

MITSUBISHI MOTORS CORPORATION

# SUSTAINABILITY REPORT 2022

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**MITSUBISHI  
MOTORS**

Drive your Ambition



**MISSION**

Create vibrant society  
by realizing the potential  
of mobility

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 Alliance.

**VISION**



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## Editorial Policy

### Purpose of Publication

MITSUBISHI MOTORS publishes the Sustainability Report to comprehensively and continuously inform stakeholders and promote an understanding of the MITSUBISHI MOTORS Group's sustainability approach and initiatives.

### Scope of This Report

MITSUBISHI MOTORS CORPORATION and its Group companies in Japan and overseas

### Period Covered

FY2021 (April 1, 2021 to March 31, 2022) When appropriate, the Report also includes some historical and recent data from outside the reporting period.

### Date Published

Japanese edition: October 2022

(previous edition published October 2021, next edition to be published September 2023)

English edition: October 2022

(previous edition published October 2021, next edition to be published October 2023)

### Reference Guidelines

- GRI Standards (Global Reporting Initiative)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Environmental Reporting Guidelines (2018 edition) issued by the Ministry of the Environment of Japan

### Inquiries

MITSUBISHI MOTORS CORPORATION

Sustainability Promotion Department

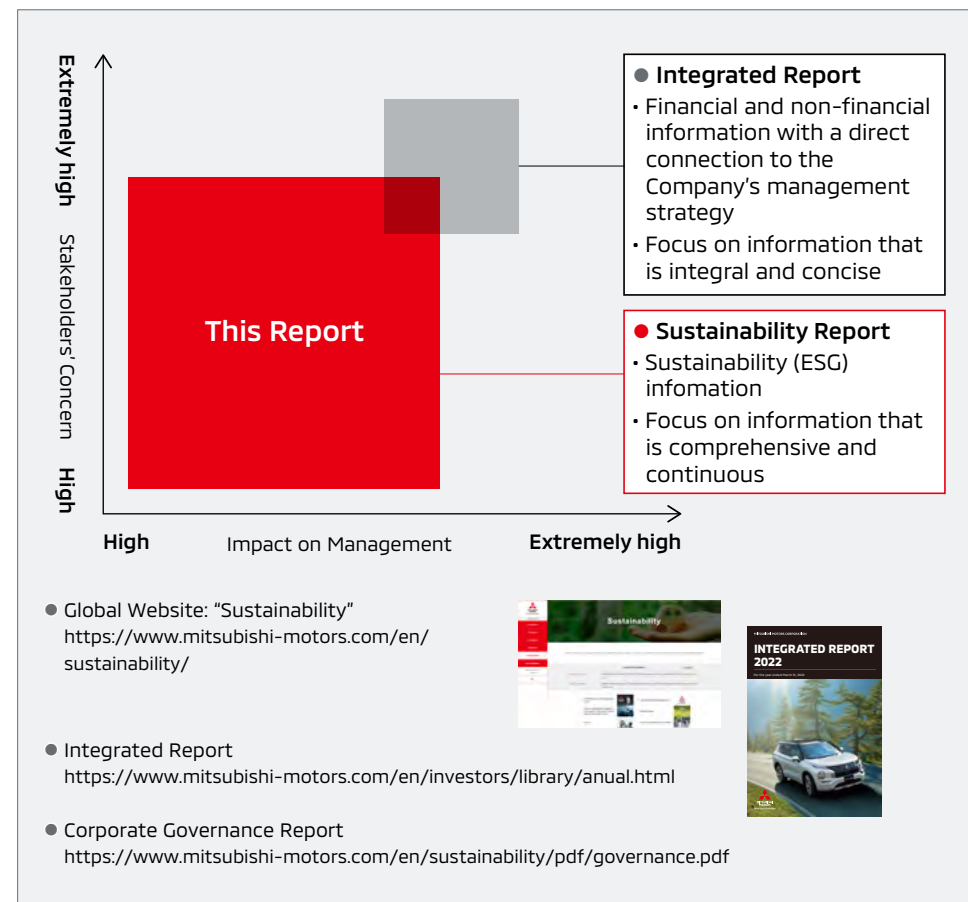
1-21, Shibaura 3chome, Minato-ku, Tokyo, 108-8410

### Disclaimer

MITSUBISHI MOTORS' current plans, strategies, assurances, business forecasts, and other non-historical matters indicated in this Sustainability 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.

## System for Disclosing Information on Sustainability



### Help Us with Our Survey

Please share your opinions and impressions with us. We will refer to this input in our activities to promote sustainability and in preparing reports.

#### Sustainability Report Survey

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

## Corporate Overview (As of March 31, 2022)

Company Name	MITSUBISHI MOTORS CORPORATION
Established	April 22, 1970
Head Office	1-21, Shibaura 3 chome, Minato-ku, Tokyo, 108-8410
Business Description	MITSUBISHI MOTORS Group carries out development, production and sales of vehicles and vehicle parts and engages in the financial businesses.
Brand Name	MITSUBISHI MOTORS
Capital Stock	¥284,382 million
Number of Shares Issued and Outstanding (Common Stocks)	1,490,282,496 (including treasury stock)
Group Companies	Consolidated Subsidiaries: 35 Equity-Method Affiliates: 18
Number of Employees	Consolidated: 28,796 Non-consolidated: 13,829

Please see our global website for details on product information.

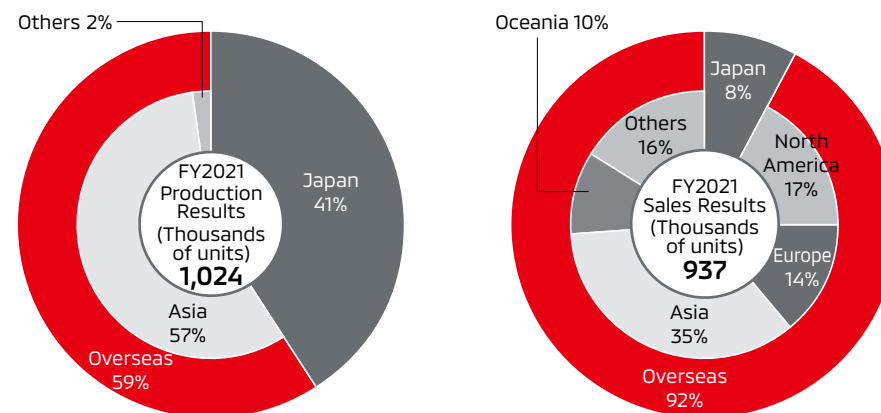
<https://www.mitsubishi-motors.com/en/products/>

### Performance Highlights

(million yen)

	FY2017	FY2018	FY2019	FY2020	FY2021
Net Sales	2,192,389	2,514,594	2,270,276	1,455,476	2,038,909
Operating Income	98,201	111,815	12,788	(95,321)	87,331
Ordinary Income	110,127	119,850	(3,843)	(105,203)	100,969
Net income attributable to owners of the parent	107,619	132,871	(25,779)	(312,317)	74,037

### Global Sales and Production Volumes



### Production Volume by Region

(Thousands of units)

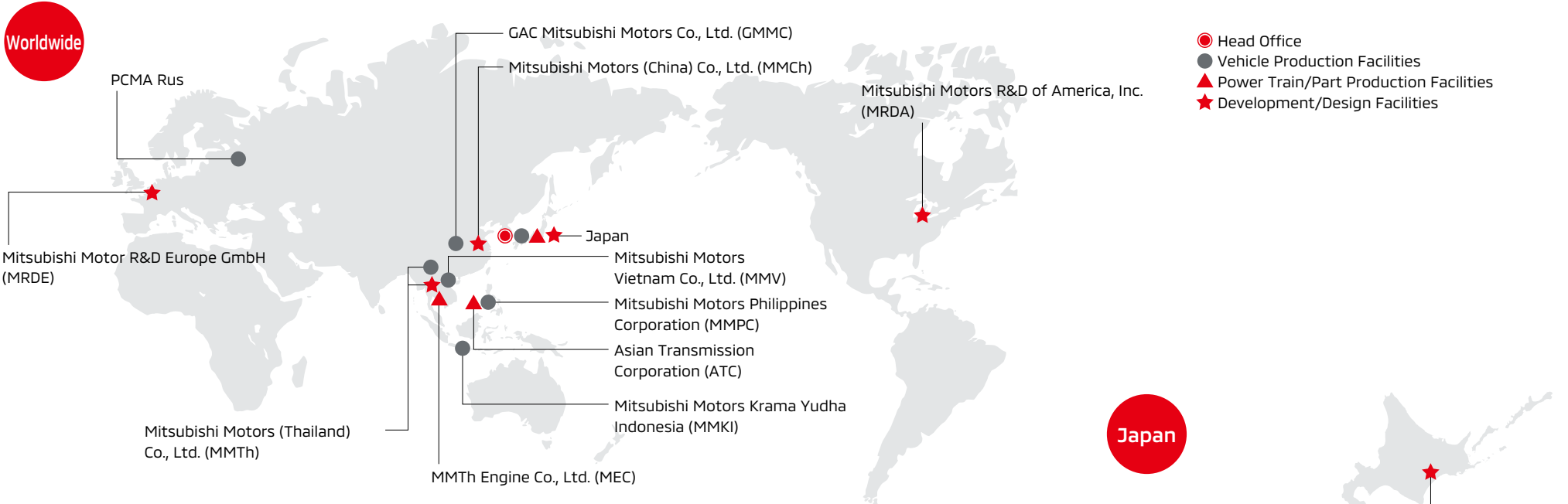
	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	590	661	620	367	420
Overseas	681	780	717	447	604
Asia	661	752	697	434	579
Others	20	28	20	13	25
Total	1,271	1,441	1,337	814	1,024

### Sales Volume by Region

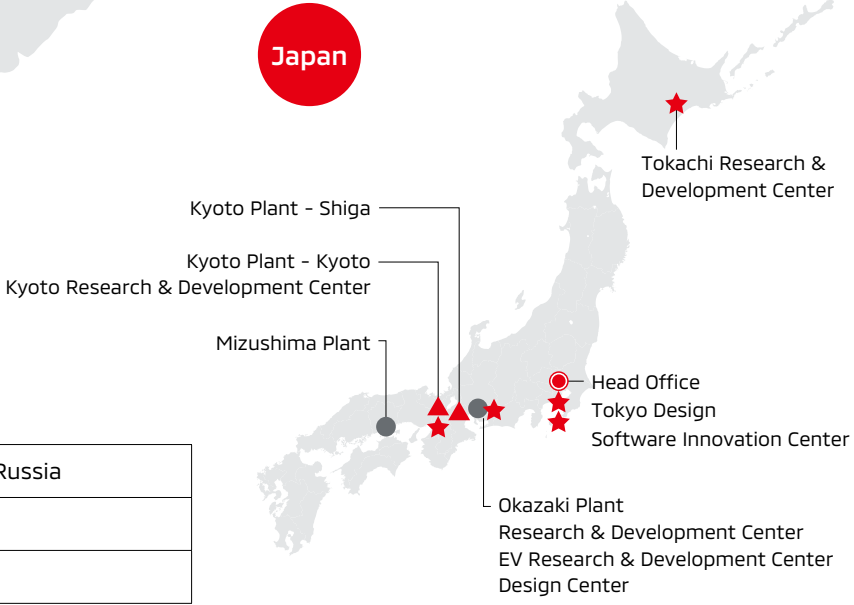
(Thousands of units)

	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	97	104	95	73	75
Overseas	1,004	1,140	1,032	728	862
North America	155	173	160	113	156
Europe	193	236	215	144	131
Asia	432	481	433	294	331
Oceania	95	102	88	72	97
Others	129	148	136	105	147
Total	1,101	1,244	1,127	801	937

**Principal Facilities**



**Japan**



<b>Production Facilities</b>	<b>Vehicles</b>	Japan, China, Thailand, Indonesia, the Philippines, Vietnam and Russia
	<b>Power Train/Parts</b>	Japan, China, Thailand and the Philippines
<b>Development/Design Facilities</b>		Japan, United States, Germany, China and Thailand

## Commitment of Top Management

### Providing greater value with a view to realizing a sustainable society and achieving sustainable growth for the Company



**Takao Kato**  
Member of the Board  
Representative Executive Officer,  
President & CEO  
MITSUBISHI MOTORS CORPORATION

I would like to extend my deepest condolences to the families of the people who have perished due to COVID-19. My heart goes out to those who are bravely fighting the disease, and I pray for their early recovery.

I also would like to express profound respect for the people who are working around the clock to prevent the disease from spreading and to care for patients, such as healthcare workers and administrative officials.

In response to the outbreak of COVID-19, the MITSUBISHI MOTORS Group has continued to provide various types of support in Japan and overseas.

In FY2021, we helped stem the spread of the disease by providing the "Outlander PHEV," a plug-in hybrid electric vehicle, equipped with power storage and supply functions to assist in transporting vaccines. We also donated medical instruments, antigen test kits and daily necessities.

While praying for an end to outbreak of COVID-19, we will continue to provide support in cooperation with governments, municipalities and related organizations around the world.

#### Responding Flexibly to Changes in Social Conditions

Based on MITSUBISHI MOTORS' vision, to "Create vibrant society by realizing the potential of mobility," the Company is working to realize a sustainable society and achieve our sustainable growth.

We recognize the importance of staying abreast of trends and responding flexibly in a challenging business environment, which has been affected by the global spread of COVID-19 and the Russia-Ukraine issue, involving parts supply shortages, disruptions in logistics networks, sharp exchange rate fluctuations, and surging prices etc. In addition, as environmental issues become more serious each year and the entire world accelerates its counterefforts, we feel that the role played by companies is becoming increasingly important.

In order to avoid inconvenience to our customers as much as possible, we have been working closely with many suppliers on a daily basis to minimize the production impact of shortages in the supply of semiconductors and other components and disruptions in the logistics network.

In addition, people's lives have changed dramatically in the wake of COVID-19's spread, and consumer needs for products and services have diversified, too. To meet the needs of our customers, we are promoting Digital Transformation (DX) and Customer Experience (CX)

strategies, including the development of a comprehensive customer information management system.

Going forward, we will explore the endless possibilities of DX and provide new value by introducing a new sales method of E-Commerce and offering ancillary services using connected technology.

#### Aiming to Become Carbon Neutral throughout the Supply Chain

The 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), held in Glasgow, United Kingdom, last October, has triggered a rapidly growing movement toward carbon neutrality by 2050, with many countries accelerating their greenhouse gas reduction targets.

In October 2020, we formulated the Environmental Plan Package, and we have been working to reduce our CO<sub>2</sub> emissions to contribute toward the realization of a society with net-zero CO<sub>2</sub> emissions by 2050. In addition to it, we will strengthen our efforts to reduce CO<sub>2</sub> further in the aim of achieving carbon neutrality throughout our supply chain by 2050.

On the product front, we will promote electrification by utilizing our core PHEV technologies and the technologies of our Alliance partners, and we will actively introduce electrified vehicles that are best

suiting to regional conditions and customer's needs. As another part of our approach to reducing CO<sub>2</sub> emissions, we will promote energy conservation measures as well as utilize renewable energy in our business activities. We will also work with our business partners, related companies and organizations, and governments and municipalities to achieve carbon neutrality throughout our supply chain.

### Cultivating Human Resources Who Will Take up the Challenge of Enhancing Corporate Value

In July 2022, MITSUBISHI MOTORS revised its behavioral guideline, the "MMC WAY." Diverse human resources who play an active role are key to increasing our corporate value and remaining an automaker of choice for our customers. The new "MMC WAY" is intended to encourage each and every employee to take on new challenges in uncharted areas to meet the expectations of stakeholders and contribute to the realization of a sustainable society.

In addition, to strengthen our human capital, we will work to enhance the expertise of our employees in various fields, particularly in the continuous upskilling of our IT and digital personnel, as well as the dispatch of young employees overseas. At the same time, we are striving to secure human resources for our businesses of focus. We will continue recruiting with a view to developing electrified vehicles, expanding various technology domains and promoting DX.

### Reinforcing Our Efforts Addressing Respect for Human Rights

Based on the recognition that respect for human rights is fundamental to our business activities, we use our human rights due diligence framework to identify the negative impacts of our business activi-

ties on human rights and work to prevent or mitigate such impacts.

In FY2021, an external evaluation organization conducted human rights assessments for the first time at our head office and three domestic manufacturing plants. In FY2022 and beyond, we will expand the scope of evaluation to include affiliated companies, thereby strengthening the Group's overall human rights response.

Meanwhile, in an effort to understand the status of human rights initiatives in our supply chain, we are having a third-party evaluation organization conduct CSR assessments of our suppliers.

### Enhancing Governance in an Effort to Realize Highly Transparent Management

Recognizing that addressing sustainability is a high priority management issue for the Group, the Board of Directors discusses and makes decisions taking into account sustainability. Based on the deliberation of the Compensation Committee, starting in FY2022 "CO<sub>2</sub> emissions from business activities" and "employee engagement" were newly included as indicators for determining medium-to long-term performance-linked compensation for executives. By introducing important non-financial indicators into calculation of executive remuneration, we intend to raise awareness of sustainability among the executives who are leading the Company's efforts in this regard and reinforcing sustainability management throughout the Company.

In order to promote highly transparent management, we work continuously to reinforce and improve initiatives toward corporate governance, which is at the foundation of efforts to achieve sustainable growth of the Company and enhance corporate value over the medium to long term.

### Continuing to Pursue "MITSUBISHI MOTORS' Uniqueness" and Providing Higher Value

In FY2020, the first year of our current medium-term business plan, "Small but Beautiful," COVID-19 spread throughout the world, substantially disrupting supply chains and markets. Thereafter, in FY2021, MITSUBISHI MOTORS' operating environment grew increasingly opaque, changing on a daily basis, due to cost increases caused by soaring material and logistics costs. Despite these circumstances, our sales and earnings are on the road to recovery, thanks to the large number of customers who purchased our products and to the flexible, company-wide response to the challenging environment.

As a manifestation of "MITSUBISHI MOTORS' uniqueness" (Environment x Safety, Security and Comfort) during the period of our medium-term business plan, we have launched three electrified vehicle models, the "Eclipse Cross PHEV Model," the All-New "Outlander PHEV Model" and "eK X EV," and the "XPANDER" as an overseas model. They continue to enjoy a strong reputation among our customers, and we are once again impressed by their high awareness of the environment and safety.

We will continue to build a stronger and more flexible cooperative relationship as the Renault-Nissan-MITSUBISHI MOTORS Alliance, aiming for more robust technological capabilities in the areas of the environment, safety and digitalization. We will work to provide even greater value to our customers by integrating "MITSUBISHI MOTORS' uniqueness" with the Alliance's technologies.



Takao Kato  
Member of the Board  
Representative Executive Officer, President & CEO  
MITSUBISHI MOTORS CORPORATION



## Pursuing "MITSUBISHI MOTORS' Uniqueness"

The automotive industry is seeing changes on a scale said to occur only once in 100 years. Against this backdrop, we believe it is essential for MITSUBISHI MOTORS to demonstrate its raison d'être through its business activities to customers and society as a whole. To achieve this, we must continue to deliver value by maintaining sophisticated technologies and bringing valuable products and services to society.

The Company provides customers with a rich mobility lifestyle that awakens a sense of adventure through reliability backed by "Environment x Safety, Security and Comfort," which protect the global environment and important people.

### A PHEV That Expresses "MITSUBISHI MOTORS' Uniqueness"

We embarked on the development of electrification technologies in 1964. In 2009, we launched the "i-MiEV," the first mass-produced electric vehicle (EV) in the Kei-car segment, and 2013 marked the launch of "Outlander PHEV," a plug-in hybrid electric vehicle (PHEV). Our electrification technology, which was expected to be a solution to the social issues such as air pollution and energy conservation, is now expected as a solution to the global warming.

The background to the development of PHEVs harks back to the time immediately after the Great East Japan Earthquake of March 2011. Although automotive fuel was in short supply, electricity was restored relatively quickly, so we provided approximately 100 units of "i-MiEVs" to disaster-stricken areas and received strong requests to use the electricity stored in drive batteries.

In order to respond to these voices, we focused our efforts on developing the PHEV. Our PHEV addressed one of the issues that EVs had faced, namely to "extend the cruising range." It also had a power supply function, which enables users to tap electricity from an electrical outlet inside the car, and used S-AWC\*1 to provide a stable ride, resulting in secure mobility.

By continuing to provide electrified vehicles with value that is distinctively MITSUBISHI MOTORS through the combination of our electrification and advanced safety technologies with a penchant for comfortable performance, we intend to make contribution to the environment through electrified vehicles adoption and provide safety, security and comfort to our customers.

\*1: S-AWC: Super-All Wheel Control system which dramatically improves vehicle maneuverability and stability

### Contributing to the Environment

In 2013, in Japan we launched the "Outlander PHEV," which became the world's first PHEV sport-utility vehicle. Globally, its cumulative sales now exceed 300,000 units\*2.

In the ASEAN region, where thermal-fired power generation is common, we believe PHEV/Hybrid Vehicles (HEVs) currently produce less CO<sub>2</sub> emissions than EVs from an LCA\*3 perspective. We, therefore, plan to address this reality by rolling out electrified vehicles optimal for the power generation conditions in each ASEAN country.

Meanwhile, we are using the "MINICAB-MiEV," a Kei-car segment commercial battery electric vehicle, for demonstration projects with various partners in Japan, Thailand and Indonesia. We are aiming to build a carbon neutral society through a new business model.

\*2 As of January 2022

\*3 LCA: Life cycle assessment, which is a technique for calculating the total environment impact of a product from manufacturing to disposal



"MINICAB-MiEVs," Kei-car segment commercial battery electric vehicles, being used in a pilot study (Indonesia)

### Safety and Security from an SUV User's Perspective

The All-New "Outlander PHEV model" has been selected by 'TOKUMUKIKAN NERV' (Gehirn Inc.), an operator of disaster response application, as a disaster response vehicle which dispatches information in case of an emergency such as natural disaster.

The vehicle is designed to sustain an ongoing flow of distributing disaster-fighting information, as well as to support nearby municipalities, in the event that disasters lead to long-term power outages and disrupted communication networks. The vehicle earns high marks for its mobility, safety performance, environmental performance and power-supply functions, which are essential for activities in disaster-stricken areas.

### Evolved PHEV and S-AWS Systems

The All-New "Outlander PHEV model" is a flagship model that brings together essence of our electrification and four-wheel control technologies and utilizes a newly developed platform and advanced technologies.

The PHEV system has been revamped from the previous model, with increased output from the front and rear motors and the evolution of S-AWC, a vehicle motion integrated control system based on twin motor 4WD, enabling handling that is unexpectedly nimble for an SUV.

This model received the Technology Car of the Year Award of the 2021-2022 Japan Car of the Year\*4 awards.

\*4 Organized by the Japan Car of the Year Steering Committee



All-New "Outlander PHEV model"

# Sustainability Management

## Corporate Philosophy and Policy

### Mitsubishi Group Three Principles

The "Three Principles," which is the spirit of Mitsubishi's founding, is positioned as a fundamental philosophy common to the Mitsubishi Group.

#### 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

MITSUBISHI MOTORS has formulated our corporate vision and mission to serve as common guiding principles for the employees of the MITSUBISHI MOTORS Group as we look toward the future. The automobile industry is in a period of major change, and our business environment is also undergoing substantial changes. Under these circumstances, the Vision (the society we want to create) and Mission (how to real-

ize the Vision) specify how we become more proactive to exert a positive influence on society.

#### VISION

Create 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 Alliance.

In the automobile industry, technological innovations are being born one after another due to the diversification of power trains, the intelligence of cars, and the shift to IoT, and the role of automobiles has changed from "cars" as hardware to "mobility" as a whole transportation system. 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. The "Vision" includes our desire to promote new challenges and economic activities of individuals and contribute to the revitalization of society as a whole by streamlining and optimizing the movement of people.

### MITSUBISHI MOTORS' Philosophy System

Our company's corporate activities are based on the "Three Principles," which are positioned as the basic principles common to the Mitsubishi Group. For each employee, aim to realize the "Vision" through carry out the "Mission" by practicing the "MMC WAY\*" that shows the minimum necessary attitude and behavior and the "Global Code of Conduct\*\*" that all executives and employees must comply with.

We contribute to the realization of a sustainable society while deepening mutual understanding through dialogue with various stakeholders through business activities in each country and region centered on familiar products such as cars.



\*1: Please see page 85 for details on the "MMC WAY."

\*2: Please see page 112 for details on the "Global Code of Conduct."

## Sustainability Management

### Approach to Sustainability

In recent years, interest toward realizing a sustainable environment, society and economy has grown, as is illustrated by such initiatives as the Sustainable Development Goals (SDGs) adopted by the United Nations, the Paris Agreement going into effect and growing ESG investment. Society places greater importance on corporate initiatives related to them.

