



# MITSUBISHI MOTORS

Corporate Social Responsibility Report 2018

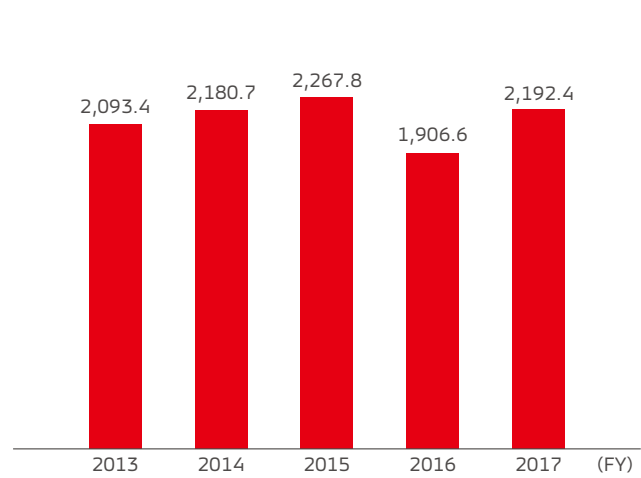
Corporate Overview .....	02
Commitment of Top Management .....	04
CSR Management .....	06
Mitsubishi Motors' Material Issues .....	08
Overview and Measures Regarding Improper Conduct in Fuel Consumption and Emissions Testing .....	12
ESG Performance Report:	
<b>E</b> nvironment .....	14
Policies .....	15
Environmental Management .....	21
Products & Technologies .....	25
Business Activities .....	37
Collaboration with Society .....	46
Environmental Data .....	51
<b>S</b> ocial .....	54
Safety and Quality .....	55
Employees .....	64
Human Rights .....	76
Supply Chain Management .....	78
Social Contribution .....	81
<b>G</b> overnance .....	83
Corporate Governance .....	84
Editorial Policy .....	94
GRI Standards Reference Chart .....	95

# Corporate Overview

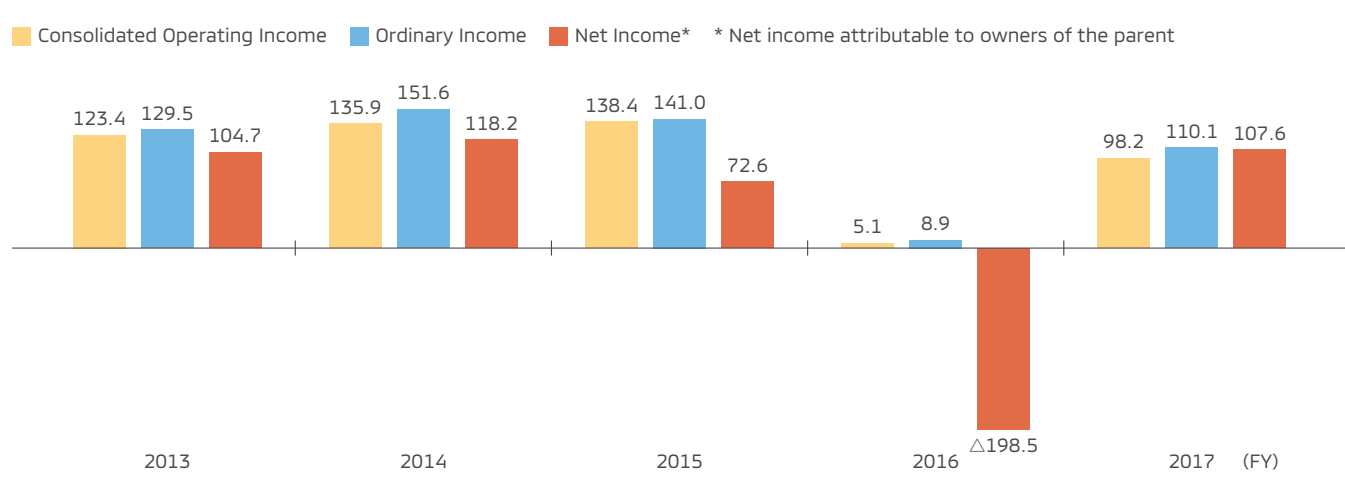
Company Name	Mitsubishi Motors Corporation	Brand Name	MITSUBISHI MOTORS
Established	April 22, 1970	Capital Stock	¥284,382 million
Head Office	5-33-8 Shiba, Minato-ku, Tokyo 108-8410, JAPAN	Number of Shares Issued and Outstanding (Common Stocks)	1,490,282,496 (including treasury stock)
Business	Mitsubishi Motors Group carries out development, production and sales of vehicles and vehicle parts and engages in the sales finance and insurance agency businesses.	Number of Employees	Consolidated: 30,507 Non-consolidated: 13,693

as of March 31, 2018

Consolidated Net Sales (Billions of yen)

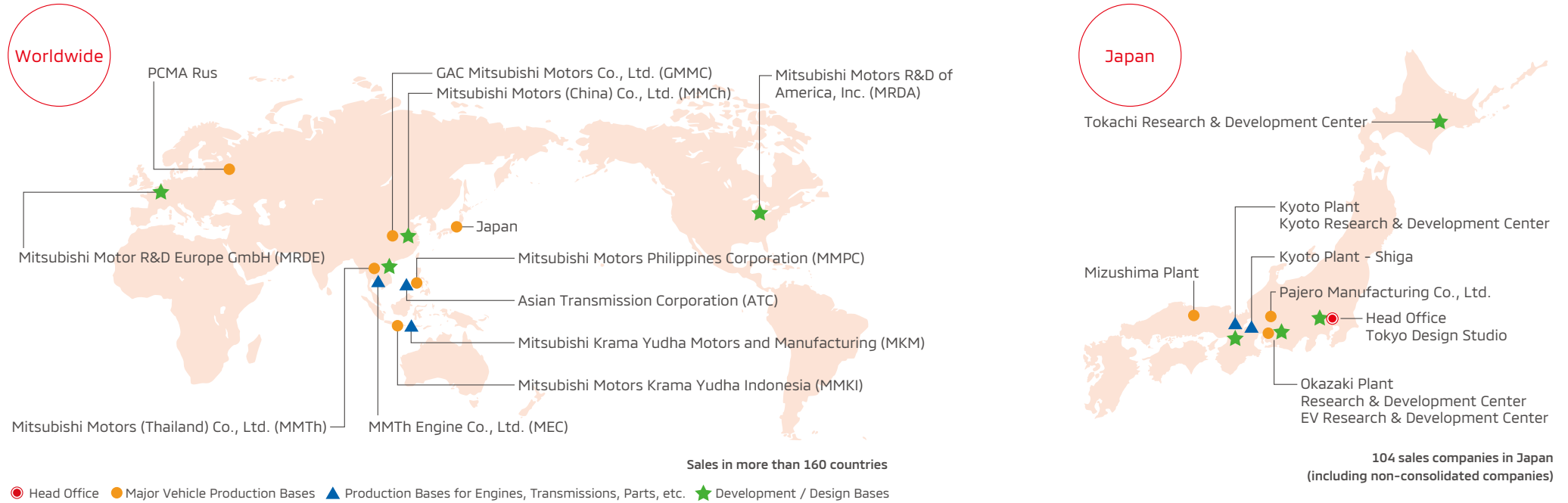


Consolidated Operating Income, Ordinary Income and Net Income\* (Billions of yen)





## Principal Facilities



Production Bases	Major vehicle models	Six bases in the four countries of Japan, Thailand, the Philippines, and Indonesia (including consolidated subsidiaries)
	Engines, transmissions, parts, etc.	Seven bases in the five countries of Japan, China, Thailand, the Philippines, and Indonesia (including consolidated subsidiaries, affiliates, and partners)
Development / Design Bases		Nine bases in the five countries of Japan, United States, Germany, China, and Thailand (including consolidated subsidiaries)

## Global Sales and Production Volumes

(Thousands of units)

		FY2015	FY2016	FY2017				FY2015	FY2016	FY2017
Japan	Production volume	653	531	590	Asia	Production volume	490	533	661	
	Sales volume	102	80	98		Sales volume	322	315	429	
North America	Production volume	38	—	—	Other Regions	Production volume	24	15	19	
	Sales volume	135	138	155		Sales volume	283	214	230	
Europe	Production volume	3	—	1	Total	Production volume	1,208	1,079	1,270	
	Sales volume	206	179	189		Sales volume	1,048	926	1,101	

\* Production volume refers to the number of finished vehicles (including KD) produced, including vehicles supplied to other companies as OEM and joint-development vehicles produced by our company, but does not include local brand vehicles in China. Sales volume refers to retail units sold under the brand name of Mitsubishi Motors

# Contributing to the Development of a Vibrant Society through CSR That Demonstrates Mitsubishi Motors' Character



## Responding to Changes in the Management Environment and Pursuing New Possibilities of Mobility

The management environment of the automobile industry is undergoing major changes. For example, new technologies such as AI and the Internet of Things (IoT) are being incorporated into mobility, and the value and roles of automobiles are changing. In addition, the spread of car sharing is replacing the conventional wisdom that automobiles are something to be owned. Under these circumstances, Mitsubishi Motors became a member of the Renault-Nissan Alliance in 2016 and made a step toward sustainable growth. In order to transform these internal and external changes into opportunities, it is necessary that we take proactive action toward value creation. With this commitment, Mitsubishi Motors established a new Corporate Vision and Mission in FY2018 (see page 6). Our vision of creating a vibrant society by realizing the potential of mobility and the four missions on page 6 for carrying out this vision represents the stance that the entire Mitsubishi Motors Group is pursuing, from a long-term perspective. It is also crucial that we collaborate with partners who have strengths different from ours so that we can respond to rapidly changing social needs. For example, battery performance is a major key to the success of electric vehicles, and collaborating with battery makers is essential. The situation is similar with regard to connected cars, and in September 2018, Renault, Nissan

Motor, and Mitsubishi Motors established a technology partnership with Google. Through these types of partnerships, we are making advances in performance and the practical application of equipment that was considered difficult to realize before.

We believe that by focusing on social needs and addressing those needs in new car manufacturing, there is no limit to what we can contribute to society.

## Solving Social Issues through Business Activities Based on Identified Material Issues

The United Nations adopted the Sustainable Development Goals (SDGs) in 2015. Mitsubishi Motors, recognizing the importance of the SDGs, conducted repeated interviews with experts and internal investigations. In FY2018 we identified 15 material CSR issues that the company should address from among various issues in the environmental, social, and governance fields (for details, see page 8). A person in the officer class responsible for each of the 15 material issues was appointed, and targets and key performance indicators were set. The progress and results of undertakings are monitored by the CSR Management Committee, of which I serve as chairman. Officers were appointed as leaders with regard to the following six material issues, which are particularly important from the perspectives of stakeholder's concern and impact on the company, creating a structure that allows for even more comprehensive follow-ups.

- Responding to climate change and energy issues
- Delivering products which help prevent traffic accidents
- Improvement of product, sales, and service quality
- Contribution to local economy through business activities
- Work style reform
- Corporate governance, compliance

The first issue is “responding to climate change and energy issues.” Record-breaking rainfall, droughts, and other natural disasters are occurring around the world and various environmental changes are taking place on a global scale. Undertaking measures to reduce environmental impact including reducing greenhouse gases is the responsibility of automobile makers. We believe that the widespread adoption of electric vehicles in particular can contribute to climate change countermeasures.

How we can prepare for natural disasters is also an important perspective. For example, electric vehicles that can also be used as power supplies during power outages can contribute to the development of a strong society that is resilient to disasters.

With regard to the second issue, the “delivering products which help prevent traffic accidents,” we believe that advancing preventive safety technologies can reduce accidents caused by human error, which is said to be the cause of 90% of automobile accidents. We are also developing technologies that can mitigate injuries to passengers and pedestrians should an accident occur. The third issue is “improvement of product, sales, and service quality,” and we are working to enhance not just product quality, but also the quality of sales and after-sales service. One of our initiatives is the Education Academy, a sales and service training facility that Mitsubishi Motors

Thailand (MMTh) opened in June 2018, aiming to achieve even higher customer satisfaction.

We are implementing a variety of initiatives in Japan and overseas to address the fourth issue, “contribution to local economy through business activities.” Overseas, we are building trusting relationships, particularly with the governments of Thailand, the Philippines, and Indonesia—countries where production bases are located—and we are being called on to make contributions through investment, employment, human resource development, and technology transfers and to promote exports of locally-produced vehicles that will contribute even further to the national interest of these countries.

In Japan as well, we believe that the relationships of our production sites with business partners and local communities are important. In August 2018, we entered into an agreement with Okayama Prefecture regarding industry and community development in response to the shift to electric vehicles. We are continuing our efforts in collaboration with Okayama Prefecture to promote industry and develop infrastructure in preparation for the full-scale era of electric vehicles.

The fifth issue is “work style reform.” This topic also involves each employee asking what kind of life they want to live and is the topic that I personally feel strongest about. Discussion is not limited to simply reducing overtime work and encouraging employees to take paid leave. We are working to reinforce various support programs so that the increasing numbers of employees who are also undertaking childcare or nursing care can maintain good life-work balances. I believe that measures that enable employees to feel happy are the ideal, and I have started conducting dialogues with small groups of younger employees to consider the optimal status of the company.

With regard to the sixth issue, “corporate governance, compliance,” we increased the number of outside members



of the board and Audit & Supervisory Board members at the time of appointment of officers in June 2018, to reinforce supervisory and audit functions regarding the performance of duties. We are also building global internal control systems under the leadership of the Global Risk Control Officer. In addition, we are working to increase the transparency of management and the work of all officers and employees and to enhance communications based on self-examination regarding past incidents.

It is society, in the broad sense, including people who are not direct customers of our products and services, that supports the continued existence of Mitsubishi Motors as a company. We will always keep this in mind when undertaking CSR measures and will endeavor, with resolution and commitment, to the creation of a vibrant and sustainable society through business activities that demonstrate the character of Mitsubishi Motors.

Osamu Masuko  
Member of the Board  
CEO  
Mitsubishi Motors Corporation

# CSR Management

## > Policies

### The Three Principles of the Mitsubishi Group

The Three Principles represent the spirit of Mitsubishi since its founding and embody the fundamental philosophy shared by all Mitsubishi Group companies.

**Shoki Hoko**  
= Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

**Shoji Komei**  
= Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

**Ritsugyo Boeki**  
= Global Understanding through Business

Expand business, based on an all-encompassing global perspective.

### Vision & Mission

In April 2018, Mitsubishi Motors established a new corporate Vision and Mission that enabled its group employees to look towards the future, develop a common understanding, and work as one team. The automobile industry is in a period of major change, and Mitsubishi Motors' business environment is also undergoing substantial changes. Under these circumstances, the

Vision (the society we want to create) and Mission (how to realize the Vision) specify how we become more proactive to exert a positive influence on society.

#### VISION

Create a vibrant society by realizing the potential of mobility

#### MISSION

1. Provide new experiences for our customers with creative products and service excellence.
2. Make positive contributions to the sustainable development of our society.
3. Act sincerely as a trusted company.
4. Enhance stakeholder value by leveraging the alliances.

The automobile industries have been creating numerous technologies and innovations including the powertrain diversification, intelligence and IoT (Internet of Things) into vehicles. The role of the automobile has been and will be transformed from a "car" as a type of hardware currently to "mobility" as a transportation system entirely. Under such a major transition, we are committed to research and develop the potentialities of mobility broadly and to provide all people with possible opportunities to go wherever they want, to see whatever they want, and meet whomever they want, at any time. Our Vision embraces our desire to encourage individuals to take on new challenges, promote economic activities, and contribute to the revitalization of society by improving the efficiency and optimizing movement of the people.

### Approach to CSR

Mitsubishi Motors strives to carry out its Mission and realize its Vision by encouraging each employee to practice the MMC Way and the Global Code of Conduct. We contribute to the sustainable development of society while deepening mutual understanding with diverse stakeholders through dialogue, and engaging in business activities centered on automobiles, which are the products we see and use every day.



# CSR Management

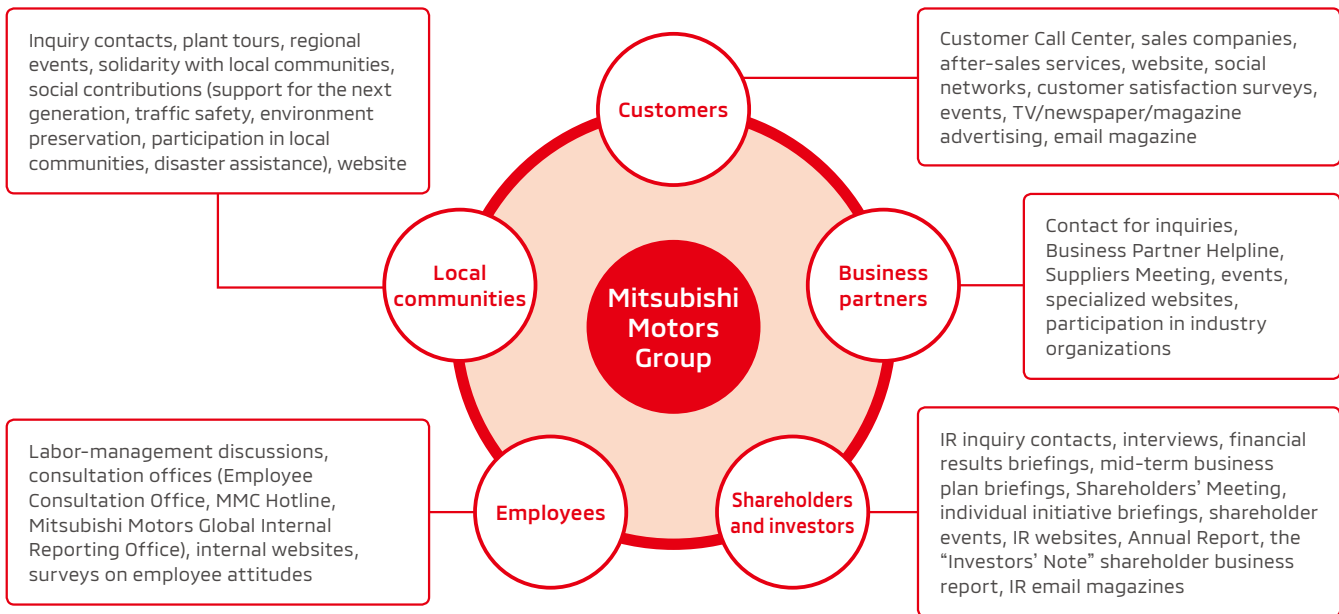
## Management

### Framework for Promoting CSR

Mitsubishi Motors positions the environment and compliance as the key areas of CSR. We appointed a Chief Environmental Strategy Officer for the environment and a Global Risk Control Officer for compliance. Under the direction of these officers, we systematically implement measures in these areas. In fiscal 2017, we established a CSR Management Committee with the CEO as its chair to identify key CSR issues (materialities), set CSR targets, confirm the progress of measures, and take other action. We seek to create structures that can promote CSR throughout the Mitsubishi Motors Group and periodically report on material topics to the Board of Directors.



### Dialogue with Stakeholders



### Participation in External Organizations

- Japan Business Federation (Keidanren)
- Japan Automobile Manufacturers Association, Inc.
- Society of Automotive Engineers of Japan, Inc.

### External Initiatives Supported or Referred to

- Core Labor Standards of the International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- ISO 26000 Guidance to Social Responsibility
- GRI Standards
- United Nations' Sustainable Development Goals (SDGs)
- Keidanren Charter of Corporate Behavior



# Identification of Material CSR Issues

## ➤ Identification Process

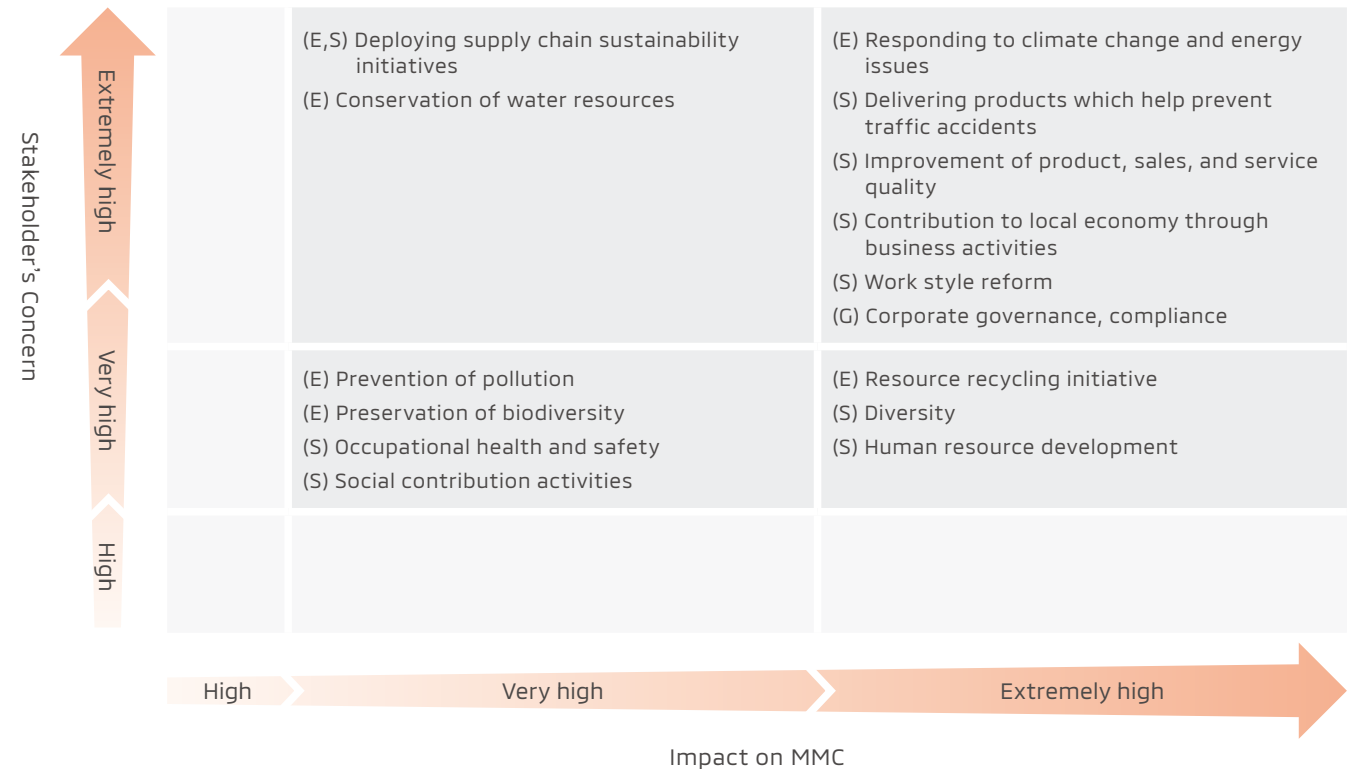
Starting in fiscal 2016, Mitsubishi Motors has been identifying material issues that we should address based on social trends and the expectations of stakeholders while making reference to the GRI Standards and other materials. When identifying material issues, we performed the following four steps.



## ➤ Identified Material Issues

Material issues that the company should address in the environmental (E), social (S), and governance (G) fields were identified as the following 15 items (E: 5 items; S: 8 items; common to E & S: 1 item; G: 1 item).

### ◆ Mitsubishi Motors' Material CSR Issues













Classification of issues (E): Environmental issues (S): Social issues (G): Governance related issue

# Identification of Material CSR Issues










## Identified Material Issues

### Main Measures to Address Material CSR Issues

Category	Material CSR Issues	Details of Main Measures	Related SDGs
E: Environment	Responding to climate change and energy issues	Begin formulation of an environmental vision (post 2020) Facilitate product development aiming to reduce CO <sub>2</sub> emissions while driving Reduce CO <sub>2</sub> emissions in business activities (production and distribution) Promote acquisition of Eco-Action 21 Certification by sales companies	 
	Conservation of water resources	Investigate water risks in production activities and formulate reduction plans based on the results	
	Resource recycling initiative	Encourage recycling of drive batteries of electric-powered vehicles Reduce waste material in production activities	
	Prevention of pollution	Properly manage hazardous substances in products Curtail emissions of VOCs in production activities	 
	Preservation of biodiversity	Survey wildlife and expand the scope of biodiversity preservation activities at domestic business sites	
E: Environment S: Social	Deploying supply chain sustainability initiatives	Conduct procurement that takes into consideration the environment, labor, and human rights	  

# Identification of Material CSR Issues

## Identified Material Issues

Category	Material CSR Issues	Details of Main Measures	Related SDGs
S: Social	Delivering products which help prevent traffic accidents	Develop technologies to address collision safety, preventive safety, etc.	
	Improvement of product, sales, and service quality	Undertake improvement activities seeking the industry's highest levels of quality from the customer's perspective	N/A
	Contribution to local economy through business activities	Contribute to local economies through employment, human resource development, investment, transfer of technology, and exports	
	Work style reform	Implement measures to support a good work-life balance	  
	Diversity	Foster women leaders	
	Human resource development	Update and further expand and enhance educational programs by reviewing educational targets and required competencies at each level	
	Occupational health and safety	Improve health and safety management	
Social contribution activities	Undertake activities in cooperation with local communities, NGOs, and other organizations	 	
G: Governance	Corporate governance, compliance	Reinforce internal controls within the Mitsubishi Motors Group	 

# Identification of Material CSR Issues

## Expert Comment

### Review by Outside Experts



Former President, Japan Institute for Women's Empowerment & Diversity Management  
Audit and Inspection Commissioner of the Tokyo Metropolitan Government  
**Kimie Iwata**

It is praiseworthy that you have performed this process while making reference to social requirements such as the GRI and SDGs. The more seriously you consider these issue, the more issues are placed in the upper right quadrant of the CSR material issue matrix (page 8). Therefore, in order to prioritize the material issues, you will have to disperse them in the matrix. Also, activity progress should not be included when you evaluate disputed points. The environment and compliance are elements that fall within the upper right quadrant. Environmental measures in the supply chain are just as important as human rights and labor. The items relating to hiring and labor should be reorganized, and priority should be placed on diversity and work style reform.



Professor, Sophia University Graduate School of Global Environmental Studies  
**Akemi Ori**

Although you have comprehensively covered all the points that are supposed to be covered, I can see neither Mitsubishi Motors' distinctive strengths nor the issues your company faces through these material issues. If people cannot understand that these are Mitsubishi Motors' material issues just by giving a quick glance at them, it would be difficult to put them into practice. Firstly, it is important to clarify the strengths of your company as well as the issues your company is facing. One way to address this matter is to discuss your company's manufacturing flow first (for example, the impact of raw material procurement on society and the environment, etc.). It is also important to share awareness of issues within the company while at the same time providing stakeholders with adequate information.

We obtained opinions from outside experts in the process of identifying material issues (page 8 ▶ STEP 3). We will continue to examine the opinions received and use them in our activities.



Managing Director, Institute for Promoting Sustainable Societies  
**Itaru Yasui**

Eighty percent of the discussions that take place within car companies are about climate change and energy issues. However, since each automaker has already considered the next step beyond identifying material issues, you should move forward quickly. What type of goal your company sets is important. To this end, you will have to understand the Western concept of "climate justice," and develop a corporate vision which will be accepted globally. You will also have to present an overall image of your company's value chain management.



Senior Advisor on CSR  
Sompo Japan Nipponkoa Insurance, Inc.  
Specially-appointed Professor, School of Business Administration, Meiji University  
**Masao Seki**

As with the environment and safety, the way mobility should exist in an aging society is an important issue, and I would like to see your company's efforts to address this issue. With regard to human rights, child labor and forced labor are significant problems in the supply chain, and it is necessary to trace back to raw materials and take measures in consideration of international trends. In addition to disclosing information, it is important to engage in two-way communications with various stakeholders on a regular basis and incorporate outside perspectives in order to gain the trust of society.



Executive Officer  
Deputy Chief Research Officer  
Development Bank of Japan Inc.  
**Keisuke Takegahara**

All the points of contention that are supposed to be covered have been covered. However, I have got the impression that your company has set too many points. In this respect, there is room for improvement. Currently, the mainstream thinking in the West and among investors is to identify material issues as part of growth strategies rather than simply identifying issues. You should also view the SDGs from the perspective of your company's growth. It will be better if you can organize your company's growth factors so that they will fall within the upper right quadrant. Your company's material issues should have a strong message from a global perspective, and should also be distinctive compared to other companies' material issues. Since operations in developing countries differ from those in Japan, it would be good if you could consider them separately.



## Overview and Measures Regarding Improper Conduct in Fuel Consumption and Emissions Testing

Mitsubishi Motors has endeavored to comply fully with requirements and to change attitudes based on self-examination of past quality issues. However, the serious improper conduct regarding fuel consumption and emissions testing of products manufactured by the company for sale in Japan uncovered in April 2016 caused considerable inconvenience to and concern on the part of our stakeholders. For this, we sincerely apologize.

We are continuously confirming the implementation status and effects of measures to prevent reoccurrence of improper conduct concerning fuel consumption and emissions and are working to ensure the reliability of those measures. We also report quarterly to the Ministry of Land, Infrastructure, Transport and Tourism.

### Overview, Background, and Causes

In 2016, we discovered improprieties in the fuel consumption testing data that we submitted to Japan's Ministry of Land, Infrastructure, Transport and Tourism as part of the certification process for the *eK Wagon* and *eK Space* mini-cars developed and manufactured by Mitsubishi Motors from June 2013 for sale in the Japanese market (as well as the *Dayz* and *Dayz Roox* manufactured by MMC and supplied to Nissan Motor Company). We found that testing had been improperly conducted to present better fuel consumption rates than the actual rates and that the test methods used differed from those stipulated by Japanese law.

In response, we conducted an investigation of other vehicles manufactured by Mitsubishi Motors for sale in Japan (nine currently sold models as well as 20 models manufactured and sold during the past 10 years for which documentation has been retained). As a result, we found that fuel consumption testing for vehicles for sale in Japan had been performed improperly for many years.

We determined that this improper conduct was the result of multiple factors including inadequate information-sharing between management and development divisions as well as insufficient awareness of compliance, an organizational culture that made it difficult for staff to point out issues, and personnel remaining in the same departments for long periods. Specific details of the incident and the background and causes can be found at the following website.

We did not find that these activities were occurring with vehicles for overseas markets.

### Preventative Measures

We deeply regret that this improper conduct occurred in the wake of prior quality issues. In addition to conducting an internal investigation, on April 25, 2016, we established a special investigation committee made up solely of independent outside experts. We received the Committee's Investigation Report on Improper Fuel Consumption Testing on August 1, 2016

We formulated 23 preventive measures on June 17, 2016 and supplemented them with eight additional measures on September 30 for a total of 31 preventive measures (see Table 1).

