	9.6	9.7	10.0	MHI

Executive		unit	2011	2012	2013	2014	2015	coverage
Total			55	52	51	55	59	MHI
Male			55	52	50	54	58	MHI
		%	100.0	100.0	98.0	98.2	98.3	MHI
Female			0	0	1	1	1	MHI
		%	0.0	0.0	2.0	1.8	1.7	MHI

Manager (in positions of section manager and higher)		unit	2011	2012	2013	2014	2015	coverage
Total			4,566	5,054	5,170	4,057	4,108	MHI
Male			4,520	4,993	5,094	3,990	4,029	MHI
		%	99.0	98.8	98.5	98.3	98.1	MHI
Female			46	61	76	67	79	MHI
		%	1.0	1.2	1.5	1.7	1.9	MHI

Differently-abled people	unit	2011	2012	2013	2014	2015	coverage
Total		826	845	835	641	644	MHI
	%	2.00	2.09	2.14	2.17	2.22	MHI

Number of employees re-hired over retirement age(60yrs)	unit	2011	2012	2013	2014	2015	coverage
Total		2,202	2,343	1,922	1,844	1,613	MHI

Freedom of Association

	unit	2011	2012	2013	2014	2015	coverage
Employees covered by collective bargaining agreements	%	99.9	99.9	99.9	99.9	99.9	MHI
Number of labor-management consultations	times	31	34	38	36	44	MHI

Layoffs

	unit	2011	2012	2013	2014	2015	coverage
Number of employees laid off		0	0	0	0	0	MHI
Number of labor-management consultations about layoffs	times	0	0	0	0	0	MHI

► Occupational Health and Safety

MHI embraces a basic policy for employee health and safety founded on the following three commitments: (1) Safety is the number one priority. We will do everything in our power to protect lives. (2) We devote every effort to safety in creating outstanding products that contribute to the development of society; (3) Our physical and mental wellbeing is fundamental to everything we do at the MHI Group. We must continue to elevate and embrace a culture of health and safety across our workplace. Based on these principles, we operate an occupational health and safety management system throughout the company to create safe, pleasant workplaces.

Industrial accident frequency rate

2015 **0.20** % (MHI)

Manufacturing industry average

2015 **1.06** %

Basic Policy for Employee Safety and Health

The MHI Group Health and Safety Policies

[Our Health and Safety Principle]

At the MHI Group, safety is the number one priority. We will do everything in our power to protect lives.

[Our Health and Safety Policies]

1. Each and every one of us across the MHI Group must join forces as one united team to maintain and heighten our health and safety standards.
2. We hold health and safety as a top priority at each of the MHI Group companies by establishing procedures, defining roles and responsibilities, and engaging in health and safety initiatives.
3. To prevent occupational accidents or illness, we work to continually enhance our health and safety initiatives by setting measureable goals and evaluating results.
4. We minimize risks at the workplace by assessing all potential issues and implementing appropriate measures to ensure a safe and secure work environment.
5. It is a responsibility of each one of us at the MHI Group to learn, understand, and comply with our health and safety policies and procedures, as well as applicable laws and regulations, through education and training programs.
6. Our physical and mental wellbeing is fundamental to everything we do at the MHI Group.
We must continue to elevate and embrace a culture of health and safety across our workplace.

Pick Up

Opening the Safety Transmission Center at Nagasaki Shipyard & Machinery Works

MHI opened an educational facility on work safety in October 2010. Called the Safety Transmission Center in the Nagasaki Shipyard & Machinery Works, the facility is dedicated to the Nagasaki Shipyard & Machinery Works' resolution not to let any fatal accidents occur in its production operations. The facility consists of two zones: the Accident Case Studies Zone, where videos and displays show employees how accidents happen and what to do to prevent them, and the Human Error Study Zone, where employees can learn, in a hands-on format and using real-life examples, the principles that trigger human error and how to identify risks before accidents occur.