In particular, the automotive industry is seeing changes on a scale said to occur only once in 100 years. These changes include new technologies, such as connectedness and autonomous driving, as well as car sharing and other new business models.

On the environmental front, climate change and energy problems are growing increasingly severe throughout the world. MITSUBISHI MOTORS contributes to the realization of a sustainable society by working on responsible business operations, including reducing greenhouse gases from products and business activities, and solving social issues through business activities in each country and region.

### SUSTAINABLE DEVELOPMENT GOALS



### Framework for Promoting Sustainability

We have established the Sustainability Committee, which is chaired by Executive Officer, president & CEO, to promote sustainability initiatives throughout the MITSUBISHI MOTORS Group. The Sustainability Committee deliberates and decides on the goals of efforts to deal with material issues, and implements a plan-do-check-act (PDCA) cycle by confirms the progress of corresponding. We have a structure in which important matters such as reviewing material issues are deliberated and reported by the Board of Directors.

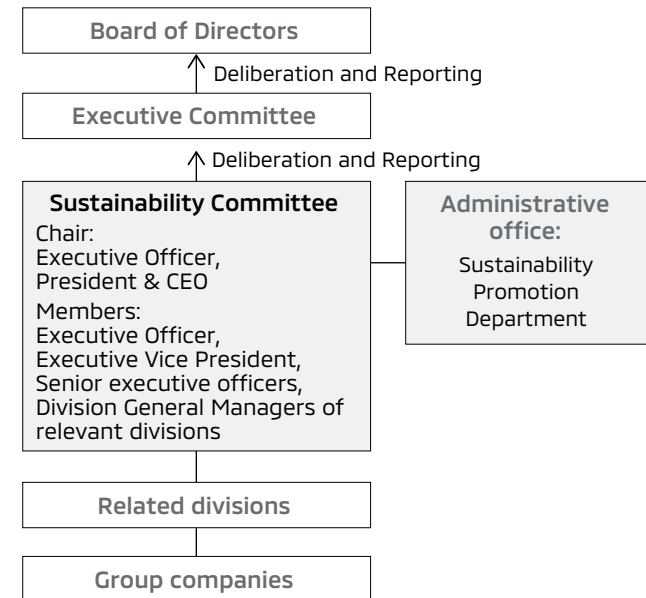
#### Overview of Sustainability Committee Proceedings

On the environmental front, the Sustainability Committee discusses our efforts to achieve carbon neutrality, which is a global issue, and to enhance disclosure in line with the TCFD Recommendations. On the social front, we discuss initiatives involving human rights, which are an area companies are increasingly being called upon to address. The Sustainability Promotion Department identifies social issues (risks) that we perceive from a long-term perspective and the benefits (opportunities) that can be obtained as a result of addressing these issues. From a medium-term perspective, the department also identifies needs and expectations from the external environment and stakeholders. It deliberates these items with the people responsible for each material issue, clarifies direction for action and sets targets for each fiscal year with a view toward realizing a sustainable society and enhancing corporate value.

We provide timely disclosure of the Sustainability

Committee's proceedings on our website. Please refer to the following.

[WEB](https://www.mitsubishi-motors.com/en/sustainability/sustainabilitynews/2022/09/23.html) <https://www.mitsubishi-motors.com/en/sustainability/sustainabilitynews/2022/09/23.html>



## FY2021 Achievements of the Sustainability Committee

- Meetings convened: 3
- Principal matters for deliberation  
Review of FY2020 initiatives on the material issues and activity plans for FY2021, response to the TCFD Recommendations, human rights initiatives, the editorial policy for Sustainability Report 2021, results in FY2020 and plans for FY2021 involving internal awareness-raising activities related to sustainability

## Sustainability Committee members (As of June 2022)

Category	Position or Scope of Authority		
Chair	Executive Officer, President & CEO		
Vice-chair	Corporate Officer, Division General Manager, General Administration, Communication, Sustainability Division		
Committee members	Executive Officer, Executive Vice President (responsible for Monozukuri)		
	Executive Officer, Executive Vice President (responsible for Sales)		
	Executive Officer, Executive Vice President (CFO)		
	Senior Executive Officer (responsible for Corporate Governance)		
	Senior Executive Officer (responsible for Production)		
	Senior Executive Officer (responsible for Sales Strategy/Reformation)		
	Executive Officer, Division General Manager, Corporate Strategy Management Division		
	Executive Officer (responsible for Product Strategy), Division General Manager, Product Strategy Division		
	Corporate Officer, Division General Manager, Mobility Business Division		
	Division General Manager, PD*1 Office		
		Person in Charge of Materiality Initiatives	Material Issue Targeted <small>*Indicates leaders of initiatives from multiple divisions</small>
		Corporate Officer, Division General Manager, Human Resources Division	Promotion of Work Style Reforms in Response to the New Normal (Diversity, Work-Life Balance) Stepping up Human Resource Development Promoting Occupational Health and Safety
		Corporate Officer, Division General Manager, General Administration, Communication, Sustainability Division	Responding to Climate Change and Energy Issues* Resource Recycling Initiatives* Prevention of Pollution* Promoting Social Contribution Activities
		Corporate Officer, Division General Manager, EV Power-train Engineering Development Division 1	Resource Recycling Initiatives
	Corporate Officer, (responsible for ASEAN & Oceania)	Contribution to Local Economy through Business Activities*	
	General Manager, Vehicle Technology Development Division 1	Delivering Products which Help Prevent Traffic Accidents Resource Recycling Initiatives Prevention of Pollution	
	Division General Manager, Production Engineering Division	Responding to Climate Change and Energy Issues Contribution to Local Economy through Business Activities Resource Recycling Initiatives	
	General Manager, SCM*2 Division	Responding to Climate Change and Energy Issues	
	Division General Manager, Procurement Management Division	Achieving a Sustainable Supply Chain	
	General Manager, Internal Control Promotion Office	Strengthening Governance and Ensuring Compliance	
	Division General Manager, TCS*3 Division	Improvement of Product, Sales, and Service Quality*	
	Division General Manager, Global Sales Development Division	Improvement of Product, Sales, and Service Quality	
	Division General Manager, Global After Sales Division	Improvement of Product, Sales, and Service Quality	
	Division General Manager, Domestic Sales Division	Improvement of Product, Sales, and Service Quality	
Observers	Members of the Board and the Audit Committee		
	General Manager, IR Office of Corporate Strategy Management Division		
	General Manager, General Administration, Communication, Sustainability Division		
	General Manager, Financial Planning Office		

\*1: Program Director

\*2: Supply Chain Management

\*3: Total Customer Satisfaction

## Instilling Sustainability Awareness within the Company

MITSUBISHI MOTORS conducts penetration activities throughout the year so that executives and employees can deepen their understanding of sustainability and practice sustainability initiatives through their daily work. At the end of each fiscal year, we conduct an employee awareness survey to confirm the degree of penetration. We use the survey results to strengthen and improve each measure and reflect them in activities in the following fiscal year.

### Examples of Activities

- Online training related to sustainability in general  
7,804 participants
- Training on overall sustainability tailored to each job rank  
Conducted 19 times  
(Entry-level employees, mid-career employees, manufacturing worker candidates, newly appointed M2 employees <Managers>, newly appointed M1 employees <General Managers>)
- Distribution of a message from management related to sustainability
- Distribution of a newsletter related to sustainability

## Participation in the United Nations Global Compact

In May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC), the universal principle regarding human rights, labor, the environment and anti-corruption advocated by the United Nations. The UNGC are voluntary behavioral principles for companies that were proposed by then-Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999. As a global company, we believe that respect for human rights and anti-corruption initiatives are very important. Accordingly, that same year we partially revised the MITSUBISHI MOTORS Global Code of Conduct, clarifying our efforts related to respect for human rights and anti-corruption. In addition, we have established a Human Rights Policy that commits us to promoting business activities that emphasize human rights.

Based on the 10 principles of the UNGC, as a good corporate citizen we will continue our activities toward the realization of the sustainable growth of society.

Please see the following for specific activities in the four areas stipulated in the Global Compact.

Human rights : P90-93  
Labor : P90-93  
The environment: P23-60  
Anti-corruption : P115

**WE SUPPORT**



## Participation in External Organizations

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

## External Initiatives Supported or Referred to

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

## Stakeholder Engagement

### Basic Approach

mitsubishi motors believes that dialogue with stakeholders is important for the sustainable growth of the Company. Through communication, the MITSUBISHI MOTORS Group clarifies its responsibilities and issues, and strives for improvement in its daily operations.

By further enhancing our dialogue with our stakeholders, we will continue to sincerely address society's expectations and issues and apply them to our business.

### Dialogue with Stakeholders

(For details on stakeholder initiatives, refer to the pages enclosed in < >.)

Stakeholders	Policies on Dialogue	Opportunities for Dialogue	Frequency	Reflecting Input in Our Business
<b>Consumers and customers</b>	Promote activities that better reflect customer input in our products and services.	Customer Contact Center <P70>, sales companies <P68>, after-sales services <P69>	Ongoing	Promoting customer satisfaction activities
		Website, social networks	Ongoing	Improving products and services
		Customer satisfaction surveys <P68>	As necessary	
		Events, TV/newspaper/magazine advertising, email magazine	As necessary	
<b>Business partners</b>	Engage in communication aimed at coexistence and coprosperity based on mutual trust.	Contact for inquiries, Business Partner Helpline <P95>	Ongoing	Building relationships aimed at coexistence and coprosperity based on mutual trust
		Suppliers Meeting, presentations, events, specialized websites	As necessary	
		Participation in industry organizations	As necessary	
<b>Shareholders and investors</b>	Disclose business and financial information and results in an appropriate manner and time.  Conduct constructive dialogue aimed at sustainable growth and enhanced corporate value.	IR inquiry contacts	Ongoing	Promoting initiatives Targeting sustainable growth and enhanced corporate value
		Interviews	As necessary	
		Financial results briefings	Four times per year	
		Mid-term business plan briefings	As necessary	
		Individual initiative briefings	As necessary	
		Shareholders' Meeting	Once per year	
		IR websites	Ongoing	
		Events, email magazines	As necessary	
		Integrated report	Once per year	
<b>Employees</b>	Two-way communication for fostering teamwork and a sense of unity based on the principle of mutual trust and mutual responsibility between labor and management.	Labor management discussions <P89>	As necessary	Creating a safe and rewarding working environment
		Consultation offices (Employee Consultation Office, Outside attorney consultation (Helpline), MITSUBISHI MOTORS Global Hotline) <P114>	Ongoing	
		Town hall meetings with Executives	As necessary	
		Internal websites	Ongoing	
		Engagement survey <P77>	Once per year	
<b>Local communities</b>	Build good relations with local communities.  Engage in dialogue with diverse stakeholders to resolve social and environmental issues.	Local community consultation desks <P99>, websites	Ongoing	Promoting initiatives to resolve social and environmental issues
		Collaborations with municipalities <P98>	As necessary	
		Social contributions <P98>	As necessary	
		Community events	As necessary	
		Plant tours	Ongoing	

## Examples of Stakeholder Dialogues

### Consumers and customers

If a customer points out issues related to quality or defects, we seek to resolve this customer issue in collaboration with sales companies and drive further quality enhancements. In addition, feedback and opinions about product functionality, or opinions about specifications, are shared with relevant divisions and used to improve product capabilities even further. We also distribute videos of this feedback with images and explanations of relevant points on the intranet so that employees can access to firsthand customer's opinions. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.



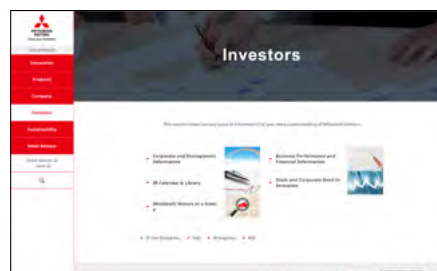
Responding to customers at Customer Contact Center

### Shareholders and investors

We proactively disclose information to shareholders and investors, and strive to ensure transparency and credibility through constructive dialogue.

Specifically, to enhance understanding of MITSUBISHI MOTORS, we disclose various information through our website, issue publications, and hold briefings on our mid-term business plan and financial results. In addition, we exchange views with investors on non-financial information, including environmental information. In FY2021, we held dialogues with institutional investors in charge of stewardship in Japan and overseas, and heard various opinions on the risks and opportunities of climate change, our response to the TCFD recommendations, our CO<sub>2</sub> emissions, etc.

Please see page 28 for details.



Website: "Investors"

[\(WEB\) https://www.mitsubishi-motors.com/en/investors/](https://www.mitsubishi-motors.com/en/investors/)

### Local communities

We contribute to the realization of resilient communities through activities that meet local needs. As examples of activities that take advantage of our products' distinctive characteristics, we support municipalities by entering into disaster cooperation agreements and loaning roving COVID-19 vaccine vehicles etc., by utilizing "Mitsubishi's PHEV," which can store and supply electricity. We will support the safety and security of the lives of local people with "the Power of PHEV Driving and the Power of Electricity."

For details, please see the feature on page 21, as well as our website.



Conclusion of a disaster cooperation agreement  
[\(WEB\) https://www.mitsubishi-motors.co.jp/carlife/phev/dcsp/](https://www.mitsubishi-motors.co.jp/carlife/phev/dcsp/)  
(Japanese only)

## MITSUBISHI MOTORS' Materiality

### Identifying and Reviewing Material Issues

MITSUBISHI MOTORS recognized importance of the United Nations Sustainable Development Goals (SDGs) and identified material issues as the important issue that we should wrestle from various problems in the fields of each environment, society, governance in FY2018.

During the identification process, we conducted repeated examinations from the perspective of the degree of interest of stakeholders and the degree of impact on the Company, and held hearings with experts. After that, we repeated discussions about our material issues at the Sustainability Committee, and

the decision was made at the Executive Committee.

In recent years, social trends related to sustainability have changed substantially and rapidly. We would like to meet the needs and expectations of stakeholders by assessing the impact of such changes on stakeholders and our company, and flexibly reviewing and working on material issues as necessary.

### Reviewing Based on Social Conditions and Awareness of Issues

In FY2020, in light of changes in social conditions due to the aggravation of environmental problems and the COVID-19 pandemic, MITSUBISHI MOTORS' materiality was reviewed after discussions at the Sustainability Committee and resolved by the Board of Directors.

The review is outlined below.

#### 1. Materiality on "Environment"

In recent years, climate change, resource depletion, environmental pollution and other environmental problems have grown apparent and become more serious. Adoption of the international targets and rules to address social issues has accelerated. Those include the SDGs, the Paris Agreement (an international accord on climate change), and the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

We have formulated the "Environmental Plan Package" and announced it in November 2020, recognizing that it is necessary to set the direction of medium- to long-term efforts based on these social trends in order to keep the business alive.

The Environmental Plan Package positions "Pollution Prevention" as a priority environmental issue along with "Action to Climate Change" and "Resource Circulation." Therefore, in terms of MITSUBISHI MOTORS' materiality, we have raised the impact on our company of "Prevention of pollution" (on the horizontal axis of the figure) from "very high" to "extremely high."

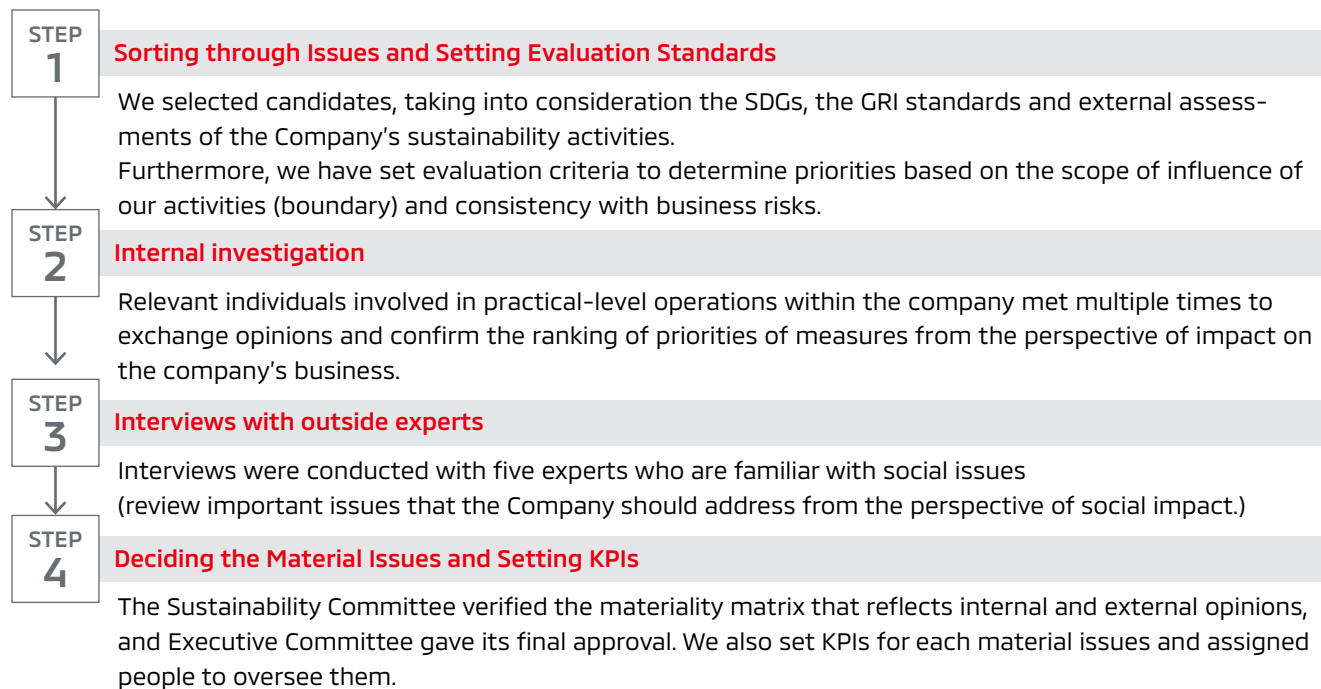
#### 2. Materiality on "People"

Considering our responses to the new normal triggered by the COVID-19 pandemic, we have reviewed the material issues of "Work style reform" and "Diversity" and merged them into "Promoting work style reform in response to new normal conditions (Diversity, Work-life balance)." Through the review, we have presented the directions to heighten organizational capabilities and enhance corporate value by creating an environment where diverse employees can maximize their individual abilities and play an active role.

We introduced remote working as a stopgap measure to help halt the spread of COVID-19. We are now looking at ways to adopt this approach on a more permanent basis, transitioning to a flexible working style that will balance work and an enhanced quality of life.

We are reviewing our material issues, taking into account the value we can provide to resolve social issues from a medium- to long-term perspective.

### Identification Process



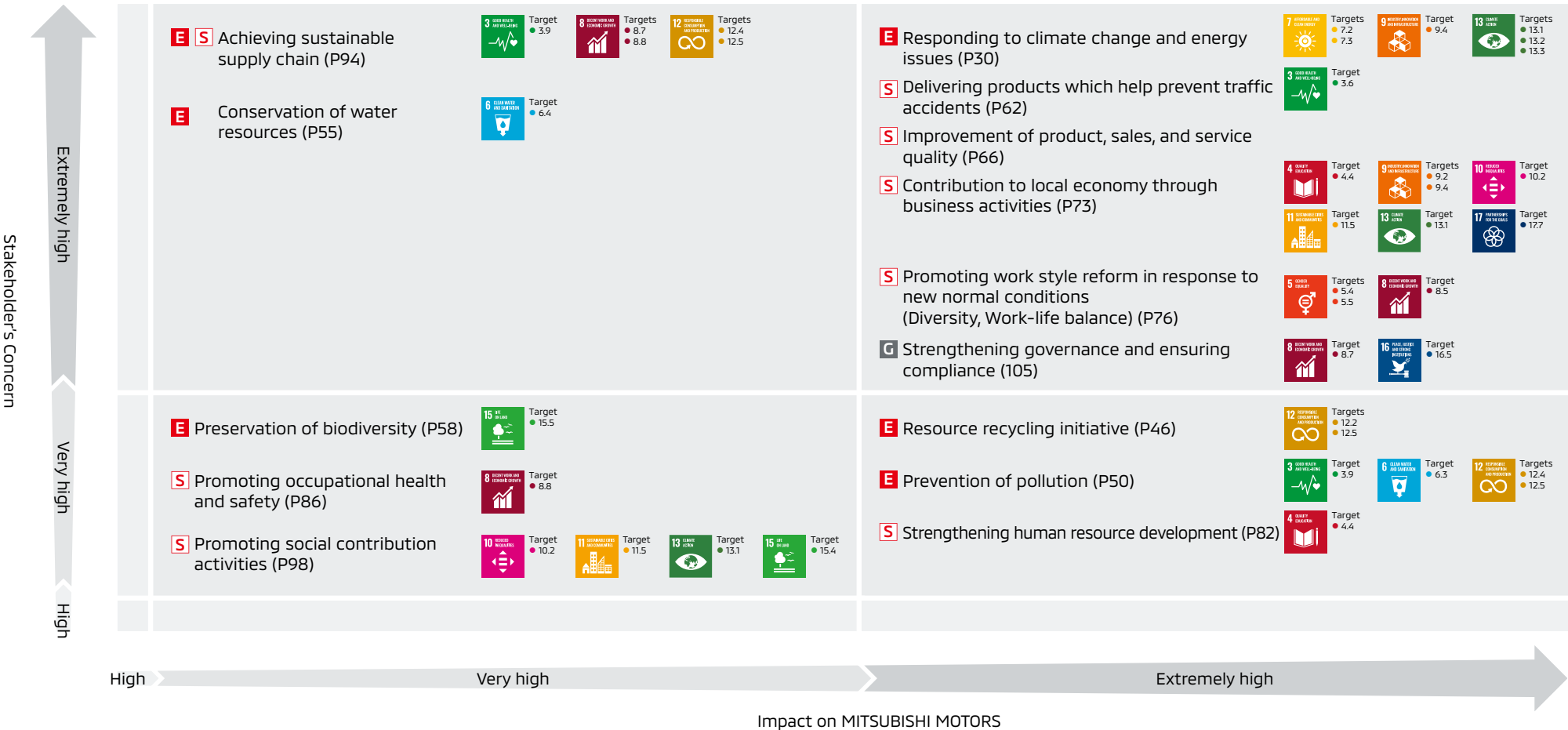


## The Material Issues We Identified

In October 2020, the Board of Directors resolved the following material issues.

Mitsubishi Motors has identified material issues with reference to the SDGs and other issues being discussed internationally, and is working to contribute to the resolution of these issues.

For the relationship between each material issue and the SDG targets, please refer to the report page of the initiatives for each material issue.



**E**: Environment **S**: Social **G**: Governance

## Reflecting Medium- to Long-term Perspectives when Setting Annual Targets Related to Material Issues

MITSUBISHI MOTORS needs to reinforce its management base in order to respond to the various changes taking place in the automotive industry, look at the business environment from a long-term perspective, and respond to medium- to long-term risks and opportunities. To achieve these goals, we recognize the importance of setting annual targets on materiality initiatives from a medium- to long-term perspective.

In FY2021, we took the following steps to set annual targets for individual materiality initiatives.