◆ Table 1. Preventive Measures

Category	Measure
Organization-Related Measures	Reinforce functions for auditing the Product Development Division
	Establish a legal and regulatory management function within the Development Engineering Office
	Establish an organization to create structures for preventing reoccurrence
	Revise the product executive (PX) system
	Reassess the status of Mitsubishi Automotive Engineering (MAE, a subsidiary)
	Create a corporate safety and environmental philosophy
	Revise the organizational structure of the Development Engineering Office
System-Related Measures	Transfer responsibility for achieving development targets from testing departments to design departments
	Revise running resistance measurement operations
	Clarify who is responsible for achieving fuel consumption targets
	Establish a test vehicle quantity verification body
	Introduce an automated system for processing running resistance measurement data
	Create rules on publication of test reports
	Perform comprehensive inspection of regulatory compliance status
	Use IT to manage running resistance measurement data
	Revise development processes (the Mitsubishi Motors Development System)
Improve the accuracy of product plan and estimates of required man-hours	
Formulate rules on revising manuals	

# Overview and Measures Regarding Improper Conduct in Fuel Consumption and Emissions Testing

Culture and Personnel-Related Measures	Reassign management personnel involved in the improper conduct
	Redevelop personnel ideals required in development divisions
	Create systems for job rotation within and among divisions
	Revise personnel evaluation standards
	Establish sections to promote personnel development within development divisions
	Create a system for legal and regulatory education for engineers
	Conduct training for all personnel in development divisions involved in the improper conduct
	Repeat basic training for development divisions
Measures regarding Management-Level Involvement	Conduct surveys of employee attitudes
	Consider transferring the Certification & Regulation Compliance Department outside the Development Engineering Office
	Formulate methods for headquarters management to monitor development divisions
	Create crisis management systems for handling critical issues
	Enhance checks of certification application content

## Progress of Preventative Measures

All 31 of the preventative measures were implemented by April 2017. The measures were divided into four categories (I-IV) based on their individual characteristics. Confirmation of the effects is ongoing. The number of items whose effects have been confirmed as of June 25, 2018 is as follows. Implementation of those measures whose effects were confirmed has been established, and we will continue to follow up to ensure proper implementation in the future.

- I. Measures which can be expected to produce immediate effects when implemented: 3 (Confirmation of effects completed for all items)
- II. Measures whose effects are to be continuously confirmed for one year after implementation: 20 (of which, the effectiveness of 16 has been confirmed)
- III. Measures whose effectiveness is to be confirmed after three years of continuous observation: 6
- IV. Measures whose effectiveness is to be confirmed through surveys of employee attitudes: 2

## R&D Learning Center “Lessons from the Past” Established

We opened the R&D Learning Center at the Research & Development Center in Okazaki in February 20, 2018. The intent is to prevent the serious mistakes relating to vehicle safety and quality that have occurred in the past from being forgotten and to have each employee accurately understand the situations at the time and review the optimal status of day-to-day operations.

When undergoing training at this facility, employees watch videos of reports from when the incidents occurred and summaries by customers and employees with guidance from an instructor. They then view panels explaining the various problems that have occurred since the recall concealment in 2000 and examine full-scale models of defective parts.

We are continuously making use of this facility by incorporating it into training programs for newly hired and promoted employees.

- Details of the exhibit: Videos and panels relating to the recall concealment, mini-cars engine oil leak recall, and improper conduct regarding fuel consumption testing, full-scale models of defective parts, and other items



Video screening room



Exhibit with panels and full-scale models of defective parts

# E nvironment

## Policies

- ▶ Message from the Chief Environmental Strategy Officer ..... 15
- ▶ Environmental Policy ..... 16
- ▶ Key Environmental Issues ..... 17
- ▶ Environmental Vision 2020 ..... 19
- ▶ Environment Initiative Program ..... 20

## Environmental Management

- ▶ Environmental Organization ..... 21
- ▶ Environmental Management System ..... 22
- ▶ Environmental Education ..... 22
- ▶ Environmental Risk Management ..... 23
- ▶ Life Cycle Assessment (LCA) ..... 24

## Products & Technologies

- ▶ Reduction of CO<sub>2</sub> Emissions while Driving ..... 25
- ▶ Development of Electric Vehicle Technologies ..... 26
- ▶ Development of Fuel Economy Improving Technologies ..... 28
- ▶ Purifying Exhaust Gas while Driving ..... 31
- ▶ Reduction of In-Cabin VOCs ..... 32
- ▶ Recycling Initiatives ..... 33
- ▶ Reduction of Hazardous Substances ..... 36

## Business Activities

- ▶ Efforts in Production ..... 37
- ▶ Efforts in Distribution ..... 42
- ▶ Collaborative Efforts with Suppliers ..... 43
- ▶ Efforts in Offices and Dealers ..... 44

## Collaboration with Society

- ▶ Initiatives for Preserving Biodiversity ..... 46
- ▶ Environmental Communication ..... 49
- ▶ Collaborative Environmental Preservation with Society ..... 50

- ▶ Environmental Data ..... 51

## Policies

### Message from the Chief Environmental Strategy Officer



*Masao Omichi*

Masao Omichi  
Chief Environmental Strategy Officer

The Sustainable Development Goals (SDGs) were adopted at the UN Sustainable Development Summit in 2015, and sustainable goals to be achieved by 2030 were set. They include goals relating to water, energy, resources, climate change, and other issues. Since Paris Agreement came into effect in 2016, ESG investment, in which the environment, society, and governance are taken into account, is accelerated. Also, the proposal of the Task Force on Climate-related Financial Disclosures (TCFD) was released. As stated above, business enterprises are being called on to undertake environment preservation initiatives from a variety of perspectives. With the aim of contributing to solving issues and

achieving sustainable growth, Mitsubishi Motors has identified key CSR issues (material issues) and is carrying out CSR activities based on those material issues. Regarding the environment in particular, we identified six issues: Responding to climate change and energy issues, Deploying supply chain sustainability initiatives, Conservation of water resources, Resource recycling initiative, Prevention of pollution, and Preservation of biodiversity. In regard to Responding to climate change and energy issues, a topic of extremely high interest among stakeholders, we are working to reduce CO<sub>2</sub> emissions throughout the product life cycle from production to use and disposal. CO<sub>2</sub> emissions are greatest during the use stage of an automobile's life cycle, and therefore, we have made efforts in the past to develop and sell electric-powered vehicles such as electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) and to establish charging facilities and other infrastructure. We also plan to expand and improve electric-powered vehicles even further and contribute to the development of overseas infrastructure in Southeast Asia and other regions in the future. In addition, we are working to continuously raise productivity in production activities and introduce renewable energy including solar power. Stakeholder interest is also quite high in Deploying supply chain sustainability initiatives and Conservation of water resources, and we are reinforcing collaboration with business partners to reduce

hazardous substances used in products, investigating water risks at production sites in each country, and promoting water recycling and other initiatives. We are also supporting Resource recycling initiative by improving the recyclability of electric-powered vehicles and reducing waste in production activities. Mitsubishi Motors established the "Environmental Vision 2020" and is working to achieve the specific targets in the "Environmental Initiative Program 2019," however, demands from society require even higher levels of environmental initiatives, and these initiatives have become our responsibility. The automobile industry is confronting a transformation to new mobility made possible by Artificial Intelligence (AI) and the Internet of Things (IoT), such as connected cars, autonomous drive, practical application of car sharing and other developments. We have started to investigate our next environmental vision in light of needs to take environmental action and changes in the mobility society so that we can present long-term action policies and objectives. This vision will be established as a pillar of management, and we will formulate our next mid-term environmental action plan. We will continue to take steady action in response to CSR issues so that we can contribute to the sustainable development of society, and move forward as a company that contributes to society and the environment into the future.



## Policies

### > Environmental Policy

Mitsubishi Motors formulated the “Environmental Policy” that clarifies its initiatives for environmental preservation in corporate management.

#### Basic Policy

Mitsubishi Motors recognizes that protection of the global environment is a priority for humankind and as such makes the following pledges:

1. Taking a global perspective, we are committed to harnessing all our resources to achieve continuous reductions in the environmental impact of all our corporate activities, spanning development, procurement, production, sales, and after-sales servicing of vehicles.
2. As a good corporate citizen, we are committed to take actions that protect the environment at the level of local communities and society as a whole.

#### Behavioral Standards

1. We will endeavor to protect the environment by forecasting and assessing the environmental impact of our products at all stages in their life cycle.

##### <Priority Initiatives>

- Prevention of global warming by reducing emissions of greenhouse gases
  - Prevention of pollution by restricting emissions of substances harmful to the environment
  - Reduction of waste and maximizing efficient use of resources by promoting conservation of resources and recycling
2. We will endeavor to improve our environment management practices as part of ongoing efforts to ameliorate the impact on the environment.
  3. We will comply with environmental regulations and agreements, and will work to protect the environment by establishing voluntary management targets.
  4. We will encourage our affiliates and suppliers, both in Japan and overseas, to cooperate in working to protect the environment.
  5. We will actively disclose environment-related information and will seek the understanding of local communities and of society at large.

## Policies

### ▶ Key Environmental Issues

Vehicles are convenient for transportation and logistics. On the other hand, vehicles have a major impact on the environment. The production of automobiles consumes resources including water and fossil fuels, and also uses chemical substances that are a pollution risk to the environment. While driving, vehicles consume fossil fuels such as gasoline and light oil. In addition, they emit gases such as CO<sub>2</sub>, which is the cause of the global warming and air pollution. Mitsubishi Motors, as a corporation that produces and sells vehicles, has been promoting environmental initiatives with a particular emphasis on responding to climate change and energy issues caused by global warming, conservation of water resources, resource circulation and prevention of environmental pollution.

#### Responding to Climate Change and Energy Issues

There are concerns that climate change from global warming may cause natural disasters, rising sea levels, desertification, and food shortage crises. It is believed that impacts on biodiversity and damage to the human body caused by these phenomena will eventually put the very existence of human life in peril. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) concluded that global warming after the 20th century was highly likely attributable to human activities.

Vehicles consume fossil fuels and emit CO<sub>2</sub>, a cause of global warming, throughout their lifecycle, from their production phase to their driving phase and on to their disposal phase. Most CO<sub>2</sub> emissions by vehicles occur during driving, so we anticipate regulations on vehicle fuel economy and CO<sub>2</sub> emissions will be stricter in each country and region. At the same time, due to the increasing tendencies for people to seek environmentally-friendly products, we believe that fuel economy performance will become more important when selecting a car. In addition, there is a possibility that fossil fuels will be unavailable for use as a result of the need to mitigate climate change, which would present fossil fuel procurement risks.

Based on the above, the company is prioritizing effective energy use and the prevention of global warming, both of which act against climate change. The company released our “Environmental Vision 2020” in 2009, and we have been working on decreasing our

energy consumption and reducing our CO<sub>2</sub> emissions for a pleasing and low-carbon society. We have set a CO<sub>2</sub> emissions reduction target and are reducing energy consumption by promoting the creation of electric-powered vehicles, improving fuel economy, increasing efficiency in our business activities, and introducing energy-efficient devices.

Furthermore, in response to increasing natural disasters due to climate change, we believe a power feeding function of electric-powered vehicles and plug-in hybrid vehicles such as V2X\* will be one of the adaptation strategies.

\*V2X: This refers to supplying power from the drive batteries of electric-powered vehicles to houses, buildings, or communities.

#### Conservation of Water Resources

Concern for the conservation of water resources has been increasing over the years throughout the world. We believe it is important to consider the impact derived from water withdrawal and discharge on the environment in regions with high water risk. Based on the above, we investigate water risk in each country and region, and are working on initiatives such as promoting the use of recycled water to reduce water consumption.

## Policies

### > Key Environmental Issues

#### Resource Circulation Initiatives

The consumption of resources around the world tends to increase due to the rise in the world population and economic growth in emerging countries.

In the production of vehicles, many resources are used, and in next generation vehicles such as electric-powered vehicles, in particular, many scarce resources including rare earth materials are used. Therefore, there are risks from resource depletion and difficulty in procurement.

Based on the above, the company regards effective resource use as our task and promotes initiatives for recycling and resource conservation. More specifically, we design products with a consideration for recycling and carry out recycling of end-of-life vehicles. In production, we work on the reduction of externally disposed waste.

#### Environment Pollution Prevention

Air pollution by nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM), along with soil and water pollution caused by heavy metals in waste water, impact human health and biodiversity.

Long-term risks of substances left in the environment without decomposing have become a significant concern. Most of vehicles emit NOx and SOx due to engine combustion while driving. In production, in addition to emissions of NOx and SOx from combustion in boilers, volatile organic compounds

(VOC) are emitted from the use of paint and solvents. Furthermore, since materials in vehicles contain environmentally hazardous substances, there is a risk of pollution throughout the entire lifecycle from production to disposal.

We believe that stricter regulations on the emissions performance of vehicles and management of environmentally hazardous substances will be enforced in each country and region going forward. Based on the above, we have been promoting initiatives for the prevention of environmental pollution as a priority. For products, we are focusing on the development and diffusion of low-emission gas vehicles and the management and reduction of environmentally hazardous substances in materials. In production, we have been working on the reduction of VOC emissions released in the use of paints and solvents.

# Policies

## > Environmental Vision 2020

In fiscal 2009, Mitsubishi Motors formulated an “Environmental Vision 2020” based on its “Environmental Policy”. The “Environmental Vision 2020” states our medium-to long-term policy for environmental initiatives across the entire group for a low-carbon society.

The “Environmental Vision 2020” centers on the concept of “Leading the EV\* era, toward a sustainable future. “We aim to create a sustainable future by pursuing environmental initiatives in technological development and business activities, spearheaded by EV technology. We aim to work with customers and society to create a clean and vibrant low-carbon society.

In addition, we are commencing work on our next Environmental Vision with considering transformations in mobility impacting the automotive industry, such as autonomous driving, connected cars, and so forth.

\* EV: Electric vehicles, plug-in hybrid vehicles, and other electric-powered vehicles

### Achieving the Environmental Vision 2020

To achieve the goals of the “Environmental Vision 2020”, we will focus our efforts in a three-pronged approach comprising “products & technologies,” “business activities,” and “collaboration with society.”

Products & Technologies	<ul style="list-style-type: none"> <li>• Promote development and application of EV technology</li> <li>• Reduce environmental impact during vehicle life cycle</li> </ul>
Business Activities	<ul style="list-style-type: none"> <li>• Step up corporate activities to promote widespread use of EVs</li> <li>• Raise level of environmental protection activities by setting new standards for each field of corporate activity</li> </ul>
Collaboration with Society	<ul style="list-style-type: none"> <li>• Create a pleasing and low-carbon society by working together with customers and society.</li> <li>• Step up contribution to protecting the global environment by environmental conservation activities with local communities</li> </ul>



# Policies

## Environment Initiative Program

In March 2018, Mitsubishi Motors formulated Environment Initiative Program 2019, which shows the environmental initiatives. The program sets the plan for the period ending in fiscal 2019 when the mid-term business plan "DRIVE FOR GROWTH" is being implemented. The program seeks to improve and enhance the Group's systems and foundation so that they Group can take on new environmental issues. The two central pillars of these initiatives are enhancing environmental management and implementing initiatives to address environmental issues, with the aim of continuing and deepening the initiatives that are already being implemented.

### List of Environment Initiative Program 2019 Initiatives

#### ① Enhancing environmental management

- : Initiatives from fiscal 2018

Field	Initiative	Implementation Items	FY2017 Results
Environmental management	Renewable energy	Use renewable energy considering local characteristics	—
	Water resources	Manage water risks at each production site	—
	Environmental activities in purchasing	Deploy Green Procurement Guidelines to overseas plant business partners	—
		Assess environmental management conditions and CO <sub>2</sub> emissions of procurement business partners	—
	Environmental activities in sales	Promote the acquisition of Eco-Action 21 certification to our dealers	—
		Emphasize and publicize value of EV/PHEVs to expand them widely	—
Environmental data management	Renew central environmental data management system	—	
	Improve reliability of implementation and evaluation methods for GHG*1 emissions LCA*2 for new vehicles	●Update LCA database	

\*1 GHG stands for greenhouse gas \*2 LCA stands for Life Cycle Assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal

#### ② Initiatives to address environmental issues

- : Initiatives from fiscal 2018

Field	Initiative Items	Implementation Items	FY2017 Results
Responding to climate change and energy issues	Reduce CO <sub>2</sub> emissions while driving	CO <sub>2</sub> emissions per new vehicle while driving: 8% reduction compared to FY2010	●CO <sub>2</sub> emissions per vehicle: -10%
	Develop technologies for next-generation environmentally-friendly vehicles	Promote development of motor efficiency improvement methods	●Development completed: Use in 2019 model PHEVs (motor output improvement)
	Reduce amount of CO <sub>2</sub> emitted by production activities	CO <sub>2</sub> emissions at production facilities per production vehicle: 37% reduction compared to FY2005	●CO <sub>2</sub> emissions per vehicle: -28%
	Reduce amount of CO <sub>2</sub> emitted by non-production activities	1% annual reduction in unit CO <sub>2</sub> emissions in non-production facilities	●Vs. previous fiscal year (FY2016): -2.8%
	Reduce amount of CO <sub>2</sub> emitted by logistics activities	CO <sub>2</sub> emissions per unit of transportation in Japan: 9% reduction compared to FY2010	●Vs. FY2010: -5.7%
Resource circulation	Develop new technologies for improving the recyclability and appropriate processing of EV/PHEVs	Commercialize simplified disassembly design	●Development completed: Use in new model Outlander PHEV (iron battery case)
		Selecting materials with outstanding recyclability	●Recycle design guideline formulation
		Recycling management systems responding to an increase of used items	—
	Commercialize and expand usage of resource-conserving materials	Commercialize parts resource conservation technology	—
Reduce disposal volume	Expand use of recycled material	—	
	Externally-disposed waste of production activities per production vehicle: 52% reduction compared to FY2005	●Externally-disposed waste per vehicle: -54%	
Pollution prevention	Improve risk management system for hazardous substances in products	Thorough management of managed substances	●Thorough management by obtaining information regarding development of stricter regulations, revising systems, etc.
	Reduce use of hazardous substances	35g/m <sup>2</sup> or less of VOC*3 emissions per painting area in production activities	●VOC emissions: 34g/m <sup>2</sup>
Environmental preservation	Promote preservation of biodiversity	Conduct biological surveys and implement conservation activities at sites in Japan	●Conducted ecosystem survey in Mizushima area
		Pajero Forest planting and tree growing activities	●Conducted two activities per year
		Tree planting activities at overseas business sites	●MMPC (Philippines) started tree-planting project with DENR (Department of Environment and Natural Resources)

\*3 VOC stands for Volatile organic compounds

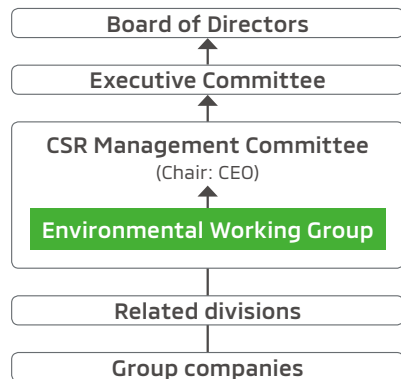
# Environmental Management

## Environmental Organization

Mitsubishi Motors promotes environmental initiatives, led by the CSR Planning & Environmental Affairs Department under the direction of the Chief Environmental Strategy Officer.

Since 1993, we have held the “Environmental Council,” which includes the president and other officers and auditors. In fiscal 2017, we established the “CSR Management Committee,” with the CEO as its chair, and positioned the environmental initiatives as a key CSR field. This committee discusses environmental initiatives such as the medium- to long-term basic policy, targets, and implementation plans, confirms their progress status and results, and reports critical matters to the Board of Directors. Furthermore, an environmental working group has been created under the Committee to engage in concrete deliberations on issues such as the formulation of a new environmental policy.

Within practical operations, we promote environmental initiatives throughout vehicle lifecycles by implementing the PDCA cycle with an ISO14001 certification, assessing our Group’s environmental impact, etc.



**Chief Environmental Strategy Officer: Member**  
**CSR Planning & Environmental Affairs Department: Secretariat**

### Covered Companies of Global Environmental Management (24 Domestic and Foreign Affiliated Companies)

#### Production affiliates

Country	Company Name
Japan	Pajero Manufacturing Co., Ltd. Suiryo Plastics Co., Ltd.
Thailand	Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) MMTh Engine Co., Ltd. (MEC)
Philippines	Mitsubishi Motors Philippines Corporation (MMPC) Asian Transmission Corporation (ATC)
Indonesia	PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)
China	GAC Mitsubishi Motors Co., Ltd. (GMMC)

#### Non-production affiliates

Country	Company Name
Japan	Mitsubishi Automotive Engineering Co., Ltd. Mitsubishi Automotive Logistics Technology Co., Ltd. Higashi Kanto MMC Parts Sales Co., Ltd. Hokkaido Mitsubishi Motors Sales Co., Ltd. Higashi Nihon Mitsubishi Motors Sales Co., Ltd. Kanto Mitsubishi Motors Sales Co., Ltd. Chubu Mitsubishi Motors Sales Co., Ltd. Nishi Nihon Mitsubishi Motors Sales Co., Ltd.
US	Mitsubishi Motors North America, Inc. (MMNA) Mitsubishi Motors R&D of America, Inc. (MRDA)
Puerto Rico	Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)
Netherlands	Mitsubishi Motors Europe B.V. (MME)
Germany	Mitsubishi Motor R&D Europe GmbH (MRDE)
UAE	Mitsubishi Motors Middle East And Africa FZE (MMMEA)
Australia	Mitsubishi Motors Australia Ltd. (MMAL)
New Zealand	Mitsubishi Motors New Zealand Ltd. (MMNZ)

# Environmental Management

## Environmental Management System

Mitsubishi Motors acquired ISO14001 integrated certification, and is promoting environmental initiatives on company-wide basis. Major domestic and overseas affiliated companies also acquired ISO14001 certification. For the domestic dealers, we promote EA21\* certification.

\* Eco-Action 21 is a certification and registration system based on the Environmental Management Systems guidelines formulated by Ministry of the Environment for medium-sized companies.

### Environmental Management System Certification (Affiliated Companies and Dealerships)

#### ISO14001

Development	
Mitsubishi Automotive Engineering Co., Ltd.	
Production	
Pajero Manufacturing Co., Ltd.	
Suiryo Plastics Co., Ltd.	
Mitsubishi Motors Philippines Corporation (MMPC)	
Asian Transmission Corporation (ATC)	
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	
MMTh Engine Co., Ltd. (MEC)	
PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)	
Distribution & Services	Sales
Mitsubishi Automotive Logistics Technology Co., Ltd.	Meinan Mitsubishi Motor Sales Co., Ltd.

#### Eco-Action 21

Sales	
Hokkaido Mitsubishi Motor Sales Co., Ltd.	Tokai Mitsubishi Motor Sales Co., Ltd.
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Aomori Mitsubishi Motor Sales Co., Ltd.
Kanto Mitsubishi Motor Sales Co., Ltd.	Ibaraki Mitsubishi Motor Sales Co., Ltd.
Chubu Mitsubishi Motor Sales Co., Ltd.	Sunen Mitsubishi Motor Sales Co., Ltd.
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	Kyoto Mitsubishi Motor Sales Co., Ltd.
	Shiga Mitsubishi Motor Sales Co., Ltd.
	Sobu Mitsubishi Motor Sales Co., Ltd.

## Environmental Education

Mitsubishi Motors implements various environmental education programs concerning its policy, initiatives and issues regarding the environment in order to encourage employees to take the lead in promoting environmental initiatives. Environmental education and awareness activities are conducted for individual job grades to promote employees' understanding of the relationship between environmental problems and business activities and of the social responsibility that the company is expected to fulfill.

We also include lectures on environmental initiative trends and our status in our training for engineers.



Trainings

### TOPICS

#### Environmental Lecture Meeting for Executives

We believe that, for environmental management, it is first vital that executives be well aware of the world situation with respect to the prevention of global warming and the demands placed on automobile companies by society. In March 2018, we held an environmental lecture meeting for executives, attended by a total of 44 participants, primarily executives.

Dr. Itaru Yasui, Professor Emeritus at The University of Tokyo, gave a lecture on "The Essential Response Companies Are Called on to Provide," based on global trends following the signing of the Paris Agreement, followed by an exchange of opinions.

### TOPICS

#### Environmental Film Screening

In order to provide an opportunity for employees to consider environmental issues as issues that affect them, environmental films were screened in the head office, Okazaki, Kyoto, and Mizushima areas from September to November 2017. At the head office, a documentary program about climate change was screened.



Screening at the head office

# Environmental Management

## Environmental Risk Management

Mitsubishi Motors has learned from past cases of failing to comply with environmental regulations such as those aimed at preventing pollution. We make every effort to comply with relevant laws, and our dedicated compliance department supports other departments and confirms that they are complying with environmental regulations. We sincerely respond to complaints from neighboring residents after investigating the situation. We clearly set roles and procedures in our legal compliance framework and Environment Management System to ensure compliance with laws and regulations. In the event that environmental laws and regulations are violated or an environmental accident occurs, or if we receive a complaint, the corresponding division must submit a Legal Non-Conformity Report to the Compliance Department and take necessary measures against the cause. The report clarifies the details of the case, emergency measures, causes, and correction measures. Furthermore, we have been working to improve our environmental management system to prevent reoccurrence of incidents (improving work processes, enhancing the supervision system, and increasing employee awareness).

### Fiscal 2017 Results

The compliance situation of Mitsubishi Motors and Pajero Manufacturing Co., Ltd. in FY2017 is as follows.

Three environment-related accidents occurred. They were discovered by the company during regular inspections and were promptly reported to the respective prefectural and municipal offices.

There were no cases where the company was charged fines or penalties due to environmental accidents or violating laws.

Mitsubishi Motors and Pajero Manufacturing Co., Ltd. enhanced the day-to-day management of equipment and facilities and took measures to prevent future occurrences by sharing information about the accidents within the companies.

#### <Fiscal 2017 Environment-Related Accidents>

1. At the Mizushima Plant, heavy rains caused some unprocessed wastewater to spill into the rainwater runoff channel from the process wastewater relay pit.
2. At the Kyoto Plant, the amount of oil in wastewater released from the effluent treatment facilities to the sewers exceeded regulation limits.
3. At the Mizushima Plant, incorrect water level management resulted in the COD value of water discharge from the effluent treatment facilities exceeding the wastewater concentration standard values defined by prefectural ordinance.

The company received one complaint about odor from the Kyoto Plant, and one complaint about noise from Pajero Manufacturing Co., Ltd. We have been implementing countermeasures, such as installing a mist type odor eliminator in the corresponding facility and changing the construction method that was the source of the noise.

# Environmental Management

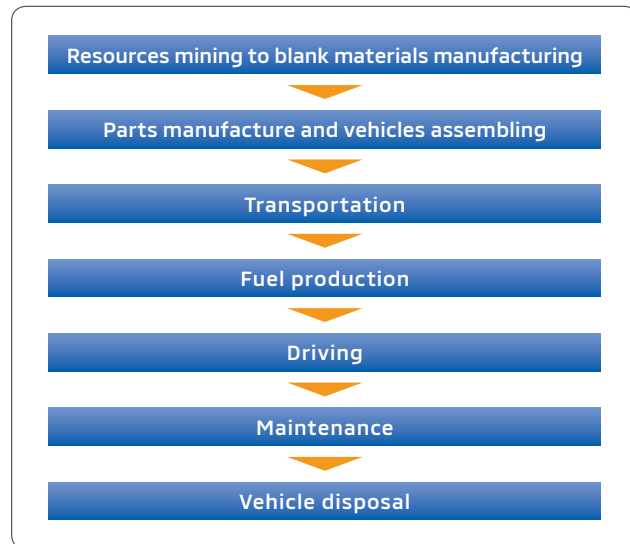
## Life Cycle Assessment (LCA)

The LCA is an approach to quantify the environmental impact of a part or vehicle through all stages of its life cycle.

For automobiles, the LCA is used to examine the processes of mining natural resources for parts and materials, manufacturing materials and parts, assembling vehicles, driving vehicles, producing fuel, disposing the vehicle, and so on in order to quantify the carbon dioxide gas emitted from the respective processes as well as the physical quantities of other environmental items, which are then summed up and assessed.

With this method, Mitsubishi Motors gains a full picture of the CO<sub>2</sub> emissions of parts and vehicles throughout their life cycle.

Thus, we use the LCA method to develop products with lower life cycle CO<sub>2</sub> emissions.



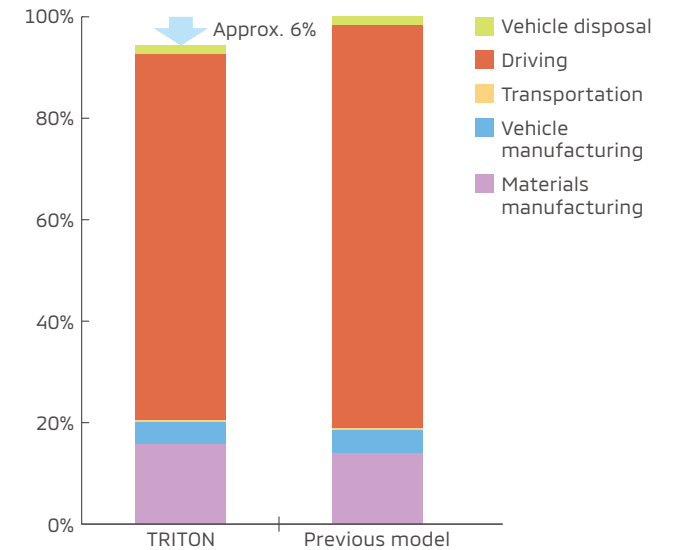
### Utilizing the Results of the LCA

We use the LCA to develop environment-friendly parts, production technologies, electric-powered vehicles, and new model vehicles, and compares the life cycle CO<sub>2</sub> emissions with conventional parts and vehicles. The results are then used to determine whether further development is required, and to verify the effect of development.

	Typical Subjects of the LCA (Example)	Major Purposes
Components and technologies	Parts and accessories made of plant-derived materials and production engineering	Determining whether further development is required
	Body parts employing plastics	Verifying the effect of weight reduction
Vehicle	<i>Outlander PHEV</i>	Assessing the effect of improvement from the gasoline-driven vehicle platform Assessing the impact of element part
	<i>Mirage, Triton</i>	Comparing the effect of improvement from conventional vehicles

### LCA Result of TRITON

Our assessment shows that over its life cycle the *TRITON*, launched in November 2014 produces lower CO<sub>2</sub> emissions than the previous model.