The Nagasaki Shipyard & Machinery Works is working to cultivate in its workforce a sensitivity to hazards and a culture of safety, using the Safety Transmission Center as a place where all employees, from managers to operators, can learn nearly firsthand the horror of accidents and the pain they cause, and decide for themselves what they can and should do to prevent them.



Safety Transmission Center

Performance Data

Occupational Health and Safety

Fatalities		2011	2012	2013	2014	2015	coverage
	Employees	1	0	2	0	0	MHI
	Contractors	1	1	1	0	0	MHI

LTIFR		2011	2012	2013	2014	2015	coverage
	Employees %	0.17	0.06	0.16	0.09	0.11	MHI
	Contractors %	0.44	0.21	0.32	0.19	0.45	MHI

OIFR		2011	2012	2013	2014	2015	coverage
	Employees %	0.04	0.01	0.05	0.05	0.04	MHI

Number of Industrial accidents		2011	2012	2013	2014	2015	coverage
	Employees	53	33	57	29	34	MHI

Working hour		2011	2012	2013	2014	2015	coverage
	hours	128,735,234	126,680,360	124,186,184	104,615,169	108,164,976	MHI

Certification of Occupational Health and Safety							
	Yokohama Dockyard & Machinery Works and chemical/social infrastructure local construction divisions acquired OHSAS18001 certificate and are operating occupational health and safety management system aiming at constantly improving the system.						

Training							
	In order to reduce the risk of occupational accidents, MHI makes improvements based on the results of risk assessments implemented at each works. These assessments are related to tasks and equipment, and are mainly focused on the safety and manufacturing sectors. We are also implementing safety education for entry-level employees and other people. This education utilizes visual learning materials and hands-on equipment that makes it possible to actually experience accident simulations. This hands-on equipment has been installed at each works including the Nagasaki Shipyard & Machinery Works and Kobe Shipyard & Machinery Works.						

Health Management

Health promoting program

- Actions are taking place based on the occupational health and safety management plan, including targets such as days of absence from work due to illness.
- Promotion of using health management promotion tool (KEMPO) in collaboration with a health insurance union
- Initiative for improving completion rate of participating in specific health guidance, from initial interview till the end of guidance.
- Measures to prevent lifestyle diseases
(implementing health-related guidance targeted at reducing the ratio of employees with a BMI ≥ 25)
- Implementing stress checks and encouraging the usage of consultation hotlines.

► Human Resources Development

MHI is working to improve employee capabilities and enhance education with the aim of being a global corporation that is capable of responding to changes in the rapidly transforming market. Based on on-the-job training (OJT) in workplaces, we are implementing various educational programs starting immediately after hiring according to job level and function. The main themes of education according to job level include leadership and management.

As core measures for human resources development, we are concentrating on education to strengthen global responsiveness, development of MHI Group employees development of junior technicians on the forefront of manufacturing, and training activities for Group company employees.

Training cost per employees

2015 **57** kilos of yen (MHI)

Number of hours spent in trainings per employees

2015 **65** hours (MHI)

Performance Data

Human Resources Development

Human resources management

Focus area on
human resources
management

Amid its efforts to accelerate globalization and revise its business model, MHI recognizes that diversity in human resources is core to its business activities. Accordingly, we are reinforcing diversity management, centering on enhancing readiness for global business and affirmative action for female employees .

Human resources development programs

Program (1)

Education to strengthen global responsiveness

To further strengthen global responsiveness, in FY2011 MHI established a system for dispatching young employees overseas (MGT: MHI Global Training).

Benefits

The program develops an early awareness of global human resources and enhances global response with certainty throughout the organization.

