

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 2018 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 for the electric power generation industry including gas, steam and geothermal turbines across Europe, the Middle East and Africa.

The majority of the equipment, parts and components is procured 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.

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

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

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

We adopted by board resolution the Mitsubishi Heavy Industries (MHI) Group Global Code of Conduct. We adopted the MHI Code since 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:

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

We created our group's Modern Slavery Act policy which is communicated to all our employees and is available internally for their reference. Regularly we remind our employees

of the requirements to comply with our policies and discuss compliance topics, including compliance with the Modern Slavery Act during management meetings and at Board Level.

We continue to work with our suppliers and our contractors, to ensure that we apply common standards and philosophies to help the eradication of modern slavery and human trafficking.

We ensure consistent messaging of the Group Global Code of Conduct throughout our business and management at all levels, as well as communicating our expectations to our supply chain.

DUE DILIGENCE PROCESSES

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

- We identify and assess risk areas in our supply chains based on the location of our vendors;
- We monitor potential risk areas in our business in instances where we might procure goods in low-cost countries;
- We mitigate the risk of modern slavery and human trafficking occurring in our business and supply chains through regular audits and reviews;
- We encourage our staff members to notify us when issues are identified and
- We protect whistle blowers.

We monitor our vendors' compliance with the Act through vendor profile screening questionnaires and have updated our General Terms & Conditions for Purchasing to ensure that we include such requirements within our contractual relationship with our supply chain. Independent, external auditors assess our compliance with how we manage our vendors.

STEPS TO ASSESS AND MANAGE RISKS

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

- Internal Audit, Internal Control and Compliance
- Legal
- Human Resources
- Risk Management

- The Compliance Committee, which supports the Compliance function, and brings together compliance expertise to ensure a comprehensive exchange of information with regards to compliance topics between departments.

TRAINING

To ensure that our staff understand and can identify modern slavery and human trafficking risks in our supply chains and business, we have developed and provided specific Modern Slavery Act training to our staff. In addition our staff is required to participate to mandatory training sessions including amongst others training on the MHI Group's Code of Conduct training.

OUR EFFECTIVENESS IN ELIMINATING SLAVERY AND HUMAN TRAFFICKING

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



Mr. Satoshi Honda

9 AUGUST 2018

Chief Operating Officer, Mitsubishi Hitachi Power Systems Europe, Ltd.