TRITON

# Products and Technologies

## > Reduction of CO<sub>2</sub> Emissions while Driving

Gasoline and diesel engines inevitably generate exhaust gases that contain large quantities of CO<sub>2</sub>, a cause of global warming. For the sake of the environment, Mitsubishi Motors is striving to reduce the CO<sub>2</sub> emissions caused by driving. Mitsubishi Motors focuses on products and technology-related initiatives, recognizing the importance of developing technologies for improving fuel economy and electric-powered systems, as well as spreading the use of vehicles equipped with these innovative systems.

### Development of Electric Vehicle Technologies

We introduced our Electric Vehicle *i-MiEV* in 2009, and Plug-in Hybrid Electric Vehicle *Outlander PHEV* based on Electric Vehicles in 2013. We are also developing electric-powered vehicles by improving drive batteries and enhancing motor efficiency toward the realization of the vehicles to be expected in the future.



Outlander PHEV

### Development of Improving Fuel Economy Technologies

We are committed to developing technologies to improve the fuel economy of gasoline and diesel engines, which greatly contributes to the reduction of CO<sub>2</sub> worldwide.

#### TOPICS

#### Market Launch of *Eclipse Cross*

The new compact SUV *Eclipse Cross* was first launched in Europe in October 2017 followed by Australia, New Zealand, and ASEAN in November, North America in January 2018, and Japan in March. It features a newly-developed 1.5 L downsizing direct-injection turbocharged gasoline engine. Precise control of fuel injection into the cylinder and the intake port adjusted according to the driving conditions provides exceptional fuel economy performance and achieves clean emissions.



Eclipse Cross for the Japanese market

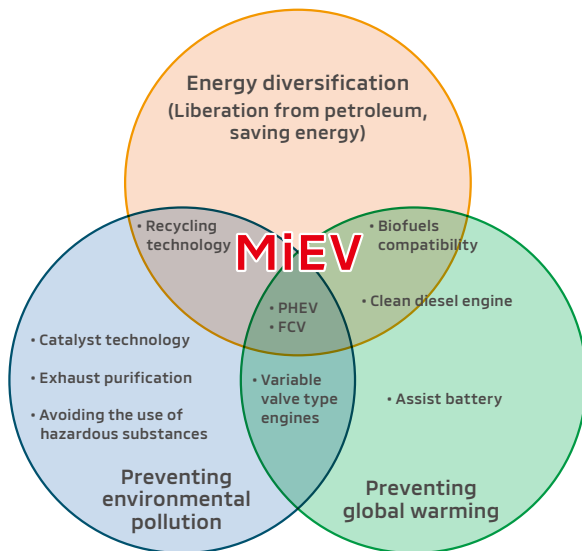


# Products and Technologies

## Development of Electric Vehicle Technologies

Vehicles are expected to be environmentally-friendly. This includes preventing environmental pollution and global warming, as well as diversifying energy sources from petroleum in recent years. Mitsubishi Motors strives to address these issues through initiatives such as improving the fuel economy of conventional engine-driven vehicles and developing clean diesel vehicles. In particular, we position the electric vehicle technology incorporated in the MiEV\* series as our core technology for environmental friendliness, and we are committed to developing it further. We would like to contribute to global environmental conservation by developing and promoting electric vehicles and plug-in hybrid electric vehicles featuring our electric vehicle technologies.

\* Mitsubishi innovative Electric Vehicle



### Electric Vehicle *i-MiEV*

The Electric Vehicle *i-MiEV* is powered by an electric motor, and so it emits no exhaust gases such as CO<sub>2</sub> while being driven. In 2009, Mitsubishi Motors released *i-MiEV* as the world's first mass-produced Electric Vehicle. *i-MiEV* has built up a remarkable reputation among customers for its many advantages over conventional gasoline engine vehicles, including environmental performance, acceleration starting with maximum torque, reduced noise by the electric motor, and stability with the battery unit beneath the floor.



Electric Vehicle *i-MiEV*

### Plug-in Hybrid Electric Vehicle *Outlander PHEV*

Plug-in hybrid electric vehicles are powered by electricity stored in drive batteries. They use the engine to generate electric power when the battery level is low. The Plug-in Hybrid EV System for the *Outlander PHEV* automatically shifts to the optimum driving mode for each running condition. "EV Drive Mode" uses electric power from the drive battery and is suitable for low to medium speeds in residential and urban areas. When the battery level is low, it shifts to "Series Hybrid Mode," which generates electric power using the engine. During high-speed driving, the vehicle shifts to "Parallel Hybrid Mode" driven by the engine and simultaneously assisted by the battery-powered motor. Based on electric vehicle technology, the system has inherently lower CO<sub>2</sub> emissions than conventional gasoline engine vehicles, delivering outstanding environmental performance. Concern over insufficient power is no longer an issue with the *Outlander PHEV*. It offers the advantages of EVs: powerful driving, superb quietness, and high stability.



Plug-in Hybrid Electric Vehicle *Outlander PHEV*

# Products and Technologies

## > Development of Electric Vehicle Technologies

### New Value of Vehicles

Our EV/PHEVs are fitted with a large-capacity battery, which means that customers can connect their electrical appliances to use them even while on holiday or traveling. The batteries can also serve as an emergency source of electrical power in the event of disaster.\*1 (For the Outlander PHEV, a maximum of 10 days\*2 of electrical power can be provided, including electricity generated by the engine.\*3)

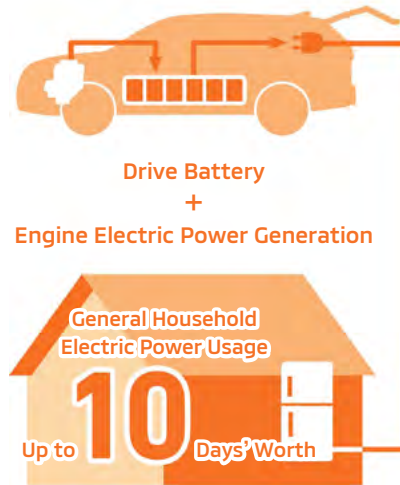
In addition, by adopting Vehicle to Home (V2H) technologies, which connect vehicles to the electrical supply of homes, batteries can be used for energy management or serve as an alternate power supply during power outages.

These types of electric-powered vehicles are becoming more widely adopted as vehicles that have value even when they are not being driven.

\*1 Please follow the instructions for each vehicle when connecting appliances.

\*2 Calculated based on an approximate daily electric power consumption of 10 kWh for an average household. (excluding conversion efficiency such as from V2H equipment)

\*3 When connected to V2H equipment, the engine cannot be used to generate electricity.

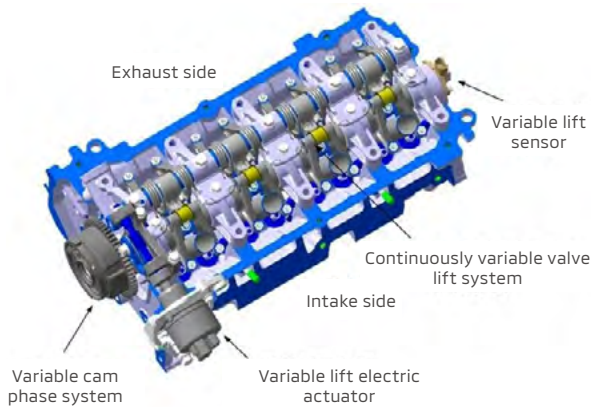


# Products and Technologies

## Development of Fuel Economy Improving Technologies | Engine Improvement

The key issues in developing technologies for improving fuel economy are how to minimize waste when burning fuel, and how to reduce the resistance of air intake and the friction of sliding parts. Mitsubishi Motors uses these perspectives to promote the development of technologies for improving the fuel economy of new engines.

### Variable Valve Timing Mechanism "MIVEC" Mitsubishi Innovative Valve Timing Electronic Control System

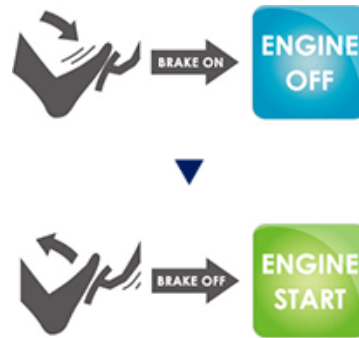


New MIVEC engine

The new MIVEC is a variable valve timing mechanism for minimizing fuel consumption. The intake valve lift is continuously varied according to the operating condition to reduce intake resistance. This minimizes air intake energy loss, resulting in improved fuel efficiency.

### Idle-Stop "AS&G" Auto Stop & Go

AS&G is an idling stop function that automatically stops and starts the engine when the vehicle stops or moves off. It improves fuel efficiency by not running the engine when the vehicle is stopped. When fitted with a coasting stop function, AS&G stops the engine while decelerating.



## Reducing Engine Friction

### Reducing Friction Inside the Engine to Improve Fuel Economy

Various engine losses can affect fuel economy: exhaust loss, cooling loss, mechanical friction loss, pump loss, and drive loss of auxiliary units. Engine friction is a mechanical friction loss resulting from combustion gas within the cylinder causing engine parts such as the piston and crank shaft to move. This friction loss is mainly caused by these sliding parts.

We make improvements to decrease the sliding resistance of such parts to reduce engine friction.

### Approaches to Reducing Engine Friction

- **Improving contact surfaces**  
Optimization of the shape and surface treatment of the piston skirt, and surface treatment of the cam
- **Reducing contact force**  
Improvements to the shape, and reduction of tension of piston rings, optimization of the set load of valve springs, crank shaft layout, shape of timing chain, tension of timing belt, etc.
- **Reducing friction by improving lubricants**  
Application of low-viscosity engine oils
- **Reducing resistance when stirring the engine oil**  
Optimization of the oil level

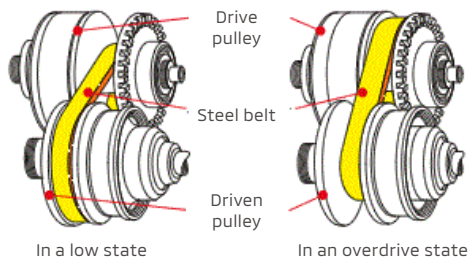
# Products and Technologies

## Development of Fuel Economy Improving Technologies | Vehicle Body Improvement

Components other than the engine also need to be examined to improve fuel economy. Mitsubishi Motors is developing various technologies related to the vehicle body.

### CVT Continuously Variable Transmission

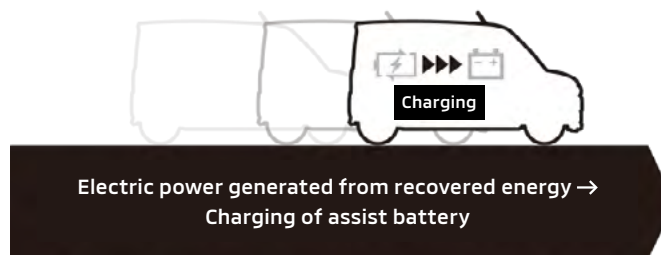
A continuously variable transmission (CVT) varies transmission ratio by seamlessly changing the effective diameter of the pulleys. It seeks to improve fuel efficiency by controlling driving power. Based on throttle position information, driving power is controlled in accordance to the driving condition to achieve the most efficient balance between the engine and CVT.



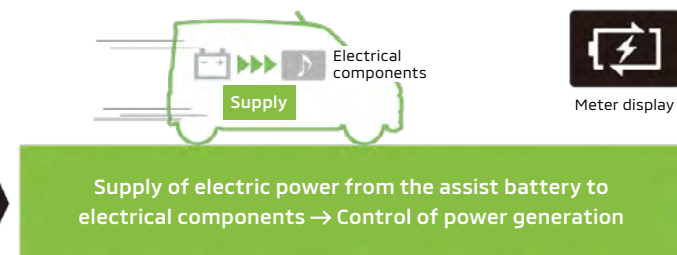
### “Assist Battery” Deceleration Energy Recovery (Power Generation Control)

This technology controls power generation under various driving conditions such as idling, accelerating, and cruising by conducting intensive charging of the battery using electric power generated while decelerating. Reducing the load on the engine raises fuel efficiency.

#### While Decelerating



#### When Starting from a Stop and Driving



### Eco-Drive Support

We are spreading equipment to support eco-driving, such as by equipping our vehicles with eco-drive support displays including an eco-lamp and fuel economy meter in the combination meter and central information display.

# Products and Technologies

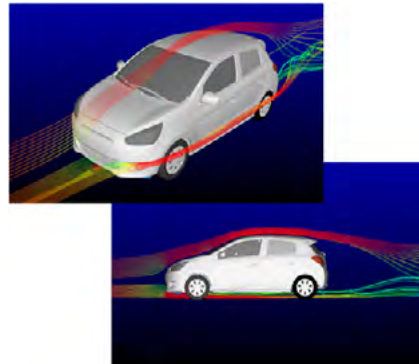
## Development of Fuel Economy Improving Technologies | Vehicle Body Improvement

### Eco-Drive Support Equipment Display (for Outlander)

- **Eco-lamp**  
Lights up while driving in a fuel-efficient manner.
- **Fuel consumption meter**  
Displays the average and current fuel economy.
- **Idle-stop duration**  
Displays the cumulative time of engine halts by the AS&G idle-stop mechanism.
- **Eco-drive assist**  
Displays how fuel-efficient the current driving style is.
- **ECO Score**  
Determines the driving status at predetermined intervals, and displays the eco-drive rate in a leaf-shaped gauge.

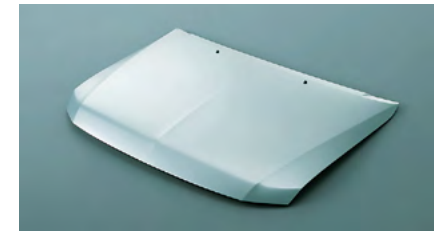
### Aerodynamics

Improving aerodynamic performance for better fuel economy.  
We optimize the shape of our vehicles to deliver excellent aerodynamic characteristics through repeated analysis and wind tunnel tests using Computational Fluid Dynamics (CFD) from the conceptual design stage.

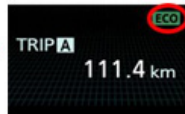


### Weight Reducing Technologies

We improve fuel economy by reducing vehicle weight. We use aluminum, light but strong high-tensile strength steel panels, and rationalization of structures to keep vehicle weight down while ensuring safety through a larger vehicle body, thereby achieving a balance between fuel economy and safety.



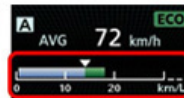
Display in meters (Displays can be switched)



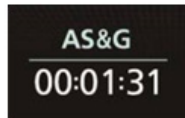
Eco-lamp



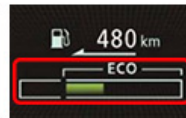
Average fuel consumption



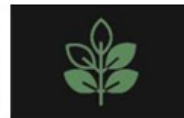
Instantaneous fuel consumption



Idle-stop duration display



Eco-drive assist



ECO Score

# Products and Technologies

## > Purifying Exhaust Gas while Driving

Vehicles powered by gasoline and diesel engines inevitably emit combustion gases from the engine while driving. These exhaust gases contain pollutants. Mitsubishi Motors constantly develops and promotes gasoline and diesel engine vehicles that emit lower concentrations of these noxious exhaust gases.


### Improving Gasoline Engine Vehicles

Since the 1960s, emissions of carbon monoxide, hydrocarbons, and nitrogen oxides (NOx) have been steadily restricted by regulations. We have taken various measures since such regulations were first introduced. We currently comply with these regulations by applying electronically controlled fuel injectors and advanced catalyst technologies to the combustion control system.

#### TOPICS

**Additional ULEV\* 70 Vehicles for North America Introduced**

The compact SUV *Eclipse Cross* for the North American market is now compliant with the ULEV70 standards, which substantially reduce emissions of harmful substances.



*Eclipse Cross* for the North American market

\* Abbreviation for Ultra Low Emission Vehicle

### Improving Diesel Engine Vehicles

For diesel engine vehicles, carbon monoxide, hydrocarbons, NOx, and particulate matter have been regulated in some countries, such as Japan, United States and European countries, since the 1970s. Since such regulations were first introduced, we have taken measures including improving the combustion technology. To comply with these regulations, we have developed and produced clean diesel engines by systemizing technology such as VG turbochargers, controlling combustion with a common rail fuel injection system, introducing after-treatment using NOx trap catalysts, and diesel particulate filters.

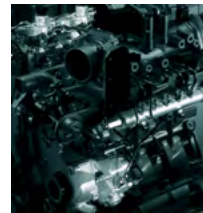
#### VG Turbocharger

The VG turbocharger helps to improve fuel economy and suppress emissions of particulate matter through optimum supercharging across the engine's operating range.



#### Common Rail Fuel Injection System

Particulate matter and NOx can be generated due to incomplete combustion. In Mitsubishi Motors vehicles, this is suppressed using a high-pressure fuel pump, common rail accumulator that stores highly pressurized fuel, and electronically controlled fuel injectors.



#### NOx Trap Catalyst

This converts toxic NOx into harmless nitrogen.



#### Diesel Particulate Filter (DPF)

This substantially reduces particulate matter.



### Vehicles with Clean Diesel Engines



*Pajero* for the Japanese Market



*Delica D:5* for the Japanese Market



# Products and Technologies

## > Reduction of In-Cabin VOCs

To provide customers with a healthy and safe cabin space, Mitsubishi Motors works to reduce volatile organic compounds (VOCs) inside the cabin. VOCs are compounds that easily volatilize at room temperature such as formaldehyde and toluene. These compounds are thought to cause sick building syndrome, and may irritate the eyes, nose, and throat. In an automobile cabin, they are mainly generated by adhesives and paint used in interior parts. The Japan Automobile Manufacturers Association, Inc. (JAMA) established voluntary guidelines for reducing vehicle cabin VOC concentration levels (the "Voluntary Guidelines") applicable to new model passenger cars marketed starting from the 2007 fiscal year. Please see the JAMA website for details regarding the Voluntary Guidelines.

<http://www.jama-english.jp/release/release/2005/050214.html>

### Progress

In order to reduce the amount of in-cabin VOCs, we are taking measures to reduce the sources of VOCs as well as VOCs themselves. All new models since the Mitsubishi *i* launched in January 2006 satisfy the voluntary guidelines set by the Japan Automobile Manufacturers Association (JAMA).

#### ◆ Example of Measures to Reduce VOCs

Central panel	Reduced organic solvents in the surface painting
Carpet	Reduced aldehydes in pile adhesives
Seat	Reduced organic solvents in fabric adhesives
Ceiling	Adsorbs and decomposes formaldehyde using the clean air filter deodorizing function
Air-conditioner	Reduces VOCs with clean air filter with deodorizing function

## Products and Technologies

### > Recycling Initiatives

#### Automobile Recycling Initiative Established

In the 1980s, large-scale illegal dumping of automotive shredder dust occurred due to a shortage of final disposal sites for such dust. In response, the Ministry of International Trade Industry (the present Ministry of Economy and Industry) METI drew up the Used Automobile Recycling Initiative in May 1997, to encourage proper recycling and disposal.

Following METI's action, the Japan Automobile Manufacturers Association, Inc. (JAMA) established a voluntary action project called the "Automobile Recycling Initiative" in February 1998. Mitsubishi Motors introduced the "Mitsubishi Motors Recycling Initiative" in the same month.

In the Mitsubishi Motors Recycling Initiative, we set targets and continued improving the ease of recycling, reducing the use of lead (except for batteries), and introducing recycled parts (bumpers, interior substrate materials, floor mats, etc.) for new vehicles. In line with this unique guideline, we consider ease of recycling from the initial stage of designing and developing products, and have achieved our voluntary target values.

#### Dealing with Automobile Recycling Acts of Other Countries

Since the Automobile Recycling Law was enforced in Japan in 2005, automotive manufacturers have been properly recycling shredder dust of discarded automobiles, airbags and fluorocarbons (3 items), thus helping to create a recycling-based society. The ELV Directive (2003) was enacted in Europe as well, specifying ease of recycling as a certification requirement and promoting recyclable design. We will comply step-by-step with automobile recycling regulations which are now being introduced in developing countries in Asia.

# Products and Technologies

## ➤ Recycling Initiatives | Recycling-Based Design and Development

Under vehicle recycling legislation in Japan and Europe, automobile manufacturers are obligated to consider recycling when developing products. Mitsubishi Motors conducts design and development that actively incorporates not just recycling, but all aspects of the 3Rs including reduction and reuse. Since 1999, we have implemented the 3Rs in the stage starting with conceptual design in accordance with our unique Recycling Plan Guidelines. With regard to wires and harnesses, and motors, we have improved detachability and ease of recycling in accordance with the Harness Design Guidelines. Parts made from recycled materials include spare tire covers and battery trays made with recycled material from bumpers replaced during repairs performed by dealers.

### TOPICS

#### Use of Recycled Parts on New Vehicles

We proactively adopted 3R designs in accordance with the Recycling Plan Guidelines for all vehicles developed in fiscal 2017. *Eclipse Cross*, which was launched in fiscal 2017, uses easily recyclable thermoplastic resin for exterior and interior parts. We will continue to manufacture vehicles with due consideration for the 3Rs from the initial stages of development to promote resource conservation and simplify recycling.



Main parts (indicated in green) that use thermoplastic resin on the *Eclipse Cross*.  
Top: Exterior, Bottom: Interior

# Products and Technologies

## ➤ Recycling Initiatives | End-of-Life Vehicle Recycling

Mitsubishi Motors encourages recycling of end-of-life vehicles to reduce the environmental impact of waste from these vehicles. In Japan, the EU, and other regions, we promote recycling in accordance with the automobile recycling laws of each country.

### Response to Automobile Recycling Laws in Japan

The company accepts automobile shredder residue (ASR), airbags, and fluorocarbons for recycling. For the recycling of ASR, we participate in ART (Automobile Shredder Residue Recycling Promotion Team: Team established by Nissan Motor Corporation, Mazda Motor Corporation, Mitsubishi Motors, etc.) to jointly process ASR. As a result of the creation of new processing facilities and other measures, the ASR recycling rate in fiscal 2017 was 98.1%, substantially above the statutory standard of 70% in effect since 2015. We will continue to develop new recycling facilities to ensure the stable processing of ASR. The company outsources the treatment of airbags and fluorocarbons to the Japan Auto Recycling Partnership (JARP). In addition, for the effective use of recycling fees deposited from customers, we proactively works on increasing the recycling rate by conducting efficient recycling and proper processing of these three items.

### Recycling Promotion in the EU

#### Response to the EU's Directive on the Recycling of End-of-Life Vehicles

In the EU, automobile manufacturers or importers must accept and recycle end-of-life vehicles in accordance with the End-of-Life Vehicles Directive.\* The company built a system of acceptance and recycling in line with the actual situation of EU member countries centering on our European subsidiary MME (Netherlands).

\* "Directive of the European Parliament and of the Council on End-of-Life Vehicles" effective from October 2000

#### Provision of Dismantling Information

In the EU, automobile manufacturers must provide dismantling information for new model vehicles to treatment operators. The company provides such information on a timely basis by using the International Dismantling Information System (IDIS) jointly developed by automobile manufacturers

#### Response to the EU's Directives on Approval for Vehicle Models for Recyclability

In the EU, satisfying the minimum 95% recyclability rate is a requirement for type approval of vehicle models, and the company established a system that satisfies the requirements of this directive. Our vehicles sold in the EU meet the requirements of the directive under this system. We will continue to acquire recyclability approval for all new models sold in the EU.

### Collection of Drive Batteries in Electric-Powered Vehicles/Construction and Operation of the Recycling System

The company established and operates a drive battery collection system for the purpose of recycling technology development and proper treatment of end-of-life drive batteries in electric-powered vehicles and plug-in hybrid vehicles in Japan, Europe, and North America.

# Products and Technologies

## > Reduction of Hazardous Substances

In accordance with the reduction targets of the Japan Automobile Manufacturers Association, Inc. and EU end-of-life vehicles directive, Mitsubishi Motors is working to reduce the use of four substances (lead, mercury, cadmium, and hexavalent chromium). We have established internal technical standards to voluntarily reduce hazardous substances. We are also taking measures to comply with regulations on the use of hazardous substances in each country in compliance with the REACH regulation\* concerning substances. At present, in addition to lead, mercury, cadmium, hexavalent chromium and other heavy metals, the use of VOCs (volatile organic compounds), bromine-based flame retardants and various other substances is regulated.

Regulations similar to European ones are being enforced in developing countries in Asia as well.

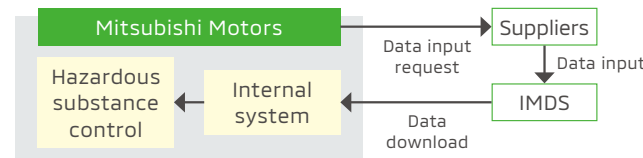
\* REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." Enacted on June 1, 2007, the REACH regulation is a general system to register, evaluate, authorize and restrict the use of substances

### Material Data Control by the International Material Data System (IMDS)

Data on the hazardous substances contained in vehicle parts delivered by suppliers are collected by the International Material Data System (IMDS), an international system for collecting such data. Together with overseas plants such as Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), we utilize the collected data under a globally centralized internal system for reducing hazardous substances.

In cooperation with suppliers, we are complying with the REACH regulation, a general system for the registration, evaluation, authorization, and restriction of substances used in the EU.

#### ◆ Flow of Data Collection through IMDS



### Initiatives to Reduce Hazardous Substances in Mitsubishi Motors Products

Mitsubishi Motors uses IMDS to manage data concerning materials. Through this process, we confirm compliance with use regulations and reductions in the use of hazardous substances in new vehicles and vehicles in ongoing production. We will continue to take measures to ensure compliance with regulations and reduce the use of hazardous substances.

# Business Activities

## > Efforts in Production

While vehicles make our lives convenient, they affect the environment in various ways throughout their life cycle, from development, production and use to final disposal. As a manufacturer, Mitsubishi Motors has a major responsibility to minimize the impact of vehicles on the environment. Automobile production, in particular, is related to various environmental issues, ranging from the community level to the global scale. We are therefore constantly striving to reduce environmental impacts, including reducing CO<sub>2</sub> emissions from the production plants, and preventing air and water pollution.

### ◆ Our Group's Main Production Sites (partial list)

The map shows production sites in GAC Mitsubishi Motors Co., Ltd. (GMMC) in China, Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) in Thailand, PT Mitsubishi Motors Krama Yudha Indonesia (MMKI) in Indonesia, Okazaki Plant in Japan, Kyoto Plant - Kyoto in Japan, Mizushima Plant in Japan, and Mitsubishi Motors Philippines Corporation (MMPC) in the Philippines.

- GAC Mitsubishi Motors Co., Ltd. (GMMC)**: Located in China, shown with a large modern building and flags.
- Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)**: Located in Thailand, shown with an aerial view of a large industrial complex.
- PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)**: Located in Indonesia, shown with a long industrial building.
- Okazaki Plant**: Located in Japan, shown with a large multi-story building.
- Kyoto Plant - Kyoto**: Located in Japan, shown with a multi-story building.
- Mizushima Plant**: Located in Japan, shown with a building and a blue canopy.
- Mitsubishi Motors Philippines Corporation (MMPC)**: Located in the Philippines, shown with an aerial view of a large industrial facility.



# Business Activities

## > Efforts in Production | Reducing CO<sub>2</sub> Emissions

We actively promote reducing the consumption of energy sources such as electricity and fuels to control CO<sub>2</sub> emissions that cause global warming while also conserving the limited resources on earth.

### Equipment Improvement for Production

The paint lines at Okazaki Plant and Mizushima Plant use the waterborne 3WET paint method, which reduces CO<sub>2</sub> emissions by passing the painting workpieces through driving ovens only once instead of twice, as usual.

The Okazaki Plant changed from conventional large water pipe boilers to compact through-flow boilers. This has made it possible to restrict the number of units based on operating conditions in each of the plant's processes, supplying steam efficiently.

At the assembly plant, the air compressors used to supply air to parts transfer equipment and tightening tools have been updated from screw compressors to turbo compressors, improving air discharge efficiency.



Compact through-flow boilers



Turbo compressors

### Promoting Renewable Energy

At the Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) plant in Thailand, photovoltaic power generation panels were installed on the roof of the plant, and the generated power is being used for office lighting and to charge electric-powered vehicles.



Photovoltaic power generation panels

### TOPICS

#### Initiatives at the Indonesia Plant

PT Mitsubishi Motors Krama Yudha Indonesia (MMKI), an overseas plant that, in fiscal 2017, began production of the crossover MPV Xpander, is making efforts to reduce CO<sub>2</sub> emissions in order to become a more environmentally-friendly plant. For example, conventionally, plants have used steam boilers as heat sources, but this plant has introduced heat pump turbo refrigerators, and uses low temperature exhaust heat from the plant's air compressors to create hot water. It supplies this hot water to painting equipment, cutting total energy consumption and reducing CO<sub>2</sub> emissions.

<Major initiatives>

- Switch to steam-less heat sources
- Reduction of power used in paint processes
- Installation of natural ceiling lighting and use of LED lighting throughout the plant

## Business Activities

### > Efforts in Production | Preventing Air Pollution

To prevent air pollution, Mitsubishi Motors takes a variety of measures to reduce contaminating substances in smoke emitted from production plants, which can be a cause of acid rain and photochemical smog.

#### Reducing VOC\* Emissions

We endeavor to reduce the amount of VOCs emitted from vehicle body production by reducing consumption of paint and improving recovery rate of used paint thinner. We achieve this by updating painting robots and adjusting the painting production lot size.

\* Abbreviation of Volatile Organic Compounds.

#### Reducing NOx and SOx\* Emissions

To reduce NOx emissions, we introduced low NOx content boilers as the heat sources used for paint processes and are promoting use of low NOx content burners. To reduce SOx emissions, we changed the fuel for the boilers to kerosene or city gas, which has less sulfur content.

\* NOx: Nitrogen oxide, SOx: Sulfur oxide

#### Reducing Particulate Matter

We abolished waste incinerators to reduce the generation of soot and dioxins.

### > Efforts in Production | Preventing Soil and Water Pollution

Mitsubishi Motors has long since conducted surveys and examinations to ensure that underground water or soil are not contaminated, to prevent adverse influence on human health. If contamination is to be observed, we take immediate measures to prevent its dispersion, and report to authorities and communities for information disclosure.

#### Environmental Survey of Soil and Water Pollution

We conduct regular monitoring of underground water quality at the wells along the border of the premises, and ensure that no hazardous substances are dispersing towards the outside.

#### Prevention Measures against Soil and Water Pollution

To prevent soil and water pollution, we implement effluent purification through installing a wastewater treatment system by activated carbon, and an emergency reservoir tank. We have also established voluntary control standards that are stricter than law-regulated values, to tackle pollution prevention.



