

## **FY 2023 Modern Slavery Report - Canada**

### **1 Introduction**

- 1.1 Mitsubishi International Corporation (“MIC”), a subsidiary of Mitsubishi Corporation (“MC”) and part of the “MC Group,” is committed to acting ethically and with integrity in all of its business dealings and relationships, and to promoting compliance with applicable laws and protecting the dignity and rights of all people connected to MIC’s business. MIC strives to work ever more closely with its suppliers to ensure that their workforces and the workforces in their supply chains are treated with respect and dignity. At the heart of MIC’s mission lies a commitment to fostering inclusive workplaces and sourcing products responsibly. MIC holds the Three Corporate Principles—“Corporate Responsibility to Society,” “Integrity and Fairness,” and “Global Understanding Through Business”—as its core philosophy, and aims to contribute to the sustainable development of society by conducting its global business activities with integrity and fairness in line with these principles.
- 1.2 This is MIC’s first modern slavery statement pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9). MIC acknowledges that stamping out modern slavery and human trafficking risk is a process that will take time. MIC’s reporting outlines the measures it has in place and the efforts it has commenced to assess and address risks of modern slavery and human trafficking in its business and supply chains.

### **2 MIC organizational structure, business operations, and supply chains**

- 2.1 MIC is a wholly owned U.S. subsidiary of Mitsubishi Corporation (Americas) (“MCA”), the holding company for MC’s North American network. MIC offers high-value-added services in a broad range of business fields. MIC’s primary businesses are related to the global trading of industrial products and commodities. Other important functions of MIC include marketing, distribution, materials procurement, technology transfer, product sourcing, and supply-chain management. MIC employs approximately 127 people as of March 31, 2024 and has offices in New York City, Houston, Boston, Dallas, Detroit, Los Angeles, Seattle, and Washington, D.C. Its activities include sales to Canadian customers and purchases in Canada.
- 2.2 Ninety percent of the products that MIC sells are sourced from suppliers located in the United Kingdom, Japan, Canada, Chile, Poland, South Korea, and United Arab Emirates, with the remaining products sourced from over 25 other countries.
- 2.3 To learn more about MIC’s business, please see <https://www.mitsubishicorp.com/us/en/mic/>.

### **3 MIC policies on modern slavery**

- 3.1 MIC’s Supply Chain Compliance Policy and Supplier Code of Conduct, both adopted in FY 2023, reflect MIC’s commitments to acting ethically and with integrity in all its business relationships and to creating and maintaining effective systems and controls to prevent modern slavery from taking place in its business and supply chain.

- 3.2 MIC is currently implementing its Supply Chain Compliance Policy, with the ultimate goal being to make sure its suppliers are aware of its policies and adhere to the same high standards. MIC's Supplier Code of Conduct sets forth its expectations for all its suppliers of goods and services related to human rights and ethical business practices. A copy of the MIC Supplier Code of Conduct can be found on MIC's website:

<https://www.mitsubishicorp.com/us/en/mic/csr/pdf/SupplierCodeofConduct.pdf>.

MIC recently updated its standard General Terms and Conditions for Contracts of Purchase to include anti-modern slavery provisions and is in the process of seeking to integrate forced labor/child labor-related provisions into its other purchase contracts.

MIC also has an eleven-principle Code of Business Conduct, which requires all employees to, among other things, respect human rights and use ethical business practices. The Code also requires employees to promptly report actual or suspected violations of the law or the Code and prohibits retaliation against employees for making good faith reports of suspected misconduct. MIC's Code can be found on its website:

<https://www.mitsubishicorp.com/us/en/mic/csr/pdf/CodeofBusinessConduct.pdf>.

Additionally, MIC has a public Forced Labor Grievance Mechanism. Instructions are posted on MIC's website in multiple languages. The Grievance Mechanism can be found on MIC's website:

<https://www.mitsubishicorp.com/us/en/mic/csr/GrievanceMechanism/>.