Attendance

12 employees (FY2015)

Program (2)

Development of MHI Group employees

To accelerate globalization and diversity, it is essential to augment the capabilities and skills of all employees, including those at Group companies overseas. To develop human resources who will take charge of managing Group companies overseas, the MHI Group is expanding its training of MHI Group employee overseas. In FY2015, we conducted selective training for executive candidates through programs developed in collaboration with local business schools in Singapore, India, and other countries. Each of these programs included training that addressed a mixture of human resources, including the MHI Group employees of overseas Group companies, employees stationed overseas, and human resources involved in business targeting the regions. We also enhanced

<div> <div></div> <div>Benefits</div> </div>	e-learning contents that could be used by Group companies overseas, creating an environment that facilitates the provision of the necessary training at the necessary times.
	To support the management of Group companies overseas, the program aims to promote an understanding of the business characteristics of each region, provide the knowledge that management personnel require and cultivate leadership awareness.
	Attendance 28 employees (FY2015)
Program (3)	
<div> <div></div> <div>Benefits</div> </div>	Development of junior technicians on the forefront of manufacturing MHI has prepared textbooks that are standardized for the entire company to ensure the commonality and uniformity of education. We have also made DVDs to create digital versions of Skills of the Master manuals developed by veteran technicians. These and other efforts seek to ensure the steady succession of techniques and the rapid development of junior technicians. In addition, with the aim of improving levels of expertise and energizing our junior technicians, we hold company-wide skills contests in machine assembly, lathing, welding, and other fields. MHI is also working to improve the leadership skills of employees who serve as instructors.
	At MHI, the number of junior technicians is increasing as more senior technicians retire. For that reason, there is an urgent need to train technicians who can maintain the front line of manufacturing. This organizational education program aims to ensure that technologies are passed on.
Program (4)	
<div> <div></div> <div>Benefits</div> </div>	Training activities for Group company employees To promote human resource development that is unified throughout the MHI Group, we conduct rank-based management training and business skills training as consistent programs across the Group. We are putting in place and continuing to expand our training infrastructure. In FY2017, these efforts will include expanding the scope of use of the e-learning site to Group companies.
	This program aims to strengthen, with certainty, the management and business quality of the entire MHI Group.
	Attendance Training held six times for a total of 456 people (FY2015)

Training and development inputs

	unit	2011	2012	2013	2014	2015	coverage
Total training cost	millions of yen	1,270	1,350	1,000	1,080	1,100	MHI
Training cost per employees	kilos of yen	39	43	45	51	57	MHI
Number of hours spent in trainings per employees	hours	43	38	55	59	65	MHI

► Talent Attraction and Retention

In order to create an environment in which it is easy for employees to work and also have a family, MHI is making efforts to expand its various support systems that give consideration to childcare and family care.

In November of fiscal 2011, MHI newly established the child planning leave system, which can be used for infertility treatment, and the hourly-given paid-leave, in which employees can use their leave in increments of one to two hours according to their circumstances for purposes such as childcare and family care, and to make it easier to commute during pregnancy by avoiding crowdedness. In April 2016, in order to create more flexible working style, we introduce tele-work system.

Furthermore, the periods for family-care leave and family-care work have been expanded; and each can be used for a total of up to one year.

In addition, the systems for childcare leave, childcare work, family-care leave, and family-care work all now exceed statutory minimums. Information about the systems and procedures regarding childcare and family care are available on our intranet so that employees can access it easily.

Other initiatives include holding regular discussion panels between individuals on childcare leave and those who have taken such leave in the past in hopes of enabling a smooth transition back to work.

Returning to work after childcare leave

2015

98.2%

Remaining in work after childcare leave

2015

96.0%

Pick Up

Nursery Operated

In April 2010, the Nagasaki Shipyard & Machinery Works opened the first MHI in-house nursery, MHI Kira Kids Nursery. All MHI Group employees in Nagasaki with their pre-school-aged children can use the facility at any time between 7am and 8pm. Since opening its doors, the nursery has held various events such as parent & child picnics and Christmas parties, as well as English, gymnastics, and art classes.