General effluent treatment facilities

## Business Activities

### > Efforts in Production | Management of Chemical Substances

To minimize the impact on the environment of chemical substances, Mitsubishi Motors ensures management of the usage and discharge status of chemical substances used in production plants.

#### Control of PRTR\* Substances

We have long since examined the physical properties and details of usage plans of new chemical substances by using the “substances toxicity prior examination system,” to determine whether or not those new chemical substances may be introduced, in order to emphatically suppress the toxicity from highly risky chemical substances.

\* Abbreviation of "Pollutant Release and Transfer Register." Report on the discharge removal quantities of substances

#### Appropriate Management of Hazardous Waste

We manage hazardous waste so that we do not import or export hazardous waste which is restricted by the Basel Convention on the Control of Transboundary Movements of Hazardous and Their Disposal. In addition, in case of domestic transportation and disposal of hazardous waste, we make efforts to appropriately transport and dispose hazardous waste to prevent the exposure of toxic materials.

#### Appropriate Management of Waste Containing PCBs

Polychlorinated biphenyls (PCBs) are contained in transformers and condensers as insulation oil. To prevent incorrect PCBs disposal, we thoroughly investigate the current management of PCB waste, and we are thoroughly implementing appropriate management in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. In FY2017, we properly disposed of approximately 100 condensers stored at our Kyoto Plant and other devices. Wastes with low concentrations of PCB were also properly disposed in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

### > Efforts in Production | Promoting Effective Use of Resources

At production plants, we convert industrial waste materials generated from production processes into reusable resources, reduce the volume of waste discharged, and maintain landfill waste disposal rate of zero\* at every plant.

\* Land reclamation rate below 0.1 %

#### Converting Waste into Reusable Resources and Suppressing Waste Generation

We convert spent oil into usable oil, waste sand from foundries into base course material, and sludge into raw material for cement. We also aim to reduce the metal scraps generated from production processes and the amount of waste sand that is generated by foundries.

#### Conserving Resources at Knock-Down (KD)\* Plants

To reduce the amount of cartons and pallets used for transporting product to knock-down plants, we are increasing the use of returnable racks, thereby reducing our consumption of steel.

\* Refers to the exporting in the form of parts for assembling vehicles at the local plants.

# Business Activities

## > Efforts in Production | Preserving Water Resources

Water is an essential resource for creatures to live. In recent years, the increase of droughts and flooding, and water pollution are risks of threatening stable water supply around the world. Our automobile production activities require a large amount of industrial water, city water, and well water, etc., and discharge of water into sewage lines and rivers, etc. The use of water is also essential for many of our business partners, as well, so we recognize the importance of water risk management throughout our entire supply chain.

We conduct water risk assessments\* in the regions where our main production plants are located, and identify which plants are located in high water stress areas. We consider preparation for future water risk to be an important issue, and strive to conserve water resources through measures such as reducing the amount of water withdrawal and monitoring the quality of discharged water.

\* Using the "Aqueduct" water risk map developed by Water Resources Institute. Evaluation of the impact on business by the risk of stricter water discharge regulations and physical risks such as flooding and drought.

### Initiative Example

- Recycling of industrial water
  - Recycling of washing water to pre-washing
  - Recycling of purified discharged water for watering green spaces
- Reuse of industrial water by circulating
  - Recycling of cooling water/temperature control water by circulating in cooling towers
- Use of rain water
  - Watering flower beds on the premises with rain water storage tanks and automatic watering systems
- Use of industrial water and well water that were treated with filters (Okazaki Plant)

### ◆ Water Withdrawal Source and Drainage of Each Plant

Plant	Water Withdrawal Source	Drainage
Okazaki Plant (Okazaki, Aichi Pref.)	Yahagi River	Tributary of Kanda River, etc.
Kyoto Plant -Kyoto (Kyoto, Kyoto Pref.)	Lake Biwa	Sewage line
Kyoto Plant -Shiga (Konan, Shiga Pref.)	Lake Biwa	Sewage line
Mizushima Plant (Kurashiki, Okayama Pref.)	Takahashi River	Hakken River → Mizushima Port
Pajero Manufacturing Co., Ltd. (Sakahogi-cho, Gifu Pref.)	Kiso River	Kiso River
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	Nong Pla Lai Reservoir, etc.	Sewage line
PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)	Lake Jatiluhur	Sewage line

### TOPICS

#### Initiatives at the Indonesia Plant

PT Mitsubishi Motors Krama Yudha Indonesia (MMKI), an overseas plant that began production of the crossover MPV *Xpander* in fiscal 2017, is making efforts to recycle wastewater and reuse rainwater to reduce water withdrawal. Roughly 50% of the water processed in its wastewater treatment plant is reused within MMKI.



Industrial water/wastewater treatment plant (Far left: industrial water treatment plant, Right: Wastewater treatment plant)

# Business Activities

## > Efforts in Distribution

Automobiles are made of numerous parts and materials transported from different regions and are shipped around the world. The environmental impact of logistics, including energy use and CO<sub>2</sub> emissions, is particularly significant.

### CO<sub>2</sub> Emissions Reduction Initiatives

We set reduction targets for unit CO<sub>2</sub> emissions (kg-CO<sub>2</sub>/1000t km) during the transport of procured parts and products to promote initiatives for achieving these targets.

We strive to reduce transport distances through the use of less distant procurement sources, and to decrease the number of transport trips by improving the packing appearance, increasing the load factor, and consolidating transport routes.

Other activities include modal shifts such as improving rail utilization rates and requesting the introduction of ecologically-friendly vehicles and promotion of eco-driving by our business partners' transport subcontractors.

# Business Activities

## > Collaborative Efforts with Suppliers

Automobiles are composed of a wide variety of materials and parts which are developed and produced by our suppliers. Mitsubishi Motors believes that our impact on the environment can be reduced not only through our own business activities but also through initiatives that take into account all processes from manufacturing of materials and parts to the delivery of these materials and parts.

Based on the basic concept of purchasing materials and parts with low impact to the environment from suppliers who continuously work to reduce their environmental impact, Mitsubishi Motors has rolled out "Green Procurement Guidelines" to our parts suppliers, plant material suppliers, and other suppliers, striving to reduce the environmental impact of our entire supply chain.

### Expansion of Green Procurement Guidelines

The company requests suppliers to acquire and renew of external certifications of environment management systems, as well as to manage hazardous substances, promote the 3Rs submit LCA data to allow us to understand the lifecycle environmental impact, reduce environmental impact reduction in business activities, and reduce their environmental impact related to logistics. Green Procurement Guidelines is also supplied to suppliers of key overseas plants such as Thailand.

### Communicating with Suppliers

Our business partners cooperate with us in various initiatives, including meeting the requirements of our Green Procurement Guidelines. We believe that ongoing communication is an important part of the steady implementation of initiatives by business partners. We explain the importance of environmental initiatives at our Suppliers Meetings, which are attended by our business partners, and strive to engage in communications to reduce the environmental impact of our entire supply chain.

#### TOPICS

##### Participation in the CDP Supply Chain Program

Since fiscal 2018, we have participated in the CDP Supply Chain Program operated by CDP, an environmental NGO. This program investigates conditions in business partners using CDP's system, which requires companies to disclose information regarding their strategies and management regarding climate change and so on. We have requested about 100 major business partners to participate in investigation, are collecting information on climate change risk factors in our supply chain, and are monitoring management conditions and change in emissions.



### Hazardous Substances in Products

Mitsubishi Motors has established standards that define the usage limits of hazardous substances in products in order to reduce the environmental impact of products throughout their lifecycle. We confirm if delivered parts meet these standards. We also strive to ensure thorough risk response by having our business partners create their own internal management systems for hazardous substances. Through these, we promote the assessment of compliance with laws and regulations, implementation of voluntary initiatives of the Japan Automobile Manufacturers Association and usage conditions based on the notice requirements of laws and regulations, etc. Some substances targeted by these specifications are designated by groups of manufacturers of automobiles, parts and materials from Japan, U.S., and Europe for the purpose of conservation of a sustainable global environment while other substances are stipulated by the company independently.



# Business Activities

## Efforts in Offices and Dealers

Mitsubishi Motors believes that we must promote action to reduce the environmental impact through all business activities including our offices and dealers. At dealers in particular, we promote action to spread electric-powered vehicles with outstanding environmental performance in addition to efforts such as energy conservation activities and recycling activities. In this way, we can work toward a clean low-carbon society together with our customers.

### Office Initiatives

As part of the environmental initiatives we carry out in relation to our business activities, we are promoting the use of renewable energy in various types. Through initiatives such as the installation of solar panels and the application of renewable energy certificate systems\*1, we plan to use renewable energy for some of the power consumed in offices.

\*1 These systems are used to trade environmental added value of renewable energy generated from natural energy sources using renewable energy certificates issued by a certificate issuer and confirmed by a third party organization.

### TOPICS

#### Okazaki Area "Research and Development Building" Initiatives

"Research and Development Building," an office building in the Okazaki Area Technical Center in operation from October 2018, features a natural ventilation system, which uses its atrium design, outside air cooling\*2, the use of cool tubes\*3, and the installation of rooftop solar panels. It was rated as "S Rank," the highest rank, by CASBEE Aichi\*4, because of its environmental design. In fiscal 2018, Tradable Green Certificates systems will be used to supply renewable energy for all power used in this building.



Okazaki Area "Research and Development Building"

- \*2 During intermediary periods when the temperature outside is lower than the temperature inside, outside air is actively used for cooling and warm air is vented out of the top of the atrium area.
- \*3 Air inside tubes buried underground exchange heat with underground heat, and the cooled air is brought in for use in air conditioning.
- \*4 System developed by Aichi Prefecture in which owners of buildings voluntarily submit the building environmental plans so that the environmental performance of the buildings will be evaluated based on the submitted information.

### TOPICS

#### Making Use of the Tradable Green Certificates Systems at Shareholders' Meetings

Making use of the Tradable Green Certificates systems, the venue at which the 49th Ordinary General Meeting of Shareholders was held in June 2017, supplied all power from renewable energy sources.



# Business Activities

## > Efforts in Offices and Dealers

### Dealer Initiatives

We promote the acquisition of “Eco-Action 21”<sup>\*1</sup> to our dealers in Japan. Dealers that have acquired certification carry out activities such as reducing the amount of energy and water usage, reducing the amount of waste they produce, and promoting the widespread use of EV/PHEVs. They install “EV QUICK” signboards that make it easy for members of the community to use their quick-charging points. Local residents are also welcome to use these quick charging points. We are also putting effort into next-generation dealers “Dendo Drive Station” to introduce the value brought by the EV/PHEV.

<sup>\*1</sup> Eco-Action 21 is a certification and registration system based on the Environmental Management Systems guidelines formulated by Ministry of the Environment for medium-sized companies.



“EV QUICK” Signboard



Quick charger installed in a dealer

### TOPICS

#### Expanding Next-Generation Dealers “Dendo Drive Station”

Mitsubishi Motors is putting effort into the expansion of our “Dendo Drive Station” next-generation dealers, which are equipped with presentation tools and demonstration corners to let more people feel the meaning and value of electric-powered vehicles. By fiscal 2017, we opened 28 Dendo Drive Stations nationwide. Dendo Drive Stations have photovoltaic power generation systems and V2H<sup>\*2</sup> devices. Electricity generated from solar energy can be used to charge EV/PHEVs, and EV/PHEVs can be used to supply power to the dealers. Inside the dealers are “Lifestyle Corners” modeled on typical dining rooms, where “Power Outage Demonstrations” demonstrate the use of V2H devices to supply power from EV/PHEVs in the event of a power outage, and “1500W Experience Demonstrations” demonstrate the capabilities of EV/PHEV 100V AC power.

We will continue to roll out Dendo Drive Stations across Japan, and contribute not only to the environment, but also toward building a resilient society that does not yield to energy problems and disasters.

<sup>\*2</sup> V2H: Abbreviation of Vehicle to Home, a system whereby electric power stored in an EV/PHEV is supplied to the home.



Dendo Drive Station



V2H and Charging Corner



Power Outage Demonstration



Lifestyle Corner

# Collaboration with Society

## > Initiatives for Preserving Biodiversity

All living creatures are connected through various intricate relationships to live in balance. We, as human beings, live with the blessings of this biodiversity every day.

As an automobile manufacturer, Mitsubishi Motors has impacts biodiversity both directly and indirectly due to land use (including the construction of plants), the release of chemical substances from sites, and the greenhouse gas emitted from the use of the company's products and business activities. For this reason, we believe it is a priority to protect biodiversity so that the next generation can continue to enjoy the blessings of biodiversity. The company formulated the "Mitsubishi Motors Group Guidelines for the Preservation of Biodiversity" in August 2010 and promotes conservation activities.

None of our business sites in Japan are located in or adjacent to protected areas according to the Nature Conservation Act and prefectural codes. However, we have been progressively conducting surveys on ecosystems in order to understand the impact our business activities have on biodiversity. We learned that Shiga Plant has a high biodiversity value since the area around the plant is home to various rare species.

### Mitsubishi Motors Group Guidelines for the Preservation of Biodiversity

The Mitsubishi Motors Group will continue to track and reduce its impact on biodiversity, recognizing that the activities of humankind can both benefit from and affect the diversity of living organisms. To this end, the entire Group will take on initiatives for preventing global warming and environmental contamination, and promote the recycling and efficient use of resources, while engaging in activities that pay consideration to biodiversity.

#### 1. Consideration to biodiversity in business activities

We will track and reduce the impact of business activities on biodiversity by conserving energy, reducing the generation of waste, and curtailing the release of chemicals. At the same time, we will also pay consideration to neighboring communities when making use of land for factory construction and other purposes.

#### 2. Consideration to biodiversity in products

We will promote fuel efficiency, exhaust gas countermeasures and recycling-friendly design of our products, while striving to select and use materials that pay consideration to the environment.

#### 3. Education, understanding and self-awareness

We will continue to educate the entire Group from management to employees on the front lines to share a common understanding and develop a self-awareness of the relationship between business activity and biodiversity.

#### 4. Cooperation and collaboration with society

These activities will be promoted in cooperation with all stakeholders including the supply chain, stockholders, local governments, local communities, non-profit organizations (NPOs) and non-governmental organizations (NGOs).

#### 5. Information disclosure

We will strive to disclose and disseminate the content and results of these activities to customers and local communities.

### Ecosystem Surveys at Business Sites in Japan

Vehicle production requires the use of large-scale plants. We believe it is important to assess the impact that the use of land in our business activities has on local biosystems in our biodiversity protection initiatives.

Based on this concept, we conduct ecosystem surveys with the support of experts at our domestic business sites with large-scale land, such as our factories. Also, we survey the biosystems in the surrounding environment with on-site studies and document research. These surveys assist us in planning maintenance measures that are in harmony with local biodiversity.

<Main survey results>

- Ecosystem Survey at Kyoto Plant-Shiga (2013)  
Publication of "Mitsubishi Motors Wild Life of Kyoto Plant-Shiga" (2014) <Japanese only>
- Okazaki Plant Ecosystem Survey (2016)
- Mizushima Plant Ecosystem Survey (2017)

# Collaboration with Society

## > Initiatives for Preserving Biodiversity

### TOPICS

#### Ecosystem Survey at Mizushima Plant

Since May 2017, we have conducted an ecosystem survey of plants, birds, insects, and aquatic life. This survey has confirmed the presence of plants (Rhynchosia volubilis, Vitis ficifolia, and so on) found in coastal forests in nearby areas. This is believed to be the result of birds carrying seeds from nearby coastal forests to the plant, and shows the connection between the business site and the natural environment of the surrounding area. We also found alien plant species, and have a clearer understanding of the issues toward landscape conservation within the site.

We will continue to engage in activities with an eye to biodiversity, such as the maintenance and management of greenery within our business sites. Through this, we believe that we can contribute to the strengthening of bonds with the national environment around our site. From fiscal 2018, we will implement maintenance activities based on the issues identified through this survey.



Vegetation survey

#### Conservation Activities Based on Ecosystem Survey Results

Our past ecosystem surveys have found various issues; such as many of the grasses and plants on site grounds being invasive species, plant life local to the area having difficulty taking root, and a lack of waterfront area making it difficult for insects and birds to live at sites.

Based on these survey results, at our Shiga Plant, we have terminated alien plant species such as *Andropogon virginicus* and planted local plants such as *Imperata cylindrica*. We have strived to restore the plant life native to the area by preparing environments conducive to insect and other life. At the Okazaki Plant, we have installed birdbaths and prepared a growth environment for the birds that arrive at the site. At the Shiga Plant, we conducted a monitoring survey of the results of past activities. This survey confirmed that activities such as the planting of *Imperata cylindrica* and the termination of alien species have increased the percentage of species native to the area.

### TOPICS

#### Birdbath Installation

A birdbath allows birds to safely drink water, clean their feathers, and rid themselves of insects. At the Okazaki Plant, we installed two birdbaths, and have confirmed that they are visited by various birds that bathe in their waters. We will continue to create environments which are conducive to birdlife and to contribute to the maintaining of local biodiversity.



Birds using a birdbath

# Collaboration with Society

## > Initiatives for Preserving Biodiversity

### Biodiversity Indicators

#### Condition of Protected or Restored Habitats (Achievements by FY2017)

Business Site	Protection: Initiative of preserving native plants and creatures in and around the plant	Restoration: Initiatives of restoring the ecosystem in and around the business areas to the condition which native plants and creatures are able to live
Kyoto Plant-Shiga	Environmental preservation of "Yatsuda" where White egret flower lives	Restoration of cogongrass gregariousness, which provides habitats for various insects
Kyoto Plant-Kyoto	-	Planting Asarum caulescens, Blackberry lily and Eupatorium japonicum, which are native plants of Kyoto city
Okazaki Plant and Research & Development Center	Preparation of growth environments for birds through the installation of birdbaths	-
	Construction of a culvert beneath the test course to provide a movement route for mammals, etc.	

#### Habitat Status of Rare Species (Red List of Ministry of the Environment) in and around the Plants (the Status to FY2017)

Kyoto Plant-Shiga (investigation period: from 2013 to 2014)

Category	Number of Species	Discovered Species
VU (Vulnerable)	3	Clouded salamander, Whirligig Beetle and Oryzias latipes
NT (Near Threatened)	7	White egret flower, Agrostis valvata, Eurasian Sparrowhawk, Japanese pond turtle, B lack-spotted Pond Frog, Trigomphus citimus and Trigomphus interruptus
EN (Endangered)	1	One species of insects not to disclose

Okazaki Plant and Research & Development Center (investigation period: 2016)

Category	Number of Species	Discovered Species
NT (Near Threatened)	2	Northern Goshawk, Eurasian Sparrowhawk
DD (Data Deficient)	1	Polistes japonicus japonicus

Mizushima Plant (investigation period: 2017)

Category	Number of Species	Discovered Species
VU (Vulnerable)	1	Falcon
NT (Near Threatened)	2	Osprey, Japanese buzzard (Okayama Prefecture Red Data Book)



# Collaboration with Society

## Environmental Communication

Mitsubishi Motors aims to be a corporation trusted by all of its stakeholders. For this goal, we release our environmental initiatives on our website. In addition, we listen to opinions from various people through our participation in environmental exhibitions and events, and then use these opinions in our initiatives.

### Release of Environmental Information on Website and in the CSR Report

The company releases information on the concepts and details of our initiatives on the company website and in the CSR report in order to make our environmental initiatives more widely known.

(WEB) <https://www.mitsubishi-motors.com/en/csr/environment/>



Environmental Website

### Participation in Environmental Exhibitions and Events

The company proactively participates in environmental exhibitions and events. There, we spread awareness about our environmental initiatives, which are built around electric-powered vehicle technology, and listen to opinions from various people for use in our initiatives.

#### Main Environmental Exhibitions and Event

##### EcoPro Exhibition

EcoPro Exhibition is the largest environmental exhibition in Japan.

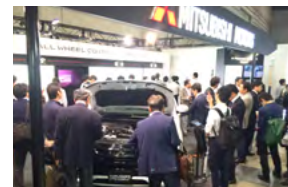
We introduce our environmental initiatives, including EV/PHEVs, and ask for opinions from the visitors. In addition, we have a quiz for children to provide them with an opportunity to think about the environment.



##### Automotive Engineering Exposition

The Automotive Engineering Exposition is Japan's largest exhibition of automotive engineering.

We introduce our environmentally friendly technologies, including exhibits of component technology that forms the structure of EV/PHEVs and new model engines with great environmental performance.





# Collaboration with Society

## Collaborative Environmental Preservation with Society

Mitsubishi Motors believes initiatives in collaboration with society are important in environmental conservation. For this reason, we have been working on environmental conservation activities such as the forest preservation, cleaning, mowing, and termination of alien species in collaboration with stakeholders including communities, municipal governments, ministries and government agencies, and NPOs. For collaboration with ministries and government agencies in particular, we support the national campaign “COOL CHOICE” for countermeasures against global warming and the climate change campaign “Fun to Share” by the Ministry of the Environment, and we participate in the “Light-Down Campaign.”

### Pajero Forest (Forest Conservation Activity)

Since 2006, we have been working on protecting and cultivating a forest in Hayakawa-cho, Yamanashi Prefecture named “Pajero Forest” with the aim of protecting water sources and fostering the environmental awareness of the employees.



### Children's Forest Program (Forest Conservation Activity)

In this Program, active in 10 countries such as Thailand and Indonesia, children promote greening of the earth by planting and growing young trees in school yards, thus developing a love of nature.



### Light-Down Campaign (Global Warming Countermeasures)

This campaign is organized by the Ministry of the Environment on the day of the summer solstice and “Cool Earth Day” in July to turn off the lights at light up facilities and houses. We participate in this campaign in key sites.



### Hands-on Lessons (Hands-on Environmental Lessons)

The company offers hands-on lessons to students on the environment to learn about the relationship between cars and environmental problems and quizzes using eco parts in coordination with education boards. Our employees visit elementary schools to provide the lessons.



## Environmental Data

### Product Fuel Economy and CO<sub>2</sub> Emissions (Corporate Average) \*1

		Unit	2013	2014	2015	2016	2017
Japan (fuel economy)*2		km/L	20.4	19.1	18.4	19.2	18.2
United States (fuel economy)	Import passenger automobile	mpg	34.1	35.2	39.8	41.3	44.6
	Light truck	mpg	31.5	33.2	34.4	34.6	34.9
Europe (CO <sub>2</sub> emissions)		g-CO <sub>2</sub> /km	124	115	110	118	118
China (fuel economy)	Import vehicle	L/100km	8.0	7.7	7.4	7.6	7.5
	Local production vehicle	L/100km	9.2	8.8	8.4	10.0	12.0

\*1 Reported values to authorities in respective countries and regions.

\*2 Tabulation includes passenger vehicles but excluded electric vehicles and plug-in hybrid electric vehicles.

### Business Activity Indicators

Target sites: 24 global environmental management target companies

### CO<sub>2</sub> Emissions (Scope 1, 2)\*3

		Unit	2013	2014	2015	2016	2017
Total amount		x10 <sup>3</sup> t-CO <sub>2</sub>	578	598	518	461	540
Scope 1 (direct emissions)		x10 <sup>3</sup> t-CO <sub>2</sub>	137	132	110	104	120
Scope 2 (indirect emissions)		x10 <sup>3</sup> t-CO <sub>2</sub>	441	466	408	357	420
Production		x10 <sup>3</sup> t-CO <sub>2</sub>	515	523	449	394	477
Non-production		x10 <sup>3</sup> t-CO <sub>2</sub>	63	75	69	67	63
Japan		x10 <sup>3</sup> t-CO <sub>2</sub>	412	433	400	363	387
Asia		x10 <sup>3</sup> t-CO <sub>2</sub>	97	98	89	91	147
Others		x10 <sup>3</sup> t-CO <sub>2</sub>	69	67	29	7	6

CO<sub>2</sub> emission factor

• Based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures"

• Overseas emission factors taken from the IEA's "CO<sub>2</sub> Emissions from Fuel Combustion (2017 edition)"

\*3 Applied CO<sub>2</sub> emission factors were revised and recalculated.

### Supply Chain Greenhouse Gas Emissions (Scope 3, Fiscal 2017 Results)

		Unit	Emissions	Coverage
Total amount		x10 <sup>3</sup> t-CO <sub>2</sub> eq	38,721	
Category1	Purchased goods and services	x10 <sup>3</sup> t-CO <sub>2</sub> eq	5,855	consolidated (only production)
Category2	Capital goods	x10 <sup>3</sup> t-CO <sub>2</sub> eq	297	non-consolidated
Category3	Fuel energy not included in Scope 1 or 2	x10 <sup>3</sup> t-CO <sub>2</sub> eq	45	consolidated
Category4	Upstream transportation and distribution	x10 <sup>3</sup> t-CO <sub>2</sub> eq	1,013	consolidated
Category5	Waste generated in operations	x10 <sup>3</sup> t-CO <sub>2</sub> eq	16	non-consolidated (only production)
Category6	Business travel	x10 <sup>3</sup> t-CO <sub>2</sub> eq	4	consolidated
Category7	Employee commuting	x10 <sup>3</sup> t-CO <sub>2</sub> eq	14	consolidated
Category8	Upstream leased assets		-	
Category9	Downstream transportation and distribution		-	
Category10	Processing of sold products		-	
Category11	Use of sold products	x10 <sup>3</sup> t-CO <sub>2</sub> eq	30,731	all destination
Category12	End-of-life treatment of sold products	x10 <sup>3</sup> t-CO <sub>2</sub> eq	741	
Category13	Downstream leased assets		-	
Category14	Franchises	x10 <sup>3</sup> t-CO <sub>2</sub> eq	5	some of dealers which are not affiliated
Category15	Investments		-	

### Energy Input (Primary and Secondary Energy)

		Unit	2013	2014	2015	2016	2017
Total amount		PJ*4	11.4	11.9	10.4	8.3	9.7
Production		PJ	10.1	10.5	9.1	7.0	8.2
Non-production		PJ	1.3	1.4	1.3	1.3	1.5
Japan		PJ	7.6	7.4	6.9	6.5	6.9
Asia		PJ	1.8	3.0	2.8	1.6	2.4
Others		PJ	2.0	1.5	0.7	0.2	0.4

Unit calorific value: Quoted from the "Act on the Rational Use of Energy"

\*4 10<sup>15</sup> joules

## Environmental Data

### Sulfur Oxide (FY)

	Unit	2013	2014	2015	2016	2017
Total emissions	t	180	177	185	193	195

Calculation method: calculated the weight of sulfur contained in the used fuel and converted the weight into sulfur dioxide (SO<sub>2</sub>)

### Nitrogen Oxide (FY)

	Unit	2013	2014	2015	2016	2017
Total emissions	t	101	107	93	89	92

Calculation method: Fuel usage volume calculated using the Ministry of the Environment's "Environmental Activity Evaluation Program" emission factor

### VOC (Volatile Organic Compounds) (FY)

	Unit	2013	2014	2015	2016	2017
Total emissions	t	2,002	2,013	2,151	2,166	1,882

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant, Pajero Manufacturing Co., Ltd, Suiryo Plastic Co., Ltd

### Emissions of Ozone-Depleting Substances

Estimated at less than 0.1t (CFC equivalent) for Mitsubishi Motors Corporation alone.

### PRTR (FY)

	Unit	2013	2014	2015	2016	2017
Amount handled	t	1,851	1,760	1,628	1,644	1,810
Release and transfer	t	406	389	411	408	393

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant, Pajero Manufacturing Co., Ltd

### Generated Waste (FY)

	Unit	2013	2014	2015	2016	2017
Total amount	x10 <sup>3</sup> t	182	161	162	150	162
Production	x10 <sup>3</sup> t	171	151	153	141	148
Non-production	x10 <sup>3</sup> t	11	10	9	9	14

Excluding some affiliated companies.

### Generated Waste and Externally Disposed Waste (Mitsubishi Motors alone) (FY)

	Unit	2013	2014	2015	2016	2017
Total amount produced	x10 <sup>3</sup> t	124	125	111	93	99
Externally disposed waste	x10 <sup>3</sup> t	48	48	52	47	48
Internal recycle	x10 <sup>3</sup> t	76	77	59	46	51

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant

### Raw Material Input (FY)

	Unit	2013	2014	2015	2016	2017
Iron and aluminum	x10 <sup>3</sup> t	158	172	158	137	143
Resin	x10 <sup>3</sup> t	2.1	2.3	2.9	3.0	3.0

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant, Pajero Manufacturing Co., Ltd  
Retroactive revisions have been made to correct previous errors.

### Withdrawn Water Volume (FY)

	Unit	2013	2014	2015	2016	2017
Total amount	x10 <sup>3</sup> m <sup>3</sup>	5,836	5,739	5,452	5,606	7,343
Production	x10 <sup>3</sup> m <sup>3</sup>	5,422	5,398	5,184	5,295	6,959
Non-production	x10 <sup>3</sup> m <sup>3</sup>	414	341	268	311	384
City water	x10 <sup>3</sup> m <sup>3</sup>	1,006	895	652	428	743
Industrial water	x10 <sup>3</sup> m <sup>3</sup>	3,472	3,324	3,232	3,505	4,009
Underground water	x10 <sup>3</sup> m <sup>3</sup>	1,358	1,520	1,568	1,673	2,591

Retroactive revisions have been made to correct previous errors. Tabulation has not been performed at some sites.  
Recycled water use

- MMKI (Indonesia) recycles and reuses some of its wastewater.
- In fiscal 2017, roughly 178,000m<sup>3</sup> of water was recycled. (Preliminary calculations indicate that this is equivalent to roughly 2% of total group-wide water withdrawal.)

### Wastewater Volume (FY)

	Unit	2013	2014	2015	2016	2017
Total amount	x10 <sup>3</sup> m <sup>3</sup>	3,677	3,497	4,170	3,977	4,577
Production	x10 <sup>3</sup> m <sup>3</sup>	3,263	3,156	3,902	3,666	4,193
Non-production	x10 <sup>3</sup> m <sup>3</sup>	414	341	268	311	384
Sewage	x10 <sup>3</sup> m <sup>3</sup>	941	789	1,635	1,708	2,405
Public waters	x10 <sup>3</sup> m <sup>3</sup>	2,736	2,708	2,535	2,269	2,172

Retroactive revisions have been made to correct previous errors. Tabulation has not been performed at some sites.  
Includes some estimated figures.