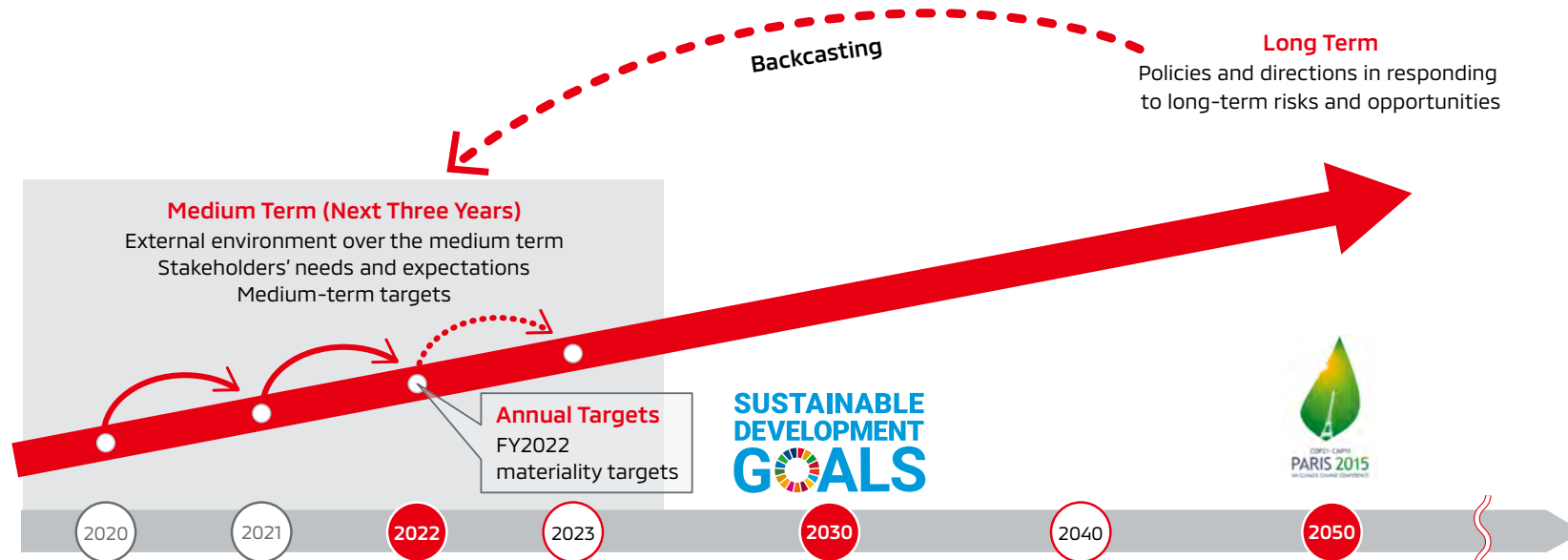
First, we took a long-term perspective, using 30 years as our time horizon (the period used when formulating Environmental Vision 2050) for responding to environmental issues we consider essential in order to conduct business activities. In the Environmental Policy, we particularly focused on climate change, resource circulation and pollution prevention. For other material issues, we looked ahead to 2030, which is the target year for the United Nations' Sustainable Development Goals (SDGs). We clarified the social issues (risks) the Company recognizes from a long-term perspective, as well as the effects (opportunities) that could be obtained by addressing these issues. After deliberating with the division general managers in charge of implementing the material issues, we clarified the direction of response.

Looking from the medium-term perspective, or 3 years into the future, we worked with the division general managers responsible for implementing the material issues to identify the external environment and stakeholders' needs and expectations. We then set medium-term action targets.

The Sustainability Committee deliberated the medium- to long-term visions for the material issues, the targets and indicators for FY2021, and their appropriateness.

In FY2022, we reviewed the medium- to long-term vision for each material issue compiled in the previous fiscal year, set single-year targets and indicators, and proceed with our initiatives.

Please refer to pages 30 and later in the report for the medium- to long-term vision on each material issue and the targets and results of initiatives in FY2021.



# Mitsubishi Motors Taking up the Challenge of Becoming Carbon Neutral



## MITSUBISHI MOTORS aims to become carbon neutral throughout the supply chain by 2050.

In October 2020, MITSUBISHI MOTORS formulated the Environmental Plant Package<sup>\*1</sup>, and we are working to reduce our CO<sub>2</sub> emissions to contribute toward the realization of a society with net-zero CO<sub>2</sub> emissions by 2050. We are promoting a host of measures, such as developing electrified vehicles<sup>\*2</sup> and technologies to improve fuel efficiency, introducing energy-saving equipment in production processes and using renewable energy in factories, offices and dealerships.

In January 2022, the Renault-Nissan-Mitsubishi Alliance announced its aim to become carbon neutral by 2050. We are working to strengthen our electrified vehicle lineup by combining our own technologies with those of the alliance. The All-New "Outlander PHEV Model," which launched in 2021, and the new "eK X EV," an EV in the Kei-car class that launched in June 2022, have received much greater support from customers than expected. The "MINICAB-MiEV," Japan's only commercial electric vehicle (EV) in the Kei-car segment, will soon be back on the market due to demand from many companies. In March and June 2022, we concluded comprehensive cooperation agreements with the city of Kurashiki in Okayama Prefecture and the city of Okazaki in Aichi Prefecture, respectively, toward the realization of a carbon neutral society.

Conditions around the world have changed substantially since our introduction of the i-MiEV, the world's first mass-produced EV. Our electrification technology has been well accepted by society, as it moves toward

carbon neutrality. With more people taking up the challenge of becoming carbon neutral, we have decided to work together to achieve carbon neutrality by 2050.

We recognize that achieving carbon neutrality will require us to strengthen our efforts throughout the supply chain. In products, starting with our proprietary plug-in hybrid electric vehicles (PHEVs) and Kei-car commercial EVs, we will promote electrification while leveraging the technologies of the alliance to proactively introduce the electrified vehicles that best meet the energy situation, infrastructure development status, and customer needs of each country and region. In our business activities, we will seek to minimize energy use and transition to renewable sources of energy to reduce CO<sub>2</sub> emissions. Across the supply chain, we will collaborate with business partners, related companies and organizations, and governments and municipalities to reduce CO<sub>2</sub> emissions

at the production stage (through raw materials and parts) and in logistics (including products). We will also promote renewable energy and charging infrastructure, utilize carbon-neutral fuel and promote V2X<sup>\*3</sup>.

\*1: Please see pages 24–26 for details.

\*2: Battery electric vehicles, plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles

\*3: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others.

## Revisions to Environmental Vision 2050

In our Environmental Vision 2050, we have stated our commitment to contribute to net-zero CO<sub>2</sub> emissions and the realization of a society that is resilient to climate change. We have recently revised Environmental Vision 2050 to incorporate our goal of becoming carbon neutral. We will further strengthen our efforts to achieve carbon neutrality by 2050.

## Environmental Vision 2050

In December 2015, the Paris Agreement was adopted at COP21. Members of this accord agreed to curtail the rise in average global temperatures to 2°C above levels before the Industrial Revolution and to work to keep the rise to 1.5°C. Given such social demands, MITSUBISHI MOTORS believes it can contribute toward the realization of a sustainable society, achieving a balance between the progress of humankind and the global environment, through the proliferation of electrified vehicles and the promotion of their use in society.

### Action to Climate Change

Through electrified vehicles and the increased use of renewable energy, **we aim to become carbon neutral** and contribute to the realization of a society that is resilient to climate change.

### Resource Circulation

We will contribute to a resource-recycling-oriented society by minimizing input resources and maximizing resource efficiency.

### Pollution Prevention

We will contribute toward a society free of environmental pollution affecting human health and the ecosystem by reducing the environmental impact of our products and the pollution resulting from our business activities.

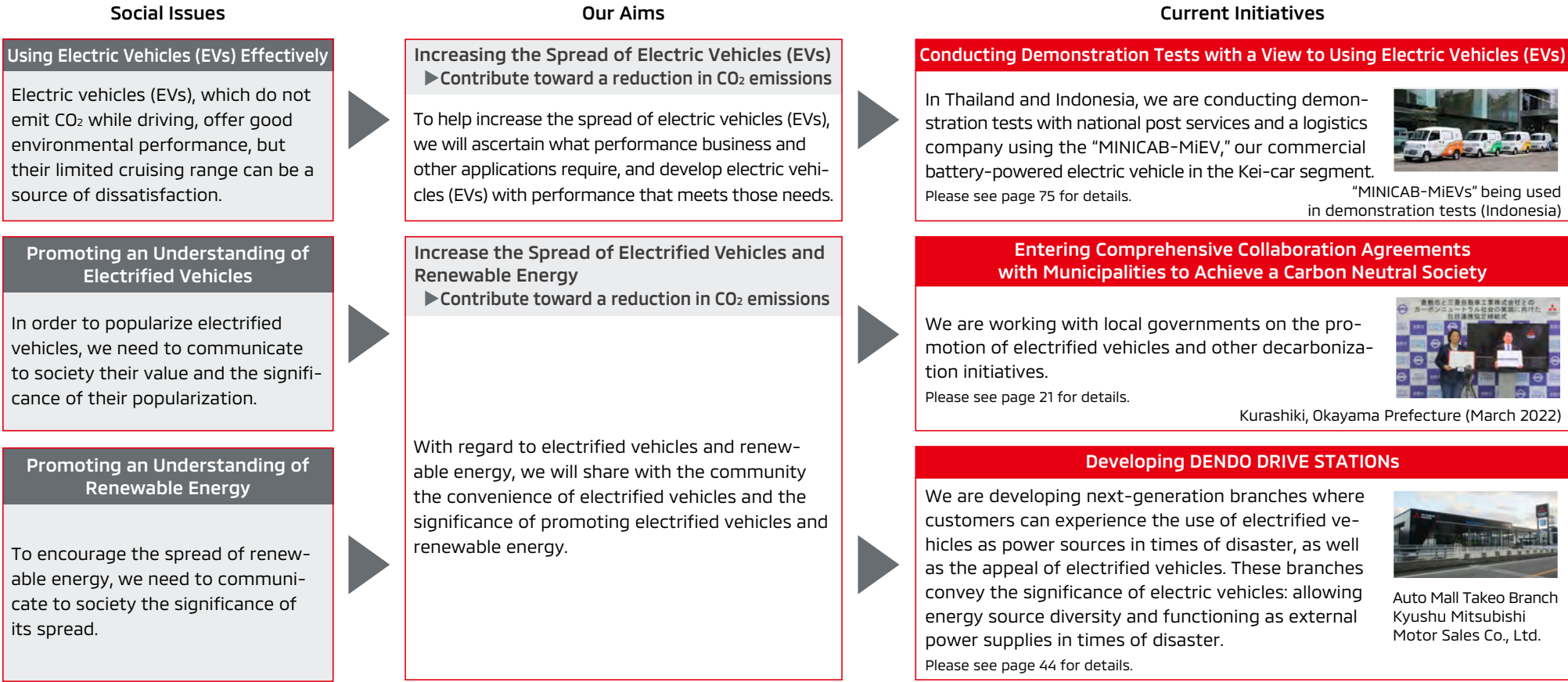
# Feature Mitsubishi Motors Taking up the Challenge of Becoming Carbon Neutral

## Cultivating a Carbon Neutral Society through Electrified Vehicles

To achieve carbon neutrality, MITSUBISHI MOTORS will promote the electrification of automobiles and the use of electrified vehicles to address various social issues.

We will promote the spread of electrified vehicles by communicating their advantages to society, including the use of their high-capacity drive batteries for leisure activities and power supply during disasters. In addition, we will contribute to the spread of renewable energy, which is at the foundation of a carbon-neutral society, by using IoT to adjust charging and by building energy storage systems employing used batteries, which will also help in reducing CO<sub>2</sub> emissions during battery production.

We will work with business partners to develop electric vehicles (EVs) for business applications and promote comprehensive collaboration with local communities from a variety of angles.





# Mitsubishi Motors Taking up the Challenge of Becoming Carbon Neutral

### Social Issues

#### Stabilizing the Supply of Renewable Energy

To expand the use of renewable energy, it is necessary to provide the flexibility to account for unstable power generation.

#### Increasing Applications for Used Batteries

Some batteries recovered from electrified vehicles can still be used, employing them is an issue.

#### Leveling Electricity Demand

There is a concern that as electrified vehicles become more widespread, the concentration of charging times could result in excessive power loads.

### Our Aims

#### Build a System to Reemploy Used Batteries

▶ Reduce CO<sub>2</sub> emissions in battery production, as well

#### Use Storage Battery Systems as VPPs\*

▶ Help stabilize local power supply grids

Used batteries from electrified vehicles are employed in systems that store and utilize power derived from renewable energy sources, contributing to a stable supply of renewable energy.

#### Recommend Charging During Times when Electricity Rates Are Low and Electricity Supplies are in Surplus

▶ Reduce the electric power load  
▶ Maintain a balanced electric power network

By combining electrified vehicles with IoT, we will prevent an increase in electricity loads.

### Current Initiatives

#### Energy Storage System Utilizing Solar Power Generation Equipment and Used Batteries

We are introducing a power storage system that employs a large-scale rooftop solar power system and used batteries from the "Outlander PHEV." Please see page 43 for details.



Solar power system and battery storage system installed at the Okazaki Plant (Aichi Prefecture)

#### Demonstration Project for Adjusting the Charging of Electrified Vehicles

We participated in a demonstration project to adjust charging through the use of dynamic pricing, in which electricity rates fluctuate according to electricity supply and demand conditions and other factors. Please see page 40 for details.

\* VPP stands for virtual power plant, which involves an advanced approach to adjusting the supply-demand balance of electricity. Advanced IoT-based energy management technology is used to bundle together the production facilities, private power generation facilities, storage batteries, and lighting and air conditioning systems of factories and households to make them function like a single power plant.

### Increasing the Use of Electrified Vehicle Batteries to Expand the Potential of Mobility



**Feature** Mitsubishi Motors Taking up the Challenge of Becoming Carbon Neutral

**Electrified Vehicles and the Realization of a Resilient Society (DENDO Community Support Program)**

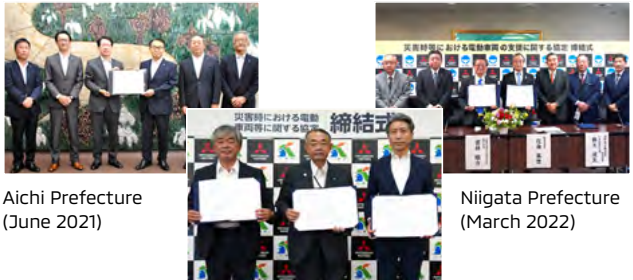
By entering into disaster cooperation agreements with municipalities and loaning them roving COVID-19 vaccine vehicles, MITSUBISHI MOTORS is helping municipalities with its plug-in hybrid electric vehicles (PHEVs), which can generate power and be tapped as sources of electricity. By combining the power of PHEVs to provide transportation and the power of electricity, we are making people's lives safer and more reliable.

**Examples of Activities**

**1. Disaster Cooperation Agreements with Municipalities**

In response to requests from local governments that have experienced power outages due to disasters, the Company, together with its affiliated dealers, is promoting efforts to conclude disaster cooperation agreements with local governments throughout Japan so that "Outlander PHEVs" and other electrified vehicles that can be used to supply electricity can be provided to disaster areas and evacuation centers as quickly as possible.

As of end-July 2022, we had such agreements in place with 203\*1 municipalities. By FY2022, we aim to have agreements in place in all of Japan's 47 prefectures.



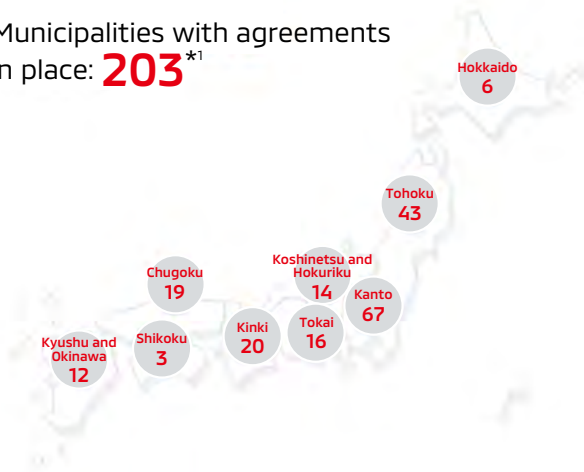
Aichi Prefecture (June 2021)

Niigata Prefecture (March 2022)

Happo-cho, Akita Prefecture (Our 200th cooperation agreement, in July 2022)

**Agreements in Place with Municipalities around Japan (As of July 31, 2022)**

Municipalities with agreements in place: **203**\*1



◆ Recent agreement status (Japanese only)  
 WEB <https://www.mitsubishi-motors.co.jp/carlife/phev/dcps/>  
 \*1 Excluding two-party agreements between affiliated dealers and municipalities

**2. Participation in the City of Kawasaki's "Verification of Using Electric Vehicles (EVs) to Supply External Batteries for Artificial Respirators in the Event of Disaster"**

We participated in the "Verification of Using Electric Vehicles (EVs) to Supply External Batteries for Artificial Respirators in the Event of Disaster\*2," conducted by the city of Kawasaki, Kanagawa Prefecture, and provided "Outlander PHEV" and "Eclipse Cross PHEV Model" vehicles. In the event of power outages due to large-scale disasters that have occurred in recent years, it could become necessary to secure supplies of power for artificial respirators and other equipment for people receiving medical care at home.



Verification of power supplies in Kawasaki, Kanagawa Prefecture (August 2021)

For the verification, dedicated batteries were removed from artificial respirators and connected to PHEVs' 100-volt AC outlets for charging. The project verified that when dedicated batteries are attached to artificial respirators, they work stably, so this can be used as a measure to address power outages in the event of a large-scale disaster.

\*2 In this verification, dedicated batteries were removed from the medical devices for charging; they were not connected directly to the medical devices. This verification should not be construed as suggesting any change in interpretation of the warning statement in user manuals for the "Outlander PHEV" and "Eclipse Cross PHEV Model," that the "100V AC Power Supply (1500W) (Cabin Equipment Section)" should "never be used for medical equipment." No checks have been made except for the external batteries for the two types of artificial respirators used in the verification. External batteries of all artificial respirators have not been validated for use.

**3. Signing Comprehensive Collaboration Agreements toward the Realization of a Carbon Neutral Society**

We have signed comprehensive collaboration agreements with the cities of Kurashiki, in Okayama Prefecture, and Okazaki, in Aichi Prefecture, with a view toward realizing a carbon neutral society. Through these collaboration agreements, we will work together to build a decarbonized society centered on the spread of our electrified vehicles.

- Key points of the collaboration
- (1) Working toward the realization of a carbon neutral society in the region
  - (2) Promoting the spread of electrified vehicles
  - (3) Fostering an understanding of how electrified vehicles are useful in decarbonization and disaster preparedness
  - (4) In addition to the items mentioned above, contributing to objectives that are mutually agreed upon by both parties



Kurashiki, Okayama Prefecture (March 2022)



Okazaki, Aichi Prefecture (June 2022)



## Mitsubishi Motors Taking up the Challenge of Becoming Carbon Neutral

### Business Initiatives toward Becoming Carbon Neutral

In October 2021, MITSUBISHI MOTORS established the CO<sub>2</sub> Reduction Promotion Subcommittee of the Sustainability Committee. The subcommittee is tasked with promoting activities to reduce CO<sub>2</sub> emissions from business activities. The entire MITSUBISHI MOTORS Group is involved in these activities, which include participation from production, development and sales companies in Japan and overseas.

In the aim of becoming carbon neutral by 2050, we will approach the issue from both the "demand side" (energy consumption) and the "supply side" (energy generation and procurement).

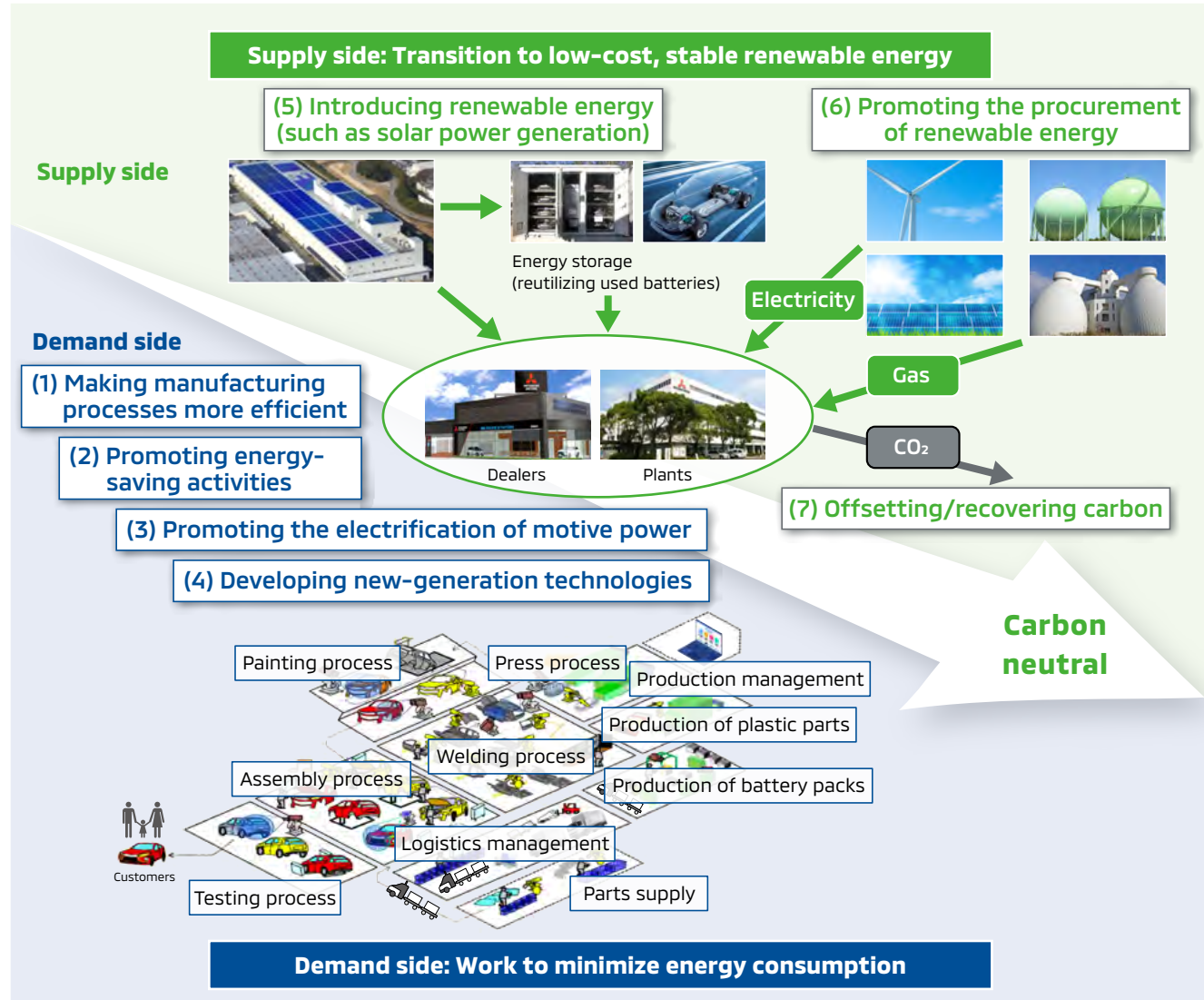
On the demand side, we will work to minimize energy consumption by:

- (1) Making manufacturing processes more efficient,
- (2) Promoting energy-saving activities,
- (3) Promoting the electrification of motive power and
- (4) Developing new-generation technologies

In addition, on the supply side we will work toward a transition to low-cost, stable renewable energy by:

- (5) Introducing renewable energy (such as solar power generation),
- (6) Promoting the procurement of renewable energy and
- (7) Offsetting/recovering carbon

### "Seven Approaches" to Becoming Carbon Neutral by 2050



# Environment

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## Environmental Plan Package

### Structure of the Environmental Plan Package

Anticipating a time 30 years in the future, in October 2020 MITSUBISHI MOTORS formulated the Environmental Plan Package, which defines the directions and targets of its environmental initiatives. This package establishes the foundation for our directions on environment-related management strategy, outlining our objectives for realizing a sustainable society, including one that is carbon-neutral, as we conduct our business activities. The Environmental Plan Package comprises the Environmental Policy, which we have revised to incorporate our medium- to long-term perspective; the Environmental Vision 2050, which sets out our vision for society to be achieved by 2050 and directions for our initiatives; and the Environmental Targets 2030, which clarifies specific initiatives to be achieved by 2030 in accordance with this vision.

#### Environmental Policy

MITSUBISHI MOTORS recognizes that responding to environmental issues through its business activities is essential. Accordingly, we will engage proactively in specific and effective measures from a medium- to long-term perspective. (Directions of initiatives)

1. We will face three specific environmental issues head-on: climate change, resource depletion and environmental pollution.
2. Given that 2050 is an important landmark for climate change on a global scale, we have clarified levels to be achieved, in 10-year increments, and are pursuing initiatives to this end.
3. We will respond to environmental issues through the following activities.
  - Unique environmental contributions through our products
  - Initiatives at each stage of automobile production, sale and use
  - Collaboration with business partners, affiliated institutions, governments and local authorities
  - Initiatives targeting environmental issues rooted in the local community
  - Initiatives to determine and reduce environmental impact of all related business activities

### Environmental Policy

The Company has been acting in accordance with its Environmental Policy, which was formulated in 1999. However, in the 20 years that have passed since that time the operating environment has changed, prompting us to revise the policy in 2020 to reflect current social trends. We recognize that responding to environmental issues in our business activities is essential, and so have newly incorporated a medium- to long-term outlook into our policy.

Focusing specifically on climate change, resource depletion and environmental pollution, we aim to contribute to the preservation of water resources and biodiversity through initiatives in these areas.

### Environmental Vision 2050

Members of the Paris Agreement, adopted in 2015, agreed to limit the rise in average global temperatures to 2°C above levels before the Industrial Revolution and endeavor to keep the increase to 1.5°C.