In January 2014, a childcare facility called "Sun Marina Kids" that is operated by the Nichii Gakkan Company opened within our Yokohama Building. MHI has reserved all spaces at the center, so that MHI Group employees can have their children; up to three years old, cared for from 7a.m. through 8p.m. Sun Marina Kids has introduced its own cleaning service, which reduces the number of items parents need to bring with them to the center. The center has also introduced educational courses including English, gymnastics, and eurhythmics.



[Nagasaki] Cooking class as part of kids' food education



[Yokohama] The center's popular slider

Performance Data

Talent Attraction and Retention

Employee performance appraisal

	unit	2011	2012	2013	2014	2015	coverage
Management by objectives	%	57	57	58	57	58	MHI
Multidimensional performance appraisal	%	43	43	42	43	42	MHI

Employment

New hired	unit	2011	2012	2013	2014	2015	coverage
Total		1,120	749	529	536	484	MHI
Male		1,036	673	476	495	441	MHI
	%	92.5	89.9	90.0	92.4	91.1	MHI
Female		84	76	53	41	43	MHI
	%	7.5	10.1	10.0	7.6	8.9	MHI
Total turn over rate	%	5.1	5.7	4.3	4.0	5.6	MHI
Voluntary turn over rate	%	0.6	0.7	0.5	0.6	0.7	MHI
Average length of service	years	16.2	16.0	16.1	16.3	16.1	MHI

Work-life balance

Number of employees using programs that focus on work-life balance	unit	2011	2012	2013	2014	2015	coverage
Childcare leave		236	265	226	205	219	MHI
Male		13	16	10	17	20	MHI
Childcare workshift		460	502	441	456	465	MHI
Male		44	53	60	61	72	MHI
People using child planning leave		2	8	5	1	3	MHI
Family-care leave		13	4	9	5	5	MHI
Family-care work shift		9	11	8	13	14	MHI
Returning to work after childcare leave	%	97.4	100.0	98.2	94.3	98.2	MHI
Remaining in work after childcare leave	%	97.1	96.4	99.1	95.5	96.0	MHI
People using the Career Return Program		15	4	5	2	3	MHI
Percent of employees taking annual paid leave	%	76.5	74.5	75.0	75.5	76.8	MHI

► Respect for Human Rights

The MHI Group is firmly committed to respecting the human rights and workers' rights of employees as per international treaties of human rights.

In May 2015 we established the MHI Group Global Code of Conduct as the common standard for our group. Through this we believe we will cultivate a single and shared corporate culture, one that is rooted in mutual trust and affords dignity and respect to all employees. The MHI Group values the individual contribution of people irrespective of race, colour, religion, political convictions, gender, age, nationality, sexual orientation, marital status, or disability. Discrimination will not be tolerated by the MHI Group.

Each year at the workplace, we conduct training to promote human rights awareness. It covers the fundamentals of human rights and harassment. This training targets new recruits and newly appointed managers, such as deputy managers and section managers. In the fiscal 2015, we rolled this training out across 260 new recruits and 1,240 newly appointed managers and supervisors. Furthermore, in an effort to heighten awareness of and prevent "power harassment" (workplace bullying and harassment) we introduced an e-learning course in fiscal 2010 that continues to be taken to this day.

People undergoing human rights awareness training

2015

Approximately **1,500**

Performance Data

Respect for Human Rights

Management structure related human rights

Chief executive

Mutsuo Hiroe, Executive vice president, in charge of HR

Committee

Committee for Raising Awareness of Human Rights

Grievance mechanism

Grievance mechanism

- Internal and external hotline of Corporate Compliance that employees (including contract employees) of MHI and all Group companies, and business clients can use.
- Internal and external Hotline has been established to report "power harassment" (workplace bullying and harassment) in 2012.

Coverage

Employees (including contract employees) of MHI and all Group companies, and business clients

► Corporate Philanthropy

In accordance with its CSR Action Guidelines, the MHI Group promotes philanthropic activities with such focus areas as local contributions that are highly related to business activities, upbringing of the next generation, and the environment. With regard to local contribution, our basic policy is to live together with local communities where MHI Group business facilities are located, building strong relationships based on mutual trust. With this in mind, we undertake various activities suitable for local cultures and contribute to the local development and activation both in Japan and overseas.