## Environmental Data

### Environmental Accounting (Mitsubishi Motors and Pajero Manufacturing Co., Ltd.)

#### Environmental Conservation Costs

(FY)

Category		Main Initiatives Details	Unit	2017		2016	
				Investment	Cost	Investment	Cost
Business Area Cost	Pollution Prevention Cost	Preventing air pollution, water pollution and soil pollution	Million yen	63	1,269	234	1,281
	Global Environmental Conservation Cost	Preventing global warming and the ozone depletion	Million yen	388	14	311	13
	Resource Circulation Cost	Reduction, proper disposal and recycling of the waste	Million yen	6	829	5	874
Upstream/Downstream Costs		Withdrawing used bumpers and corresponding automobile recycling law	Million yen	35	1,789	0	1,851
Administration Activity Cost		Maintaining certification of ISO14001, educating employees and monitoring	Million yen	120	668	0	706
R&D Cost		Research and development about reductions in environmental impact of products such as improving fuel economy and exhaust gas measures	Million yen	3,567	39,545	1,358	34,651
Social Activity Cost		Hands-on environmental lessons, supporting global environmental activity, donation to environmental groups and disclosing environmental information	Million yen	2	328	17	150
Environmental Remediation Cost		Compensation for environmental damage by business activities	Million yen	10	4	3	79
Total			Million yen	4,191	44,446	1,928	39,605
			Unit	Capital investment	R&D cost	Capital investment	R&D cost
<Reference> The group entire capital investment, R&D cost			100 Million yen	999	1,025	581	890

#### Economic Benefit Associated with Environmental Conservation Activities (Actual Benefits)

(FY)

Category	Details of Benefit	Unit	2017	2016
			Benefit	Benefit
Revenue	Operating revenue from the sale of recycled waste products and used products produced through key business	Million yen	2,232	1,597
Cost Reduction	Energy expense saving through energy conservation	Million yen	▲675	1,861
	Water expense saving through water conservation	Million yen	1	13
	Disposal cost saving through lower resource input or recycle	Million yen	▲3	▲18
	Packaging materials cost saving through recycling	Million yen	454	251
Total		Million yen	2,009	3,704

Based on the Environmental Accounting Guidelines 2005 published by the Japanese Ministry of Environment. Includes data tabulated using proportional division. In the table, the minus sign "-" indicates an economic increase due to environmental conservation activities.

# Social

Safety and Quality

- ▶ Safety Measures ..... 55
- ▶ Quality Measures ..... 58

Employees

- ▶ Career Development and Evaluation ..... 64
- ▶ Training and Education ..... 66
- ▶ Labor-Management Relations ..... 68
- ▶ Occupational Health and Safety ..... 69
- ▶ Diversity and Work Styles ..... 71
- ▶ Human Resource-Related Data ..... 74

Human Rights

- ▶ Basic Approach and Policies ..... 76
- ▶ Management Systems ..... 76
- ▶ Human Rights Education and Training ..... 77

Supply Chain Management

- ▶ Basic Approach and Policies ..... 78
- ▶ Management Organization ..... 79
- ▶ Promoting Supply Chain Management ..... 79
- ▶ Initiatives for Business Continuity Plans in the Supply Chain ..... 80

Social Contribution

- ▶ Policies ..... 81
- ▶ Initiatives ..... 81

# Safety and Quality

## Safety Measures

### Basic Approach to Safety

Mitsubishi Motors is aware of its responsibility towards traffic safety as an automaker, and reflects on its past quality issues that have led to loss of customer and society trust. Given these points, we have set “Delivering products which help prevent traffic accidents” as a key part of our CSR activities. Approximately 1.25 million people are killed in traffic accidents worldwide every year\* As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing traffic accidents is an urgent global issue, and Target 3.6, the United Nations Sustainable Development Goal, (SDG) calls for halving the number of global deaths and injuries from road traffic accidents by 2020. Mitsubishi Motors is upholding a safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing safety technologies and promoting traffic safety education.

\* 2015 World Health Organization (WHO) survey

### Development of Safety Technology

We strive to incorporate various safety technologies into our products, and to provide comfortable and safe mobility. Our goal is to help customers enjoy the freedom of movement, the convenience of transportation, and the pleasure of driving.

### Preventive Safety Technology to Avoid Crashes

The ultimate solution to eliminate traffic accidents caused by automobiles is to prevent collisions. Mitsubishi Motors puts its energies into developing and equipping vehicles with various types of preventive safety technologies and providing safety to society in order to achieve this objective.

#### ◆ e-Assist

We are increasing the models equipped with preventive safety technology: “e-Assist” to support safe and comfortable driving using equipment such as millimeter wave radar and cameras. e-Assist comprises one or more of the following functions to support safe operation by drivers.

Function	Description
Forward Collision Mitigation Brake System	Detects vehicles and pedestrians ahead. If there is a risk of collision, the system alerts the driver or automatically applies the brakes to mitigate collision damage or avoid a collision.
Lane Departure Warning System	Continuously monitors the lane position ahead of the vehicle. If the vehicle appears to nearly drift out of the lane, the system will alert the driver.
Adaptive Cruise Control System	Automatically follows the vehicle ahead by decelerating or stopping. Maintains a constant, preset distance from the vehicle ahead to reduce the risk of a collision.
Misacceleration Mitigation System	When the driver starts a car to drive forward or in reverse, the system prevents rapid acceleration caused by the driver's improper operation of the gear shift or accelerator pedal.
Automatic High Beams	Automatically switches between low beams and high beams depending on whether there is an approaching vehicle or vehicle ahead, the ambient lighting conditions, and other factors.

Functions may vary depending on the model.

### Body Structures that Protect People

In the event of a collision, it is crucial to have a vehicle body structure that mitigates the impact on passengers and provides adequate space. Mitsubishi Motors has adopted the proprietary Reinforced Impact Safety Evolution (RISE) body, and enhance collision safety performance in all directions: front, rear, and sides. For example, the *Eclipse Cross*, launched in 2018, adopts a front-to-rear straight frame structure that can efficiently absorb collision energy. The vehicle interior (cabin) has numerous high tensile strength steel plates to mitigate deformation and protect passengers. The *Eclipse Cross* has been awarded a five out of five star rating for its safety performance in many countries and regions around the world.



Overview of the *Eclipse Cross* with RISE



# Safety and Quality

## > Safety Measures

### ◆ Main External Ratings of the *Eclipse Cross*

Region	Date	Name	Rating
Europe	November 2017	2017 Euro NCAP*	Five-star
Australia/ New Zealand	December 2017	2017 ANCAP*	Five-star
ASEAN	January 2018	2018 ASEAN NCAP*	Five-star
Latin America	June 2018	2018 Latin NCAP* (Adult passenger protection rating)	Five-star

\* Abbreviation of New Car Assessment Program. An automobile safety testing and assessment program implemented by a third party organization in each country or region.

Mitsubishi Motors is also pursuing pedestrian safety. We have adopted energy absorbing structures in the hood, cowl top, windshield wipers, and other parts in order to mitigate injury to pedestrians' heads. Energy absorbing structures are also used in bumper faces and headlights to protect pedestrians' legs.

### TOPICS

#### Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that support safe driving. As part of the effort to prevent traffic accidents caused by all drivers including elderly drivers, and to mitigate damages and injuries caused by the accidents, the Japanese government recommends this new automobile safety concept. Vehicles are classified into the following categories: "Safety Support Cars" or and "Safety Support Cars S" (Basic, Basic +, and Wide) depending on the features in each vehicle. Mitsubishi Motors is expanding its lineup of safety support cars.

#### ◆ Safety Support Car Models (as of the end of August 2018)

Category	Safety Support Car	Safety Support Car S Basic	Safety Support Car S Basic +	Safety Support Car S Wide
Model	<i>RVR</i> <i>Lancer Cargo</i>	<i>Mirage</i> <i>Town Box</i> <i>Minicab</i>	<i>eK Space</i>	<i>Outlander PHEV</i> <i>Outlander</i> <i>Eclipse Cross</i> <i>eK Wagon</i> <i>eK Custom</i> <i>eK Space</i> <i>eK Space Custom</i> <i>Delica D:2</i> <i>Delica D:2 Custom</i>

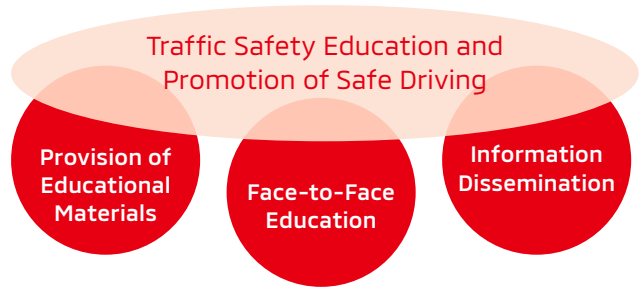
Among these models, the *Outlander PHEV* and the *Outlander* were awarded the highest rating, ASV++, by the National Agency for Automotive Safety and Victims' Aid (NASVA) in its fiscal 2017 car assessment of preventive safety performance.

# Safety and Quality

## Safety Measures

### Traffic Safety Education and Promotion

A majority of traffic accidents are believed to be caused by human error, in other words by drivers, pedestrians, or other people. Mitsubishi Motors conducts traffic safety education and promotes safe driving to raise safety awareness throughout society and thereby reduce traffic accidents indirectly. The three main pillars of our educational initiatives are face-to-face education, provision of educational materials, and information dissemination.



#### Face-to-Face Education: Driving School

Mitsubishi Motors offers a driving school to learn driving tips as well as important information about cars and safety. The concept of this driving school is for both participants and staff to think and learn together while having an enjoyable time.



#### Face-to-Face Education: Traffic Safety around Business Sites

Mitsubishi Motors employees work as traffic guards in the early morning at major traffic intersections around our business sites. In fiscal 2017, a total of 1,644 employees took part in these activities on 43 occasions. The Mitsubishi Motors Safety Drivers Club, which is made up of employees in the Okazaki region, donated 500,000 yen from membership dues to the *Tokai Kotsu-Iji wo Hagemasu Kai*, an organization that supports the self-reliance of children who became orphans as a result of traffic accidents and promotes traffic safety.



#### Provision of Educational Materials: Traffic Safety Picture Book Project

Mitsubishi Motors donates traffic safety picture books (a set of six books) to elementary schools, nursery schools, and other organizations located near worksites in Japan to teach children about traffic safety rules and manners in an easy to understand format. We donated 528 books in fiscal 2017. In total, 4,866 books have been donated since July 2010.



#### Information Dissemination: Dissemination of Traffic Safety Information Automobile Safety Facts Guide Website

We disseminate information on the proper use of equipment and other topics that require drivers' special attention so that drivers will use automobiles more safely. (This site is only available in Japanese.)



#### Information: Dissemination of Traffic Safety Information for Children Website for Children

In August 2018, we updated our website that was designed to provide information on the automobile industry to elementary school age children. The updated website contains a new section where children can have fun while learning about the precautions they should follow when walking or riding a bicycle in their day-to-day activities. (This site is only available in Japanese.)

# Safety and Quality

## Quality Measures

### Policies

Mitsubishi Motors takes measures to improve quality in four categories—**product quality, perceived quality, sales quality, and service quality**—in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period.

**Product quality** comprises **initial quality**, which the customer experiences when purchasing a new vehicle, and **durability quality**, which is experienced over many years as the customer uses the vehicle. We undertake global quality enhancement measures to raise both initial quality and durability quality through collaboration of multiple divisions. We also

work to reinforce systems for gathering information on the various quality issues that occur in the market and for sincerely listening to the comments and opinions of customers so that we can promptly make improvements.

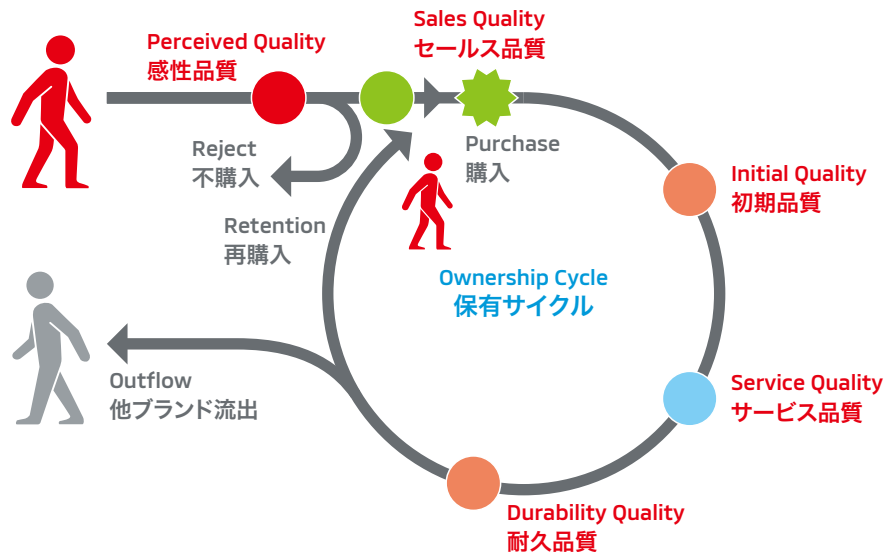
In addition, we are working to improve **perceived quality** in terms of aspects such as the usability, comfort, and appearance that customers perceive when they observe, feel, and use our products. With regard to **sales quality** and **service quality** demonstrated at sales companies that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction.

We strive to achieve the highest levels of quality

from the customer's perspective so that we can achieve customer satisfaction in all stages.

### Management Structure

Mitsubishi Motors has a Quality Strategy Committee chaired by the Executive Vice President in charge of development to periodically deliberate on matters of quality strategy. The subordinate committee checks the progress of quality improvement measures on a monthly basis and implements solutions to issues in order to achieve the targets. In addition, we hold semi-annual Quality Seminars to report on various measures to the CEO and other top-level executives. We also hold daily investigatory meetings to respond to quality issues such as defects, which our customers experienced and were raised through our sales companies.



# Safety and Quality

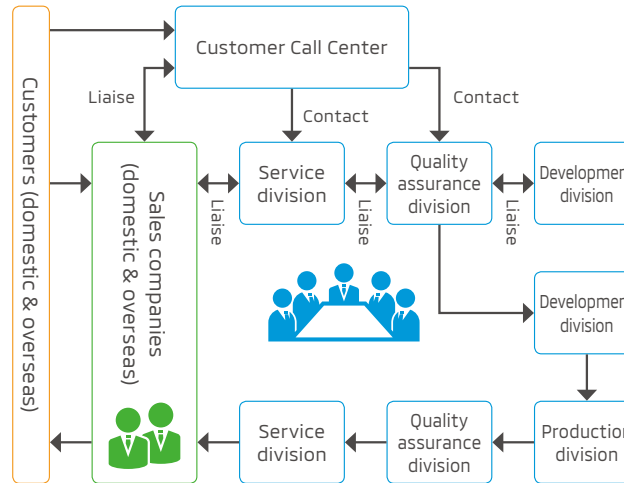
## Quality Measures

### Use of Customer Voice

One of the missions of Mitsubishi Motors Group is to provide new experiences for our customers with creative products and service excellence to achieve high level of customer satisfaction. For that reason, we gather and analyze valuable customer comments and opinions received by our sales companies in Japan and overseas and by our Customer Call Center (CCC). Our quality assurance, development, production, sales, and service divisions work together to actively improve quality.

### Improving Quality through Customer Voice

Sales companies receive concrete information on defects and related conditions from customers. The quality assurance division has a system in place for sharing information received from sales companies with relevant divisions and dealers. We are also working to introduce a new system for the collection and analysis of repair data. By analyzing indications of defects made by customers (quality information) and repair records for specific models, we can identify defects and take countermeasures at an early stage to improve quality.

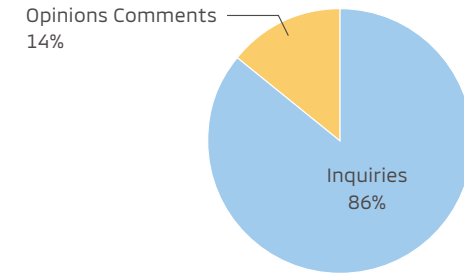


### Major Activities of the Customer Call Center

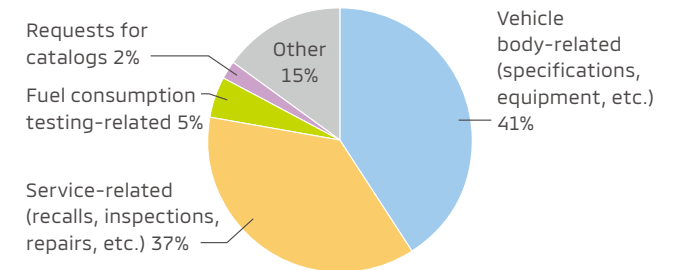
The Customer Call Center accepts inquiries every day including weekends and holidays. The various comments and opinions made by customers are managed in a database, and employees use the database to search and browse them. Customer comments regarding quality and defects are used to resolve customer problems in collaboration with sales companies and for further quality enhancements. In addition, feedbacks as well as opinions about product functionality, or opinions or specifications, are shared with relevant divisions and used to improve product capabilities even further. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.

### Contacts Received at the Customer Call Center in Fiscal 2017

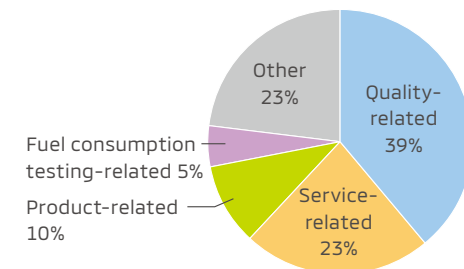
(Number of contacts: approx. 38,000)



### Breakdown of inquiries



### Breakdown of opinions and comments



# Safety and Quality

## Quality Measures

### Developing a Quality-Oriented Mindset

To raise the skill levels of each and every employee, Mitsubishi Motors works to strengthen development capabilities by implementing the in-house quality training curriculum, including design review training sessions, and increasing the number of employees studying quality engineering.

In addition, we have been holding Quality Forums at all workplaces since fiscal 2014. In fiscal 2017, we focused on product quality, perceived quality, sales quality, and service quality with "Total Customer Satisfaction" as the theme. We presented and shared information on measures taken in each division taking this forum as an opportunity for all employees to develop a quality-oriented mindset.

#### ◆ Numbers of Participants in Quality Forum

Fiscal 2014	2,324
Fiscal 2015	3,590
Fiscal 2016	Postponed
Fiscal 2017	2,809

In fiscal 2010, we launched the Customer Voice Seminar, an educational program that helps employees consider customer needs by listening to the actual comments and opinions of customers, thereby further improving employee awareness of customer perspectives. The number of employees taking this course has increased steadily from 130 in fiscal 2010 to more than 3,000 in fiscal 2017.



Customer Voice Seminar

### Improving Product Quality

We are well aware that in addition to safety-related responses to defects relating to initial quality and durability quality undertaken until now, priority management of and responses to defects other than those affecting safety are essential for improving customer satisfaction. Accordingly, we have expanded the scope of our actions. Focusing on the claim incidents that occurred within three months to twelve months after sale, we set targets, and took measures to make improvements. In particular, we have raised the speed of solutions through collaboration among development and production divisions, leading to a reduction in customer claims.

We also introduced new processes to the development of new vehicles in order to resolve issues that are not defects but can lead to customer dissatisfaction.

#### Improving Quality in the Production Stage

With the aim of improving the initial quality of its new vehicles, Mitsubishi Motors holds cross-functional "obeya (large room) activities" where employees from various divisions including development, production, service, quality assurance, and procurement meet in one room starting in the stage prior to mass production to swiftly determine and implement countermeasures to address any problems that have occurred. Started with the *eK Wagon* launched in fiscal 2013, these activities made it possible to rapidly gather information on defects and decide on countermeasures. We have confirmed the effectiveness of these activities on

improving initial quality.

These activities were launched at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) for the *Triton*, production of which started in fiscal 2014. They were also applied to the *Expander* produced by PT Mitsubishi Motors Krama Yudha Indonesia (MMKI), our manufacturing joint venture company in Indonesia, starting in fiscal 2017, and steady results have been achieved.

#### Customer Support for Recalls and Other Market Responses

We have systems in place to provide information to customers in a timely manner in the case of market responses such as recalls as a result of defects that involve safety. We send direct mail to users of the affected vehicles and provide information on obtaining free inspections and repairs to be performed at a sales company at an early time. We also post information on our website so that customers can check whether their vehicles are subject to a recall and the status of repair implementation.

Recall information can be found at the following website.  
[\(WEB\) http://www.mitsubishi-motors.co.jp/support/recall/](http://www.mitsubishi-motors.co.jp/support/recall/)

### Improving Perceived Quality

We are taking measures to improve quality with an emphasis on customer perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the life of a vehicle.

# Safety and Quality

## Quality Measures

### Improving Sales Quality

We strive to achieve the highest levels of customer satisfaction and take action in concert with sales companies in order to make Mitsubishi Motors a brand supported and identified with by our customers throughout the world.

In fiscal 2017, we established PDCA from target setting to evaluation of measures as a group-wide shared management process for raising customer satisfaction. This process will be introduced to our key markets in stages from fiscal 2018. Standards of sales outlet operation will be set for improvement of showroom equipment and sales process to provide customers with more positive experiences in a high-quality sales outlet environment and enhance our brand image.

#### Cooperation with Domestic Sales Companies

One of the measures that domestic sales companies are taking is the provision of proposals and a new sales pitch experience tailored to customer needs by promoting sales pitch styles using IT. For example, sales companies introduced tablet PCs to provide visual and easy to understand product explanations and have customers that come to the sales outlets use the tablets to respond to questionnaires regarding the quality of service in order to make timely improvement. Further improvements in customer satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction.

In addition, we are introducing “Dendo Drive Station” next-generation sales outlets in stages to promote the popularization of EV/PHEVs. These outlets are designed to convey the significance and value of EV/PHEVs to as many people as possible using presentation tools and demonstration areas.

See page 45 for further information regarding Dendo Drive Station and Dealer initiatives.

#### Cooperation with Overseas Sales Companies

Cooperation with sales companies (distributors) in each country and region is essential for achieving high customer satisfaction overseas. Mitsubishi Motors provides appropriate product information to sales companies on a daily basis and gathers comments and opinions from local customers. At times, we visit individual countries to raise our speed of improvement by gathering market information and product request directly in face-to-face communications.

Regional meetings are held regularly in Europe, ASEAN, the Middle East, and other regions, and sales companies from around the world gather each year at the Global Distributors Meeting. Those meetings serve to develop a sense of unity among the sales companies and to share sales strategies, the latest product information, best practices for raising customer satisfaction, and so on.

#### Appropriate Product and Service Information Disclosure

Labeling and provision of product and service information comply with the laws and regulations of each country and region, and we strive to conduct

proper labeling.

In response to the improper conduct regarding fuel consumption and emissions testing in 2016, we reviewed and established internal structures and processes relating to catalog production guidelines and other issues in Japan. At the semiannual meetings of the Compliance Committee, information is provided on various laws and regulations including the Act against Unjustifiable Premiums and Misleading Representations, and a summary of these measures is reported to the Internal Control Promotion Committee (chaired by the CEO). The main activities undertaken in fiscal 2017 were e-learning for officers and managers conducted in June and July and training sessions for domestic sales and development employees conducted in November by an instructor invited from the Automobile Fair Trade Council. We also formulated and adopted guidelines on catalog production as operational standard and conducted inspections by multiple divisions to ensure that labeling was performed properly.

### Improving Service Quality

At the service sites of sales companies (dealers), which have direct contact with customers, it is crucial to provide the highest level of service quality from a customer-first perspective starting at the time of vehicle purchase. Mitsubishi Motors collaborates with domestic and overseas sales companies to improve day-to-day on-site response capabilities (communication and technical skills) so that we can reliably listen to customers, respond to their demands, and satisfy valued customer.



# Safety and Quality

## Quality Measures

### Succeeding Service Skills in Japan

Succeeding and improving service skills and knowledge of service staff are essential to customer satisfaction. Mitsubishi Motors has its own servicing skill certification, and encourages service staff at sales companies to acquire this certification. In addition, we hold the biennial national Service Skills Contest where service staff from domestic sales companies can improve their service skills by competing against one another.

In fiscal 2017, we held a national contest in February 2018 where 51 winners of the regional competitions tested their skills against one another. The winning mechanic and service advisor of the contest will represent Japan in the Global Service Skills Contest described below.

Our seven Technical Centers across Japan organize technical meet-ups and seminars and support sales companies to solve difficult repairs and swiftly meet customer requests through visiting sales companies by technical staffs of technical centers.

### TOPICS

#### EV/PHEV Certification Program for Service Staff

As a company to promotes electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), we aim to improve service staff knowledge of EV/PHEVs and maintenance-related skills and established a new certification system for EV/PHEVs in Japan. There are three classes of certification, from Class 1 to Class 3. Class 1 is the highest certification and requires staff to have a high level of knowledge and maintenance skills relating to EV/PHEVs and the ability to meet customer needs. Personnel who obtain Class 1 certification earn the title of Dendo Drive Master (granted to 100 employees through the end of fiscal 2017). We are working towards having Dendo Drive Masters at all sales outlets in Japan.



Sticker indicating that a Dendo Drive Master is stationed at the outlet

### Succeeding Service Skills Overseas

With the intent of succeeding service skills, Mitsubishi Motors dispatches outstanding engineers from Japan to emerging countries to conduct “caravan activities” where they provide technical guidance. We are working to improve our technical capabilities on a global scale by training local service staff in the field. In fiscal 2017, we dispatched 18 engineers to eight countries including Indonesia, Malaysia, Brazil, and Russia. In addition, we will hold the biennial Global Service Skills Contest. At the Previous Contest, held in November 2016, service personnel who won national and regional contests from 23 countries including China, Thailand, Russia, Indonesia, Chile, and New Zealand gathered to compete on the accuracy and speed of their work. The next contest will be held in February 2019.



Caravan activities

# Safety and Quality

## Quality Measures

### Third-Party Assessment

We use third-party assessment conducted by J.D. Power, a market research company, as one indicator of the performance of our quality initiatives. Based on the results of these assessments, we analyze issues and take necessary measures to improve quality.

Results of Assessment Conducted by J.D. Power (Main Results for Fiscal 2017)		
Product Quality	IQS (Initial Quality)	Indonesia: First Place <i>Pajero Sport</i> in the SUV segment
Sales Quality	SSI (Sales Satisfaction Index)	Indonesia, Taiwan: First Place
Service Quality	CSI (Customer Satisfaction Index)	Germany: First Place (Volume Brand Segment) Brazil, Malaysia: Second Place Thailand, Philippines, Mexico: Third Place

### TOPICS

#### A Sales Company in Indonesia Wins First Place in Sales Satisfaction Index Evaluation

In fiscal 2017, Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI), a local sales company, came in first place in the sales satisfaction index\*1 in Indonesia, a market with highly diverse cultures and values depending on the country or region, and received the highest evaluation in a total of six categories.\*2 We believe that improvements in delivery timing made through detailed responses tailored to individual customers by each dealer, the use of a research company to conduct monthly sales satisfaction index surveys, and the implementation of PDCA activities led to improvements in service quality.

\*1 J.D. Power 2017 Indonesia Sales Satisfaction Index (SSI) Study<sup>SM</sup>. The study is based on responses from 2,476 new vehicle owners who purchased their vehicles from September 2016 to July 2017. The study was conducted between March and September 2017.

\*2 Delivery timing, delivery process, salesperson, sales initiation, dealership facility, and deal.

# Employees

## ▶ Career Development and Evaluation

### Basic Approach and Policies

To create sustainable growth and improve corporate value in an ever-changing operating environment, Mitsubishi Motors promotes car manufacturing to be readily chosen by customers.

The key to achieving this is our employees. We strive to create environments where each and every person can perform meaningful work and demonstrate and improve his or her abilities and where human rights and diversity are respected.

### Developing and Promoting Effective Human Resource Measures

Human Resource Division personnel are assigned to each division as “Business Partner.” The roles of these Business Partners are to support resolution of concerns and issues at each work site, gather workplace opinions, and reflect those opinions in human resource measures. Business Partners also conduct periodic training sessions and other programs to maintain and enhance the quality of activities. In fiscal 2018, 20 Business Partners conducted activities in collaboration with each division.

### Personnel System

We revised the Personnel system for management level personnel effective June 2017. The changes to the system had four objectives: (1) Sharing organizational objectives and fostering a sense of responsibility for achieving these objectives, (2) Enhancing incentives for

achieving objectives, (3) Enforcing mindset and behavior expected from employees, and (4) Performance-based promotion to revitalize the organization. We introduced “Commitment & Target” and “The assessment of the degree of MMC Way embodiment” as tools for enhancing management.

MMC WAY is a set of principles for mindsets and actions as Mitsubishi Motors employees. It outlines six simple aims.

We also revised the Personnel system applicable to non-management personnel to supplement the existing concepts of “handing down and strengthening manufacturing capabilities” and “growth and rewarding challenges” to reinforce “sharing organizational objectives and action for achieving them” and pursue the establishment of shared values so that employees can perform their work with a sense of unity, effective as of fiscal 2018. Similarly for management level positions,

we introduced “Commitment & Target” and “The assessment of the degree of MMC Way embodiment”.

### Overview of Changes to System for Non-Management Personnel

As for the new system for Administrative and Engineering Staff,<sup>\*1</sup> only the evaluation system was reformed. Under the reformed evaluation system, “Commitment & Target” and “The assessment of the degree of MMC Way embodiment” were introduced to promote shared organizational targets and instill a sense of responsibility for achieving them, raise transparency and employee approval of evaluations and employee treatment, and promote the establishment of shared values.

With regard to Manufacturing Workers,<sup>\*2</sup> only the evaluation system was reformed and Commitment & Target and evaluation based on the degree of achievement of MMC WAY were introduced.

Group	Item	Objective/System Overview
Administrative and Engineering Staff <sup>*1</sup>	Promotion frameworks	Promotions are determined based on evaluations for the most recent three years, ability and skill requirements (referred to as “Quality Gates” <sup>*3</sup> ) required for upper-level positions, and “Credits,” which are additional evaluations for voluntary contributions, the acquisition of certifications, and other skills.
	Education program tailored for each job rank	Support the improvement of personnel skill levels both in terms of Personnel systems and training by linking promotion criteria with the education program
Manufacturing Workers <sup>*2</sup>	Meister system	Develop forepersons able to promote manufacturing workplace improvement activities and employee training by certifying extremely high-skilled employees who are making a significant contribution in solving cross-sectional issues/improving product methods/training junior employees as “Meister”
	Increase wages for supervisory positions	Raise wages of personnel in supervising positions to fairly reward the weight of duties and responsibilities they undertake

\*1 Administrative and Engineering Staff perform planning, coordination, research, investigation, negotiation, guidance, instruction, organization, and so on based on administrative and technical work experience and specialized knowledge.

\*2 Manufacturing Workers directly involved in production operations and related support operations as well as personnel who are responsible for instructing and supervising those employees.