From this basis, we established initiatives to pursue from a long-term perspective, leading up to 2050. In 2018, the IPCC\* published the Special Report on Global Warming of 1.5°C, which calls for society as a whole to achieve a net-zero balance between human-caused greenhouse gas emissions and absorption.

As these measures illustrate, awareness of climate change and other environmental issues is rising each year. Companies are also being called upon to undertake more ambitious initiatives.

Against this backdrop, we formulated the Environmental Vision 2050, which sets out our vision for society to be achieved by 2050, as well as directions for our initiatives, with regard to climate change, resource circulation and preventing environmental pollution.

#### Aiming to Become Carbon Neutral by 2050

With regard to action to climate change, we will contribute to net-zero CO<sub>2</sub> emissions and the realization of a society that is resilient to climate change. We have recently revised Environmental Vision 2050 to incorporate our goal of becoming carbon neutral.

\* United Nations Intergovernmental Panel on Climate Change

#### Environmental Vision 2050

In December 2015, the Paris Agreement was adopted at COP21. Members of this accord agreed to curtail the rise in average global temperatures to 2°C above levels before the Industrial Revolution and to work to keep the rise to 1.5°C. Given such social demands, Mitsubishi Motors believes it can contribute toward the realization of a sustainable society, achieving a balance between the progress of humankind and the global environment, through the proliferation of electrified vehicles and the promotion of their use in society.

##### Action to Climate Change

Through electrified vehicles and the increased use of renewable energy, **we aim to become carbon neutral** and contribute to the realization of a society that is resilient to climate change.

##### Resource Circulation

We will contribute to a resource-recycling-oriented society by minimizing input resources and maximizing resource efficiency.

##### Pollution Prevention

We will contribute toward a society free of environmental pollution affecting human health and the ecosystem by reducing the environmental impact of our products and the pollution resulting from our business activities.

## Environmental Targets 2030

Targets 2030	Main Initiatives
<p><b>Action to Climate Change</b></p> <p>CO<sub>2</sub> emissions from new vehicles*<sup>1</sup>: <b>-40%</b> (compared with FY2010)</p> <p>CO<sub>2</sub> emissions from business activities*<sup>3</sup>: <b>-40%</b> (compared with FY2014)</p> <p>Implementation of measures to address climate change</p>	<ul style="list-style-type: none"> <li>Promotion of electric vehicles, centering on plug-in hybrid electric vehicles (PHEVs) (electric vehicles*<sup>2</sup> sales ratio: 50%)</li> <li>Improved fuel efficiency of ICE vehicles</li> <li>Promotion of energy conservation</li> <li>Introduction of renewable energy</li> <li>Promotion of V2X*<sup>4</sup> (DENDO DRIVE STATION/HOUSE)</li> <li>Contribution to adaptation through agreements in times of disaster</li> </ul>
<p><b>Resource Circulation</b></p> <p>Expanding adoption of plastic materials not derived from oil</p> <p>Achievement of zero direct landfill waste (less than 0.5%)</p> <p>Reuse of batteries used in electric vehicles</p>	<ul style="list-style-type: none"> <li>Development of material technologies</li> <li>Proactive use in parts</li> <li>Reduction of waste generation and promotion of reuse as resources</li> <li>Appropriate waste treatment</li> <li>Promotion of recovery and use (BESS*<sup>5</sup>, etc.)</li> <li>Technology development with a view to reuse (battery packs, systems)</li> </ul>
<p><b>Pollution Prevention</b></p> <p>Conformance to regulations on regulations on use of hazardous substances in products</p>	<ul style="list-style-type: none"> <li>Obtaining information on laws and regulations, enhancing the internal management structure</li> <li>Collaboration with suppliers</li> </ul>

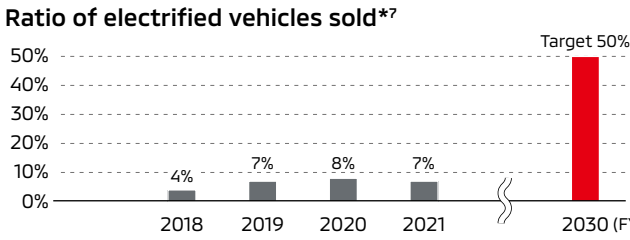
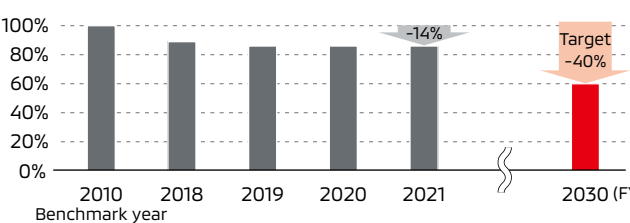
Environmental Management	
<ul style="list-style-type: none"> <li>Promotion of LCA*<sup>6</sup></li> <li>Expanded environmental information disclosure</li> <li>Collaboration with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of environmental management within the Group and at sales outlets</li> <li>Promotion of employee education and awareness activities</li> <li>Promotion of grass-roots community environmental preservation activities</li> </ul>

\*1: CO<sub>2</sub> emissions per new vehicle while driving \*2: Battery electric vehicles, plug-in hybrid electric vehicles (PHEVs), and hybrid electric vehicles  
 \*3: Scope 1 (direct emissions) and Scope 2 (indirect emissions)  
 \*4: A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others.  
 \*5: BESS stands for Battery Energy Storage System.  
 \*6: LCA stands for life cycle assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal.

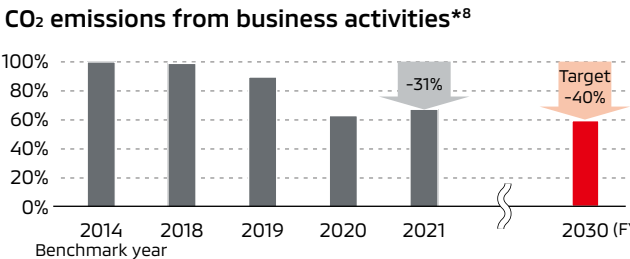
Environmental Vision 2050 sets out our vision for society in 30 years' time, as well as the directions for our initiatives. In line with this vision, we have formulated Environmental Targets 2030, which sets forth items to be addressed in the next 10 years. When setting these targets, we referred to various external scenarios and international frameworks.

Our principal targets and results for FY2021 are outlined below.

### Environmental Targets 2030: Principal Targets and Results



\*<sup>7</sup> Based on wholesale unit sales. MITSUBISHI MOTORS-brand products only.



\*<sup>8</sup> The decrease in CO<sub>2</sub> emissions from business activities is due to emission-reducing effect of introducing solar power generation and other measures, as well as to a decrease in production volume stemming from the COVID-19 pandemic, which has persisted since FY2020.

## Framework for Consideration in Formulation

MITSUBISHI MOTORS established the Environmental Working Group, made up of members from across the Company, and proceeded with considerations toward the formulation of the Environmental Plan Package.

After certain directions had been determined, a small circle chaired by the then-CEO moved forward to specifics. These were proposed to the Executive Committee and Board of Directors and approved.

<July 2018 to December 2019>

### Sustainability Committee

(Chair: CEO\*; members: Division general managers of relevant divisions)

#### Environmental Working Group

Leader: Technical advisor to the chairman\*<sup>1</sup>  
 Subleader: Division general manager of the Development Management Division\*<sup>1</sup>  
 Secretariat: Sustainability Promotion Department  
 Members: **Corporate departments**

- Strategy management
- Human resources
- Public and investor relations
- Asset management
- Finance

**Product and business activities departments**

- Technology strategy
- Manufacturing
- EV business
- Development management
- Materials technology
- Logistics
- Procurement
- Overseas sales
- Domestic sales
- After-sales service

<January–October 2020>

### Board of Directors

### Executive Committee

#### Small Circle

Members:

- CEO\*<sup>1</sup>
- Co-CEO (in charge of development)
- Director in charge of manufacturing
- Director in charge of sustainability
- Head of corporate strategy
- Division general manager of the Development Management Division
- Division general manager of the Product Strategy Division
- Division general manager of the Production Engineering Division

\*1 Positions as of March 2020

## Steps to Formulation

The Environmental Working Group we set up in FY2018 gathered data related to global social changes, such as economic growth and population increase, as well as environmental issues. In particular, the group looked for information on regions of importance to our business, ascertaining the status of local communities and government environmental policies. We also looked at unit sales and the number of vehicles owned in each country, arranging this data to match the Company's business characteristics by looking at our business data and results of environmental initiatives. The group also summarized our efforts to date.

Using this data, we then verified each of the environmental issues and our relationship to them. We identified three environmental issues to face head-on: action to climate change, resource circulation and pollution prevention. We considered the long-term outlook for these environmental issues by studying external scenarios from the IEA\*<sup>2</sup> and IPCC, as well as by running our own simulations. We then arranged the issues to be addressed by thinking about how to contribute in a manner tailored to local communities while maximizing our strengths, looking at each market from a regional perspective and considering plug-in hybrid electric vehicles (PHEVs) and other business characteristics.

Based on this analysis, we clearly spelled out the directions for initiatives indicated in the Environmental Policy and Environmental Vision and set numerical targets for the items in the Environmental Targets. In this way, we formulated the New Environmental Plan Package, which provides an overall summary of our environmental strategies.

In addition, we had outside experts review the draft package we had formulated, looking at it from a stakeholder perspective.

Going forward, we will continue to accumulate and analyze information on social trends and confirm the appropriateness of our Environmental Plan Package.

\*2: International Energy Agency

Gathering of Information

- **Social and economic conditions**  
Such as economic growth and population increases
- **Status of environmental issues**  
Climate change, resource depletion, environmental pollution, loss of biodiversity and shortage of water resources
- **Trends in key regions (Japan, ASEAN, Oceania, others)**  
GDP, changes in the population, government environmental policies, etc.
- **Automobile production and data related to the Company**  
<Business>  
Unit sales and number of vehicles owned, globally and by region  
<Results of Environmental Initiatives>  
CO<sub>2</sub> emissions (Scope 1, 2, 3), amount of waste generated, etc.

Analysis

- **Verify relationships between environmental issues and the Company**  
Identify environmental issues to face head-on
- **Consider long-term outlook for environmental issues**  
Gather external scenarios on CO<sub>2</sub> emissions, run our own simulations
- **Arrange initiatives to be taken, given our business characteristics (markets and products)**

Formulation

- **Clearly spell out the Environmental Policy and Environmental Vision 2050**
- **Consider initiatives in the Environmental Targets 2030, as well as numerical targets**

Review

- **Conduct review via outside experts**

## Environmental Management

### Basic Approach

Minimizing environmental impact is an essential element of MITSUBISHI MOTORS' sustainable growth. To this end, we recognize the importance of reinforcing our environmental management. We also believe that the costs of promoting related initiatives are an important investment from a long-term perspective.

In order to promote environmental initiatives reliably and efficiently, we have constructed a framework for environmental management. We are promoting

Group initiatives, including education and awareness activities for employees, and the acquisition of certifications for environment management systems among affiliated companies.

We also disseminate information about initiatives on our website and through our sustainability report. We value opportunities to receive feedback from our various stakeholders.

Please see page 123 for details on environmental accounting.

### Management Structure

Since 1993, we have been holding an Environmental Council, which is attended by the Executive Officer, President & CEO and officers from each division. The Sustainability Committee, chaired by the Executive Officer, President & CEO, has met since FY2017, and environmental initiatives have been positioned as key material issues for the Company. The committee discusses our environmental policies and targets and confirms the progress and results from the Environmental Targets 2030. Items of particular importance are reported to the Board of Directors.

For the management of target companies, we have established selection criteria as a framework for the scope of environmental targets and the collection and publication of environmental data, and we review these criteria on a regular basis.

### Management Target Companies (22 Companies)

As of March 31, 2022

Country	Company Name
Japan	MITSUBISHI MOTORS CORPORATION

### Production Affiliates

Country	Company Name
Japan	Pajero Manufacturing Co., Ltd. Suiryu 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	Mitsubishi Motors Krama Yudha Indonesia (MMKI)
Vietnam	Mitsubishi Motors Vietnam Co., Ltd. (MMV)
Malaysia	MMC Manufacturing Malaysia Sdn. Bhd, (MMCM)

### Non-Production Affiliates

Country	Company Name
Japan	Mitsubishi Automotive Engineering Co., Ltd. Mitsubishi Automotive Logistics Technology Co., Ltd. Higashi Nihon Mitsubishi Motor Sales Co., Ltd. Nishi Nihon Mitsubishi Motor Sales Co., Ltd.
United States	Mitsubishi Motors North America, Inc. (MMNA) Mitsubishi Motors R&D of America, Inc. (MRDA)
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)
Canada	Mitsubishi Motor Sales of Canada, Inc. (MMSCAN)

## Environmental Management System

In FY2010, MITSUBISHI MOTORS acquired companywide integrated ISO 14001 certification. (Previously, sites in Japan had acquired this certification individually.) We are leveraging the ISO 14001 framework and engaging in ongoing initiatives to improve business activities.

The ISO 14000 framework is proving helpful in the companywide promotion of the Environmental Plan Package we formulated in FY2020.

Affiliates in Japan and overseas are also being encouraged to acquire ISO 14001 and Eco-Action 21\*1 certification, and they are engaging in environmental management.

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

### Status of ISO 14001 Certification (As of May 31, 2022)

Development Companies
Mitsubishi Automotive Engineering Co., Ltd.
Production Companies
Suiryo Plastics Co., Ltd.
Mitsubishi Motors Philippines Corporation (MMPC)
Asian Transmission Corporation (ATC)
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)
MMTh Engine Co., Ltd. (MEC)
Mitsubishi Motors Krama Yudha Indonesia (MMKI)
Distribution and After-Sales Service Companies
Mitsubishi Automotive Logistics Technology Co., Ltd. (Maintenance Service & Logistics Business Division, Powertrain Department, Osaka Special Purpose Vehicle & Engineering Section of the Vehicle Business Department, Mizushima Maintenance Service Section of the Vehicle Business Department)

Please see page 44 for a list of the dealers that have received Eco-Action 21 certification.

## Promoting Life Cycle Assessment (LCA)

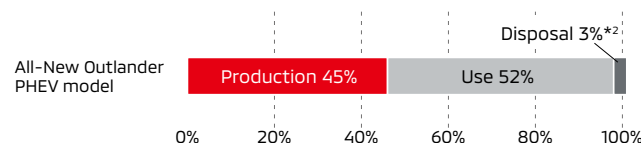
We perform LCA to determine the environmental impact across a product's life cycle. We evaluate total emissions, mainly of CO<sub>2</sub>, from such processes as extracting the resources used in parts and materials, producing materials, manufacturing parts, assembling vehicles, producing fuel, driving and disposing of disused automobiles.

We use LCA to develop advanced parts, electrified vehicles and new-model vehicles that help address the issues related to climate change and energy. We compare life cycle CO<sub>2</sub> emissions with those of previous parts and vehicles.

### Examples of LCA Implementation in FY2021

Model	Objective
All-New Outlander PHEV model	<ul style="list-style-type: none"> <li>Assessing the reduction compared with previous model</li> <li>Assessing the ratios for production, use and disposal</li> <li>Assessing the impact of components</li> </ul>

### LCA Results for All-New "Outlander PHEV Model" (CO<sub>2</sub> emissions ratio)



\*2 Excluding items that have been removed prior to disposal: bumpers, tires, lead batteries, lithium-ion drive batteries, etc.

In light of growing interest in the environmental impact across the entire life cycle in individual countries and regions, we will continue to strengthen our systems and build the foundations to ensure we remain abreast of developments related to regulations and incentives.

## Enhancing Disclosure of Environmental Information

We disclose information about our environmental initiatives through our website and sustainability report. We will continue to take leverage these initiatives to engage in dialogue with institutional investors and experts about environmental and other non-financial information.

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

The Company releases information on the concepts and details of its environmental initiatives on the Company website and in the sustainability report in order to make its environmental initiatives more widely known.

Sustainability website: "Environment"

[\(WEB\) https://www.mitsubishi-motors.com/en/sustainability/environment/](https://www.mitsubishi-motors.com/en/sustainability/environment/)

### Communication with Investors

We engage in dialogue with investors, exchanging opinions about environmental and other non-financial information.

In FY2021, our executives in charge of various areas of sustainability engaged in dialogue with the people in charge of stewardship at institutional investors in Japan and overseas. We listened to a host of opinions regarding climate change risks and opportunities, our response to the TCFD recommendations and our initiatives.

## Promoting Employee Education and Awareness Activities

MITSUBISHI MOTORS conducts sustainability-related awareness activities throughout the year as part of its aims of deepening the understanding of sustainability among all executives and employees and contributing toward the realization of a sustainable society through routine business activities. Environmental education and awareness are one aspect of these activities.

In FY2021, we conducted rank-based training and distributed videos to employees. In these ways, we sought to promote an understanding of our social responsibility for realizing a sustainable society, the relationship between sustainability and the environment, and the relationship between environmental issues and our business activities.

Please see page 11 for details on our activities to promote an awareness of sustainability.

## Collaborating 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, for example, which are attended by our business partners, and strive to

engage in communications to reduce the environmental impact of our entire supply chain.

Please see page 96 for details on the Green Procurement Guidelines.

## Promoting Environmental Preservation Activities Rooted in the Local Community

Recognizing the rich characteristics of life on land and the importance of our connection to this life, the Company promotes environmental preservation activities that are rooted in the local community. Realizing that factory construction and other types of land use have a direct or indirect impact on biodiversity, we strive to preserve surrounding ecosystems. We do so by carefully maintaining connections between factories and the natural environments that surround them and by maintaining green spaces within factory sites. By participating in forest preservation projects in Japan and overseas, we strive to select species that are suitable to specific regions. In addition, employee volunteers work with local residents to plant and cultivate trees, engaging in activities connected to local communities.

Please see page 58 for details on our preservation of biodiversity.

## Environmental Risk Management

Having learned from past cases of failing to comply with environmental regulations such as those aimed at preventing pollution, we make every effort to com-

ply with relevant regulations.

We sincerely respond to complaints from neighborhood residents after investigating the situation.

In the event that environmental laws and regulations are violated or an environmental accident occurs (such as if regulatory values are exceeded), 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, measures and more, and appropriate countermeasures are taken. Furthermore, in order to prevent recurrence, initiatives are in place to improve work processes, enhance the supervision system, and increase employee awareness.

In FY2021, we were subject to no fines or administrative orders stemming from violations of environmental laws and regulations\*. However, in two instances plants exceeded statutory values provided under the Water Pollution Prevention Act, and in one instance they exceeded statutory values provided under the Air Pollution Control Act.

Other than those cases mentioned above, voluntary internal checks and monitoring activities uncovered 7 cases of legal non-compliance (including delays in notification and inadequate inspections).

We responded to these incidents by swiftly taking corrective action, introducing measures to prevent recurrence and to stop the occurrence of similar cases by sharing information with other related divisions about the incidents and countermeasures.

\* Refers to 31 environment-related laws and regulations identified by the Company, including the Water Pollution Prevention Act and the Air Pollution Control Act.

# Responding to Climate Change and Energy Issues



## Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>As regulations on fuel economy, CO<sub>2</sub> and ZEVs* are strengthened, failure to comply could make the Company susceptible to fines, credit costs or increasing costs for technology development to achieve regulatory compliance.</li> <li>The Company could incur higher procurement costs, such as for electricity and raw materials, due to the introduction of carbon taxes or other carbon pricing.</li> <li>More frequent and intense meteorological disasters that damage production facilities or supply chain interruptions could halt production.</li> </ul>	<ul style="list-style-type: none"> <li>We could increase sales by enhancing our lineup of electrified vehicles and other products that help reduce CO<sub>2</sub> emissions.</li> <li>We could meet new demand for emergency power sources for use during meteorological disasters.</li> </ul>	<ul style="list-style-type: none"> <li>We will contribute to the realization of a society more resilient to climate change as we move toward net-zero CO<sub>2</sub> emissions through the growing proliferation of electrified vehicles and renewable energy.</li> </ul>

\* Zero emission vehicles (ZEVs) are electric vehicles (EVs) and fuel cell vehicles that emit no exhaust gases. Automotive regulations in the US state of California state that for manufacturers that sell more than a certain number of units in the state, a certain percentage of those units must be ZEVs.

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>More than 140 countries and regions pledging to be carbon neutral by 2050.</li> <li>Leading countries announcing higher 2030 targets moving toward COP26.</li> <li>Various national governments considering or announcing lower CO<sub>2</sub> and higher fuel economy standards, making electrified vehicles mandatory, banning the sale of vehicles with internal combustion engines, strengthening regulations on life cycle assessments (LCA).</li> <li>Automakers in Japan and overseas raising electrification targets.</li> </ul>	<ul style="list-style-type: none"> <li>As interest in environmental considerations mounts, growing expectation for carbon neutrality across the supply chain.</li> <li>Growing ESG investment (investors promoting changes in corporate activities)</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions from new vehicles: -40%</li> <li>Electrified vehicles sales ratio: 50%</li> <li>CO<sub>2</sub> emissions from business activities: -40%</li> <li>Promotion of initiatives to address climate change</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
By 2030, reduce CO <sub>2</sub> emissions from new vehicles by 40% (compared with FY2010)	Identify CO <sub>2</sub> emissions from new vehicles based on new business plan, and reflect in product plans for next fiscal year measures that will erase gaps between targets and identified results: CO <sub>2</sub> emissions Down 14% (result)	○
Achieve an electrified vehicles sales ratio of 50% by 2030	Identify ratio of electrified vehicles sales based on new business plan, and reflect in product plans for next fiscal year measures that will erase gaps between targets and identified results: electrified vehicles sales ratio 7% (result)	○
By 2030, reduce CO <sub>2</sub> emissions from business activities by 40% (compared with FY2014)	Reduction measures implemented: Installed a solar power system, upgraded to energy-saving equipment Established a system for promoting CO <sub>2</sub> reduction activities and set targets for each site and fiscal year Result of establishing a roadmap and implementing reduction measures: CO <sub>2</sub> emissions Down 31% (result)	○
Enact measures in response to climate change	Promote disaster countermeasures, such as electricity supply systems that use electrified vehicles. Specifically, introduced various measures, including the DENDO DRIVE STATION/HOUSE, DENDO Community Support Program and V2X demonstration project	○

○: As planned △: Delayed



Targets  
● 7.2  
● 7.3



Target  
● 9.4



Targets  
● 13.1  
● 13.2  
● 13.3

## Basic Approach

In recent years, extreme weather, such as heat waves, droughts and floods due to heavy rain, has caused disasters one after another around the world. The leading culprit behind these extreme-weather events is climate change, and global warming caused by CO<sub>2</sub> and other greenhouse gases is a major factor.

International frameworks for realizing a sustainable society, such as the Paris Agreement and the United Nations Sustainable Development Goals (SDGs) are making major progress. In particular, the Paris Agreement has set targets on climate change and fostered increased awareness toward corporate responsibility. Recently, Japan and more than 140 other countries have pledged to be carbon neutral by 2050. Japan, the United States and other countries have raised their targets for reducing greenhouse gas emissions by 2030. Thus, efforts to achieve a decarbonized society are rapidly gaining momentum.

Automobiles generate CO<sub>2</sub> throughout the life cycle, from production to driving and disposal. Accordingly, recognizing that "responding to climate change and energy issues" was particularly high in terms of stakeholder concern and degree of impact on MITSUBISHI MOTORS, we identified this as a material issue. In the Environmental Plan Package, this is also positioned as one of the material issues for the Company to address directly, and we are setting specific targets in this regard.

To reduce energy consumption and CO<sub>2</sub> emissions in all business activities, including development, production and distribution, as well as at and offices, we are promoting various initiatives, such as electrification technologies, the development of fuel-economy-improving technologies, the introduction of low-energy equipment in production processes and the use of renewable energy in offices and dealers. In particular, the Company (which counts electrification technologies as one of its strengths) should be able to work simultaneously to realize a sustainable society and achieve sustainable growth for the Company.

Our electrified vehicles have large-capacity batteries that can be used in energy management and as emergency power sources in times of disaster. Through these measures, we are also engaging in measures to adapt to climate change.

Going forward, we will strengthen our efforts to further reduce CO<sub>2</sub> emissions with the aim of becoming carbon neutral throughout the supply chain by 2050.





## Responding to the TCFD Recommendations

With the issue of climate change growing increasingly serious, the Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD), which in 2017 announced its recommendations. These recommendations encourage companies to disclose information related to climate change so that investors can appropriately assess climate-related risks and opportunities.

Recognizing the potential of climate change to present medium- to long-term risks and opportunities that affect its business domains, in July 2021 MITSUBISHI MOTORS expressed its support for the TCFD Recommendations. Accordingly, we are analyzing the impact of climate change on our businesses and finances (scenario analysis). We will reflect the results of scenario analysis in our management strategies to enhance the resilience of our strategies and improve information disclosure in accordance with the TCFD Recommendations.