With regard to upbringing of the next generation, our basic policy is to communicate "the heart of Japanese manufacturing" and "the arts of science and technology" to the next generation. MHI has developed and produced many type of products in its long history, cultivating "the heart of Japanese manufacturing" and "the arts of science and technology." To pass its knowledge and skills onto succeeding generations, MHI has a tradition of organizing educational activities such as science classes with experiments for children. We also engage in environmental and ecosystem conservation activities that contribute to the sustainable development of local communities.

Expenditure on social contribution activities

2015 **2,052** million yen

Our Policy on Social Contribution Activities

Local contribution

Live together with communities and contribute to their development

Our basic policy is to live together with local communities of branch offices, overseas offices, and Group companies in foreign countries, building strong relationships based on mutual trust. With this in mind, we undertake various activities suitable for local cultures and contribute to the local development and activation both in Japan and overseas.

Upbringing of the next generation

Transfer "the heart of Japanese manufacturing" as well as "the arts of science and technology" to the next generation

MHI has developed and produced many type of products in its long history, cultivating "the heart of Japanese manufacturing" and "the arts of science and technology." To pass its knowledge and skills onto succeeding generations, MHI has a tradition of organizing educational activities such as science classes with experiments for children.

Pick Up

Results of principal philanthropic activities in fiscal 2015

Upbringing of the next generation: Inspire the future

Name of activity	Overview	Related SDGs
Science classes	The Company conducts science classes for students at elementary schools located nearby our business facilities using as teaching materials the MHI Group products and technologies found at the Mitsubishi Minatomirai Industrial Museum.	Target 4
MHI Tanegashima Space School	We solicit applications from elementary school students around Japan to visit Tanegashima, a rocket launch site. We conduct science classes and tour rocket launches.	Target 4

Name of activity	Overview	Related SDGs
The Shiki Theatre Company's Kokoro no Gekijo	Through musicals the Company is working to cultivate a richness of spirit among the children of the next generation. Accordingly, from fiscal 2013 we have supported the Shiki Theatre Company's Kokoro no Gekijo ("Theater of the Heart") productions. Group employees and their families have participated as volunteers at performances in locations close to our plants.	Target 4

Local contribution: Create a more harmonious society

Name of activity	Overview	Related SDGs
MHI Miyagi Fukushima Mini-Fund	This support fund backs activities at locations that connect people who moved into temporary housing or public housing for disaster recovery set up in fiscal 2012 following the Great East Japan Earthquake, as well as these people and other local community members.	
Table For Two	Table For Two (TFT) is a social contribution initiative harking from Japan aimed simultaneously at alleviating poverty in developing countries and addressing obesity and lifestyle disease in advanced countries. The MHI Group upholds the initiative's philosophy and has incorporated TFT programs in cafeterias and vending machines within its headquarters building and bases of operation.	Target 1 and 2
Tanegashima Space Art Festival	The island of Tanegashima springs to mind when Japanese people think of "space." Various activities are starting up in preparation for the "Space Art Festival" that is planned for 2017 and intended to expand the field of space art. MHI, which has been involved in space development for some time, took this opportunity to sponsor a children's space art classroom and music festival as pre-events in fiscal 2013.	