\*3 Quality Gates are a mechanism for objectively determining the status of acquisition of abilities, knowledge, and skills required for an individual to step up to the next level (job classification; generally referred to as promotion).

# Employees






## ▶ Career Development and Evaluation

In developing its employees' careers, Mitsubishi Motors has worked on setting up a system which enables employees to proactively set their own goals based on their achievements, capabilities, and life plans, while elevating their capacity to achieve these goals. We established new education "pillars" and "objectives" to express the ideals that we are pursuing with regard to human resource development. Education pillars are positioned as elements that employees should acquire and demonstrate through their activities as company employees. They were established as the pillars of the educational system based on the Three Principles, the corporate Vision and Mission, and MMC WAY, which are key values for all employees. The education objectives were established so that employees can easily conceptualize the ideals that they should pursue in their job classifications as they undergo continuous education.

As a specific career development method, employees participate in interviews with their superiors every year. The interviews are held based on their Career Development Plans in which employees describe a future career course they hope to take and their medium- to long-term career design by reflecting on their past career. The aim of this process is to have employees build an objective picture of their challenges and then proceed along a career path they have formed for themselves with conviction and a high degree of motivation.

The rate of implementation of career development interviews with superiors is approximately 70% for administrative and engineering employees.

### Evaluation Standards: MMC WAY

Mindset	 <b>Cross-functional</b> Work beyond organizational boundaries	 <b>Transparent</b> Candid and accountable	 <b>Look outward</b> Go out and learn
	Actions	 <b>Commit</b> Achieve quantifiable goals	 <b>Challenge</b> Take proactive action for value creation

### Evaluation Process (Non-Managerial Employees)

In May, employees are notified about the results of their evaluation score for the prior year (a feedback interview) and set their objectives for the current year. Monitoring of conduct is carried out continuously for evaluations based on "The assessment of the degree of MMC Way embodiment". For evaluations based on Commitment & Target, these objectives are finalized by July and an interim interview is conducted in October or November. Employees conduct self-evaluations in March of the following year, followed by primary, secondary, and final evaluations in April to finalize the annual evaluation.

	Evaluation based on "The assessment of the Degree of MMC Way Embodiment"	Evaluation based on Commitment & Target	Evaluator
May	Feedback Interview		Employee/Primary Evaluator
May-July	Monitoring of behavior	Setting of individual objectives (objective setting interview**/ group objective setting meeting)	Employee/Primary Evaluator
			Primary Evaluator
October-November		Interim Interview	Employee/Primary Evaluator
March	Self-Evaluation	Self-Evaluation	Employee
April	Primary Evaluation	Primary Evaluation	Primary Evaluator
	Secondary Evaluation		General Manager
	Final Evaluation (evaluation meetings on the division level)		Division General Manager/General Manager
	Finalization of Annual Evaluation		Human Resources & Labor Administration Planning Department

\*4 Objectives are set during the feedback interview in May. If objectives are changed after unit objectives are finalized, an additional interview is conducted and the changes are reflected in objectives.

# Employees

## ▶ Career Development and Evaluation

### Fair Compensation System

Mitsubishi Motors introduced a remuneration system that allows for appropriate compensation based on the roles, degree of contribution, and weight of the roles and responsibilities of each employee. We provide the system to enhance each employee's career and motivation. Raises are given both periodically and in conjunction with career enhancement.

### Approach to Local Hiring

We comply with local laws and regulations regarding wage levels in Japan and other countries and set wage levels according to job classifications, taking into consideration industry levels. There are no discrepancies in wages within individual companies based on race, nationality, sex, or other such reasons.

Starting pay	High school graduate Administrative and Engineering staff	¥163,500
	High school graduate Manufacturing Worker	¥169,500
	Technical college	¥183,200
	Junior college graduate	¥168,000
	University graduate	¥207,000
	Master's degree	¥229,000
	Doctor of Philosophy	¥263,000
Average salary of all employees (annual)		¥7,209,000
Ratio of women's salaries to men's salaries		0.78
Ratio of Valuable Compensation	General Manager: Maximum of 35% of annual basic salary	
	General Manager (responsible for specific duties): Maximum of 25% of annual basic salary	
	Manager: Maximum of 20% of annual basic salary	

## ▶ Training and Education

### Approach to Human Resource Development

Mitsubishi Motors has a training program for the systematic development of human resources from entry-level employees to general managers. This educational system is supported by three pillars: the Three Principles, a statement of the Mitsubishi Group's management principles; our Corporate Vision and Mission; and the MMC WAY, guidelines for day-to-day behaviors. We have clarified the abilities and skills necessary to put these principles or behavior into practice. We also specified the ideal model for each job classification and introduced respective curricula based on both. Employees discuss their vision of their future with respect to human resource development during their annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to development of each employees with deeper understanding.



(1) Ideal to be pursued	Set the pillars of training and development targets
(2) Training (off-the-job-training)	Enhance training and set quality gates*1
(3) Human resource development systems	Incorporate departments (superiors) into training more and develop a culture where superiors and subordinates grow together
(4) Practical training (on-the-job-training)	Conduct more effective OJT by raising the abilities and skills of all employees through the measures in (1) to (3)

\*1 System for objectively assessing the status of proficiency of abilities, knowledge, and skills necessary for an individual to be promoted to the next step (job classification).

### Training Structures and Achievement

In addition to training curricula tailored to employee job classifications, Mitsubishi Motors has various other training programs for employees including e-learning training for all employees and selective training that allows employees to select the programs they want to participate in.

### ◆ Fiscal 2017 Training Results

Number of employees who took courses during the year (total)	18,920 employees
Number of course hours per employee	10.9 hours
Training expenses per employee	¥30,182

We continue to prioritize the enhancement and expansion of training programs. In fiscal 2017, we introduced a number of new programs and reviewed the content of and reinforced existing programs.

# Employees

## > Training and Education

### ◆ Organizational Framework of Mitsubishi Motors' Human Resource Development

Legend: Newly implemented

Job Classification (required human resource model)	Training for job rank				Common to all ranks	Global	
	Training for newly promoted employees	Reinforcement training	Training for candidates for promotion	Mid-career employees		Mindset/Skills	English
<b>M1</b> (innovation leader)	Training for newly-promoted M1						
<b>M2</b> (management professional)	Training for newly-promoted M2	Leadership training for organizational transformation	Training for M1 candidates		Training with participants from external companies	Global leader development trainings*5	TOEIC score 700 and above
<b>Assistant Manager</b> (a leader of practical work)	Training for newly promoted Assistant Manager	To be implemented in fiscal 2019*2	Training for M2 candidates	Training for mid-career employees	Internal collaboration training (37 meeting)	Global business skills training*4	Weekly voluntary English conversation class / Voluntary English conversation via Skype
<b>Main Staff</b> (a key player in the execution of work)	Training for newly promoted Main Staff	Good facilitator development training Good communicator development training	Training for Assistant Manager candidates		Engineer training	Global talent development training	TOEIC program
<b>Staff</b> (a professional in the operational work)	Entry-level employee training	Third year training*3 Second year training				Global communications training*6 Global mindset training*7	
<b>Clerical Staff</b> (efficiently carries out operations)	Entry-level employee training	Third year training*3 Second year training				Global communications training*6 Global mindset training*7	

We plan to enhance training even further in the future. To this end, we will gather information on practices of training at other companies and on the needs of participants and their superiors and make continuous improvements.

### From the Customer's Perspective

The achievements in one's work create value only when they contribute to the benefit of others. We are taking measures to foster human resources who continuously check their own work from the perspective of subsequent processes, asking whether their work truly creates value and whether it is meeting the needs of colleagues and customers.

### In-house Cooperative Training

Aiming to strengthen inter-divisional cooperation and to foster personnel with strong leadership, Mitsubishi Motors is concentrating efforts on in-house cooperative training. As an example, we conduct training session on problem-solving where managers from various divisions are brought together. Participants select issues faced by their divisions as the themes for the session, and everyone works together to find solutions. By allowing staff to repeatedly participate in this type of training, we aim to strengthen ties between fellow colleagues from beyond divisional boundaries, broaden employees' perspectives, and raise workplace management capabilities and problem-solving skills.

\*2 A portion of training for M2 candidates will be conducted as reinforcement training, including the initially-planned business negotiation skills training starting in fiscal 2019

\*3 Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training. \*4 To be introduced in fiscal 2019.

\*5 To be introduced in fiscal 2020. \*6, 7 To be conducted within third year training and entry-level employee training program, respectively.



# Employees

## ▶ Training and Education

## ▶ Labor-Management Relations

### Fostering Global-Minded Human Resources

In line with increases in both overseas production and sales volumes, Mitsubishi Motors is placing emphasis on developing human resources who are capable of adopting a global perspective and snowing performance in global business.

English language skills are essential when working with people outside Japan, so Mitsubishi Motors offers its employees curricula designed to systematically improve their English skills. We provide a variety of programs, from beginner courses aimed at improving basic skills, to advanced courses aimed at improving practical English communication skills for business use. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we have newly started a program dispatching Japanese employees to overseas plants for a short period. Under this program, participants will have the opportunity to observe and learn local operations and business habits through interaction with local staff. We are also planning a training programs at overseas subsidiaries.

### Supporting Lifelong Education

In keeping with the Revised Act for Stabilization of Employment of Older Persons, Mitsubishi Motors is encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques and

knowledge of skilled workers. We are also working to support the lifelong career development of our employees. For instance, we regularly hold Good Life Seminars, a joint undertaking with the labor union geared toward employees aged 50 and over, where we give post-retirement life planning advice.

#### ◆ Fiscal 2017 Seminars for Future Good Life

The Number of Seminars held	Held four times companywide
The number of participants	Approximately 80 people in four seminars

### Accepting Overseas Trainees

Mitsubishi Motors has started accepting overseas trainees since 2007 as a part of its CSR initiatives. In May 2018, it was found out that 33 welding job trainees among 65 technical trainees from the Philippines who have been in Okazaki Plant engaged in training work other than the training plan, and this incident was not complied with Technical Intern Training Act.

This incident shows a lack of sensitivity to legal compliance and the delayed response after the issue was found indicates a low level of business quality. We are going to work on improving from every aspect.

### Approach to Labor-Management Relations

Mitsubishi Motors supports the basic principles of the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises and guarantees fundamental labor rights to employees. Our labor agreement stipulates that the labor union has the three rights of labor (the right to organize, the right to collective bargaining, and the right to collective action). As of April 2018, our labor union had 12,351 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

#### Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor-management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues. In fiscal 2017, 54 discussions were held between the Company headquarters and union headquarters, and many discussions were also held between offices and union branches in each business site.

For important topics such as major changes in working conditions, we organize a labor-management expert committee and make decisions after careful consideration and discussions and management. We are also working to build good relationships with labor unions at overseas affiliates in accordance with the labor laws and regulations of each country.

# Employees

## Occupational Health and Safety

### Health and Safety Policies and Management

Ensuring the health and safety of employees is the foundation of corporate activities. Mitsubishi Motors continuously takes measures to ensure employee health and safety on a universal basis in accordance with its Health and Safety Management Policy.

#### Basic Policy

1. We will undertake companywide activities with emphasis on each process of the PDCA cycle to eliminate workplace risks and hazards with safety taking priority over all else. Within each activity, confirmation, follow-up, and improvement will be carried out successively and continuously.
2. Workplace supervisors from senior management down will implement comprehensive health and safety management measures under their own responsibility with an awareness that ensuring health and safety is the foundation of management. They will strive to create a workplace culture of discipline with consideration for others and a strict attitude of not engaging in, not allowing others to engage in, and not overlooking unsafe conduct. All workplace supervisors will also work to create a workplace culture that fosters open communication where subordinate personnel feel that they can say anything through honest dialogue at any time and to raise awareness of health and safety.
3. Each employee shall observe basic rules and conduct guidelines relating to safety to protect their own safety and endeavor to create healthy workplaces with no accidents by conducting on health and safety activities in cooperation with all Mitsubishi Motors personnel with a strong commitment to complying with decisions that they have made and decisions that have been made by others.

4. Companywide efforts shall be made to create clean and comfortable work environments, prevent disease, and promote the health and physical well-being of each employee.
5. Health and safety management shall be implemented in accordance with the Mitsubishi Motors Health and Safety Management System.

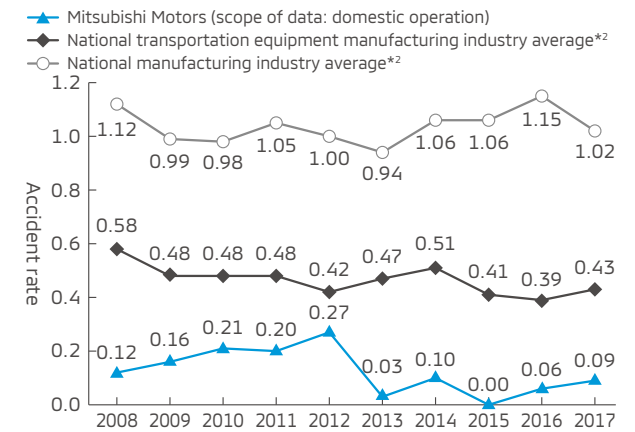
The Central Production Committee, comprising the lead officer, heads of production sites, and labor union representatives, meets once a year to assess the status of measures taken over the year. The committee examines occupational safety, traffic safety, natural disaster preparedness, health management, and other issues, sets quantitative targets for health and safety in the coming year, determines priority measures, and takes action to achieve the targets.

### Initiatives to Ensure Workplace Safety

Mitsubishi Motors works to create safe and secure workplaces where all employees can dedicate themselves to their work with a feeling of reassurance. In particular, we strive to prevent accidents in production sites, which account for around 80% of workplace accidents. In order to prevent these, we identify unsafe conditions or employee behaviors in all work situations and make improvements. Additionally, we create safe workplaces by carrying out mutual safety checks at production sites by senior officials and workplace supervisors to identify commonly overlooked hazards. Other measures include

adopting improvement proposals and requests raised by employees. We also established “safety training schools” at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience hazardous situations firsthand. The number of workplace accidents in 2017 was 20, up three from 2016. There were no fatal accidents. The main causes of these accidents were insufficient countermeasures against unsafe conditions in the workplace, insufficient rules governing irregular work, and insufficient training and education for employees with little work experience. Over half of these accidents were caused by employees with less than six months of work experience, so we have positioned the enhancement of introductory training as a key measure for 2018.

#### ◆ Accident Rate\*1 (Accident Frequency)



\*1 Number of deaths and injuries due to industrial accidents per 1 million gross actual working hours (for those requiring an absence from work of one day or more)

\*2 Source: Ministry of Health, Labour and Welfare of Japan "Survey on Industrial Accidents"

# Employees

## Occupational Health and Safety

### Mental and Physical Health Initiatives

In order to maintain and improve the mental and physical health of its employees, Mitsubishi Motors prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Mental health issues accounted for more than half of absences due to illness, and such absences have been increasing since 2016. In response, we have positioned this as a companywide priority issue and introduced an outside Employee Assistance Program\* (EAP), a type of mental health program.

The number of employees who were absent from work due to the onset of mental health issues increased by 6% in 2017 compared to the previous year. Work-related concerns accounted for approximately 80% of all cases. As a result, we have gone further than past measures and placed priority on prevention such as providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments. We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. We also assess stress levels at each workplace, conduct training to improve workplace communications, and have introduced programs conducted by outside counselors to improve workplace environments. We are creating environments where employees feel comfortable consulting about their concerns with consultation desks for individuals. We have established consultation desks with counselors, attorneys, tax

accountants, and other professionals and made them available not only to employees, but also to their family members.

\* An employee support program that seeks to improve individual and workplace health by implementing organizational mental health measures, offering health consultations on individual physical or mental health issues, and addressing compliance and other issues.

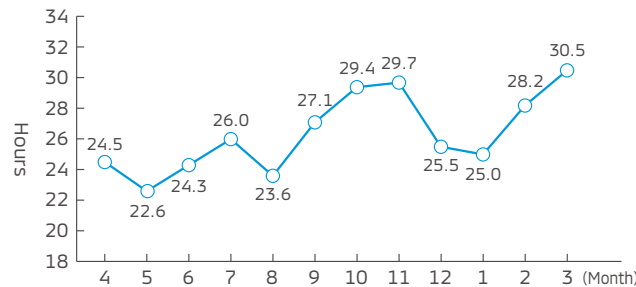
### Shortening Total Working Hours

Mitsubishi Motors is taking measures to shorten total working hours in order to promote and establish work-life balance. Together with improving work efficiency, we implement measures for leaving work on time and making it easier to take paid leave, such as newly establishing "Premium Fridays" from 2017, to promote the creation of workplaces that allow a variety of working styles.

Average Monthly Overtime Hours*1	26.4 (fiscal 2017, administrative and engineering personnel example)
----------------------------------	--

\*1 Excluding personnel on long absence.

#### Fiscal 2017 Overtime Hours



### Examples of Initiatives

- Establishing every Friday as "No Overtime Day" where employees are encouraged to leave work on time
- Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m.
- Establishing days on which employees are encouraged to take paid leave (14 days annually\*2) and encouraging "Plus One Leave" where employees can have long weekends by combining leave with weekends
- Prohibiting work after 8 p.m. in principle, and holding activities to raise awareness of exercising self-control to not make phone calls or send emails after office hours
- Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division
- Training managers in areas such as management of working hours and compliance with the Labor Standards Act and overtime work agreements (commonly known as the "36 Agreement" after Article 36 of the Labor Standards Act)
- Encouraging the use of the telecommuting system
- Actively encouraging employees to use our half-day leave system and our flextime system, which we recently revised to remove the core time requirements

\*2 Mainly by encouraging employees to take paid leave on public holidays which are working days in Mitsubishi Motors' work calendar

# Employees

## ▶ Diversity and Work Styles

### Diversity Promotion Policy

Mitsubishi Motors aims to grow sustainably while flexibly responding to the changing business and market environment resulting from progressive globalization and diversifying customer needs. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value for customers. We are working to create environments that value employee diversity, are easy to work in, and foster employee enthusiasm. We established a Diversity Promotion Policy in July 2014 to promote and achieve diversity.

### Diversity Promotion Policy

We aim to respond to change and heighten organizational capability by incorporating diverse viewpoints and approaches through the different abilities and characteristics of each employee. In this way, we will create new levels of attractiveness and value with cars. We promote Di@MoND (Diversity @ Mitsubishi Motors New Drive) activities to create an environment where employees can maximize their individual abilities and play an active role.



Each diamond has its own unique brilliance as well as the strength to cut into bedrock. We have given the name "Di@MoND" (Diversity @ Mitsubishi Motors New Drive) to our diversity promotion activities to represent our hope that all employees will harness their unique attributes and shine brightly while demonstrating the strength to overcome even the toughest challenges to achieve goals, thus acting as a new driving force for the company.

### Diversity Report

Mitsubishi Motors has been periodically issuing the Diversity Report, a publication dedicated to diversity issues, since 2015 to raise awareness inside and outside the company regarding our diversity promotion initiatives. Volume 3 of the report was entitled "Creating a workplace where we can all bring our capabilities into full play." The report included an article on a management discussion regarding current conditions at workplaces with increasing levels of diversity and future workplace measures, introduced the activities of various employees and personnel who work at Mitsubishi Motors in the Philippines, and reported on a variety of topics including LGBT issues. Through this publication, we are working to create workplaces where every employee can shine and individuality can thrive.



Diversity Report

■ Diversity Report Vol. 3: Creating a workplace where we can all bring our capabilities into full play  
 Issued in December 2017 [PDF](#) [3.8MB]

The Diversity Report can be downloaded in PDF format.

### Promoting Women's Participation and Advancement in the Workplace

Mitsubishi Motors promotes women's participation and advancement in the workplace as a priority issue. In fiscal 2017, we conducted leadership training for women and role model lectures and dispatched four

female employees to the Women's Forum for the Economy & Society in Paris, France. As of July 2018, the percentage of women in management was 3.5% (58 persons) of which 10 women are on the general manager level and one is on the division general manager level. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we formulated an action plan to promote women's advancement and set a goal of 100 women working at the management level by the end of fiscal 2020. We will continue this initiative to create an environment where more female employees can work in positions of greater responsibility.

### TOPICS

#### Mitsubishi Motors Selected as Constituent of MSCI Japan Empowering Women Index

Mitsubishi Motors was selected as a constituent member of the MSCI Japan Empowering Women Index (WIN), an index developed by MSCI Japan Inc. for supporting investment in the environment, society, and governance (ESG). MSCI selects companies that lead their industries in promoting the hiring, continued employment, and advancement of women and diversity. MSCI makes its determinations based on data relating to the employment of women disclosed pursuant to the ACT on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by companies for example.

# Employees

## > Diversity and Work Styles

### Work-Life Balance Initiatives

We are enhancing our work-life balance support program to accommodate the diverse work styles of our employees.

We introduced a telecommuting system and accompanying leave (temporary leave for employees whose spouses have been transferred) to accommodate diverse work styles and life events. In fiscal 2017, we increased the maximum number of hours of work that can be performed from home under the telecommuting system from 40 to 80 per month and made it possible for employees to work from the home of a family member in cases

where an employee is providing childcare or care for a family member. We are creating foundations to facilitate work by employees in a variety of situations. We also created childcare and nursing care guidebooks to encourage employees to make effective use of our work-life balance support programs.

#### Helping Employees to Balance Work and Childcare

Mitsubishi Motors actively supports employees who seek to balance work and childcare. Since fiscal 2015, we have been holding get-to-know-you lunch meetings at the head office for employees on childcare leave and employees working reduced hours for childcare to eliminate

concerns about returning to work by employees on leave, alleviate worries unique to those working while performing childcare, and support network building.

The get-to-know-you lunch meeting held in fiscal 2017 was attended by around 60 employees.

For employees on childcare leave, it was also an opportunity to come to the office and talk with their supervisors. In addition, we have continued to hold training for employees who are working while raising children as well as training for managers with subordinates on childcare leave or who are raising children. In fiscal 2017, training sessions were held at two business sites (the company head office and Okazaki) with about 70 participants. Outside instructors discussed how employees with children should approach long-term career development and taught supervisors how to manage employees with childcare responsibilities. A seminar on achieving balance between work and childcare designed specifically for male employees was also held. About 15 employees with children aged up to one year old participated. An outside instructor discussed key points and hints on optimal career growth achieved not by employees alone, but with their children and partners.

#### Helping Employees to Balance Work and Nursing Care

As birth rates decline and society ages, we must not only support childcare as a company, but also a balance between work and nursing care.

In fiscal 2017, we provided individual nursing care consultations by nursing care specialists to reduce employee anxieties regarding nursing care. We also held nursing care seminars conducted by outside instructors to provide basic information about achieving a balance between work and nursing care. The seminars, held in four regions (the company head office, Okazaki, Kyoto, and Mizushima), were attended by about 180 employees.

#### ◆ Major Programs to Promote Work-Life Balance (As of July 2018)

Programs	Overview	
Childcare	Pregnancy leave	Can be taken once for a certain term during the period after becoming pregnant until entering into maternity leave
	Maternity leave	Six weeks prior to birth and eight weeks after birth
	Childcare leave	Can be taken up to the end of April of the following fiscal year after the child's third birthday
	Child nursing leave	Can be taken until the end of the fiscal year of the child's 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases)
	Reduced working hours for childcare	Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child's 12th birthday (combined use with the flextime system is also available)
Nursing care	Nursing care leave	Aggregate total of three years can be taken per person receiving nursing care
	Short-term nursing care leave	If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases)
	Reduced working hours for nursing care	Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven- hours per day, and are also eligible for flextime work.
Miscellaneous	Life plan leave	Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies
	Accumulation of unused paid leave	Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment)
	Flextime system	System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days
	Telecommuting system	Employees can work remotely using their own work PC at home (limited to a maximum of 80 hours per month)
	Reemployment system	Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reason recognized by the Company, with an applicable period within five years after resignation
	Accompanying leave	Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years

# Employees

## > Diversity and Work Styles

### Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a robust workforce, Mitsubishi Motors operates a program to reemploy senior persons after retirement. As of March 2018, about 615 employees have enrolled, and they are handing down techniques and training the next generation. We will continue to create a work environment where senior employees can make a significant contribution.

### Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide

range of occupations.

The percentage of employees with disabilities at Mitsubishi Motors as of April 2018 was 2.21% (the legally mandated employment ratio is 2.2%) and we will continue to promote additional employment while improving the work environment.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007, which employs 49 workers with intellectual disabilities at the Okazaki and Mizushima plants. Now entering its 12th year since establishment, MMC WING has received many inquiries about employment from “Hello Work” Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, as in the past, we do not stop at just providing employment within our company when doing our part

for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities guidance on group behavior and how to go about work.

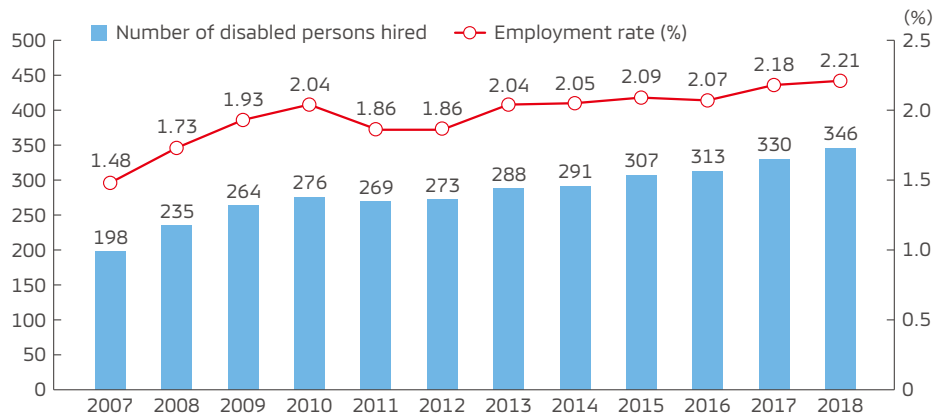
### Addressing LGBT Issues

The Mitsubishi Motors Global Code of Conduct expressly includes respect for LGBT individuals under “Value Diversity and Provide Equal Opportunity.” In fiscal 2017, the Diversity Report discussed LGBT issues, and we held an LGBT seminar, attended by about 50 persons, with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as “Ally.”

### Employee Surveys

Since fiscal 2013, we have conducted employee surveys to identify issues affecting the company, organizations, and individual employees. The survey results are used as reference indicators for improving awareness and operations at each workplace. In fiscal 2017, we conducted an online survey of approximately 14,000 employees. Action plans for addressing the issues identified through this survey will be formulated under the leadership of division general managers and then carried out. We will continue to conduct employee surveys annually and try to improve our organization culture continuously.

#### ◆ Employment of People with Disabilities\*



\*In accordance with the Act for Promotion of Employment of Persons with Disabilities, one severely disabled person is recognized as two people



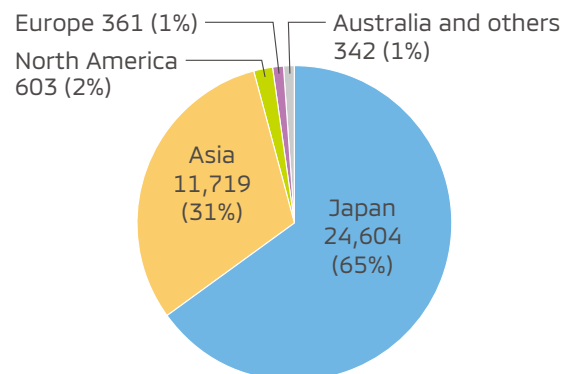
# Employees

## ▶ Human Resource-Related Data

### Number of Employees

		FY 2015	FY 2016	FY 2017
Number of employees (non-consolidated)	Total	13,033	13,222	13,693
	Male	11,806	11,932	12,336
	Female	1,227	1,290	1,357
Number of employees (consolidated)		29,555	29,604	30,507
Number of temporary workers (consolidated)		4,515	3,892	7,122

### Number of Employees by Region: 37,692 (consolidated)



Figures for the number of employees are as of March 31, 2018

### Number of Locally-Hired Managerial Employees at Overseas Subsidiaries

Number of managerial employees	922 (7%)
Number of employees	13,025

(As of March 2018)

### Employee Makeup (non-consolidated)

		FY 2015	FY 2016	FY 2017
Average age	Male	41.4	41.1	41.9
	Female	38.6	38.3	39.2
Average years of service	Male	16.9	16.7	16.6
	Female	12.5	12.3	12.8
Number of employees who have left the company (total)		511	665	539
Retirement		276	221	248
Voluntary retirement		205	421	249
Involuntary retirement		3	8	2
Work transfer, other		27	15	40

### Number of New Graduates Hired

		FY 2015	FY 2016	FY 2017
Total	Male	297	298	220
	Female	38	40	31
University graduate/ Master's degree or above	Male	198	196	133
	Female	35	34	27
Junior college/ vocational school graduates	Male	1	2	1
	Female	0	0	0
High school graduates/ other	Male	98	100	86
	Female	3	6	4

# Employees

## ▶ Human Resource-Related Data

### Working Hours and Ratio of Paid Leave Taken

	FY 2015	FY 2016	FY 2017
Total working hours per person/per year	2,116 hours	2,092.9 hours	2,082 hours
Overtime worked per person	330 hours	328.3 hours	307 hours
Ratio of annual paid leave taken	79.9%	81.6%	83%

### Number of Persons Taking Childcare Leave and Retention of Return

		FY 2015	FY 2016	FY 2017
Number of persons taking childcare leave	Total	111	86	127
	Male	3	3	6
	Female	108	83	121
Retention of returnees*1		94.4%	91.2%	92.3%

\*1  $\frac{\text{Total number of employees still employed 12 months after returning to work from childcare leave}}{\text{Total number of employees whose childcare leave ended during the previous reporting period}} \times 100$

Note: In this year's report, calculations were performed in accordance with the GRI standards and the retention rates for fiscal 2015 and 2016 were recalculated.

### Status of Female Management Promotions

		As of July 2016	As of July 2017	As of July 2018
Number of female managers*2	Persons	45	49	58
	Ratio	2.7%	2.9%	3.5%
	General manager or above	3	6	11
Number of female executives*3	Persons	2	2	3
	Ratio	4.3%	5.1%	7.7%

\*2 Excludes employees dispatched to other companies.

\*3 Number of female executives includes outside directors and auditors.