#### **4 Due diligence processes**

- 4.1 In order to identify and manage risks of modern slavery and human trafficking in its own business, MIC carries out background checks and periodically reassesses its employment practices to ensure it meets or surpasses employment standards in all jurisdictions in which it operates.

- 4.2 MIC is constantly in the process of reviewing and improving its approach to supplier due diligence with the aim of ensuring a more robust action plan to address modern slavery risks. As part of its initiative to identify modern slavery risks in its supply chains, MIC completed a supplier risk-mapping assessment when devising its Supply Chain Compliance program.

- 4.3 MIC has in place, and is currently implementing, systems to:

- (a) establish, assess, and monitor areas of potential risk in its business and supply chains; and
- (b) reduce or mitigate the risk of slavery and human trafficking occurring in its business and supply chains.

MIC adopted its Supply Chain Compliance program in FY 2023 and is onboarding its business departments into the program with an order based on relative risk.

MIC's compliance helpline, Forced Labor Grievance Mechanism, and Code of Business Conduct provide (a) durable mechanisms that allow employees to report actual or suspected legal or compliance violations, and (b) robust protection to good faith whistleblowers.

- 4.4 As part of its initiative to identify modern slavery and mitigate associated risks in its business and supply chains, MIC has adopted the following due diligence procedures: categorizing supply chains based on geographical and product risk; collecting additional identifying information for higher risk supply chains, to assist with MIC's supply chain mapping; conducting supply chain mapping on actual or prospective supply chains, using licensed supply chain mapping software; asking suppliers of goods to be imported to agree to a risk-based set of contract provisions; escalating consideration

of certain higher risk supply chains to senior management for review prior to commencement or continuation of business.

- 4.5 MIC seeks to do business with suppliers that have similar values and ethics, including those related to human rights. MIC will not tolerate any form of modern slavery and human trafficking within its supply chains.
- 4.6 MIC has a dedicated compliance team, which consists of involvement from the following departments or personnel:
- (a) Legal and Compliance
  - (b) Trade Compliance
  - (c) Internal Audit
  - (d) Human Resources
  - (e) Business department logistics personnel
  - (f) Senior management
- 4.7 To ensure all suppliers and contractors in its supply chain comply with MIC's values, MIC, under the Policy being implemented, asks its suppliers to conform to its Supplier Code of Conduct and evaluates the overall modern slavery risk of a supply chain based in part on their cooperation.

**5 MIC's supply chain risk profile**

- 5.1 Within its operations, MIC has assessed its general, overall risk profile based on sector and industry risks as low. All of MIC's workers are employed in the United States, where MIC has fair and responsible employment practices in place to protect and promote workers' rights.
- 5.2 That said, MIC recognizes that risks of modern slavery may be present in its supply chains, in areas such as products from China. Since workers in MIC's supply chains are not employed directly by the MC Group, MIC has less control and visibility over their working conditions and employment terms and MIC continues to tailor its risk management actions to address those risks. Namely, MIC continues its efforts to classify supplier risks and map key parts of its supply chains to identify and improve its understanding of modern slavery risks.
- 5.3 MIC's trading business is organized into five business units: the Materials Solution Group, Energy Trading Solutions, the Commodity Chemicals Divisional Company, Mitsubishi Corporation RtMA, and the Urban Development and Infrastructure Group.
- 5.4 MIC's key operations and supply chains include:

<b>Business operations</b>	<b>Supply chains</b>	<b>Modern Slavery Red Flags</b>
<b>Commodity Chemicals Divisional Company</b>	consists of six departments (Chlor-Alkali, Ethanol, Methanol, Petrochemicals, Polymers, and PVC) that trade and distribute chemicals domestically and globally	higher risk products (PVC-industry products), higher geographical risk products (China, Malaysia, Venezuela)
<b>Energy Trading Solutions</b>	trades a full lineup of petroleum products, conducting activities ranging from domestic pipeline trade to export and import of cargo while also developing low carbon business activities in line with MC's Energy Transformation (EX) strategy	n/a