### Governance

We have defined "responding to climate change and energy issues" as one of our materiality issues. The Sustainability Committee, which is chaired by the Executive Officer, President & CEO (who is also the chief executive officer responsible for climate change issues) deliberates on the assessment of climate change risks, opportunities and response measures. The committee also confirms the state of progress and results under Environmental Targets 2030. This committee meets three times a year, in principle. Matters of particular importance and discussed by, reported to and supervised by the Board of Directors.

For details regarding governance, please see the Sustainability Management on page 10 and Environmental Management on page 27.

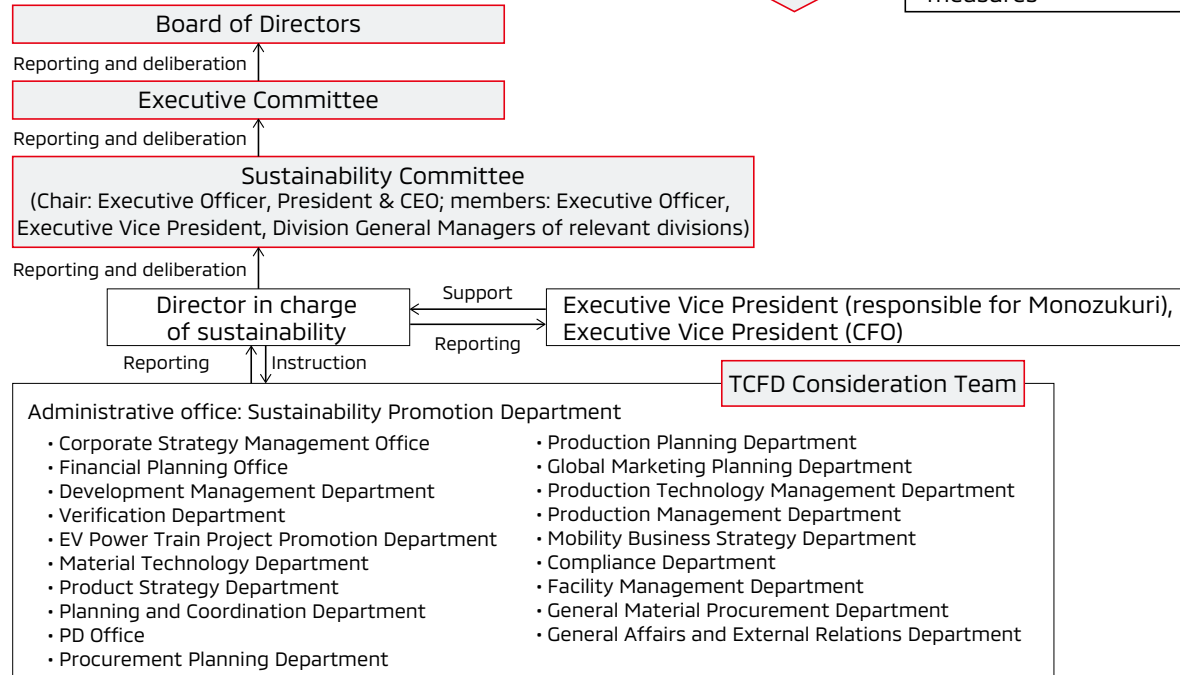
### Strategies

We consider climate change risks and opportunities to be an important perspective in the formulation of our business strategy. We identified and assessed short-, medium- and long-term risks and opportunities, and envisioned a society in 2030 based on multiple climate scenarios. In addition, we are analyzing the impact of risks and opportunities on our business and considering measures to deal with them.

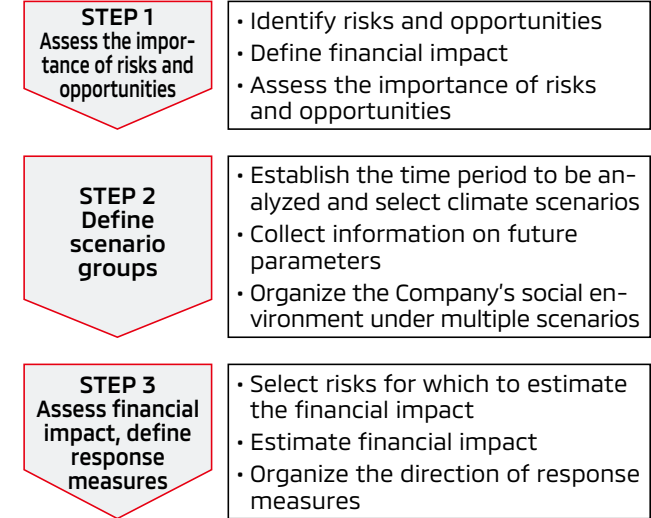
#### Scenario Analysis Process and Structure for Consideration

Upon expressing our support for the TCFD Recommendations, we formed a company-wide, cross-functional team to conduct a scenario analysis, using the property outlined at right.

#### Structure for Consideration



#### Scenario Analysis Implementation Process





### Climate Change Risks and Opportunities

We identified and evaluated risks and opportunities that could affect MITSUBISHI MOTORS' business activities, based on the timing of occurrence and degree of impact. As particularly high-impact migration risks, we identified the "strengthening of requirements for fuel economy/CO<sub>2</sub> and zero-emission vehicles" and the "introduction and expansion of carbon pricing." We identified "increasing frequency and intensity of meteorological disasters" as a physical risk. While these risks may affect our business in various ways, we recognize that responding appropriately to these risks will lead to greater sales of electrified vehicles and new business opportunities.

### Recognized Risks and Opportunities

Category		Item	Assumed Impact on the Company's Business Activities	Timing of the Impact*	Degree of impact
Migration risks	Policies and regulations	Strengthening of requirements for fuel economy/CO <sub>2</sub> and zero-emission vehicles	<ul style="list-style-type: none"> <li>Increased development/procurement/production costs to comply with stricter regulations</li> <li>Increase in fines and credit purchase costs due to non-fulfillment of regulations</li> </ul>	Medium/long term	Large
		Introduction and expansion of carbon pricing	<ul style="list-style-type: none"> <li>An increasing tax burden on the Company's emissions due to the introduction and expansion of carbon taxes and other sorts of carbon pricing, as well as higher prices on carbon, and higher costs due to a price shift toward the procurement, production and logistics stages</li> </ul>	Medium/long term	Large
	Markets	Changes in the energy mix	<ul style="list-style-type: none"> <li>Higher energy costs due to a rise in electricity prices resulting from the increased introduction of renewable energy and carbon-neutral sources of electricity, such as hydrogen</li> </ul>	Medium/long term	Medium
		Tight supply and demand for raw materials (rare metals)	<ul style="list-style-type: none"> <li>Rise in the cost of raw materials (such as rare metals) and components due to growing demand for storage batteries</li> </ul>	Medium/long term	Medium
		Changes in user awareness and behavior	<ul style="list-style-type: none"> <li>Decrease in sales volume due to the development of public transportation infrastructure and the proliferation of sharing in urban areas</li> </ul>	Medium/long term	Medium
Reputation	Increasingly stringent assessment by ESG institutions and stakeholders	<ul style="list-style-type: none"> <li>Decline in the Company's social image and share price</li> </ul>	Short/medium term	Medium	
Physical risks	Acute	Increasing frequency and intensity of meteorological disasters	<ul style="list-style-type: none"> <li>Damage to buildings and facilities caused by typhoons and torrential rains, and the suspension of operations at production facilities due to supply chain disruptions (delays in the supply of parts stemming from damage to suppliers and the disruption of transportation routes)</li> </ul>	Short/medium/long term	Large
	Chronic	Rise in average temperatures	<ul style="list-style-type: none"> <li>Rising (energy) cost of air conditioning to maintain the work environment and employee health</li> </ul>	Short/medium/long term	Small
		Rise in ocean levels	<ul style="list-style-type: none"> <li>Increased flooding and surge in the instance of storms due to rising sea levels, resulting in operational shutdowns at manufacturing facilities and increased investment in disaster countermeasures</li> </ul>	Short/medium/long term	Medium
Opportunities	Products and services	Growing demand for electrified vehicles	<ul style="list-style-type: none"> <li>Expand sales of electrified vehicles by improving product capabilities and taking advantage of government and municipal measures to promote electrified vehicles</li> <li>Increase sales of electrified vehicles and V2X-related equipment/services in line with the growing value of electrified vehicles as energy infrastructure</li> <li>Boost sales of electrified vehicles that can help supply power in response to growing demand to securing sources of emergency power in times of disaster</li> </ul>	Medium/long term	Large
	Energy sources	Advancement in energy technologies	<ul style="list-style-type: none"> <li>Reduce energy costs by promoting energy conservation activities and the introduction of renewable energy</li> </ul>	Medium/long term	Medium

\*: Timing of the impact  
 Short term: Up to three years; medium term: three to 10 years; long-term: more than 10 years. Some issues impacts have already occurred as a result of the recent international situation.

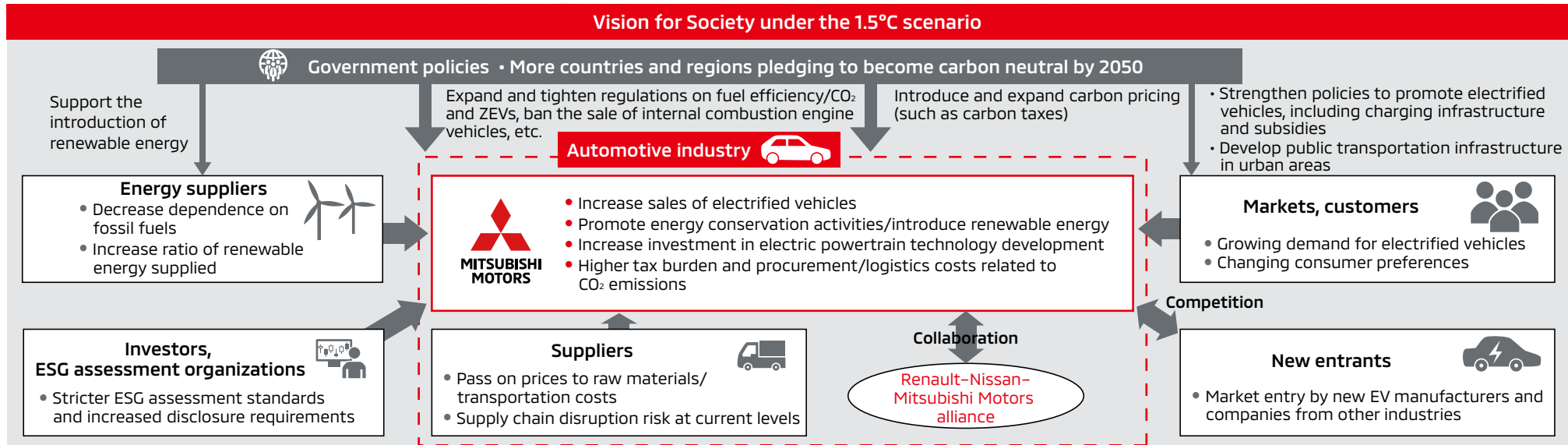


### Visions for Society in 2030 Based on Multiple Climate Scenarios

To understand the future impact of climate change risks and opportunities on MITSUBISHI MOTORS' business, we drew up three visions for society in 2030 based on climate scenarios and forecast information from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC): a 4°C scenario, a 2°C scenario and a 1.5°C scenario.

	Main reference scenarios	Visions for society in 2030
4°C scenario	<ul style="list-style-type: none"> <li>IEA Stated Policies Scenario</li> <li>IPCC RCP8.5/SSP5-8.5, RCP4.5/SSP2-4.5 scenarios</li> </ul>	While many developed countries are raising government targets and tightening policies and regulations, this tendency has not spread to emerging markets, and societies remain dependent on fossil fuels. As a result, global CO <sub>2</sub> emissions have not been reduced, temperatures continue to rise, and weather disasters such as typhoons and torrential rains have become more frequent and severe over a wider area than at present. Regulations on fuel efficiency/CO <sub>2</sub> , ZEVs, and other policies to promote electrified vehicles, such as charging infrastructure and subsidies, have been introduced and strengthened only in certain countries and regions (urban areas), and electrified vehicles have not been widely adopted, leaving the market dominated by internal combustion engine vehicles.
2°C scenario	<ul style="list-style-type: none"> <li>IEA Sustainable Development Scenario</li> <li>IPCC RCP2.6/SSP1-2.6</li> </ul>	Both developed countries and emerging markets have raised government targets and strengthened policies and regulations based on the Paris Agreement. With the shift to renewable energy, global CO <sub>2</sub> emissions are being reduced amid population and economic growth. Although the rise in temperatures has been controlled to some extent, weather disasters such as typhoons and torrential rains are occurring at current levels. Demand for electrified vehicles is increasing due to a rise in the number of countries introducing and strengthening regulations on fuel efficiency/CO <sub>2</sub> and ZEVs, as well as policies aimed at the popularization of electrified vehicles in various countries. In addition, the number of countries and regions introducing carbon taxes and other carbon pricing measures is expanding, and carbon prices are rising.
1.5°C scenario	<ul style="list-style-type: none"> <li>IEA Net Zero Emissions by 2050</li> <li>IPCC SSP1-1.9</li> </ul>	An increasing number of countries and regions around the world have net-zero targets, as well as policies and regulations that go even further than under the 2°C scenario. The renewable energy ratio has increased significantly, and the expansion of hydrogen and other low-carbon power sources has greatly reduced dependence on fossil fuels. Although the rise in temperatures has been controlled to some extent, weather disasters such as typhoons and torrential rains are occurring at current levels. Regulations on fuel efficiency/CO <sub>2</sub> and ZEVs and policies to promote electrified vehicles have been further expanded and strengthened from the 2°C scenario, and demand for electrified vehicles has increased significantly. In addition, carbon pricing has been rising in the countries and regions where it has been introduced, and the carbon price has increased even more than under the 2°C scenario. In addition, consumer behavior is undergoing a major transformation, including more ride-sharing in urban areas, use of public transportation, and more short-distance travel by bicycle and on foot.

### Vision for Society under the 1.5°C scenario (concept drawing)





### Impact of Risks and Opportunities on MITSUBISHI MOTORS' Business Activities

We looked at risks and opportunities with regard to items that had a particularly high degree of impact under the 1.5°C scenario and 2°C scenario (under which "action to climate change" is being taken for society as a whole) and under the 4°C scenario (under which "action to climate change" is not being taken), considering the impact on the Company's business activities.

Scenario		Risks/Opportunities		Assumed impact on the Company's business activities	Key countermeasures
Item					
1.5°C/ 2°C	(1) Strengthening of requirements for fuel economy/CO <sub>2</sub> and zero-emission vehicles	Risks	<ul style="list-style-type: none"> <li>Need for both developed countries and emerging markets to comply with stricter regulations</li> <li>Increasing likelihood of noncompliance</li> </ul>	<ul style="list-style-type: none"> <li>Higher development/procurement/production costs</li> <li>Fines and credit purchase costs increase if regulations are not met</li> </ul>	<ul style="list-style-type: none"> <li>Reduce costs by taking advantage of the alliance, such as by standardizing components</li> <li>Promote electrification, including PHEVs and EVs</li> </ul>
		Opportunities	<ul style="list-style-type: none"> <li>Growing demand for electrified vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Increased sales of electrified vehicles and expansion of the value chain related to electrified vehicles</li> </ul>	
	(2) Introduction and expansion of carbon pricing	Risks	<ul style="list-style-type: none"> <li>Introduction and expansion of carbon taxes, causing carbon prices to rise</li> </ul>	<ul style="list-style-type: none"> <li>Increased direct and indirect tax burdens and higher costs at the procurement, production and logistics stages</li> </ul>	<ul style="list-style-type: none"> <li>Promote energy conservation activities and introduce renewable energy</li> </ul>
		Opportunities	<ul style="list-style-type: none"> <li>Promotion of energy-saving technologies</li> <li>Increasing use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Lower energy costs</li> </ul>	
4°C	(3) Increasing frequency and intensity of meteorological disasters	Risks	<ul style="list-style-type: none"> <li>Increased possibility of factory damage and supply chain disruptions due to frequent and severe heavy rain and flooding</li> </ul>	<ul style="list-style-type: none"> <li>Damage to production and development facilities</li> <li>Lower earnings due to operational shutdowns</li> </ul>	<ul style="list-style-type: none"> <li>Review BCP, assuming such factors as heavy rain and flooding</li> <li>Consider and implement flood control measures (such as the installation of water-prevention panels)</li> <li>Same as (1)</li> </ul>
		Opportunities	<ul style="list-style-type: none"> <li>Greater demand for electrified vehicles, owing to growing need to secure emergency power sources</li> </ul>	<ul style="list-style-type: none"> <li>Increased use of electrified vehicles that can help supply emergency power</li> </ul>	

### Our State of Response

Looking 30 years into the future, in 2020 we formulated the Environmental Plan Package to promote climate change countermeasures. As for climate change countermeasures in the product area, in the May 2021 update to our mid-term business plan, "Small but Beautiful," we announced that electrified vehicles would be available for all models by 2030. We will proactively launch electrified vehicles, such as the All-New "Outlander PHEV Model" and the "Eclipse Cross PHEV Model" targeting mainly developed countries and regions that are enhancing their infrastructures and adopting more stringent regulations. Meanwhile, in emerging markets we plan to strengthen our competitiveness by providing products that are suited to regional requirements.

In business activities, we are working to reduce CO<sub>2</sub> emissions by promoting energy conservation efforts at each of our sites and introducing renewable energy. Through such moves, we will prepare ourselves for carbon taxes and other risks. At the same time, we will strive to promote adaptation measures, such as the formulation of a business continuity plan (BCP), in case weather disasters become more frequent and severe. <Key Initiatives under the Environmental Plan Package>

- Products: Promote electrification centered on our proprietary plug-in hybrid electric vehicles (PHEVs) and Kei-class commercial EVs (BEVs) while reducing costs through the standardization of components by leveraging the alliance.

- Business activities: Promote energy conservation activities and the introduction of renewable energy.
- Responses: Collaborate with governments, companies and other organizations on the practical application of energy management, V2X\* and emergency power sources for use in times of disaster, utilizing the battery and power supply functions of electric vehicles (EVs) and PHEVs. Formulate business continuity plans for flooding and other risks at each site based on hazard maps, and develop systems and operational procedures in preparation for natural disasters.

\* A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G)

MITSUBISHI MOTORS believes that by combining various options through alliances and proprietary technologies and by possessing a lineup of BEVs, PHEVs, and hybrid electric vehicles (HEVs), it can provide optimal solutions in terms of LCA\*<sup>1</sup> according to uncertain future scenarios and power supply configurations that vary by country, region and era.

At the same time, based on the results of the scenario analysis we conducted in FY2021 and the recent trend targeting carbon neutrality by 2050 (such as governmental declarations of carbon neutrality, target increases and policy enhancements, investor requests, and intensified corporate initiatives), we recognize the need to formulate business strategies that assume a 1.5°C scenario and review our Environmental Targets 2030. We will consider how to respond to this issue, taking into account the situation in ASEAN and other core markets, while keeping an eye on future trends toward regulatory tightening and expansion.

\*<sup>1</sup> Life cycle assessment, a technique for calculating the total environmental impact of a product, from manufacturing to disposal

## Risk Management

Our Sustainability Committee assesses and identifies climate change risks. The head of the Internal Control Promotion Office, which oversees company-wide risk management, is a member who participates in the committee's discussions.

We have established the Internal Control Committee, which is chaired by the Executive Officer, president & CEO, to create risk control system for the entire company. Climate change risks identified by the

Sustainability Committee are integrated into company-wide risk management by the Internal Control Committee, and are positioned as one of the priority risks to be addressed and managed appropriately.

For details related to risk management, see P10 "Sustainability Management," P110 "Internal Control" and P111 "Risk Management."

## Indices and Targets

When formulating the Environmental Plan Package in 2020, we established the Environmental Vision 2050, which sets out our vision for society to be achieved by 2050 and directions for our initiatives; and the Environmental Targets 2030, which clarifies specific initiatives to be achieved by 2030 in accordance with this vision. Under "Action to Climate Change," which we positioned as a topmost issue, we have set a target of reducing emissions under Scope 3\*<sup>2</sup>, Category 11 (Use of sold products), which accounts for around 70% of total emissions throughout our supply chain: "a 40% reduction in CO<sub>2</sub> emissions from new vehicles (compared with FY2010 levels)" and "electrified vehicle sales ratio of 50%." For Scope 1 and 2\*<sup>2</sup>, we set the target of "a 40% reduction in CO<sub>2</sub> emissions from our business activities (compared with FY2014 levels)." We set 2030 as our target date for these.

\*<sup>2</sup> Scope 1: A company's direct emissions (such as from burning fuel)  
 Scope 2: Indirect emissions, resulting from electricity, heat or steam provided by another company  
 Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions from other companies and other sources related to the company's activities)



For details on indicators and targets, please see the following.

P24 "Environmental Plan Package", P120 "Environmental Data Related to Products and Business Activities (Sales of Electrified Vehicles, Scope 1, 2, 3 Emissions Results)"

## Reducing CO<sub>2</sub> Emissions across the Supply Chain

In its Environmental Targets 2030, MITSUBISHI MOTORS has set targets for reducing CO<sub>2</sub> emissions from new vehicles and business activities. We are also working to decrease CO<sub>2</sub> emissions across the supply chain in relation to corporate activities.

To calculate CO<sub>2</sub> emissions across the supply chain, in addition to emissions resulting from our own business activities (such as from our fuel use and from the generation of electricity we use), we determined emissions from the procurement and transport of raw materials, vehicle travel times, and at the disposal stage. In FY2021, across the supply chain our CO<sub>2</sub> emissions were 28,557 thousand tons of CO<sub>2</sub> equivalent.

▶ Data (pp. 120–121): CO<sub>2</sub> emissions, Scope 3 breakdown, energy input (primary, secondary energy)

## Development and Spread of Electrified Vehicles

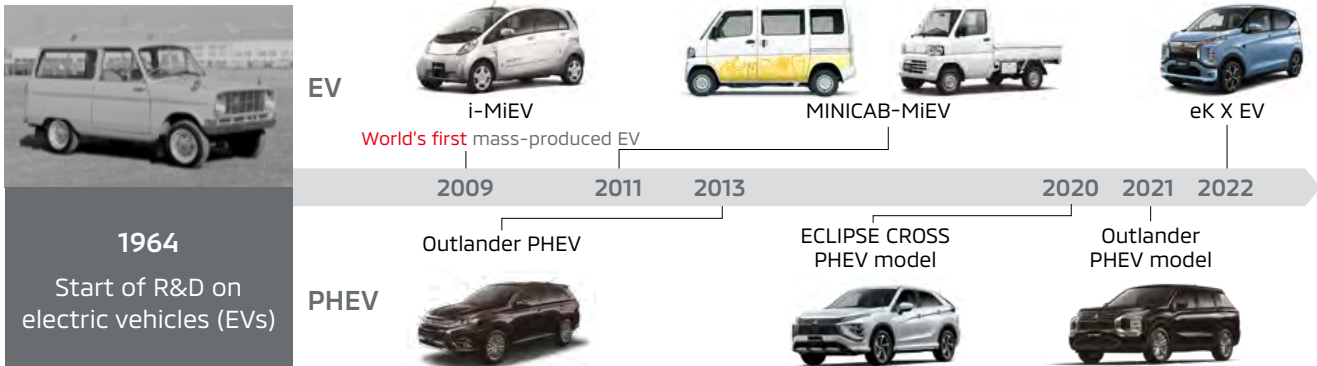
Automobiles emit CO<sub>2</sub> throughout their life cycle, during production, driving and disposal. Emissions are particularly high during the driving phase.

In our Environmental Targets 2030, MITSUBISHI MOTORS set the target of achieving a 40% reduction in CO<sub>2</sub> emissions from new vehicles by 2030 (compared with FY2010 levels). To meet this target, we have raised our target ratio of electrified vehicle sales to 50% by 2030. This change focuses our core technologies on responding to climate change and energy issues through electrified vehicles, which emit little CO<sub>2</sub> while driving, and concentrates on their development. Centering on our strength in plug-in hybrid electric vehicles (PHEVs), we will expand our lineup of electrified vehicles, thereby promoting their popularization and use in society and contributing toward the realization of a sustainable society.

### Electric Vehicles (EVs)

Electric vehicles (EVs) are driven by electricity in battery, so they emit no exhaust gases such as CO<sub>2</sub> while driving.