### Major Programs to Promote Work-Life Balance

FY 2017 Results		Male	Female	Total
Childcare	Pregnancy leave	–	8	8
	Maternity leave	–	60	60
	Childcare leave	6	121	127
	Child nursing leave	140	162	302
	Reduced working hours for childcare	5	164	169
Nursing care	Nursing care leave	3	0	3
	Short-term nursing care leave	118	35	153
	Reduced working hours for nursing care	2	3	5
Miscellaneous	Life plan leave	98	30	128
	Accumulation of unused paid leave	559	51	610
	Flextime system (including managerial employees)*4	6,172	970	7,142
	Telecommuting system	60	77	137
	Reemployment system * Number of employees registered as candidates for re-hiring under the reemployment system (in fiscal 2017, no employees were rehired under this program)	1	2	0
	Accompanying leave	0	7	7

\*4 With regard to the flextime system, the number of employees eligible to use the system (as of April 2017)

### Employee Shareholding Association

	As of March 2018
Number of members of the employee shareholding association	1,089
Membership rate	8.5%
Shares owned	1,613,025

# Human Rights

## > Basic Approach and Policies

### Approach to Human Rights

We established the Mitsubishi Motors Global Code of Conduct in fiscal 2018. The Code provides, with regard to respect for diversity and provision of equal opportunity, that diversity shall be valued and respected and that discrimination, retaliation, and harassment of any kind and to any degree will not be tolerated. Fiscal 2018 is the first year under the new code, and we will incorporate its content and approaches in conventional human rights educational measures to enhance our initiatives.

### Consideration for Human Rights in Work and Investment

The Supplier CSR Guidelines, formulated in 2010 with the aim of working in collaboration with suppliers, includes items regarding respect for human rights including the complete elimination of discrimination and the prohibition of child labor and forced labor.

### Prohibiting Discrimination

The Mitsubishi Motors Global Code of Conduct requires not only that employees do not engage in discrimination, bullying, or any type of harassment, but also that they do not condone these types of behavior. To this end, we have established consultation systems and are raising awareness of them, in addition to running our aforementioned training programs. Meanwhile, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with consideration for the diverse values that form the basis of each person's actions.

## > Management Systems

### Framework of Human Rights Enlightenment

Headed by the executive in charge of human resources, we offer human rights awareness training companywide. Personnel in charge of education stationed at our business sites are working to raise human rights awareness among employees by conducting lectures using shared educational materials.

We also participated in events held by the Industrial Federation for Human Rights, Tokyo, of which we have been a member for some time, and the Mitsubishi Human Rights Enlightenment Committee and attended conferences, research meetings, and so on held by other external organizations, gathered information, and took measures to improve understanding (more than 100 days in fiscal 2017). The results have been reflected in internal training and other purposes.

### Human Rights Compliance in the Supply Chain

Mitsubishi Motors not only considers human rights in its own business activities, but also encourages suppliers to consider human rights.

To this end, we request that suppliers conduct self-checks pursuant to the human rights and labor related items of the Supplier CSR Guidelines.

# Human Rights

## > Management Systems

### Systems for Addressing Human Rights Related Complaints

In order to make timely responses in cases where a human rights related issue occurs within the company, we have established internal and external consultation offices (helplines) for whistle blowing and consultation for employees.

We also established a Business Partner Helpline and a Customer Call Center so that we can receive reports and request of consultations regarding human rights issues from our suppliers and customers.

\* See page 89 for further information regarding internal and external consultation offices (helplines).

\* See page 79 for further information regarding the Business Partner Helpline.

\* See page 59 for further information regarding the Customer Call Center.

## > Human Rights Education and Training

### Human Rights Education Programs

In order to foster a corporate culture where all employees have a deep respect for human rights, Mitsubishi Motors is offering courses that deepen understanding toward human rights within its training programs tailored to each job rank, beginning with entry-level employee training.

In fiscal 2017, we conducted a total of approximately 360 hours of human rights training for about 460 employees including entry-level employees, mid-career employees, and newly promoted managers. Details of the training are described below.

Entry-level employees	The significance of corporate initiatives regarding human rights, fundamental knowledge regarding human rights, etc.
Mid-career employees	Recent topics regarding human rights, the relation between our business and human rights, etc.
Newly promoted managers	Recent topics regarding human rights, prevention of harassment, roles of managers, etc.

In addition to training, we also began periodic distribution of information on human rights related topics to all divisions within the company with the aim of raising awareness of human rights. With regard to LGBT issues, a topic that is attracting societal interest, we conducted educational seminars mainly for personnel responsible for human rights in each division. In the future, we plan to enhance the content and increase the frequency of these seminars.

Training Programs by Type	Number of Participants	Attendance Rate
Entry-level employee training	176	100%
Training for newly promoted employees (non-management level)	160	100%
Training for newly promoted employees (management level)	82	100%
Seminars to raise understanding of LGBT issues	48	51%*

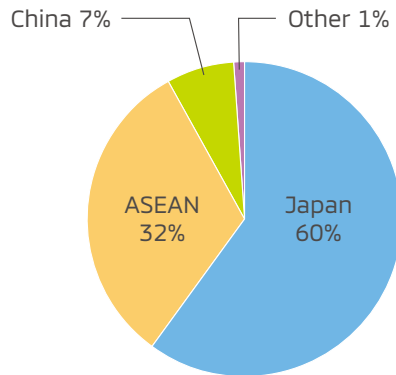
\* The percentage of divisions that actually attended the seminars among those that had received seminar notice.

# Supply Chain Management

## Basic Approach and Policies

With approximately 800 parts supplier companies, Mitsubishi Motors and its main production bases concentrated in the ASEAN region recognize the magnitude of their influence, including on tier 2 and subsequent suppliers. As such, we are strengthening collaboration with our suppliers to maintain and increase sustainable competitiveness across the entire supply chain. We promote cost competitiveness, industry-leading quality, and local procurement. We work as one with our suppliers to contribute to society on a foundation of shared Supplier CSR Guidelines.

### Part Procurement Ratios by Region



### Supplier CSR Guidelines

Aiming for collaborative initiatives with suppliers, Mitsubishi Motors formulated its Supplier CSR Guidelines in 2010. Through these guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and their quality, while also including labor practices, environment management, and compliance. In addition, we provide self-check sheets so that suppliers can carry out self-assessments and independent improvements.

[Supplier CSR Guidelines PDF](#) PDF

Procurement Guidelines are posted on our portal site for suppliers, which suppliers have ready access to.

\* See page43 for information regarding the application of Green Procurement Guidelines.

### Policies and Initiatives for Conflict Minerals

The “conflict minerals” (tin, tantalum, tungsten and gold) produced in the Democratic Republic of the Congo and neighboring countries have become a source of funding for armed groups, resulting in serious violations of human rights.

In order to ensure that it is not complicit in human rights abuses through the procurement of these conflict minerals, our Supplier CSR Guidelines clearly state our policy of not using conflict minerals as raw materials, and we promote responsible procurement.

### Green Procurement Guidelines

Mitsubishi Motors formulated its Green Procurement Guidelines in 2012 to ensure that its procurement and manufacturing have minimal impact on the environment. We revised these guidelines in 2016 in order to meet stricter environmental laws and regulations, and we promote green procurement in partnership with our suppliers.

These guidelines request that suppliers manage environmentally hazardous substances and promote the three R’s (reduce, reuse, and recycle).

In addition, we clearly state in the Parts Purchase Agreement signed with our suppliers that they are requested to comply with our Green Procurement Guidelines. Our Supplier CSR Guidelines and Green

# Supply Chain Management

## ▶ Management Organization

### Supply Chain Management Organization

In April 2018, Mitsubishi Motors, Renault and Nissan established the APO (Alliance Purchasing Organization), a joint purchasing organization that integrates the three companies' purchasing functions. This organization carries out its activities with the three shared pillars of trust, respect, and transparency as its basic principles.

The organization selects business partners using uniform process and evaluation standards, provides numerous suppliers with opportunities for participation, and operates fairly.

### Establishing a Business Partner Helpline

As part of our efforts to adhere to the METI guidelines, we have established a Business Partner Helpline for the suppliers of our procurement division.

The helpline receives opinions and comments from business partners, quickly identifies compliance issues or concerns, such as legal or regulatory infractions or unfair practices in our procurement activities, and promptly rectifies them, striving to achieve even fairer business transactions.

In addition to putting into effect management based on the Supplier CSR Guidelines, Mitsubishi Motors holds a Suppliers Meeting each year to share and spread information about CSR policy in conjunction with procurement and other policies.

We not only adhere to the guidelines for proper trading

in the automotive industry formulated by Japan's Ministry of Economy (METI), but also request that our tier 1 suppliers follow these guidelines as well to ensure that transactions are properly handled with tier 2 and subsequent suppliers.

## ▶ Promoting Supply Chain Management

### Sharing of Supplier CSR Guidelines

Mitsubishi Motors will share the Supplier CSR Guidelines with all new suppliers and request that self-checks be conducted on a regular basis.

We are also taking this to the global level. In May 2017, we issued an English-language edition of the guidelines to expand the coverage to overseas suppliers we do business with directly. In the future, our overseas affiliates in Thailand, Indonesia, and the Philippines will apply guidelines based on these guidelines that take into consideration the situation in each region.

### Supply Chain Auditing

In order to mutually confirm and promote CSR activities with suppliers, we plan to begin confirmation of agreement with the guidelines. We also plan to participate in the same CSR activity evaluations of suppliers as Renault-Nissan as an APO, in addition to the self-checks that have been performed in the past. We regularly conduct quality audits and quality self-check guidance with our suppliers to improve quality along the entire supply chain.

In fiscal 2017, we conducted process audits at 92 suppliers and 126 plants. Improvements to issues pointed out during these audits were generally implemented in three months or less. Quality self-checks were also conducted at 287 supplier plants. We will continue to improve communication and quality



## Supply Chain Management

### ▶ Promoting Supply Chain Management

across the supply chain through these activities. Audits, etc. also provide guidance regarding the creation of systems for rapidly tracing the sources of defects found in parts manufactured by suppliers, who used this information to improve their systems.

#### Ensuring Knowledge of the Guidelines within the Company

As part of managing the Supplier CSR Guidelines, we take efforts to ensure that the guidelines are well-known within the company. We do this through procurement education during training for new employees (both entry-level employees and new mid-career employees), as well as training when employees are transferred to the procurement division. In fiscal 2017, we included material from our Suppliers Meeting in these training sessions.

#### Communicating with Suppliers

Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. Every year, Mitsubishi Motors holds Suppliers Meeting to make our policy well-known. In Japan, we help the Mitsubishi Motors Cooperation Council, a voluntary organization of around 200 supplier companies, hold lectures and conduct research activities each year.



CEO Masuko gives a speech to the Mitsubishi Motors Cooperation Council

#### Promotion of Localization

Mitsubishi Motors has a basic policy of procurement from local business partners whenever possible when local procurement is effective and technologically feasible, excluding cases in which local parts manufacturing is difficult, with the aim of maximizing local procurement rates at overseas bases. For parts which are already locally procured, we also promote the local procurement of the components used within these parts, etc., to optimize costs.

We conduct advance audits of the systems and structures of new business partners, evaluating items such as their development capabilities, production capabilities, and quality management capabilities and issuing improvement instructions if necessary. We also provide support to local business partners by serving as a go-between (intermediary) with Japanese business partners moving into their regions, joint ventures with local business partners, technical partnerships, and the like. We strive to contribute to local regions by creating local jobs and improving local technical capabilities.

### ▶ Initiatives for Business Continuity Plans in the Supply Chain

To reduce the risk of suspended manufacturing operations due to a shortage of parts during a large-scale natural disaster, Mitsubishi Motors formulates business continuity plans (BCPs) in the supply chain and takes measures that include finding alternative production for each supplier and part. In addition, we ask that our suppliers be registered in the damage status confirmation system, so that in the event of a natural disaster, the damage status of plants will be reported to us immediately.

We have created a special supplier map that enables us to better understand the status of damage and risk with regard to not only tier 1 but also tier 2 and subsequent suppliers.

Our parts suppliers have already formulated their BCPs. In fiscal 2018, we plan to implement a checklist to allow self-assessment by our suppliers so as to maintain and improve the effectiveness of the BCPs.

# Social Contribution

## > Policies

### Corporate Citizenship Activity Policy

Based on its corporate vision and mission, Mitsubishi Motors carries out its STEP social contribution activities, focused on four main themes: support for the next generation, traffic safety, environment preservation, and participation in local communities.

**Support for the next generation**  
Supporting the education of the next generation to create a prosperous future

**Traffic safety**  
Contributing to traffic safety education and the spread of safe driving to strive towards a zero-accident society

**Environment preservation**  
Contributing to the preservation of our precious global environment

**Participation in local communities**  
Contributing to the revitalization and development of regional communities

### Breakdown of Social Contribution Expenditures\*1

Unit: million yen

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Support for the next generation	208	216	208
Traffic safety	6	6	8
Environment preservation	19	47	137
Participation in local communities	47	35	83
Support for disaster-stricken areas	22	24	25
Other*2	75	55	79
<b>Total</b>	<b>377</b>	<b>383</b>	<b>540</b>
Social contribution expenditure as a ratio of ordinary income	0.36%	0.94%	2.32%

\*1 Includes donations as well as in-kind benefits, employee activities, and free use of company facilities converted into monetary equivalents. However, it does not include fund-raising and volunteer activities individually conducted by employees.

\*2 Including support for sporting activities, donations to the Mitsubishi Foundation, etc.

## > Initiatives

### Mitsubishi Motors STEP Funds and Matching Gift Program

Through the Mitsubishi Motors STEP Funds, introduced in April 2009, employees can make regular social contributions by voluntarily donating fixed sums to the funds. These funds are then used for initiatives such as activities in developing countries and support for areas struck by the Great East Japan Earthquake, in line with the purposes of Mitsubishi Motors' social contribution activities. The company also matches donations made by the Mitsubishi Motors STEP Funds.

#### Support Recipient

- World Vision Japan
- OISCA International (The Organization for Industrial, Spiritual and Cultural Advancement-International)
- The MICHINOKU Future Fund
- Kindergarten, Nursery schools, elementary schools, etc., near Mitsubishi Motors workplaces

# Social Contribution

## > Initiatives

### Initiatives Providing Support for the Next Generation

#### Hands-on Lessons Program

Based on the idea of helping children to enjoy learning by experiencing the “real thing,” Mitsubishi Motors has been working with local boards of education since 2005 to dispatch employees to elementary schools. As a part of a social studies class for fifth graders, employees conduct classes about the environment to teach students about the relationship between cars and environmental problems, and our designers give classes on car design. In fiscal 2017, 3,208 students attended these classes at 53 schools. Approximately 35,000 children have participated in these classes since 2005.

### Traffic Safety Initiatives

See page 57 for further information regarding Safety Initiatives and Traffic safety education and promotion

### Environment Preservation Initiatives

#### Pajero Forest

Mitsubishi Motors is collaborating with OISCA to preserve and cultivate forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer employee activities. These activities aim to protect metropolitan water

sources and spread awareness of the environment among our employees. In fiscal 2017, under the direction of the Hayakawa-cho forest union, 114 volunteer employees and family members planted saplings and trimmed undergrowth, while 95 new employees carried out forest conservation activities such as maintaining sidewalks within the forest.

### Participation in Local Communities

#### Indonesia: Rescue Car Assisting Disaster-Stricken Areas

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI), our sales company in Indonesia, manufactured two rescue cars based on the Triton, which has off-road driving capabilities. These rescue cars are helping the Indonesian Red Cross and NGO Aksi Cepat Tanggap to deliver food to people facing harsh conditions in disaster-stricken areas.

### Disaster Assistance Initiatives

#### Recovery Support for Disaster-Stricken Areas

Immediately after the Great East Japan Earthquake, we carefully listened to the needs of the disaster-stricken areas, created a mechanism to support them through our business and in our employees' daily lives, and have been continuously providing long-term support under the theme of “Don't Forget/Stay Connected.”

Every effort is made to provide a wide range of support in response to natural disasters and emergency situations. This includes contributions through donations, free loan of vehicles, and volunteer work by employees.

### Major Support for Disaster-Stricken Areas

	Disaster	Assistance	Support Recipient
October 2017	Damage from the hurricane in Puerto Rico	75,000 USD in donations*	Red Cross, orphanages, and local governments in disaster-stricken areas
July 2017	Heavy rains in northern Kyushu	<ul style="list-style-type: none"> <li>Free loan of 15 <i>Outlander PHEVs</i></li> <li>Two million yen in donations</li> </ul>	Toho Village, Fukuoka Prefecture; Asakura City, Fukuoka Prefecture, and Hita City, Oita Prefecture
May 2017	Damage from heavy rains in Sri Lanka	Donation of 100 sets of dishes and cooking implements (worth 1.2 million yen)	Region where sales company United Motors Lanka PLC is located

\* Combined total for Mitsubishi Motors Corporation and local sales company, Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)

# Governance

## Corporate Governance

▶ Basic Policy and Framework for Corporate Governance .....	84
▶ Internal Control .....	86
▶ Risk Management .....	87
▶ Compliance .....	88
▶ List of Executives (as of June 22, 2018) .....	92
▶ Executive Remuneration .....	93

# Corporate Governance

## Basic Policy and Framework for Corporate Governance

### Basic Approach and Policies

Considering compliance to be of topmost importance, Mitsubishi Motors aims to meet the expectations of shareholders, customers and all other stakeholders and achieve sustainable growth and increases in corporate value by making the ongoing reinforcement and improvement of governance as a management priority.

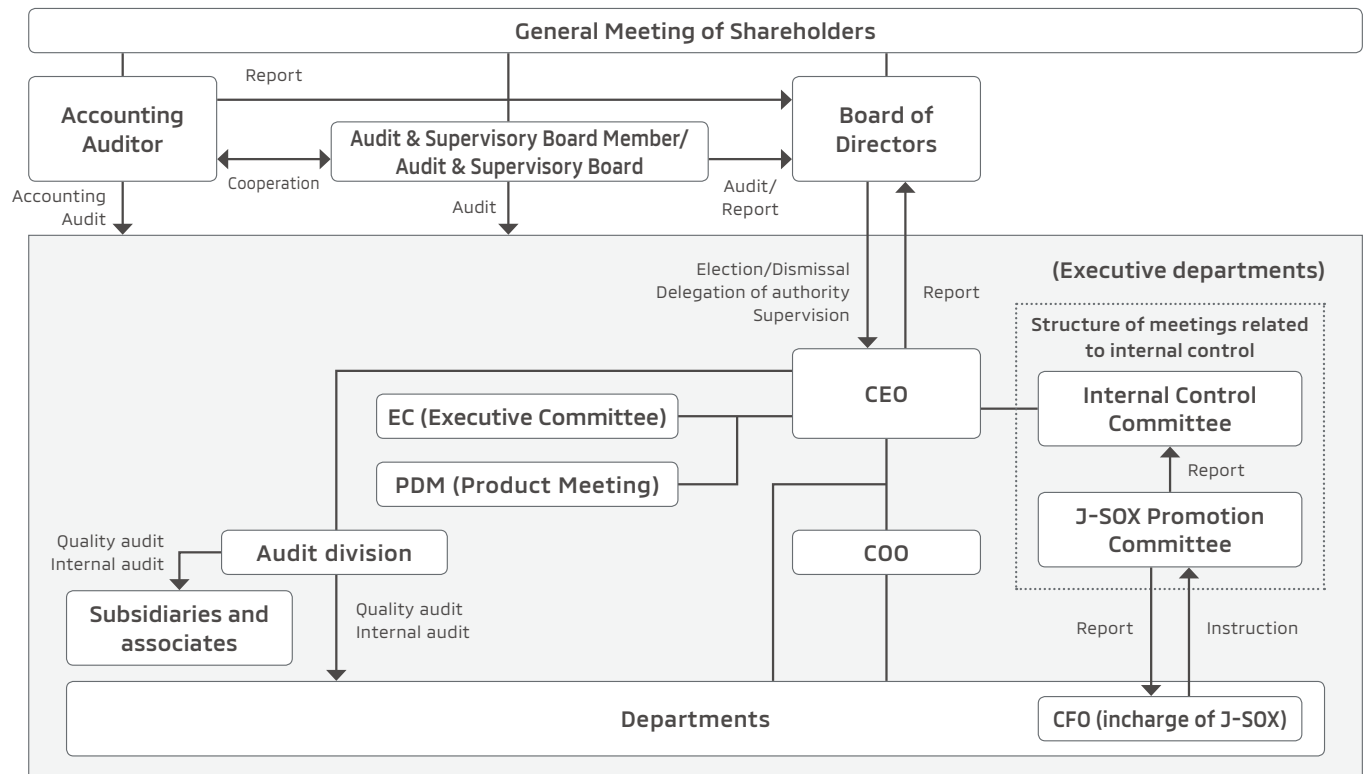
### System of Corporate Governance

The company has improved and enhanced its corporate governance. In addition to statutory functions, the company has introduced the Executive Committee and various other management bodies as well as the executive officer system in order to enhance the flexibility of business execution and clarify management responsibility and to carry out appropriate supervision of business execution. The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution of each Member of the Board. It is comprised of eight members, including six Outside Directors with considerable experience, deep insight, and so forth to strengthen supervision over business execution. To enhance the speed of decision-making, the company has established and operates various committees to deliberate and report on various important matters related to the management.

Furthermore, to separate the supervisory and business execution functions of management and enable a swift and flexible response to changes in the management environment, the company has introduced the executive officer system and delegates authority to accelerate management decision-making. In addition, to ensure appropriate audits of business

execution, an Audit & Supervisory Board comprising five Audit & Supervisory Board Members has been established. Three of the members are Outside Audit & Supervisory Board Members, to strengthen the independence of the audit system.

#### Corporate Governance Framework (As of June 30, 2018)



# Corporate Governance

## ▶ Basic Policy and Framework for Corporate Governance

### Status of Internal Audits and Audit & Supervisory Board Members' Audits

The Audit & Supervisory Board Members carry out audits of the status of business execution of the Mitsubishi Motors Group by attending important company meetings, such as Board of Directors meetings, and receiving reports on the status of business activities from the Board members and other corporate officers. They also review key internal documents and internal audit reports from internal audit division, the Accounting Auditors and subsidiaries and associates.

In accordance with audit policy established by the Audit & Supervisory Board, important auditing items for each fiscal year, allocation of duties and other matters, the Audit & Supervisory Board Members conduct interviews with the top executives of respective internal divisions and conduct on-site surveys at each plant and subsidiaries and associates in Japan and overseas, and, based on the results, hold discussions at Audit & Supervisory Board meetings, regularly report to the Board of Directors, and exchange opinions with the CEO and COO.

In addition, the company has established the Internal Audit Dept. and the Quality Audit Dept. as Internal Audit departments within the Audit Div., an independent organization that reports directly to the CEO.

The Internal Audit Dept. conducts planned internal audits to determine whether operational management of the company and subsidiaries and associates in Japan and overseas is being conducted with

transparency using appropriate processes. The Quality Audit Dept. audits the appropriateness of quality-related activities by the company and subsidiaries and associates in Japan and overseas. Audit results are reported directly to the CEO.

The Audit & Supervisory Board Members regularly exchange information and works to strengthen cooperation with the Audit Div. and the Accounting Auditors.

### Items Relating to Takeover Defense

Not applicable.



# Corporate Governance

## Internal Control

### Policies and Organization

Based on the “Basic Policy on the Establishment of Internal Control Systems”<sup>\*1</sup> established by resolution of the Board of Directors, Mitsubishi Motors monitors the status of operations and strives to improve and reinforce internal control systems.

The company recognizes the gravity of its improper conduct in fuel consumption testing, on top of past quality problems, and in fiscal 2017 made profound reforms to its internal control system as one of its priority measures aimed at regaining trust.

First, it appointed a Global Risk Control Officer to manage compliance and operation risk and regularly report on governance improvement measures to the Board of Directors. Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the CFO, handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act. The Internal Control Committee, which is chaired by the CEO and vice-chaired by the Global Risk Control Officer, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the reports and resolution contents decided on by subcommittees in each internal control field, such as compliance, information security, risk management, and J-SOX, in accordance with the “Basic Policy on the Establishment of Internal Control Systems.” From fiscal 2018 and onwards, the company will proceed to create a global internal control system through establishing and operating internal control committees at its major affiliates in

Japan and overseas.

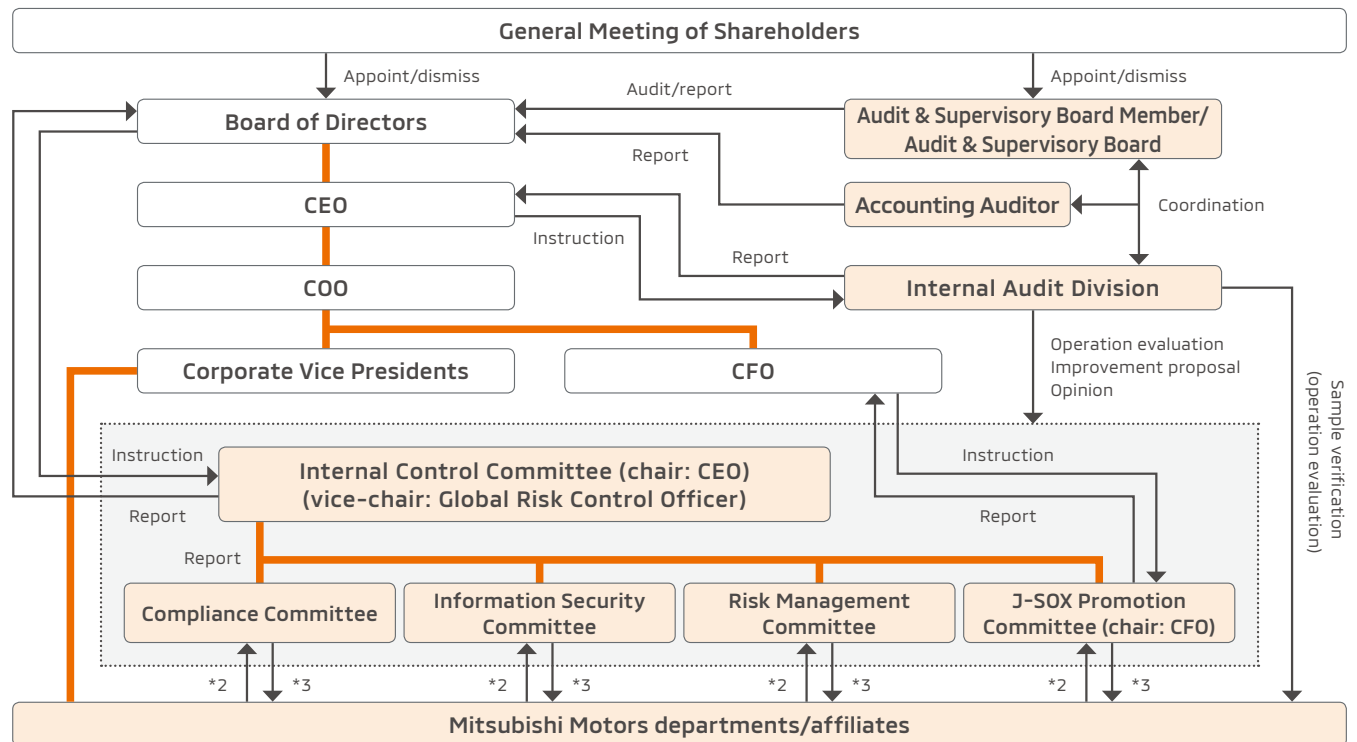
Mitsubishi Motors has also, in line with its introduction of a board of corporate auditors system, positioned the Internal Audit Division as independent of business execution. The Internal Audit Division coordinates with other committees, including the Internal Control Committee, with the aim of achieving effective and efficient internal control system operation.

The Business Ethics Committee was determined to have

achieved its initial goals with the creation of the new internal control system, and it was disbanded in June 2016 accordingly. Going forward, we will continue with initiatives to further reinforce governance by working to ensure compliance with laws and regulations and to promote proper, effective business execution in line with changes in the domestic and overseas environments.

<sup>\*1</sup> See page 17 of Corporate Governance Report for further information regarding the Basic Policy on the Establishment of Internal Control Systems

### Internal Control Organization Structure



<sup>\*2</sup> Report/discuss <sup>\*3</sup> Policy notification, information sharing, operation evaluation, improvement proposal, development support

# Corporate Governance

## ➤ Risk Management

### Basic Approach and Policies

Mitsubishi Motors has defined a policy for the management of business risks in the form of the Basic Policy on the Establishment of Internal Control Systems, and promotes risk management activities throughout the entire Mitsubishi Motors Group. We consider it one of our most critical management issues to appropriately assess risks to the MMC Group's business, prevent risks from occurring, and engage in appropriate management to minimize the impact of risks that do occur.

### Development of Risk Management Framework

MMC has put in place and works to improve its risk management system for the entire Group through three types of risk management activities: priority risk management, departmental risk management and affiliated company risk management.

For priority risk management, we select risks that the entire MMC Group faces directly, that have a high potential impact and a high degree of urgency. For each risk, we assign "risk owners," who are of executive officer level or above, and work as quickly as possible to reduce these risks.

In departmental risk management, we have appointed risk management officers to each division or plant. These officers work to reduce risks through repeated application of the PDCA cycle involving identifying

and evaluating each risk, devising and implementing countermeasures, and monitoring.

Affiliated company risk management includes initiatives for addressing various types of risks encountered by MMC's affiliated companies. The Company regularly confirms the status of activities, such as the reinforcement of compliance systems, and we propose and direct improvements, as necessary. These risk management activities are regularly reported to the Board of Directors as key internal control measures.

In addition, to prepare for unforeseen contingencies MMC has developed emergency contact systems that enable the rapid communication of information to directors and other key personnel, as well as a swift and accurate response. In particular, to create a crisis management system to respond when serious incidents occur, we have formulated an emergency response manual. This manual outlines the establishment of an emergency response organization and clarifies the chain of command, enabling us to put appropriate response systems into place.

MMC's basic policy in times of disaster—such as earthquake or other natural disaster or an outbreak of infectious disease—is to ensure the safety of customers, as well as employees and their families, and assist local communities. We are preparing disaster countermeasures and business continuity plans (BCPs) to this end.

We conduct drills in communicating among various manufacturing facilities and Group companies on the basis of a presumed emergency.

As preparations against the possibility that employees

will be unable to return to their homes for a three-day period, we have ensured means through which they can communicate with their families, cached emergency supplies and are conducting initiatives for communicating with local municipal authorities. We have formulated plans of operation that assume a large-scale earthquake or major outbreak of infectious disease.

We work to improve these BCPs through regular drills and communication among individual regions.

# Corporate Governance

## Compliance

### Basic Approach

Corporate activities are closely interlinked with various laws and public systems such as those related to the environment, labor, and consumer protection. Corporate activities must be carried out in compliance with these laws and systems.

Mitsubishi Motors recognizes that the failure to appropriately comply with these laws, regulations, and systems would not only impede its business continuity, but would also place significant burdens on society and the environment.