<b>Business operations</b>	<b>Supply chains</b>	<b>Modern Slavery Red Flags</b>
<b>Materials Solution Group</b>	handles a variety of materials including carbon products while also seeking to develop new business areas	n/a
<b>Mitsubishi Corporation RtMA</b>	a global trader of metals and minerals: precious metals, aluminum ingots/slabs/billets, copper cathodes, iron ore, etc., predominantly in North and South America	higher risk products (copper, aluminum), medium risk products (gold, silver)
<b>Urban Development and Infrastructure Group</b>	handles products and services mainly in the aerospace sector, covering a wide range of products in the fields of defense and space	n/a

## 6 Actions taken to combat slavery risks

- 6.1 As can be seen in section 3 above, MIC anticipates that its imports from China and other countries are susceptible to risks of modern slavery. MIC assesses and manages that risk by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid modern slavery in all environments in which MIC operates, including developing and implementing those policies, processes and actions discussed in sections **Error! Reference source not found.** to 9.

Such processes and actions (which are in the course of being implemented) include, but are not limited to, the following:

- (a) appropriate contractual obligations reinforcing MIC's Supply Chain Compliance Policy and the suppliers' commitment to compliance with both the policy and any modern slavery legislation are negotiated with all suppliers;
- (b) training provided to all employees to raise awareness of this issue within the organization;
- (c) contract provisions that provide rights for MIC to conduct supplier audits;
- (d) contract provisions that provide rights for MIC to conduct inspections of supplier premises in at-risk countries.

## 7 Remediation measures

- 7.1 To date, MIC has not identified any instances of modern slavery or human trafficking in its business and supply chains, therefore, it has not been required to take remedial measures.

## 8 Remediation measures relating to loss of income to vulnerable persons

- 8.1 MIC recognizes that remedial measures potentially have the unintended consequence of inflicting loss of income on vulnerable groups, such as migrant laborers, unskilled laborers, indigenous people, women, or children. To date, MIC has not been required to take remedial measures; therefore no measures have resulted in loss of income to any vulnerable persons.

## 9 Training

- 9.1 MIC has conducted employee training to make sure its employees are aware and capable of recognizing and reporting the risks of modern slavery and human trafficking in its business and

supply chain, and also to make sure employees understand the requirements of the MIC Supply Chain Compliance Policy.

9.2 MIC invests in educating its staff to recognize the risks of modern slavery and human trafficking in its business and supply chains. Through its training program, employees are encouraged to identify and report any potential breaches of MIC's Supply Chain Compliance Policy, Supplier Code of Conduct, or Code of Business Conduct. Employees are taught the benefits of stringent measures to tackle slavery and human trafficking, as well as the consequences of failing to eradicate slavery and human trafficking from MIC's business and supply chains. Examples of training courses on modern slavery that MIC has administered over the past fiscal year include:

- (a) general training session for all MCA and MIC employees;
- (b) business-specific training sessions for individual higher risk business units and the same for certain affiliates;
- (c) training sessions for legal/compliance and trade compliance specialists at MIC and various affiliates.

## 10 Effectiveness in combatting modern slavery risks

10.1 MIC's Supply Chain Compliance program is in the implementation phase. To date, MIC has not taken actions to assess the effectiveness of its actions in preventing and reducing risks of modern slavery in its activities and supply chains. Going forward, MIC will develop methods for assessing the effectiveness of its actions, namely by determining targets and measuring key performance indicators.

## 11 Approval of the Statement

11.1 This statement is made in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and constitutes MIC's modern slavery statement for the financial year commencing on April 1, 2023 and ending on March 31, 2024.

11.2 This statement was approved by the Executive Committee of the Board of Directors of MIC, pursuant to the authority delegated by the Board of Directors of MIC, in accordance with Paragraph 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, on May 30, 2024.

11.3 In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed

By:   
Koji Hora  
Chief Legal Officer and Chief Compliance Officer;  
member of Executive Committee  
Date: 05/ /24

I have the authority to bind Mitsubishi International Corporation.