### Our History of Developing Electrified Vehicles



The Company released the "i-MiEV" as the world's first mass-produced Electric Vehicle (EV) in 2009. In addition to its environmental performance, the "i-MiEV" performed better than conventional gasoline engine vehicles on acceleration starting from maximum torque. In 2011, we launched the "MINICAB-MiEV," a Kei-car segment commercial electric vehicle (EV). In 2012, we began offering the "MINICAB-MiEV TRUCK," also a electric vehicle (EV) in the Kei-car segment. These technologies are the foundation of next-generation electrified vehicles, such as PHEVs.

We believe that expanding the lineup of Kei-class electrified vehicles, which are expected to be used in more everyday situations, will be the key to the spread of electric vehicles (EVs). Accordingly, in June 2022 we launched the "eK X EV," a new electric vehicle (EV) in the Kei-car class, and in autumn of 2022 we plan to launch the "MINICAB-MiEV," a commercial battery-powered vehicle in the Kei-car segment. We will continue to focus on the development of electric vehicles (EVs) to contribute toward the realization of a carbon neutral society.

## TOPICS

### Launch of the "eK X EV," a New Electric Vehicle (EV) in the Kei-Car Class



We established the "eK X EV" as our new electric vehicle (EV) in the Kei-car class, and commenced sales in June 2022. The new "eK X EV" is a new electric vehicle (EV) model in the eK X Series\*1 of Kei-class vehicles with an SUV flavor. It has a driving range of 180 km per charge (WLTC Mode)\*2, which is sufficient for daily use, and offers smooth and powerful acceleration, superb quietness and the excellent ride comfort that only an electric vehicle (EV) can offer. A newly developed EV system optimizes the layout to ensure a user-friendly, spacious and comfortable interior space. At the same time, a low center of gravity and ideal front-rear weight distribution provide excellent handling stability, while advanced driver-assistance functions and connected technologies reduce the burden on the driver and provide a safe, secure and comfortable driving experience.

The high-capacity drive battery is reliable in emergencies, and the V2L\*3 device can be used as a convenient power source for electrical appliances. The battery also helps address electricity supply and demand problems by connecting household electricity use and vehicle charging via V2H\*4 equipment.

\*1 The "eK X" (a Kei-car height wagon) and the "eK X Space" (a super-height Kei wagon)  
 \*2 According to our studies, around 80% of users of mini cars and compact cars drive 50 km or less per day. We therefore assume that most people will be able to drive for two days without recharging their batteries.  
 \*3 Short for "vehicle to load," V2L is an arrangement that allows devices to tap the electricity stored by a vehicle.  
 \*4 Short for "vehicle to home," V2H is a system that enables electricity stored in a car's battery to be supplied to the home.



Targets  
● 7.2  
● 7.3



Target  
● 9.4



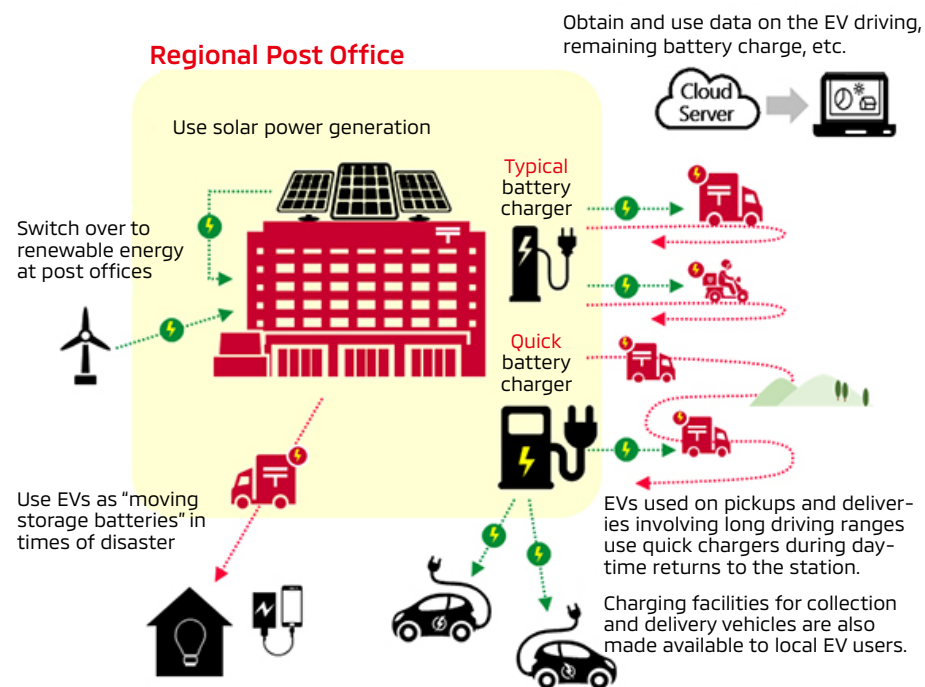
Targets  
● 13.1  
● 13.2  
● 13.3

## TOPICS

### Start of Demonstration Testing on Using Electric Vehicles (EVs) for Postal Delivery

In collaboration with Japan Post Holdings Co., Ltd., Japan Post Co., Ltd. and Tokyo Electric Power Company Holdings, Inc., MITSUBISHI MOTORS has commenced full-fledged demonstration tests in an effort to promote carbon neutrality.

A total of 20 "MINICAB-MiEV" commercial Kei-car class electric vehicles (EVs) were used in this demonstration test at the Oyama Post Office in Tochigi Prefecture and the Numazu Post Office in Shizuoka Prefecture. By acquiring and analyzing data on driving and remaining battery capacity, we will work to improve the driving performance. In addition to the electric vehicles (EVs) introduced for collection and delivery at post offices, these efforts will apply to commercial electric vehicles (EVs) as a whole, thereby contributing to the spread of electrified vehicles throughout Japan.



### Plug-in Hybrid Electric Vehicles (PHEVs)

PHEVs are powered by electricity stored in batteries and by the motor, using the engine to generate electric power when the battery level is low. Concern over the driving range is no longer an issue as it offers the advantages of electric vehicles (EVs): powerful driving, superb quietness and high stability.

Our journey in PHEVs began with the "Outlander PHEV" in 2013, followed by the "Eclipse Cross PHEV Model" in 2020 and the launch of the All-New "Outlander PHEV Model" in 2021. At low to medium speeds, the PHEV system uses electric power from the battery, but when the battery level is low, it generates electric power during operation using the engine while also supplying power to the motor and battery. Furthermore, during high-speed driving, the vehicle is driven by the engine and simultaneously assisted by the battery-powered motor. In this way, the drive mode is automatically selected according to the situation. CO<sub>2</sub> emissions are substantially lower than conventional gasoline engine vehicles, delivering outstanding environmental performance.

The Values Plug-in Hybrid Electric Vehicles (PHEVs) Provide:

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

**Production** → **Disposal**

CO<sub>2</sub> emissions ■ Production/disposal ■ Travel

Vehicle Type	Region	Production/Disposal	Travel
HEV*1	Japan	High	High
	Europe	High	High
PHEV	Japan	Low	Low
	Europe	Low	Low
EV*2	Japan	High	Low
	Europe	High	Low

High level of CO<sub>2</sub> emitted during travelling (HEV)

Relatively less CO<sub>2</sub> emitted during production and travel\*3 (PHEV)

Higher level of CO<sub>2</sub> emitted during production\*3 (EV)

Note: Based on MITSUBISHI MOTORS' estimate of actual CO<sub>2</sub> emissions in 2025

Using the LCA\*4 concept, which is based on calculations of total environmental impact from production to disposal, MITSUBISHI MOTORS believes PHEV system is the most environmentally friendly electrical drive systems.

\*1 Hybrid electric vehicle  
 \*2 Electric vehicle  
 \*3 CO<sub>2</sub> emissions during travel include CO<sub>2</sub> emissions generated when electricity to charge the battery is generated.  
 \*4 LCA stands for life cycle assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal.

### Travel Range

**Powered 100% by electricity for short trips**

**On longer trips, powered by electricity and sometimes gasoline**

It is possible to use only the electric motor without consuming gasoline for short trips, such as for everyday commuting and shopping. The motor and engine can also be used in combination to extend the travel range, using the engine to generate the electricity when battery levels run low.

### Power Supply Capability

**Supply electricity for up to 12 days**  
 (Based on general household consumption)

Via a bi directional (V2H: Vehicle - to -Home) charger, the electricity in the battery and the engine's generating capabilities can be used in combination to supply electricity for up to 12 days\*5. It can also be used as an emergency power source in times of disaster.

\*5 For the All-New "Outlander PHEV Model"  
 Potential supply capacity is calculated by MITSUBISHI MOTORS (calculations assume approximately 10 kWh per day for general household power consumption and do not include the conversion efficiency of the V2H equipment and/or similar device).





Targets  
● 7.2  
● 7.3



Target  
● 9.4



Targets  
● 13.1  
● 13.2  
● 13.3

TOPICS

Launch of the All-New "Outlander PHEV Model"



MITSUBISHI MOTORS has introduced a PHEV variant of the All-New "Outlander," a crossover SUV. The model launched in December 2021.

The All-New "Outlander" inherits an enhanced PHEV system with a twin-motor 4WD system consisting of one front and one rear high-output motor, a large-capacity battery and a 2.4L MIVEC engine. Combined with a control system with advanced braking performance, it delivers nimble and desired handling characteristics along with powerful acceleration, making it a safe, secure, and comfortable electrified vehicle in all situations.

The battery capacity is 20 kWh, a 45% increase over the previous model, and the EV cruising range is 87 km (WLTC Mode), improving EV performance and making EV driving sufficient for daily life.

There are three driving modes: EV Mode drives with the electric motors using power from the battery, Series Hybrid Mode uses gasoline engine to generate power for the electric motors which drive the vehicle, and Parallel Hybrid Mode uses gasoline engine to drive the vehicle assisted by the electric motors. Automatic switching between these modes according to driving conditions allows drivers to feel the driving pleasure of motor drive in a variety of environments.

TOPICS

Top PHEV Sales Volume in Japan in FY2021



In 2021, we sold more PHEVs than any other company in Japan\*, at 11,663 units. This figure reflects total sales of the All-New "Outlander PHEV Model," the previous-generation "Outlander PHEV" and the "Eclipse Cross PHEV Model."

Since 2013, when we launched the world's first SUV PHEV, the "Outlander PHEV," we have sold 30,000 units in more than 60 countries, earning us the lead in the PHEV category.

\*1 According to data from the Japan Automobile Dealers Association from April 2021 to March 2022

Promoting the Use of Electrified Vehicles as a Way of Adopting to Climate Change

By leveraging the large-capacity batteries on its electric vehicles (EVs) and PHEVs to supply electricity, the Company is contributing to measures in various countries and industries to adapt to climate change and energy issues. We are applying these to such areas as energy management, V2X\*2 and use as emergency power sources in times of disaster.

\*2 A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

TOPICS

Start of a Demonstration Project to Adjust Charging toward Electrified Vehicles with a View to Realizing Dynamic Pricing

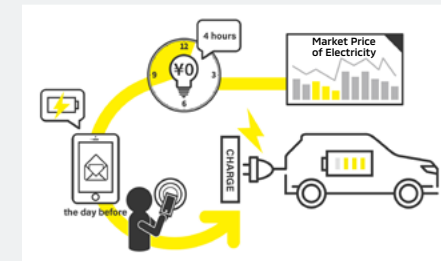
Along with MC Retail Energy Co., Ltd., we were selected to participate in the FY2020 Demonstration Project on Using Dynamic Pricing to Shift the Charging of Electrified Vehicles. A demonstration project took place in December 2021.

The ministry is concerned that the growing popularity of electrified vehicles could result in an increased load on the power grid if charging periods are concentrated. Dynamic pricing is an arrangement in which electricity rates vary depending on supply and demand. When demand for electricity increases, rates rise. Conversely, rates fall when excess supply exists, encouraging people to charge vehicles during off-peak times and reducing the load on the power grid.

In this demonstration project, we invited customers who own their electrified vehicles to participate, acting as monitors. We contacted monitors by social media or email a day in advance about four-hour windows during which electricity rates on the Japan Electric Power Exchange (JEPX) were lowest. We encouraged them to charge their electrified vehicles for free during these periods.

This project enabled electricity retailers to consider the viability of this arrangement, encouraged a shift in behavior among electrified vehicle owners and provided a chance to study the impact on the power grid.

<Flow of Activity with Demonstration Project Monitors>





Targets  
● 7.2  
● 7.3



Target  
● 9.4



Targets  
● 13.1  
● 13.2  
● 13.3

## Development of Improving Fuel Economy Technologies

MITSUBISHI MOTORS is developing engine and body technologies to reduce fuel and energy waste in order to improve the fuel efficiency of vehicles with conventional engines.

### Idle-Stop "AS&G"

AS&G is an idling stop function that automatically stops and starts the engine when the vehicle stops or moves off. This has a major effect on improving the fuel economy because no fuel is consumed when at a stop. When fitted with a coasting stop function, AS&G stops the engine while decelerating.

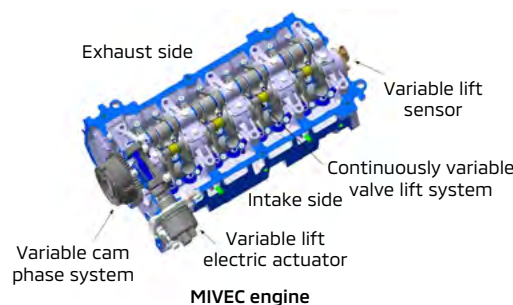


### Hybrid System

Vehicles in the eK series (except for the "ek Wagon") adopts a hybrid system, using the energy produced during deceleration to efficiently charge lithium-ion batteries. The electric motor assists the engine during acceleration, providing a torque yet fuel-efficient drive.

### Variable Valve Timing Mechanism

#### Mitsubishi Innovative Value timing Electronic Control System (MIVEC)



The 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.

### Gasoline Direct-Injection Turbo Engine

The "Eclipse Cross" adopts with a 1.5L downsized direct-injection turbo engine. By precisely controlling in-cylinder injection and intake port injection based on driving circumstances, this engine delivers superior fuel economy and a clean exhaust gas. By combining an exhaust manifold integrated with the cylinder head, intake and exhaust MIVEC, and a compact turbocharger with an electric wastegate actuator, the engine optimizes supercharging pressure control to respond as the driver demands, avoiding unnecessary accelerator operation and helping to increase fuel economy.



### 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. This is improving fuel consumption by reducing the load on the engine during charging and power generation.

## System to Promote the Reduction of CO<sub>2</sub> Emissions from Business Activities

In October 2021, MITSUBISHI MOTORS established the Subcommittee to Promote the Reduction of CO<sub>2</sub>, chaired by the director in charge of manufacturing, to achieve the CO<sub>2</sub> emission reduction targets in its business activities set forth in the Environmental Targets 2030.

The subcommittee shares information on the progress of activity plans and actual CO<sub>2</sub> emissions, and discusses issues such as the planning of reduction measures, consideration of future technologies, and the future energy mix.

In April 2022, the company also established the Office for the Promotion of Carbon-Neutral Business Activities to promote activities throughout the Company.

### Organization of the Subcommittee to Promote the Reduction of CO<sub>2</sub>

Chair	Director in charge of manufacturing
Person in charge of the initiative	Division General Manager, Production Engineering Division
	In charge of promoting overall activities (Office for the Promotion of Carbon-Neutral Business Activities)
<b>Promotion structure</b>	
	Person in charge of promotion
Production Engineering	Division General Manager, Production Engineering Division
Domestic plants	Plant managers
Overseas plants	People in charge of production companies overseas
Development (business sites)	Division General Manager, Development Management Division
Sales companies	Presidents of sales companies
Electricity procurement	Division General Manager, Procurement Communication Division
Gathering/sharing of information	General Manager, Sustainability Promotion Department

## Introduction of Renewable Energy

To reduce the amount of CO<sub>2</sub> emitted from our business activities, we are setting up rooftop solar power system at plants in Japan and overseas. We are also studying and considering the feasibility of introducing other renewable energy sources.

In FY2021, we set up a 2.0 MW rooftop solar power system at the new paint plant of the Laem Chabang Plant of Mitsubishi Motors (Thailand) Co., Ltd. (MMTh). Preparations are also underway for the introduction of solar power generation equipment at production plants in other ASEAN countries, including Indonesia and the Philippines.

### TOPICS

#### Start of Operations of a New Paint Plant and Solar Power System (MMTh)

In January 2022, operations commenced at the new paint plant of Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), substantially reducing its environmental impact.

The new paint plant is expected to save 30% of the energy required by the previous plant and reduce CO<sub>2</sub> emissions by approximately 10,000 tons per year, thanks to the elimination of some drying furnaces, owing to improvements in paint and equipment, the adoption of energy-saving equipment, and the effect of plant consolidation.

We have also introduced new technologies to reduce environmental impact. These include a wastewater recycling system using reverse osmosis treatment, and a move to water-based paints and cartridge-type coating machines to reduce VOC emissions.

In addition, a 2.0 MW solar power system has been installed on the roof of the new paint plant, which is expected to reduce CO<sub>2</sub> emissions by 1,700 tons per year.



Solar power system at MMTh's new paint plant

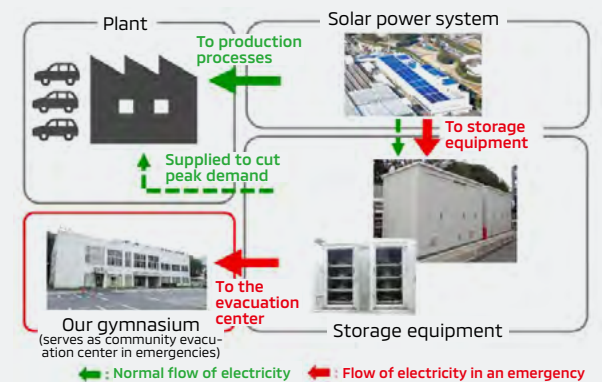
### TOPICS

#### Power Storage System Employing a Solar Power System and Used Batteries (Okazaki Plant)

At the Okazaki Plant, we have installed a 3.3 MW solar. We have also introduced a 0.6 MWh solar power system\* employing reused batteries from "Outlander PHEVs" produced at the plant.

The power storage system is used to cut peak loads during normal operations. In the event of a power outage due to a disaster, the power generated by the solar power system can be supplied via this power storage system to our gymnasium, which serves as an evacuation center for the neighboring community, thereby enabling the community to respond to the disaster. In FY2021, we conducted an operational test to confirm how the system would operate in the event of a disaster.

We are also studying how the power storage system might be used in multiple ways, such as commercial use in the electricity supply and demand adjustment market.



Power Storage System Employing Used Batteries

\* This system makes some use of an energy solution service provided by Mitsubishi Corporation and Mitsubishi Corporation Energy Solution.

## Initiatives at Manufacturing Plants

To reduce CO<sub>2</sub> emissions from production activities, we have established a medium- to long-term roadmap for reducing CO<sub>2</sub> in each area of production technology—pressing, welding, painting, assembly and power-train—and we are developing future technologies and improving production processes to this end. We are also moving forward with the systematic replacement of general-purpose facilities including air conditioning and lighting, with energy-saving equipment.

As part of our initiatives in FY2021, on the equipment front we switched to steamless air conditioning

equipment, updated compressors and suspended the use of chip-cleaning equipment. On the activity system front, personnel involved with production sites, production engineering, power source management, and other related parties joined in energy-saving activities. These efforts included improving the start-up timing and operating conditions of production equipment in energy-intensive processes such as painting and casting and forging, improving the operation of power supply equipment such as boilers and compressors, and optimizing the operation of various motors and pumps. We are starting with measures expected to have the highest impact on reducing CO<sub>2</sub> emissions.

## Office Initiatives

MITSUBISHI MOTORS is also promoting the use of renewable energy and introducing various types of energy-saving equipment in areas other than manufacturing, such as at research and head office locations.

Part of the electric power used at the Research and Development Building (Okazaki, Aichi Prefecture) and our head office (Minato-ku, Tokyo) is supplied by renewable energy, thanks to the erection of rooftop solar power system and making use of the Tradable Green Certificates System\*. Also, CO<sub>2</sub> emissions are being reduced by using energy-saving electrical equipment and air conditioners.

In July 2020, we began tracking electricity use and power generation per capita at our Research and Development Building, comparing these figures with other offices, and using digital signage to show year-on-year comparisons by month. In these ways, we are working to increase employee awareness about saving energy.

**TOPICS**

### Introducing Heat-Pump-Heated Air Curtains (Okazaki Plant)

To save energy by reducing steam consumption, we installed 15 heat-pump-powered hot-water air curtains at the Okazaki Plant.

At the Okazaki Plant, we installed air curtains that use steam produced by a centralized boiler as their heat source at the plant openings to prevent cold air from blowing in during the winter. To improve energy efficiency for heating and prevent energy losses from the piping, we installed a heat pump to provide the hot water and switched the piping to dedicated air curtains. Installed in November 2021, the new system will reduce annual CO<sub>2</sub> emissions by around 574 tons.

**Before introduction**

**After introduction**

Impact of Introducing Heat-Pump-Heated Air Curtains



Digital signage at our Research and Development Building (Okazaki)

\* This system is 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.



Targets  
● 7.2  
● 7.3



Target  
● 9.4



Targets  
● 13.1  
● 13.2  
● 13.3

## Dealer Initiatives

MITSUBISHI MOTORS encourages our dealers in Japan to acquire Eco-Action 21 certification and carry out activities such as reducing the amount of energy and water they use, lowering the amount of waste they produce, and promoting the widespread use of electrified vehicles.

Eco-Action 21 is an environmental management certification and registration system based on guidelines recommended by Japan's Ministry of the Environment. Eco-Action 21 has the following three features.

- The environmental management framework is easy for small and medium-sized businesses to configure and operate.
- The system enables organizations to track and manage their CO<sub>2</sub> emissions, working toward zero CO<sub>2</sub>.
- The system facilitates thorough management of compliance with environmental laws and regulations.

For details on Eco-Action 21, see the website of the system's central secretariat (Japanese only).

**WEB** <https://www.ea21.jp/>

## Dealers That Have Acquired "Eco-Action 21" Certification (As of April 1, 2022)

Company		
Hokkaido Mitsubishi Motor Sales Co., Ltd.	Nishiowari Mitsubishi Motor Sales Co., Ltd.	Kyushu Mitsubishi Motor Sales Co., Ltd.
Aomori Mitsubishi Motor Sales Co., Ltd.	Toyama Mitsubishi Motor Sales Co., Ltd.	Oita Mitsubishi Motor Sales Co., Ltd.
Yamagata Mitsubishi Motor Sales Co., Ltd.	Toyama Diamond Motors Co., Ltd.	Kumamoto Mitsubishi Motor Sales Co., Ltd.
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.	Fukui Mitsubishi Motor Sales Co., Ltd.	Nagasaki Mitsubishi Motor Sales Co., Ltd.
Ibaraki Mitsubishi Motor Sales Co., Ltd.	Kanazawa Mitsubishi Motor Sales Co., Ltd.	Kagoshima Mitsubishi Motor Sales Co., Ltd.
Sawara Mitsubishi Motor Sales Co., Ltd.	Kyoto Mitsubishi Motor Sales Co., Ltd.	Ishikawa Chuo Mitsubishi Motor Sales Co., Ltd.
Sobu Mitsubishi Motor Sales Co., Ltd.	Nishi Nihon Mitsubishi Motor Sales Co., Ltd.	Mie Mitsubishi Motor Sales Co., Ltd.
Tokai Mitsubishi Motor Sales Co., Ltd.	Shiga Mitsubishi Motor Sales Co., Ltd.	Gunma Mitsubishi Motor Sales Co., Ltd.
Sunen Mitsubishi Motor Sales Co., Ltd.	Fukuyama Mitsubishi Motor Sales Co., Ltd.	

## TOPICS

### Rolling out the DENDO DRIVE STATION across Japan's Prefectures

MITSUBISHI MOTORS seeks to put DENDO DRIVE STATIONS into operation in prefectures across Japan. DENDO DRIVE STATIONS are next-generation dealerships where visitors can experience the appeal of electrified vehicles, including their use as power sources in times of disaster and their contribution to the environment.

In FY2021, we opened up three locations—Suwa (Nagano Prefecture), Urasoe (Okinawa Prefecture) and Okazaki Johoku (Aichi Prefecture)—bringing the number of locations in Japan to 92.

By deploying DENDO DRIVE STATION branches across Japan, we will increase the significance of electrified vehicles by diversifying their energy sources and communicating their value as sources of electric power in times of disaster.

See our website for details on our next-generation dealerships, called DENDO DRIVE STATIONS. (Japanese only)  
<https://www.mitsubishi-motors.co.jp/carlife/phev/dendo/index.html>



Suwa Branch  
Higashi Nihon Mitsubishi Motor Sales Co., Ltd.



Urasoe Branch  
Ryukyu Mitsubishi Motor Sales Co., Ltd.