In order to fulfill its social responsibilities as a company by not only complying with laws, international rules, and internal regulations but also by respecting changing social norms to the greatest degree possible, the company has issued a new “Global Code of Conduct” to serve as a standard of conduct for all executives and employees. We are also redoubling our efforts to enhance our compliance framework and employee training, including those at our major affiliates in Japan and overseas.

The “Global Code of Conduct” is based on the “Mitsubishi Motors Business Ethics Guidelines,” revised to reflect changes in societal conditions and other areas. It contains standards for decision-making and conduct in day-to-day operations.

Besides, we have formulated and are continuing to implement measures to prevent the reoccurrence of the improper conduct in fuel consumption testing discovered in April 2016.

### Global Code of Conduct

#### 【Basic Philosophy】

Mitsubishi Motors has defined this Code of Conduct as a norm that all executives and employees must follow in order for the company to fulfill its social responsibilities.

This Code of Conduct applies to all executives and employees working at Mitsubishi Motors Group companies. Each and every member of the Group companies is responsible for thoroughly complying with the Code.

#### 1. Compliance with All Laws and Rules

Mitsubishi Motors executives and employees shall comply with all applicable laws and regulations of the countries in which the Company engages in business activities, as well as with all the Company's policies and rules.

#### 2. Promote Safety

Mitsubishi Motors executives and employees shall maintain and promote sound workplace environments, and engage in safe work practices. They also shall pay the utmost care to ensuring the safety of customers and passengers, and shall continuously promote product safety.

#### 3. Avoid Conflict of Interest

Mitsubishi Motors executives and employees shall act in the best interests of Mitsubishi Motors, and shall not behave, act, or use any information contrary to the Company's interests. Furthermore, they shall strive to avoid any conduct that may be considered as a conflict of interest.

#### 4. Prohibit Association with Anti-social Forces

Mitsubishi Motors executives and employees shall never have any association with anti-social forces.

#### 5. Preserve Company Assets

Mitsubishi Motors executives and employees shall safeguard the Company's assets, and shall never use such assets, including funds, confidential business information, physical properties, or intellectual properties, without permission.

#### 6. Be Impartial and Fair

Mitsubishi Motors executives and employees shall maintain impartial and fair relationship with public servants as well as business partners including sales companies, parts manufacturers, and other third parties.

#### 7. Be Transparent and Accountable

Mitsubishi Motors executives and employees shall maintain accounts and records relating to corporate management with integrity, and shall disclose information regarding corporate activities fairly and transparently to the stakeholders, including shareholders, customers, other employees, and members of local communities with a timely and proper manner.

#### 8. Value Diversity and Provide Equal Opportunity

Mitsubishi Motors executives and employees shall value and respect the diversity of business partners, customers, other executives and employees, and local communities. Discrimination, retaliation, or harassment shall never be tolerated in any form or degree.

#### 9. Be Environmentally Responsible

Mitsubishi Motors executives and employees shall strive to take into consideration environmental preservation, promote recycling, resource conservation and energy savings when developing products and providing services.

#### 10. Be Active and Report Violations

Mitsubishi Motors executives and employees shall carry out their business duties in accordance with this Code of Conduct. If violations of this Code are detected, they shall swiftly report it to the Company. Executives and employees that report violations on principled grounds shall infallibly be protected from any form of retaliation.

# Corporate Governance

## Compliance

### Promotion System

In order to prevent compliance infractions, including information security infractions, from a global internal control perspective, each division appoints a compliance officer, under the leadership of Global Risk Control Officer, and general managers serve as code leaders. Major affiliates in Japan and overseas also appoint compliance officers. Furthermore, in fiscal 2018, we

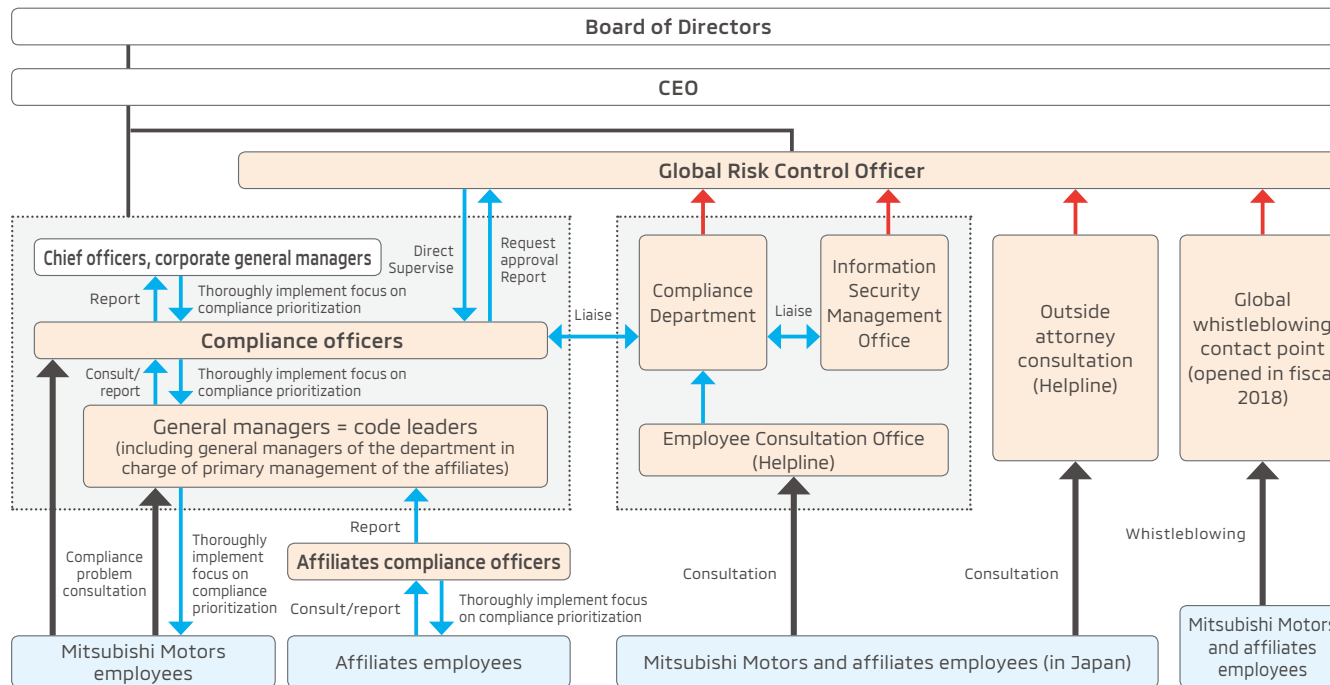
began the operation of our new global whistleblowing contact point as part of our measures to reinforce the system of compliance violation prevention. In the event of serious compliance concerns, they will be reported from code leaders to compliance officers, and ultimately to the Board of Directors. In order to ensure that a focus on compliance prioritization penetrates throughout the company, compliance officers provide instruction regarding problem handling, corrective measures, and recurrence

prevention measures to their sections in charge in a timely manner.

### Establishment of Internal and External Consultation Offices (Helplines)

The company has established internal and external consultation offices to prevent and promptly detect fraud or other improper conduct as well for use in self-correction. The internal employee consultation office offers counseling to employees of Mitsubishi Motors and affiliated companies in Japan, and the external consultation office works with outside attorneys. In fiscal 2017, the employee consultation office saw 174 cases, and the external consultation office saw 78 cases. When consultations or whistleblowing reports are received by the employee consultation office, the office endeavors to resolve the issues quickly either by investigating itself or by involving the compliance officer of the relevant division in confirming the facts of the matter. If either the employee consultation office or the external consultation office receives whistleblowing reports related to compliance issues or issues with potential business risks, these are immediately reported to the Global Risk Control Officer. Once the office receives instructions on how to respond, it endeavors to resolve the issue. In handling such information and in investigating the relevant facts, we established our "Compliance-Oriented Whistleblowing Operation Procedure" and made company personnel aware of the provision in

#### Organizational Framework for Promoting Compliance



# Corporate Governance

## > Compliance

order to ensure that persons who seek consultation are not treated unfairly. We have also established a Business Partner Helpline designated to be used by our business partners. In fiscal 2018, we established a new global whistleblowing contact point for use by employees of the company and its major affiliates in Japan and overseas. The operation of this new contact point is outsourced to a specialty firm, and it accepts anonymous reports, making it easier for employees to report issues. Mitsubishi Motors headquarters is able to confirm the contents of whistleblowing reports not only from its own employees but also from its affiliates employees, which contributes to improved risk management for the group as a whole.

### ◆ Numbers of Cases Reported to the Internal Consultation Office by Content (Fiscal 2017)

Item	Number
Corporate/business proposals	23
Workplace environment	10
Labor relations	14
Human relations/harassment	49
Compliance, violations of operational rules, fraud	27
Others	51

## Education and Training

Every fiscal year we formulate compliance-related education and training programs, and offer them to employees stratified by each job rank.

Each division also draws up and conducts its own measures under the direction of the compliance officer. Specifically, in order to improve the compliance awareness of all employees, when new graduates or mid-career recruits join the company, they receive training regarding the company's compliance history and the lessons to be learned from it. This training is repeated when employees are given promotions, helping reinforce employees' sense of compliance. Furthermore, similar training is also offered in some Japanese affiliates, fostering such sense for the group as a whole. We use e-learning and lectures by outside instructors in our compliance training for laws and regulations such as environmental laws, the Labor Standards Act, and security trade control laws to provide employees with the most current information related to their own work. Furthermore, as part of our efforts to handle compliance risks in our global activities, in fiscal 2017 we provided e-learning regarding corruption prevention and social rules to overseas affiliates. On and around Safety Pledge Days,\* each individual division voluntarily hold events to reaffirm the day's significance. Workplace discussions are also held at the same time (two times a year) to talk about business ethics issues faced in the workplace and workplace culture. In addition, we provide easy-to-understand compliance-related information by posting a Compliance Newsletter on our intranet every month.

\* To prevent past incidents, such as the regrettable recall cover-up, from being forgotten over time, in October 2004 we designated January 10 and October 19 as "Safety Pledge Days." These days were chosen because two fatal accidents involving large trucks manufactured by Mitsubishi Fuso, a former Mitsubishi Motors division, occurred on these days.

## Anti-Corruption

### Policies and Approach

The "Global Code of Conduct" clearly stipulates that Mitsubishi Motors executives and employees shall comply with laws and regulations and shall maintain fair and equitable relationships with public servants and business partners. Moreover, we have built and operate a system that is designed to prevent corruption.

### Management Systems and Risk Assessments

Mitsubishi Motors has management and operational standards for providing and receiving gifts or business entertainment. It expressly prohibits (1) providing gifts or business entertainment that is illegal or goes beyond generally accepted bounds, and (2) receiving illicit payoffs. In addition to this, we provide guidelines for the scope of exceptions to the above and make application and reporting compulsory in order to conduct operations in a transparent manner. If these standards are violated, the compliance officer of the relevant division formulates internal reports and implements preventative measures for the future. Since many employees in sales sites directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. We work to prevent improper conduct at our affiliate domestic sales companies by defining regulations for handling cash, regularly making the compliance policies known, and providing tuition and training for thorough implementation of the policies. Each company

# Corporate Governance

## > Compliance

implements site audits regularly, while our Internal Audit Division also conducts operational audits which results are reported to the Head Officer of our Domestic Sales Division and being followed up until the improvement measures of the pointed out issues are completed. We work to thoroughly prevent corruption when employees from the company are appointed as executives at overseas affiliates. Prior to their appointment, we provide training on compliance and internal controls, including the prohibition and prevention of corruption.

Regarding internal controls related to financial reporting, we are verifying our procedures for compliance systems and financial summaries. If we find inadequate controls when inspecting a company, we request a report on the nature of the shortcoming and measures being taken to improve it. In fiscal 2017, we checked the status of 21 Group companies (Mitsubishi Motors, 10 domestic affiliates, and 10 overseas affiliates).

### Information Security

Mitsubishi Motors recognizes its social responsibility to adequately protect its important information assets (information and the IT systems, equipment, media, facilities, and products that handle this information) in the course of its business activities in order to gain the trust of all its stakeholders. We have defined an Information Security Policy and internal rules for information security, and shared them with major affiliates inside and outside Japan.

Furthermore, it has established an Information Security Committee, which monitors information security activities to reduce security risks. Specifically, it promotes information security measures demanded by society, such as managing information assets, preventing computer virus infection, and strengthening measures for unauthorized access for targeted attacks.

### Personal Information Protection

Based on our Privacy Policy, we have built a management framework by establishing internal rules and taking other measures. We also conduct ongoing education, such as through the use of e-learning for employees. These e-learning instructional materials are also distributed to major affiliates inside and outside Japan, to reinforce our information security system, including the protection of personal information. We endeavor to protect personal information, and have established task teams to implement measures to comply with personal information protection laws in countries around the world, such as the General Data Protection Regulation, the regulation concerning the protection of personal data in the EU, enacted on May 25, 2018.

### Security Trade Controls

Mitsubishi Motors sincerely believes in the importance of strict security trade controls to prevent the proliferation of weapons of mass destruction and the excessive accumulation of conventional weapons in order to maintain international peace and security. To conduct strict export controls, we have established Security Trade Control Regulations. We ensure the legality of our export transactions through our management system, with its Supervisory Committee for Security Trade Control, led by the CEO, who serves as chief security trade control officer.



# Corporate Governance

## ▶ List of Executives (as of June 22, 2018)

◆ Directors \* Indicates representative directors



**Carlos Ghosn\***  
Chairman of the Board  
Representative Director



**Osamu Masuko\***  
Member of the Board  
Representative Director  
CEO



**Shunichi Miyanaga\***  
Director [Outside Director]



**Ken Kobayashi**  
Director [Outside Director]



**Hitoshi Kawaguchi**  
Director [Outside Director]



**Hiroshi Karube**  
Director [Outside Director]



**Setsuko Egami**  
Director [Outside Director]



**Main Kohda**  
Director [Outside Director]

◆ Audit & Supervisory Board Members



**Kozo Shiraji**  
Audit & Supervisory Board Member  
(Full-Time)



**Yoshikazu Nakamura**  
Audit & Supervisory Board Member  
(Full-Time)



**Katsunori Nagayasu**  
Audit & Supervisory Board Member  
[Outside Audit & Supervisory Board Member]



**Yaeko Takeoka**  
Audit & Supervisory Board Member  
[Outside Audit & Supervisory Board Member]



**Yoshitsugu Oba**  
Audit & Supervisory Board Member  
[Outside Audit & Supervisory Board Member]

# Corporate Governance

## Executive Remuneration

### Contents of Remuneration

Individual remuneration of Directors are not disclosed except in the case where disclosure is required, based on the Cabinet Office Ordinance.

Remuneration, etc., paid to Directors and Audit & Supervisory Board Members during the one-year period from April 1, 2017 to March 31, 2018 was as follows.

- A total of ¥538 million was paid as fixed compensation to 5 Directors (excluding outside Directors)
- A total of ¥30 million was paid as fixed compensation to 1 Audit & Supervisory Board Member (excluding outside Audit & Supervisory Board Members)
- A total of ¥150 million was paid as fixed compensation to 10 outside Directors and Audit & Supervisory Board Members

### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

#### Directors

Maximum remuneration of Directors of the Company (Resolved at an extraordinary shareholders meeting held on December 14, 2016)

- Monthly remuneration and performance-linked remuneration: ¥2 billion
- Stock-related remuneration: ¥1 billion

The specific timing and allocation of payment to each applicable director is decided at the Board of Directors

Total annual remuneration for fiscal 2017 is as shown above.

### Audit & Supervisory Board Members

Individual remuneration of Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members.

The monthly remuneration of Audit & Supervisory Board Members was set at an upper limit of ¥10 million per month in total by resolution of the 45th Ordinary General Meeting of Shareholders held on June 25, 2014 and the total annual payment made in fiscal 2017 was as shown above.

# Editorial Policy

## > Purpose of Publication

Mitsubishi Motors Corporation publishes a Corporate Social Responsibility (CSR) Report to provide stakeholders with a better understanding of the Group's social responsibilities and the wide-ranging efforts aimed at fulfilling them.

## > Scope of This Report

Mitsubishi Motors Corporation and its Group companies in Japan and overseas

## > Period Covered

Fiscal 2017 (April 1, 2017 to March 31, 2018)  
When appropriate, the Report also includes some historical and recent data from outside the reporting period.

## > Date Published

Japanese edition: October 2018  
(last published in August 2017; next publication scheduled for summer 2019)  
English edition: November 2018  
(last published in August 2017; next publication scheduled for autumn 2019)

## > Reference Guidelines

GRI Standards  
Environmental Reporting Guidelines (2012 edition) issued by the Ministry of the Environment of Japan

## > Inquiries

Mitsubishi Motors Corporation  
CSR Planning & Environmental Affairs Department  
5-33-8 Shiba, Minato-ku, Tokyo 108-8410, Japan

## > Disclaimer

Mitsubishi Motors' current plans, strategies, assurances, business forecasts, and other non-historical matters indicated in this CSR report include future predictions as of the time of publication. Please note that these expectations, predictions, and forecasts include risk and volatility factors and hypotheses, and may significantly diverge from actual future results.

## > Help Us with Our Survey

Please share with us your opinions and thoughts so that we can improve our CSR activities and CSR Report.

[Click here to fill out the CSR Report Survey](http://www.mitsubishi-motors.com/en/csr/report/enq_view.html)

[http://www.mitsubishi-motors.com/en/csr/report/enq\\_view.html](http://www.mitsubishi-motors.com/en/csr/report/enq_view.html)

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
General Disclosures		
Organizational profile		
102-1	a. Name of the organization	Corporate Overview
102-2	a. A description of the organization's activities b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	Corporate Overview Securities report (P.4-5) Description of business
102-3	a. Location of the organization's headquarters	Corporate Overview
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Corporate Overview Securities report (P.6-9) Status of subsidiaries and associates
102-5	a. Nature of ownership and legal form	Corporate Overview Securities report (P.41) Major shareholders
102-6	a. Markets served	Corporate Overview Securities Report (P.4-5) Description of business, (P.6-9) Status of subsidiaries and associates
102-7	a. Scale of the organization	Corporate Overview Employees>Human Resource-Related Data Securities report (P.11) Employees (P.17-19) Management analysis of financial position, operating results and cash flows
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender b. Total number of employees by employment contract (permanent and temporary), by region c. Total number of employees by employment type (full-time and part-time), by gender d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.	Corporate Overview Employees>Human Resource-Related Data Securities report (P.11) Employees
102-9	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services	Supply Chain Management Securities report (P.4) Description of business
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain	N/A
102-11	a. Whether and how the organization applies the Precautionary Principle or approach	Corporate Governance>Risk Management Environmental Management>Environmental Organization Securities report (P.13-16) Business-related risks
102-12	a. List of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	Editorial Policy, CSR Management>Management

# GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations	CSR Management>Management
Strategy		
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	Commitment of Top Management Policies>Message from the Chief Environmental Strategy Officer
102-15	a. A description of key impacts, risks, and opportunities	Commitment of Top Management Policies>Message from the Chief Environmental Strategy Officer Securities report (P.13-16) Business-related risks
Ethics and Integrity		
102-16	a. A description of the organization's values, principles, standards, and norms of behavior	CSR Management>Policies Corporate Governance>Compliance
102-17	a. A description of internal and external mechanisms for: i. Seeking advice about ethical and lawful behavior, and organizational integrity ii. Reporting concerns about unethical or unlawful behavior, and organizational integrity	Corporate Governance>Compliance>Establishment of Internal and External Consultation Offices (Helplines)
Governance		
102-18	a. Governance structure of the organization, including committees of the highest governance body b. Committees responsible for decision-making on economic, environmental, and social topics	CSR Management>Management Corporate Governance>Compliance Corporate Governance Report (P.22) Diagram of Governance Framework Including Outline of Internal Control Systems
102-19	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees	Securities report (P.58-59) Information about corporate governance, etc.
102-20	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topic b. Whether post holders report directly to the highest governance body	CSR Management>Management Securities report (P.46-57) Status of officers
102-21	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body	General Shareholders Meetings Corporate Governance Report (P.4) Principle 5-1. Policy for Constructive Dialogue with Shareholders
102-22	a. Composition of the highest governance body and its committees	Corporate Governance>List of Executives Corporate Governance Report (P.6-12) Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management Securities Report (P.58-59) Information about corporate governance, etc.

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
102-23	a. Whether the chair of the highest governance body is also an executive officer in the organization b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement	Securities report (P.46-57) Status of officers
102-24	a. Nomination and selection processes for the highest governance body and its committees b. Criteria used for nominating and selecting highest governance body members	Corporate Governance Report (P.2-4) Principle 3-1. Full Disclosure (4) Policies and procedures for the appointment of senior management and the nomination of director and Audit & Supervisory Board Member candidates, Principle 4-9. Independence Standards and Qualification for Independent Non-Executive Directors Supplementary Principle 4-11-1. View of the Appropriate Balance between Knowledge, Experience and Skills of the Board as a Whole, Diversity and Appropriate Board Size
102-25	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed b. Whether conflicts of interest are disclosed to stakeholders	Corporate Governance Report (P.1) Principle 1-7. Related Party Transactions
102-26	a. The highest governance body's and senior executives' roles in the development, approval, and updating of the organizations' purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	Securities report (P.58-59) Information about corporate governance, etc.
102-27	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	Corporate Governance Report (P.4) Supplementary Principle 4-14-2. Director and Audit & Supervisory Board Member Training
102-28	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics b. Whether such evaluation is independent or not, and its frequency c. Whether such evaluation is a self-assessment d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	Corporate Governance Report (P.4) Supplementary Principle 4-11-3. Analysis and Evaluation of the Effectiveness of the Board of Directors
102-29	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities—including its role in the implementation of due diligence processes b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics, and their impacts, risks, and opportunities	Securities report (P.13-16) Business-related risks (P.58-59) Information about corporate governance, etc.
102-30	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	Corporate Governance>Risk Management
102-31	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	Corporate Governance>Risk Management

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
102-32	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered	CSR Management>Management>Framework for Promoting CSR
102-33	a. Process for communicating critical concerns to the highest governance body	Corporate Governance>Compliance>Promotion System
102-34	a. Total number and nature of critical concerns that were communicated to the highest governance body b. Mechanism(s) used to address and resolve critical concerns	Corporate Governance>Compliance>Promotion System
102-35	a. Remuneration policies for the highest governance body and senior executives b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics	Corporate Governance Report (P.12) Incentives
102-36	a. Process for determining remuneration b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management c. Any other relationships which the remuneration consultants have with the organization	Corporate Governance Report (P.12) Incentives Securities Report (P.71) Amount of compensation
102-37	a. How stakeholders' views are sought and taken into account regarding remuneration b. If applicable, the results of votes on remuneration policies and proposals	General Shareholders Meetings
102-38	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	–
102-39	a. Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	–
Stakeholder engagement		
102-40	a. A list of stakeholder groups engaged by the organization	CSR Management>Management>Dialogue with Stakeholders
102-41	a. Percentage of total employees covered by collective bargaining agreements	Employees>Labor-Management Relations
102-42	a. The basis for identifying and selecting stakeholders with whom to engage	–
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	CSR Management>Management>Dialogue with Stakeholders
102-44	a. Key topics and concerns that have been raised through stakeholder engagement	–
Reporting practice		
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Securities report (P.6-9) Status of subsidiaries and associates



## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
102-46	a. An explanation of the process for defining the report content and the topic Boundaries b. An explanation of how the organization has implemented the Reporting Principles for defining report content	Editorial Policy
102-47	a. A list of the material topics identified in the process for defining report content	Identification of Material CSR Issues
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements	N/A
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries	N/A
102-50	a. Reporting period for the information provided	Editorial Policy
102-51	a. If applicable, the date of the most recent previous report	Editorial Policy
102-52	a. Reporting cycle	Editorial Policy
102-53	a. The contact point for questions regarding the report or its contents	Editorial Policy
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards	–
102-55	a. The GRI content index	GRI Standards Reference Chart
102-56	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report b. If the report has been externally assured:	–
Management approach		
103-1	a. An explanation of why the topic is material b. The Boundary for the material topic c. Any specific limitation regarding the topic Boundary	Commitment of Top Management Identification of Material CSR Issues
103-2	a. An explanation of how the organization manages the topic b. A statement of the purpose of the management approach	Commitment of Top Management CSR Management>Framework for promoting CSR Identification of Material CSR Issues >Identification Process
103-3	a. An explanation of how the organization evaluates the management approach	Commitment of Top Management
Material Topics		
Economic performance		
201-1	Direct economic value generated and distributed	Securities Report (P.79-80) Consolidated statement of income and consolidated statement of comprehensive income Social Contribution>Breakdown of Social Contribution Expenditures
201-2	Financial implications and other risks and opportunities due to climate change	Policies>Message from the Chief Environmental Strategy Officer
201-3	Defined benefit plan obligations and other retirement plans	Securities report (P.110) Retirement benefits

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
201-4	Financial assistance received from government	–
Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–
202-2	Proportion of senior management hired from the local community	Employees>Human Resource-Related Data
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Commitment of Top Management Policies>Message from the Chief Environmental Strategy Officer
203-2	Significant indirect economic impacts	Commitment of Top Management
Procurement Practices		
204-1	Proportion of spending on local suppliers	Supply Chain Management
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Corporate Governance>Compliance>Anti-Corruption
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance>Compliance>Education and Training
205-3	Confirmed incidents of corruption and actions taken	–
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	–
Materials		
301-1	Materials used by weight or volume	Environmental Initiatives>Environmental Data
301-2	Recycled input materials used	–
301-3	Reclaimed products and their packaging materials	Environmental Initiatives>Products and Technologies>Recycling Initiatives>End-of-Life Vehicle Recycling
Energy		
302-1	Energy consumption within the organization	Environmental Initiatives>Environmental Data
302-2	Energy consumption outside of the organization	Environmental Initiatives>Environmental Data
302-3	Energy intensity	Environmental Initiatives>Policies>Environment Initiative Program
302-4	Reduction of energy consumption	Environmental Initiatives>Environmental Data
302-5	Reductions in energy requirements of products and services	Environmental Initiatives>Environmental Data

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
Water		
303-1	Water withdrawal by source	Environmental Initiatives>Environmental Data
303-2	Water sources significantly affected by withdrawal of water	Environmental Initiatives>Business Activities>Efforts in Production>Preserving Water Resources
303-3	Water recycled and reused	Environmental Initiatives>Environmental Data
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Initiatives>Collaboration with Society>Initiatives for Preserving Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Environmental Initiatives>Collaboration with Society>Initiatives for Preserving Biodiversity
304-3	Habitats protected or restored	Environmental Initiatives>Collaboration with Society>Initiatives for Preserving Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environmental Initiatives>Collaboration with Society>Initiatives for Preserving Biodiversity
Emissions		
305-1	Direct (Scope 1) GHG emissions	Environmental Initiatives>Environmental Data
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Initiatives>Environmental Data
305-3	Other indirect (Scope 3) GHG emissions	Environmental Initiatives>Environmental Data
305-4	GHG emissions intensity	Environmental Initiatives>Policies>Environment Initiative Program
305-5	Reduction of GHG emissions	Environmental Initiatives>Policies>Environment Initiative Program
305-6	Emissions of ozone-depleting substances (ODS)	Environmental Initiatives>Environmental Data
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Initiatives>Environmental Data
Effluents and Waste		
306-1	Water discharge by quality and destination	Environmental Initiatives>Environmental Data
306-2	Waste by type and disposal method	Environmental Initiatives>Environmental Data
306-3	Significant spills	Environmental Initiatives>Environmental Management>Environmental Risk Management

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
306-4	Transport of hazardous waste	Environmental Initiatives>Business Activities>Efforts in Production>Management of Chemical Substances
306-5	Water bodies affected by water discharges and/or runoff	Environmental Initiatives>Business Activities>Efforts in Production>Preserving Water Resources
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Environmental Initiatives>Environmental Management>Environmental Risk Management
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Environmental Initiatives>Business Activities>Collaborative Efforts with Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	Environmental Initiatives>Business Activities>Collaborative Efforts with Suppliers
Employment		
401-1	New employee hires and employee turnover	Employees>Human Resource-Related Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees>Human Resource-Related Data Securities report (P.110) Retirement benefits
401-3	Parental leave	Employees>Human Resource-Related Data
Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	Employees>Labor-Management Relations
Occupational Health and Safety		
403-1	Workers representation in formal joint management-worker health and safety committees	Employees>Labor-Management Relations Employees>Occupational Health and Safety>Health and Safety Policies and Management
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Employees>Occupational Health and Safety>Initiatives to Ensure Workplace Safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	Employees>Occupational Health and Safety>Initiatives to Ensure Workplace Safety
403-4	Health and safety topics covered in formal agreements with trade unions	Employees>Occupational Health and Safety>Health and Safety Policies and Management

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
Training and Education		
404-1	Average hours of training per year per employee	Employees>Training and Education
404-2	Programs for upgrading employee skills and transition assistance programs	Employees>Training and Education
404-3	Percentage of employees receiving regular performance and career development reviews	Employees>Career Development and Evaluation
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Employees>Human Resource-Related Data>Status of Female Management Promotions
405-2	Ratio of basic salary and remuneration of women to men	Employees>Career Development and Evaluation>Fair compensation System
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	-
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employees>Labor-Management Relations
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Supply Chain Management>Basic Approach and Policies>Policies and Initiatives for Conflict Minerals
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply Chain Management>Basic Approach and Policies>Policies and Initiatives for Conflict Minerals
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	-
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	-
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	Supply Chain Management>Promoting Supply Chain Management>Sharing of Supplier CSR Guidelines
412-2	Employee training on human rights policies or procedures	Human Rights>Human Rights Education and Training
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights>Basic Approach and Policies>Consideration for Human Rights in Work and Investment

## GRI Standards Reference Chart

Item	Description	MITSUBISHI MOTORS CSR Report 2018
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Commitment of Top Management
413-2	Operations with significant actual and potential negative impacts on local communities	–
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Supply Chain Management>Promoting Supply Chain Management>Sharing of Supplier CSR Guidelines
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management>Basic Approach and Policies>Policies and Initiatives for Conflict Minerals
Public Policy		
415-1	Political contributions	–
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Securities report (P.4-5) Description of business
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Recall Information
Marketing and Labeling		
417-1	Requirements for product and service information and labeling	Safety and Quality>Quality Measures>Improving Sales Quality
417-2	Incidents of non-compliance concerning product and service information and labeling	CSR Report 2017>Compliance>Preventative Measures against Improper Conduct in Fuel Consumption Testing (Compliance-related Measures) (P.22)
417-3	Incidents of non-compliance concerning marketing communications	–
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	CSR Report 2017>Compliance>Preventative Measures against Improper Conduct in Fuel Consumption Testing (Compliance-related Measures) (P.22)