Environment: Care for the planet

Name of activity	Overview	Related SDGs
Myanmar Municipal solid Waste Management Forum	Amid rapid economic growth and population increases, the city of Yangon faces waste processing issues. This forum aims to communicate to Yangon the city of Tokyo's waste management expertise.	Target 3 and 11
Tanegashima Loggerhead Turtle Survey	The MHI Group offered its support for the "Tanegashima Loggerhead Turtle Survey," an event sponsored by the authorized NPO EarthWatch Japan. Employee volunteers participate in local surveys. Although Tanegashima, which is home to an important MHI Group business site, is a spawning ground for the loggerhead turtle, few individual identification surveys have been conducted to date. We anticipate that conducting such surveys in Tanegashima beach areas will help to clarify the ecology of this species and lead to its preservation.	Target 14 and 15
Forest conservation programs (forest preservation activities)	MHI Group employees and their families participate in various forest conservation programs led by individual Japanese prefectures to address the many problems affecting forests in locations around Japan and contribute to the development of ecologically diverse forests, in addition to forest preservation activities led by governmental and non-profit organizations.	Target 15

Name of activity	Overview	Related SDGs
Environmental Action Furusato Cleanup	Each year, throughout Japan we conduct the Furusato Cleanup events as a cleanup activity in regions where we are active on a daily basis. For our cleanup activity in Shiga Prefecture, we conduct activities aimed at eliminating invasive fish species in Lake Biwa. Such cleanup activities are aimed at enhancing awareness among individual Group employees and family members of environmental preservation and local conservation. Some 200 of these activities are conducted each year, and around 7,000 people have participated to date.	Target 14 and 15

More detailed information about philanthropic activities is available on our website and CSR Facebook.

■ CSR News <http://www.mhi-global.com/news//kind/csr.html>

■ CSR Facebook <https://www.facebook.com/mhi.csr.en/>

Performance Data

Corporate Philanthropy

Corporate Philanthropy policy and focus areas

Focus area (1)		Upbringing of the next generation
■ Relevance to business	MHI regards scientific technology is a source of growth, therefore children's loss of interests in and capacity of understanding science and reluctance to socialize as major, etc., may become challenges for company's human resource development in the future.	
Focus area (2)		Local contribution
■ Relevance to business	MHI executes business all over the world, therefore it is critical aspect for business continuity to live in harmony and establish high confidence with every local communities where we operate.	
Focus area (3)		Environment
■ Relevance to business	MHI business is global and encompassing developing/emerging economies, so that environmental consideration in business operation is critical for our business continuity.	

Social contribution input

Social contribution input		unit	2011	2012	2013	2014	2015
	coverage		Group	Group	Group	Group	Group
Total amount		millions of yen	2,096	1,480	1,478	1,899	2,053
Category	Academic research	millions of yen	164	177	143	428	452
	Education	millions of yen	596	503	494	596	636
	Community	millions of yen	180	153	125	135	295
	Sports	millions of yen	133	173	149	177	100
	Others	millions of yen	1,023	474	566	563	570
Type of input	Cash contributions	millions of yen		749	373	770	1,027
	In-kind giving	millions of yen		181	617	639	207
	Employee volunteer	millions of yen		497	489	491	819
Ratio of contribution input to ordinary income		%	2.4	1.0	0.8	0.7	0.75

Social contribution benefit

KPIs-Focus area (1)		unit	2011	2012	2013	2014	2015
Cumulative total number of the science class participants.	Number of taking place				14	14	24
	Number of participants				8,936	4,864	9,350
	coverage				MHI	MHI	Group
KPIs-Focus area (2)		unit	2011	2012	2013	2014	2015
Records of natural disaster affected area assistance programs	Number of assistance		2	1	2	1	2
	Contributed amounts	millions of yen	725,000	28,620	33,040	10,470	5,862
	coverage		MHI	MHI	MHI	MHI	Group
KPIs-Focus area (3)		unit	2011	2012	2013	2014	2015
Records of know-how transfer programs of managing Municipal solid waste for emerging countries	Number of taking place						4
	Number of participants						734
	coverage						Group

Benefits on business

- Experience of teaching in the science class facilitates employees to develop their presentation and communication capacity and motivates them.
- Early recovery of HHI Group critical business region through assistance for natural disaster affected area.
- Enhancing opportunity for MHI's environmental products order intake, along with raising an environmental awareness in the emerging economies.