Okazaki Johoku Branch  
Nishi Nihon Mitsubishi Motor Sales Co., Ltd.

## Physical Distribution

MITSUBISHI MOTORS sets reduction targets for reduction of CO<sub>2</sub> intensity (kg-CO<sub>2</sub>/1,000t km) in physical distribution emitted through the transport of production parts, spare parts and vehicles to promote initiatives for achieving these targets.

We continue working to shorten transport distances by changing the transit ports when trans-

porting vehicles. We are also improving truck filling ratio by adjusting the way we transport and combine cargo, using larger trucks to reduce the number of trips, and promoting joint transport and modal shifts in long haul. In addition, we are strengthening cooperation with our transportation partners and promoting activities to introduce eco-friendly vehicles and promote eco-driving.

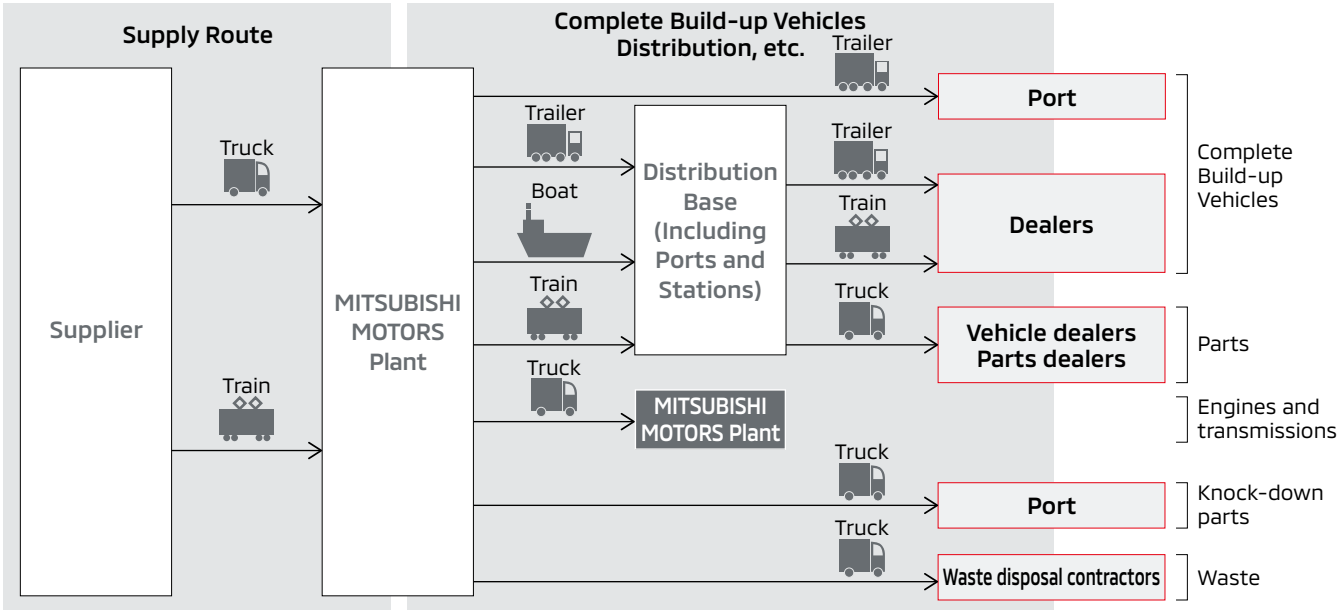
## Collecting CO<sub>2</sub> Emissions Data in Distribution among Overseas Affiliates

We understand the importance of collecting and disclosing CO<sub>2</sub> emissions volumes throughout the supply chain, including overseas, and we are promoting initiatives in this regard.

In 2018, we began collecting and monitoring data at overseas plants at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and Mitsubishi Motors Krama Yudha Indonesia (MMKI). We are working to reduce CO<sub>2</sub> emissions through such efforts as improving the filling rate of shipping containers and conducting joint transportation with Nissan Motor Thailand, our alliance partner.

In FY2022, we expanded the scope of monitoring to include Mitsubishi Motors Philippines Corp. (MMP), Asian Transmission Corporation (ATC) and Mitsubishi Motors Vietnam Co., Ltd. (MMV). We will start collecting data on CO<sub>2</sub> emissions and compiling results during local land transportation and marine and air transportation, as well as steadily promoting efforts to reduce CO<sub>2</sub>.

### Focused Distribution Routes for Reducing CO<sub>2</sub> Emissions



Vehicle transport in Thailand

## Resource Recycling Initiatives



### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>● The cost of procuring raw materials could increase due to resource constraints, such as the depletion of precious metals or other natural resources.</li> <li>● The Company could face increasingly stringent regulations, such as on the use of recycled materials and recycling, and rising costs to respond to them.</li> <li>● The corporate image could suffer from a delayed response to resource recycling.</li> </ul>	<ul style="list-style-type: none"> <li>● We could stabilize procurement costs by reducing our dependence on depleted resources.</li> <li>● It might be possible to reduce costs by using resources more efficiently and reusing waste.</li> <li>● We could heighten competitiveness through 3R design and more advanced recycling technologies.</li> <li>● We could find more opportunities to make use of used batteries.</li> <li>● The corporate image could be enhanced by appealing to our efforts to contribute toward a recycling-oriented society.</li> </ul>	<ul style="list-style-type: none"> <li>● We will contribute to a resource-recycling-oriented society by minimizing input resources and maximizing resource efficiency.</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>● An increasing shift toward a circular economy</li> <li>● The manifestation of waste-related issues in Japan and overseas (such as emerging markets limiting imports)</li> <li>● The increasingly strict EU Batteries Regulation (calls for disclosure of amounts of reused materials, among other items)</li> <li>● Plastics causing the marine pollution problem</li> </ul>	<ul style="list-style-type: none"> <li>● Mounting demands for environmental consideration</li> <li>● Growing ESG investment (investors promoting changes in corporate activities)</li> </ul>	<ul style="list-style-type: none"> <li>● Expanding adoption of plastic materials not derived from oil</li> <li>● Achievement of zero direct landfill waste (less than 0.5%)</li> <li>● Reuse of batteries used in electrified vehicles</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Expanding adoption of plastic materials not derived from oil	Finished assessing products to adopt plastic materials not derived from oil. Achieved FY2021 target in line with roadmap.	○
Achievement of zero direct landfill waste (less than 0.5%) by FY2030	Plants in Japan: Achieved zero direct landfill waste (less than 0.5%) Overseas plants: Have begun managed operations of data on waste using an environmental performance management system	○
Reuse of batteries used in electrified vehicles	Installed equipment for verification testing of BESS*1 at the Okazaki Plant, conducted a VPP*2 verification test, verified the benefits of a cut in peak electricity consumption and established an effective operation method	○

○: As planned    △: Delayed

\*1: BESS stands for battery energy storage system.

\*2: VPP stands for virtual power plant, which involves using information and communication technology for the integrated control of dispersed energy resources, creating a virtual plant that operates as if it were a single power plant.

## Basic Approach

The rise in populations and economic growth in emerging markets is leading to a rise in the consumption of minerals, fossil fuels and other resources.

Against this backdrop, MITSUBISHI MOTORS is working to use fewer resources and use them more effectively. We believe we can add more value to vehicles in manufacturing process. This believe underpins our belief that effective resource use is an important priority. The Environmental Plan Package positions resource recycling as an environmental issue to engage in directly, and we are contributing to a resource-recycling-oriented society by minimizing input resources and maximizing resource efficiency.

Countries and industry groups are formulating various initiatives in order to promote automobile recycling and correct processing. In response, the Company set targets to improve the ease of recycling, reduce the use of lead, and introduce recycled parts for new vehicles when the MITSUBISHI MOTORS Recycling Initiative was established in 1998. We have continued to engage in this initiative.

At production plants, with the aim of realizing a recycling-oriented society that gives consideration to the environment and resources, we are promoting the effective use of resources. We are achieving a landfill waste disposal rate of zero (less than 0.5%) at every plant by converting industrial waste materials generated from production processes into reusable resources and reducing the volume of waste discharged.

▶ Data (p. 122): Generated waste, generated waste and externally disposed waste (MITSUBISHI MOTORS along), raw material inputs

## Recycling-Based Design and Development

Under vehicle recycling legislation in Japan, Europe and China, automobile manufacturers are obligated to consider recycling when developing products.

We conduct design and development that actively incorporates not just recycling, but all aspects of the 3Rs including reduction and reuse. 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.

At dealers, bumpers recovered or replaced during repairs are recycled for battery trays and other exterior parts. We are also promoting the increased use in other parts of recycled materials and plastic materials not derived from oil used in vehicles, such as biomass plastics.

### TOPICS

#### Using Thermoplastic Resin

The All-New "Outlander PHEV Model," which was launched in 2021, uses easily recyclable thermoplastic resin for exterior and interior parts.

#### Main parts (indicated in green) that use thermoplastic resin



Exterior



Interior





## End-of-Life Vehicle Recycling

MITSUBISHI MOTORS encourages the recycling of end-of-life vehicles to reduce the environmental impact of waste from these vehicles. In Japan, the European Union and other regions, we promote recycling in accordance with the automobile recycling laws of each country. We comply carefully with the evolving automobile recycling laws that are being introduced in emerging countries in Asia.

The Environmental Targets 2030 identify the reuse of batteries used in electrified vehicles as one item to be addressed. From the perspective of conserving resources, we are undertaking initiatives to utilize used batteries.

### Reuse of Batteries Used in Electrified Vehicles

Used electrified vehicle batteries retain sufficient storage capacity to make them useful for other applications, so from the perspective of conserving resources we are working to effectively reuse electrified vehicle batteries. To ensure these batteries can be effectively used for storage, we are conducting verification using a large-scale rooftop solar power system at the Okazaki Plant and built a power storage system that employs used batteries from the "Outlander PHEV."

With MIRAI-LABO Co., Ltd., we have begun considering the development of autonomous street lighting by reusing batteries from electrified vehicles. These

lights would require no external power supplies, but would use solar power, used batteries from electrified vehicles and recycled steel. In the event of disaster or power failure, such street lights would continue to function and would not need to be turned off. We are planning to develop these lights in FY2022 and conduct demonstration tests with municipalities and companies from FY2023.

In Japan, Europe and North America, we have begun creating a system for collecting used batteries. The aim is to develop recycling technologies for and properly dispose of batteries for electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs).

### Response to Automobile Recycling Laws in Japan

Since the End-of-Life Vehicle Recycling Law was enacted in Japan in 2005, the company has been accepting used automobile shredder residue (ASR<sup>\*1</sup>), airbags, and fluorocarbons for recycling.

Regarding ASR recycling, we participate in ART<sup>\*2</sup> in order to jointly process ASR. As a result of the creation of new processing facilities and other measures, the ASR recycling rate in FY2021 was 96.5%, 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 work on increasing the recycling rate by conducting efficient recycling and proper processing of these three items.

The Company accepts for recycling three items identified by Japan's End-of-Life Vehicle Recycling Laws (fluorocarbons, airbags and ASR). As part of a project to support the advancement of automobile recycling, we have engaged in the following two R&D projects since August 2021.

- 1) Research to restore the physical properties of PP resin<sup>\*3</sup> recovered from ASR and expand the use of plastic materials not derived from oil
- 2) In the aim of realizing a low-carbon society, research to verify the applicability of technology to diagnose battery degradation, quickly and to a high degree of accuracy, that can facilitate the reuse and closed-loop utilization of drive batteries

We have joined the LiB Joint Recovery System and begun working to efficiency recovery lithium-ion batteries (LiBs). The system serves as contact point for the Japan Auto Recycling Partnership, which the Japan Automobile Manufacturers Association, Inc. set up in FY2018 to foster the appropriate processing of LiBs.

<sup>\*1</sup> Automobile shredder residue

<sup>\*2</sup> Automobile Shredder Residue Recycling Promotion Team established by 13 companies, including Nissan Motor Co., Ltd., Mazda Motor Corporation and MITSUBISHI MOTORS.

<sup>\*3</sup> Polypropylene resin, a general-purpose polymer composed of carbon and hydrogen

## Recycling Promotion in the EU

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

In the EU, in accordance with the End-of-Life Vehicles Directive\*1 established in 2000, automobile manufacturers or importers must accept and recycle end-of-life vehicles. Also, in 2003, the ELV Directive\*2 was enacted, specifying ease of recycling as a certification requirement.

MITSUBISHI MOTORS built a system of acceptance and recycling in line with the actual situation of EU member countries centering on our European subsidiary Mitsubishi Motors Europe B.V. (MME).

\*1 "Directive of the European Parliament and of the Council on End-of-Life Vehicles"

\*2 Abbreviation of End-of-Life Vehicles.

### 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

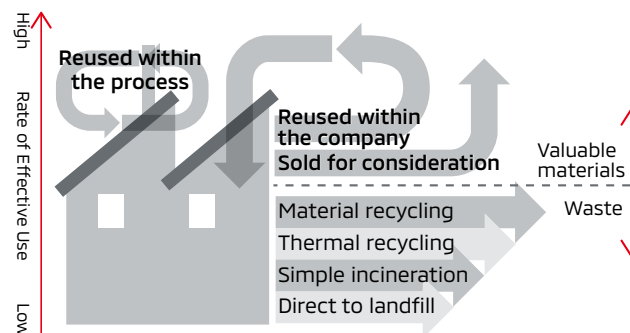
In the EU, satisfying the minimum 95% recyclability rate is a requirement for type approval of vehicle models, and the company established a system that satisfies the requirements of this directive. Our vehicles sold in the EU meet the requirements of the directive under this system.

Going forward, we will continue to acquire recyclability approval for all new models sold in the EU.

## Initiatives to Reduce Waste Generation and Reuse Resources in Production Activities

To achieve "landfill waste disposal rate of zero (less than 0.5%)," which is one of the Environmental Targets 2030, the Company is working to reduce the amount of waste it generates through manufacturing by improving its production processes. For the waste we do generate, while curtailing treatment costs we continue to improve the ways in which we sort and treat waste, using it more effectively as resources.

### Effective Use of Resources and Recycling



### TOPICS

#### Reducing Environmental Impact by Eliminating the Process of Cleaning Cushioning Materials Used in Melting Furnaces Used for Casting (Mizushima Plant)

By changing the cushioning materials\*4 used in melting furnaces for casting from metal chips produced in the cutting process to sheet metal scrap, we have eliminated the chip cleaning process, reducing industrial waste and CO<sub>2</sub> emissions.

To use chips as cushioning materials, a cleaning process was required to remove oil and moisture. This process had a high environment burden, because it generated waste liquids and sludge and used substantial energy for steam and heaters.

By improving the material separation and transport methods, as well as the component analysis process, we were able to use sheet metal scrap an alternative, which meant we could eliminate the chip cleaning process. As a result, we reduced annual industrial waste by approximately 290 tons and CO<sub>2</sub> emissions by around 135 tons.

\*4 Material that is used in small quantities on the furnace floor to protect the melting furnace from shocks when feeding material



Feeding in materials into a melting furnace used for casting

# Prevention of Pollution



## Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>The cost of managing hazardous substances could rise if regulations are become more stringent in response to increased damage to human health and the loss of ecosystems.</li> <li>The company could become subject to fines or sanctions in the event of a serious leak into the air or water.</li> <li>Environmental problems at a supplier could disrupt the supplier's operation and halt our parts procurement.</li> <li>The Company's image could suffer in the event of a delayed response to initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>We could reduce costs through more efficient management, including of the supply chain.</li> <li>By reinforcing management, including of the supply chain, we could supply products that deliver reassurance and safety, as well as maintaining competitiveness.</li> <li>Managing in accordance with standards more rigorous than those imposed by regulations could enhance the corporate image.</li> </ul>	<ul style="list-style-type: none"> <li>We will contribute toward a society free of environmental pollution by reducing the environmental impact of our products and the pollution resulting from our business activities.</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>Increasingly stringent regulations on emissions in various countries and regions</li> <li>Increasingly stringent regulations on chemical substances in various countries and regions</li> <li>Increasingly stringent regulations on the export and import of hazardous waste (plastic waste)</li> </ul>	<ul style="list-style-type: none"> <li>Growing interest in environmental consideration</li> <li>Growing ESG investment (investors promoting changes in corporate activities)</li> </ul>	<ul style="list-style-type: none"> <li>Conformance to regulations on hazardous substances in products</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
<b>Properly manage hazardous substances in products</b>	Properly manage hazardous substances: We are obtaining information on GADSL* regulated substances, upgrading our management system, and switching parts and making design changes in accordance with the ELV directive.	○

○: As planned    △: Delayed

\* Global Automotive Declarable Substance List, a list to facilitate the exchange of information on environmentally hazardous substances, created by consensus of a group of automotive manufacturers in various countries

### Basic Approach

Vehicles are products that can affect human health and biodiversity through the emission of environmental pollutants and chemical substances during business activities or product use.

Our Environmental Plan Package positions this issue as one for the Company to address directly. To

help realize a society free of environmental pollution, we are working to reduce the environmental impact of our products and pollution resulting from our business activities. In the stage of product development, along with reducing noxious components of exhaust gases and promoting the development of fuel economy improving technologies and electrification technologies, we strive to manage to hazardous sub-

stances. In production processes, we are endeavoring to reduce air pollutants emitted from our plants by voluntarily enacting activity standards that are stricter than legal requirements. In order to reduce the impact on the environment from air pollutants and chemical substances, we engage in the prevention of pollution throughout all our business activities.

Target  
3.9Target  
6.3Targets  
12.4  
12.5

## 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 hazardous substances that can cause air pollution.

In addition to developing and popularizing electrified vehicles, which emit little exhaust while driving, MITSUBISHI MOTORS is endeavoring to develop and encourage the use of gasoline and diesel vehicles that have emissions containing fewer hazardous substances.

### Improving Gasoline Engine Vehicles

In the 1960s, emissions of carbon monoxide, hydrocarbons and nitrogen oxides (NOx) were restricted by regulations, and those restrictions have gradually been tightened since.

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.

### Improving Diesel Engine Vehicles

For diesel engine vehicles, emissions of 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, diesel particulate filters and a urea selective catalytic reduction (SCR) system.

### Clean Diesel Engine Systems

#### VG\* Turbocharger

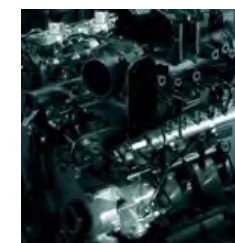
By controlling the turbine capacity by opening and closing the variable nozzle installed on the turbine side, the VG turbocharger helps to improve fuel economy and suppress emissions of particulate matter through optimum supercharging across the engine's operating range.

\* Variable geometry



### Common Rail Fuel Injection System

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



### Diesel Particulate Filter (DPF)

A DPF, a filter that removes particulate matter by collecting and burning it, substantially reduces emissions of particulate matter.

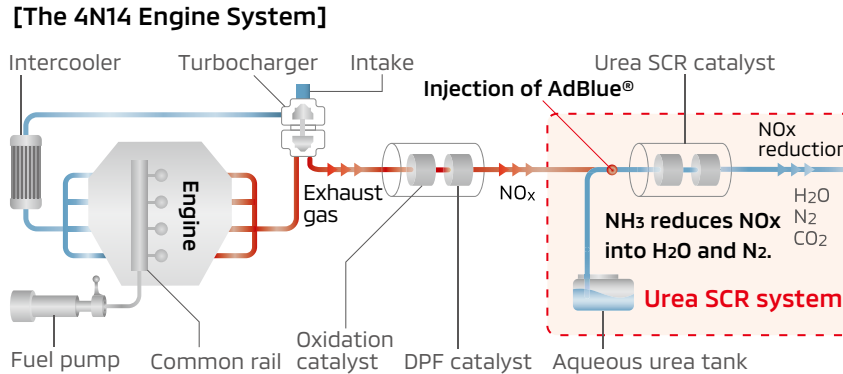
Please see page 52 for a Diagram of the 4N14 Engine System, which includes a DPF.



### Urea Selective Catalyst Reduction (SCR) System

Nitrous oxides (NOx) from diesel engines' emissions are purified using an aqueous urea solution (Ad-Blue<sup>®</sup>), breaking them down into non-polluting nitrogen and water.

\*1 A registered trademark of Germany's Verband der Automobilindustrie (VDA)



### Reduction of Hazardous Substances

In accordance with the reduction targets of the Japan Automobile Manufacturers Association, Inc. (JAMA) and the EU's end-of-life vehicles directive (a recycling law), 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<sup>\*3</sup> concerning substances and the Convention on POPs<sup>\*4</sup>.

At present, in addition to four substances 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.

We are working to voluntarily reduce hazardous substances by setting internal technical standards.

\*3 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

\*4 Persistent Organic Pollutants  
 ▶ Data (p. 121): Emissions of Sulfur Oxide, Nitrogen Oxide, VOC (Volatile Organic Compounds) and Ozone-Depleting Substances

#### TOPICS

#### The 2.5L Gasoline Engine on the "Outlander" for North America

The All-New "Outlander," which launched in North America in April 2021, is equipped with an inline direct injection four-cylinder DOHC 2.5L engine. The engine is designed for low fuel consumption, smooth driving and enjoyably agile acceleration.



This newly developed engine, which was developed through the alliance with Nissan, achieves emission gas level LEV III-SULEV30<sup>\*2</sup>. By using the items described right column, the engine performs on both the output and fuel economy.

\*2: SULEV stands for Super Ultra Low-Emission Vehicles in the classification for emission in California, U.S.

- 1. Mirror bore coating**  
A mirror bore coating is used on the surface of the cylinder wall. The mirror-like finish helps to reduce friction loss.
- 2. Variable tumble control valve**  
A variable tumble control valve is used to optimize the flow of air drawn into the combustion chamber. In-cylinder flow is increased as a result, promoting rapid combustion, thereby reducing emissions and improving fuel economy, while enhancing acceleration response.
- 3. Electric variable valve timing (VVT) mechanism**  
An electric intake VVT is used to optimally control intake valve timing and provide superior responsiveness. On the exhaust side, a VVT with an intermediate lock is used, with individual valve timing optimized to achieve low emissions and improved fuel economy.
- 4. Variable capacity oil pump**  
A variable capacity oil pump optimizes the control of oil pressure according to driving conditions, thereby reducing friction loss and helping to improve fuel economy.



Target 3.9



Target 6.3



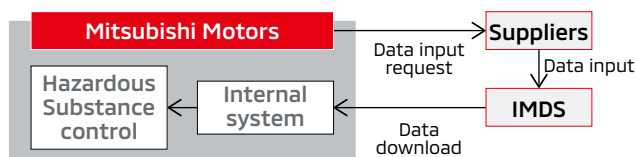
Targets 12.4, 12.5

## Management of Material Data by 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



## 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 organic compounds that are easily volatilized 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.

Please see the JAMA website for details regarding the Voluntary Guidelines.

[WEB](http://www.jama-english.jp/release/release/2005/050214.html) <http://www.jama-english.jp/release/release/2005/050214.html>

### Progress

We are working to reduce in-cabin VOCs by developing materials with low VOC emissions and technologies to reduce VOCs generated inside the cabin.

### Example of Measures to Reduce VOCs

<b>Carpet</b>	Reduced aldehydes in pile adhesives
<b>Seat</b>	Reduced organic solvents in fabric adhesives
<b>Ornaments</b>	Reduced VOCs by using spun-dyed high-gloss interior parts
<b>Air-conditioner</b>	Reduces VOCs with clean air filter with deodorizing function

## Preventing Air Pollution

### Reduction of VOC Emissions from Production Processes

We are applying the waterborne 3WET paint method\* to its painting process to reduce VOC emissions. In Japan, we use this method at the Mizushima Plant and the Okazaki Plant. Overseas, the system is used on the No. 3 paint line at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh).

We are also upgrading our robotic and other painting systems, reducing the amount of paint used by adjusting production lots and increasing the amount of used thinner we recover. Through these moves, we are reducing VOC emissions from vehicle production.

\* With this method, water-soluble paints are used for the middle and top coats. Solvent-based paint is used only for the clear overcoat.  
▶ Data (p. 121): VOCs (volatile organic compounds)



New paint plant (MTh)

Target  
● 3.9Target  
● 6.3Targets  
● 12.4  
● 12.5

## Management of Air Pollutants

MITSUBISHI MOTORS follows laws and regulations to manage the concentrations and amounts of such air pollutants as nitrogen oxides (NOx), sulfur oxides (SOx) and soot emitted in production processes.

We are also working to reduce NOx and SOx emissions. To lower NOx emissions, we are installing low-NOx boilers and low-NOx burners at the time of equipment upgrades. To reduce SOx emissions, we use low-sulfur kerosene or natural gas to fuel boilers and other equipment.

## Management of Chemical Substances

### Appropriate Management of Chemical Substances

We have introduced a chemical substance management system for using chemical substances. Before deploying substances, we examine their physical and chemical properties and the details of usage plans, as well as legal requirements, conduct risk assessments, judge whether they can be used and educate workers. We also use this system to conduct centralized management of the most recent Safety Data Sheet (SDS) information. In addition, we use data from this system to ascertain the quantity of PRTR\*1 substances used and report on their usage and emissions, as well as other aspects of legal compliance.

We will continue to manage chemical substances appropriately to ensure both occupational health and safety and pollution prevention.

\*1 This convention stipulates international frameworks and procedures related to restrictions on the movement of certain types of waste across national boundaries.

### Appropriate Management of Hazardous Waste

We manage hazardous waste to avoid importing or exporting hazardous waste that is restricted by the Basel Convention on the Control of Transboundary Movements of Hazardous and Their Disposal\*2.

We also transport and treat waste produced in Japan appropriately, based on various legal requirements.

\*2 This convention stipulates international frameworks and procedures related to restrictions on the movement of certain types of waste across national boundaries.

### Appropriate Management of Waste Containing PCBs

Harmful polychlorinated biphenyls (PCBs) are contained as insulation oil in transformers and condensers that were manufactured a long time ago. We process waste containing PCBs appropriately, in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Waste.

## Conservation of Water Resources



### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Water shortages and water pollution could raise the uncertainty and cost of securing water resources.</li> <li>Flooding and other damage arising from climate change could halt operations and reduce earnings.</li> <li>We could face higher costs in response to increasingly stringent regulations on water withdrawal and discharge.</li> </ul>	<ul style="list-style-type: none"> <li>We could lessen the impact of water stress by reducing our dependence on water resources.</li> <li>We could reduce costs by reducing water use and increasing the water reuse rate.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the impact climate change, resource extraction and pollution have on water resources (concentrated rainfall, droughts, water pollution and water shortages), we will address these issues, helping to reduce water risk and preserve water resources.</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>Climate change resulting in extreme weather events, resulting in environmental changes and increasingly severe water shortages</li> <li>Growing populations and urban development in emerging markets exacerbating water pollution</li> <li>Plastics causing marine pollution</li> </ul>	<ul style="list-style-type: none"> <li>Mounting demands for environmental consideration</li> <li>Growing ESG investment (investors promoting changes in corporate activities)</li> </ul>	<ul style="list-style-type: none"> <li>Promote climate change countermeasures and initiatives targeting resource recycling and pollution prevention</li> <li>Manage the amount of water used based on water risks at each production facility, and monitor the quality of discharged water</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Manage water risks at each production facility	Completed facility for processing sewage and domestic waste water at the Mizushima Plant Commenced operation of a wastewater recycling plant at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	○

○: As planned △: Delayed



## Basic Approach

Due to the increasing population and changes in the natural environment caused by climate change, the demand for water in specific areas is expected to grow tighter, and social concern for the preservation of water resources are increasing.

MITSUBISHI MOTORS requires a large amount of industrial water, city water, and groundwater, etc., for the automobile production process and discharge of water into sewage lines and rivers, etc. In regions where water risk is high, it is essential to consider the impact that water withdrawal and discharge from our business activities have on the surrounding environment.

At business sites, we comply with various legal requirements, such as on the quality of discharged water. In addition, we work to reduce water withdrawal amounts and introduce water recycling technologies based on the status of water resource management in individual countries and regions.

Also, as water is required for the operations of our business partners. We are aware of the importance of water risk management throughout the entire value chain.

## Water Withdrawal Source and Drainage of Each Plant

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

## Reduction of Water Withdrawal Volume

We are striving to reduce water withdrawal volumes by reusing washing water used in production processes for pre-washing and by circulating cooling water and temperature control water.

At the Okazaki Plant and at MMKI, we have set up rainwater storage tanks in order to reuse rainwater.

At the Okazaki Plant, we have also set up equipment to filter groundwater so that it can be used to supply drinking water during disasters to employees and people nearby the plant.

▶ Data (p. 122): Withdrawn water volume



Rainwater storage tanks (Okazaki Plant)



Groundwater membrane filtration equipment (Okazaki Plant)

## Reuse of Discharged Water

The MITSUBISHI MOTORS Group has introduced wastewater recycling technology based on the local water resource management conditions at each of its business sites.

We set up a wastewater recycling plant at Mitsubishi Motors Krama Yudha Indonesia (MMKI) when the plant was established. In FY2021, the wastewater recycling rate was 58%.

In January 2022, a wastewater recycling plant commenced operation at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), coinciding with the start of operations at a new paint factory. Based on our experience at MMKI, we aim to achieve an even higher recycling rate.

▶Data (p. 122): Wastewater volume



Wastewater recycling plant (MMTh)

## Prevention of Water Pollution

To prevent water pollution in areas surrounding plants, we measure and manage the quality of discharged water based on legal requirements. We also conduct surveys and confirmations regarding the quality of groundwater and soil pollution. In this way,

we confirm that no toxic substances are being discharged to the outside area. In order to quickly detect abnormalities in discharge water quality due to such factors as rainfall, we set up a surface oil detector\*1 in front of outlets leading from the plant to public water and continuously monitor discharge water conditions. We carry out continuous monitoring so that water discharged from the plant does not affect the environment outside the site. In the event of an accident, we respond quickly to prevent pollution from spreading, report to the local authorities and disclose information to the community.

At the Mizushima Plant, we are stepwise upgrading equipment for processing discharged water that has deteriorated over time. In FY2021, we completed and commenced operations at an upgraded facility for processing domestic waste water emitted from offices.

\*1 Detects the presence of oil by capturing changes in reflectance as the reflectance of oil is greater than that of water.



Observation well (Okazaki Plant)



General effluent treatment facilities (Okazaki Plant)



Surface oil detector (Okazaki Plant)

### TOPICS

#### Upgrading Sewage and Domestic Waste Water Treatment Facilities (Mizushima Plant)

At the Mizushima Plant, we are gradually upgrading waste water treatment facilities that have deteriorated over time. As a first step, in FY2021 we completed a sewage and domestic waste water treatment facility, which commenced operations in July 2022.

This facility collectively treats sewage and domestic waste water from septic tanks, cafeterias and hand washing stations at the Mizushima Plant. This upgrade involved the introduction of a membrane treatment system\*2 to reduce the maximum value of pollutants to less than 1/10th and stabilize the treated water quality.

With a view to completion at the end of FY2022, we are proceeding with related construction work, such as upgrading the primary treatment facility for industrial wastewater and sludge dewatering equipment, and installing a centralized monitoring and control system.

\*2 A device that removes pollutants by filtering wastewater through microscopic pores



Sewage and domestic waste water processing facility (Mizushima Plant)

## Preservation of Biodiversity



### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>● The loss of ecosystems could lead to environmental changes that raise the uncertainty and cost of procuring resources.</li> <li>● Land use for business operations could cause ecosystem losses, reducing our corporate image.</li> </ul>	<ul style="list-style-type: none"> <li>● Prevent resource procurement uncertainties and rising procurement costs</li> <li>● Prevent a decline in the corporate image by alleviating and recovering from the impact on ecosystems due to land use for business operations</li> </ul>	<ul style="list-style-type: none"> <li>● Based on the impact climate change, resource extraction and pollution have on the ecosystem (species extinction and change, reductions and disappearance of habitat and migratory regions), we will address these issues to help reduce ecosystem losses.</li> <li>● Enact measures that are in harmony with local biodiversity.</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>● Enhanced international conservation in accordance with an assessment report published in May 2019 by IPBES*<sup>1</sup></li> <li>● Consideration on adopting a "post-2020 biodiversity framework" at the 15th Conference of the Parties to the UN Convention on Biological Diversity scheduled for 2022</li> </ul>	<ul style="list-style-type: none"> <li>● Mounting demands for environmental consideration</li> <li>● Growing ESG investment (investors promoting changes in corporate activities)</li> </ul>	<ul style="list-style-type: none"> <li>● Promote climate change countermeasures and initiatives targeting resource recycling and the prevention of pollution</li> <li>● Promote community-based initiatives to address environmental issues</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Promote preservation activities that leverage the results of ecosystem surveys at locations in Japan	Nurture and protect indigenous species at business sites in Japan: At the Kyoto Plant, continued to manage a biotope* <sup>2</sup> and cultivated rare aquatic plants At Kyoto Plant-Shiga, engaged in wetland conservation and cultivation of rare white egret flower Conduct tree-planting and cultivation activities in Japan and overseas: Planted and cultivated trees at Pajero Forest (Yamanashi Prefecture) Conducted an afforestation project in Thailand	○

○: As planned △: Delayed

\*1 IPBES: the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

\*2 A biotope is a space where organisms can live in natural surroundings.



## Basic Approach

All living things are intricately connected in various relationships and live in balance. We benefit from this biodiversity in our lives.

MITSUBISHI MOTORS both directly and indirectly impacts on biodiversity due to land use (including the construction of plants), the release of chemical substances from plants, and the greenhouse gas emitted from the use of the company's products and business activities. Meanwhile, climate change is transforming regional environments, which has a major direct impact on ecosystems. We believe it is a priority to enact climate change countermeasures, protecting biodiversity so that we can continue to enjoy its blessings.

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 conducted surveys on ecosystems in order to understand the impact our business activities have on biodiversity.

We are collaborating with OISCA to preserve 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.

We are also promoting preservation activities at affiliated companies overseas.

## 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.

## Promoting Preservation Activities by Utilizing Ecosystem Surveys at Domestic Business Sites

### Ecosystem Surveys at Business Sites in Japan

Production of vehicles requires largescale plants. We believe that assessing the impact that the use of land in company business has on local biosystems is important to our biodiversity protection initiatives. Based on this concept, we conducted ecosystem surveys at our domestic business sites with largescale land, such as our factories with support from consultancies related to biodiversity. Ascertaining biosystems not only in domestic business sites but also in the surrounding environment by means of field surveys and documentary research leads to maintenance measures that are in harmony with local biodiversity.

### Locations Where Ecosystem Surveys Were Conducted

Fiscal Year	Location
2013	Kyoto Plant-Shiga
2015	Okazaki Plant
2017	Mizushima Plant/Kyoto Plant-Shiga*
2018	Tokachi Research & Development Center
2019	Kyoto Plant-Kyoto
2021	Kyoto Plant-Kyoto*

\* A monitoring survey was conducted to confirm the preservation effects of the measures.

**Kyoto Plant-Kyoto  
Cultivating Rare Plants in Cooperation with the  
Local Community**

Based on an ecosystem survey conducted, we learned that the Kyoto Plant serves as a refuge where certain plants and insects can survive locally, and we found that this area was an important environment in terms of preserving regional diversity. To create a habitat for dragonflies and other insects, we built a biotope in the "Plaza of Relaxation," a green space on the campus, and rare aquatic plants such as water lilies and oval-leafed pondweed are being cultivated in a pond within the plaza. The pond has little or water flow, so requires regular human intervention to maintain water quality. In March 2022, employees participated in a *kai-bori* (pond draining and cleaning) event to protect the pond ecosystem.

During the pond draining and cleaning, we conducted a biological monitoring survey, which identified two new species: the *Cloeon dipterum* (a relative of the mayfly) and the *Anax nigrofasciatus* (a type of dragonfly). We believe these species may have begun to use the ponds as a result of aquatic plantings in the biotope.



Relaxation Plaza



Employees engaged in pond draining and cleaning



*Cloeon dipterum* larva



*Anax nigrofasciatus* larva

The seedlings of the rare aquatic plants were separated out by "Sustainable Kyoto," an environmental education center within the Kyoto City Southern Clean Center. Seeds of oval-leafed pondweed that grew well in the pond were collected, and some of them were returned to "Sustainable Kyoto" in November 2021. "Sustainable Kyoto" will provide these seeds to companies and schools in the city of Kyoto that cooperate in raising and propagating rare aquatic plants.



Oval-leafed pondweed (left) and harvested seeds (right)

**Kyoto Plant-Kyoto-Shiga  
Preservation of Wetlands Where White Egret  
Flowers Bloom**

We are working to protect the rare white egret flower by preserving wetlands located within the plant. Employees regularly remove invasive herbaceous plants such as broomsedge bluestem and maintain the wetland environment, which gives the white egret flower room to bloom every summer.



Employees clearing away invasive herbaceous plants



White egret flower blooming

**Overseas Preservation Activities**

Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and a non-profit organization, the Mitsubishi Motors Thailand Foundation (MMTF), are working with Thailand's Royal Forest Department and the Thailand Greenhouse Gas Management Organization to revitalize an area of forest under the "60 Rai Reforestation" Project to commemorate MMTh's 60th anniversary. In FY2021, we planted 12,000 trees to revitalize an area of forest covering 60 rai (9.6 hectares) in eastern Chonburi and Sa Kaeo provinces. In FY2022, we will plant trees on 40 rai (6.4 hectares) in Nakhon Ratchasima Province. Employees from MMTh and people from the local community will continue working together to cultivate an awareness of regional environmental preservation.



Planting trees in Thailand (Chonburi Province)

# Social

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## Delivering Products which Help Prevent Traffic Accidents



### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>● An increase in serious accidents as society ages</li> <li>● A rise in accidents due to a surge in automobile ownership in emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>● Maintain the brand and expand sales by introducing advanced technologies</li> </ul>	<ul style="list-style-type: none"> <li>● MITSUBISHI MOTORS' uniqueness: Environment x Safety, Security and Comfort</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>● Laws and regulations related to traffic accidents, heightened government safety targets</li> <li>● Increasingly stringent standards for information disclosure testing and assessment, such as NCAP</li> </ul>	<ul style="list-style-type: none"> <li>● Customers: Growing expectations for active safety technologies</li> <li>● Local communities: Providing a safe means of mobility for all people</li> </ul>	<ul style="list-style-type: none"> <li>● Provide customers with safe, secure and comfortable means of mobility with the environment at the core</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Delivering products which help prevent traffic accidents	Increased introduction of advanced safety technologies	○

○: As planned △: Delayed

### Basic Approach

MITSUBISHI MOTORS is aware of its responsibility towards traffic safety as an automaker, and we have set "Delivering products which help prevent traffic accidents" as a key part of our sustainability activities.

Approximately 1.35 million people are lost in traffic accidents worldwide every year\* As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing the number of traffic accidents is an urgent matter globally. A new target was adopted for Target 3.6 of the

Sustainable Development Goals (SDGs) at the 74th UN General Assembly held in 2020. This target calls for halving the number of global deaths and injuries from road traffic accidents between 2021 and 2030.

We are upholding the safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing and disseminating safety technologies and promoting traffic safety education.

\*2018 World Health Organization (WHO) survey

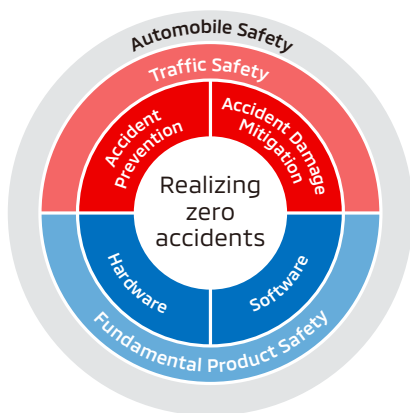


## Management Structure

With regard to product development, the product safety committee has established guidelines and a strategy for safe development based on the MITSUBISHI MOTORS' safety philosophy. The committee also formulated an automobile safety framework as our approach to safety technology. We are conducting initiatives based on three points: 1. technology to help prevent traffic accidents (active safety), 2. Technology to mitigate damage from traffic accidents (passive safety) and 3. Avoidance of dangers, both in hardware and software, assumed as industrial products (fundamental product safety).

We are also working to enhance the management structure by educating R&D personnel, promoting awareness of the safety philosophy and automobile safety framework.

### Automobile Safety Framework



## Development of Safety Technology

By reflecting a variety of safety technologies in our products, we aim to ensure our customers can drive in safety, security and comfort.

### Active Safety Technology to Avoid Crashes

We are working to develop and install various active safety technologies to help to eliminate traffic accidents preemptively.

### Active Safety Technologies

Using millimeter-wave radar and cameras, these technologies help to detect the risk of accidents and help prevent, avoid or mitigate damage.

### Examples of Preventive Safety Features

Function	Description
<b>Forward Collision Mitigation Brake System</b>	Detects vehicles and pedestrians ahead. If there is a risk of collision, the system alerts the driver or applies the brakes to help avoid a collision or mitigate collision damage.
<b>Forward Collision Prediction Warning</b>	Monitors two vehicles in front of the traveler. It detects a change in the situation ahead which is difficult to see from the driver, and alerts the driver with an alarm and a display.
<b>Lane Departure Warning System and Lane Departure Prevention Function</b>	The warning system monitors the lane markers ahead of the vehicle and provides alarms and displays to alert the driver if the vehicle appears likely to drive out of the lane. In addition, the Lane Departure Prevention Function takes control of the brakes for a short period of time, helping to keep the vehicle in its lane.
<b>Adaptive Cruise Control System</b>	This system automatically follows the vehicle ahead by accelerating, decelerating or stopping. By helping to maintain a set distance between vehicles, the system reduces the burden on the driver.
<b>Ultrasonic Misacceleration Mitigation System</b>	When the driver drives forward or in reverse, the system helps to prevent acceleration caused by misoperation of the gear shift or accelerator pedal.
<b>Automatic High Beam</b>	Automatically switches between low beams and high beams by detecting whether there is an approaching vehicle or vehicle ahead, the ambient lighting conditions, and other factors, helping safer nighttime driving.



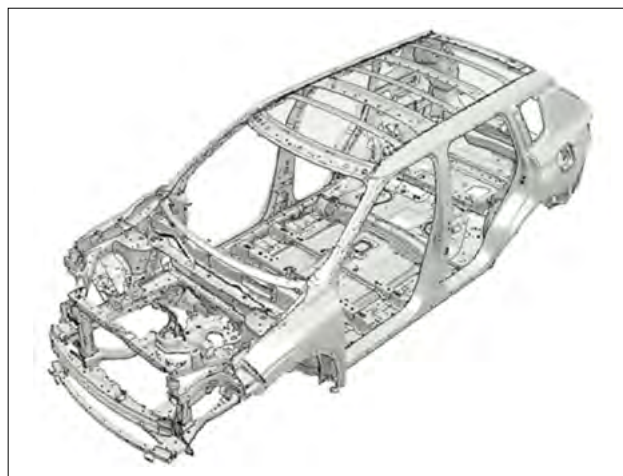
## Body Structures that Protect People

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 Reinforced Impact Safety Evolution (RISE) body, and enhance collision safety performance in all directions: front, rear, and sides.

For example, the All-New "Outlander gasoline model," which launched in North America in April 2021 and the All-New "Outlander PHEV Model," which also launched in Japan in December 2021, use a front-to-rear straight frame structure that can efficiently absorb collision energy. The vehicle interior (cabin) uses high-strength steel plates, as in the past. In addition, hot-stamped ultrahigh-tensile-strength steel is used to achieve enhanced passenger safety while reducing weight.

We are also pursuing safety with regard to pedestrians, as well as drivers and passengers. For example,

we have adopted energy-absorbing structures in the hood, cowl top, windshield wipers and other parts to mitigate injury to pedestrians' heads. Energy-absorbing structures that help to protect pedestrians' legs are used in bumper faces and headlights, for example.



RISE Body used in the All-New "Outlander PHEV Model"

## Avoidance of Dangers Assumed as Industrial Products

On the hardware (physical) side, we use flame-retardant materials, employ isolation structures on high-voltage components and use other technologies to enhance safety and security.

On the software side, we use firewalls on vehicle networks and employ encrypted communications to reduce the risk of cyber threats via electrical equipment mounted in vehicles.

## Results of Major Third-Party Safety Evaluations

( ): Number of vehicles receiving top rank / number of vehicles evaluated

Region	Third-Party Evaluation	Rating	Model	
Japan	JNCAP*1	5☆	Outlander PHEV model	(1/3)
Australia	ANCAP*1	5☆	Eclipse Cross PHEV model	(3/4)
			Outlander gasoline model	
			Outlander PHEV model	
United States	IIHS*2	2022 Top Safety Pick+	Outlander gasoline model	(1/6)

Period: May 2021 to June 2022

\*1 Abbreviation of New Car Assessment Program. An automobile safety testing and assessment program implemented by a third-party organization in each country or region.

\*2 Abbreviation of Insurance Institute for Highway Safety.

## Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that support safe driving. It is a new automotive safety concept, as an effort to help prevent traffic accidents among senior drivers, being promoted in Japan through collaboration between the government and private sectors. 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 June 2022)

Safety Support Car S Wide Models	
Outlander PHEV model	RVR
Eclipse Cross gasoline model	
Eclipse Cross PHEV model	
DELICA D:5	DELICA D:5 URBAN GEAR
eK X EV	eK X
eK WAGON	
eK X SPACE	eK SPACE
DELICA D:2	DELICA D:2 CUSTOM
MIRAGE	TOWN BOX
MINICAB VAN	MINICAB TRUCK

In addition, our forward collision mitigation braking system and pedal misapplication prevention device have been certified as achieving a certain degree of performance under the Ministry of Land, Infrastructure, Transport and Tourism's "Advanced Safety Technology Performance Evaluation Certification System."

### Certified Models (As of June 2022)

(Forward Vehicles) Forward Collision Mitigation Braking System (Pedestrians) Forward Collision Mitigation Braking System	
Outlander PHEV model	
Eclipse Cross PHEV model	
Eclipse Cross gasoline model	
DELICA D:5	
eK X EV	eK X
eK WAGON	
eK X SPACE	eK SPACE
DELICA D:2	TOWN BOX
MINICAB VAN	MINICAB TRUCK

Pedal Misapplication Prevention Device	
Outlander PHEV model	
RVR	
Eclipse Cross gasoline model	
Eclipse Cross PHEV model	
DELICA D:5	MIRAGE
eK X EV	eK X
eK WAGON	
eK X SPACE	eK SPACE
DELICA D:2	TOWN BOX
MINICAB VAN	MINICAB TRUCK

Vehicles That Pedal Misapplication Prevention Device can be retrofitted	
eK WAGON (2013–2019)	eK CUSTOM (2013–2019)
eK SPACE (2014–2020)	eK SPACE CUSTOM (2014–2020)
MIRAGE (from June 2012)	DELICA D:5 (from January 2007)

## Traffic Safety Education and Promotion

The Company seeks to reduce the number of traffic accidents by conducting traffic safety education and promoting awareness. In these ways, we are working to raise safety awareness throughout society.

### 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.



Automobile Safety Facts Guide  
 (WEB) <https://www.mitsubishi-motors.co.jp/support/safety/popup/index.html>  
 (This site is only available in Japanese.)

## Improvement of Product, Sales, and Service Quality

### Medium- to Long-Term Visions for Material Issues and FY2021 Results

Long Term	Risks	Opportunities	Direction of Responses
	<ul style="list-style-type: none"> <li>Quality problems that originate in product or service quality</li> </ul>	<ul style="list-style-type: none"> <li>Enhance loyalty and win new customers by providing high-quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>Quality Policy*<sup>1</sup></li> </ul>

Medium Term	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
	<ul style="list-style-type: none"> <li>Increasingly diverse customer needs as vehicles become more advanced (electrification, intelligence)</li> <li>Increase in vehicle off-board functions (connected, link with smartphones)</li> </ul>	<ul style="list-style-type: none"> <li>Customer perspective: Sense of satisfaction in relation to quality through various contact points with products and MITSUBISHI MOTORS</li> <li>Business perspective: Maintain and enhance management to ensure against losing trust on the quality front</li> </ul>	<ul style="list-style-type: none"> <li>Through quality MTP, earn top level customers evaluations in our core market of "ASEAN5" (Thailand, Indonesia, the Philippines, Vietnam and Malaysia)</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Improving product quality	Ratio of defects identified within 3 months in service of new vehicle sale: Achieved reduction target	○
Improving sales quality	Achieved Sales Satisfaction Index (SSI) target (top three ranking in industry surveys) in three of five ASEAN5 countries* <sup>2</sup>	△
Improving service quality	Achieved Customer Satisfaction Index (CSI) target (top three ranking in industry surveys) in two of five ASEAN5 countries* <sup>2</sup>	△

○: As planned △: Delayed

\*1 Please see page 67.

\*2 Three countries of Indonesia, Philippines and Malaysia set internal target instead of industry survey because these countries were not conducted industry survey.

## Basic Approach and Quality Policy

Based on Quality Policy revised in April 2019, MITSUBISHI MOTORS are undertaking 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 includes the initial quality that customers experience immediately after purchasing a new car, and durability quality that customers experience throughout the entire period of use and so we sincerely listen to the opinions of customers and correct any

issues 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, we listen closely to customers and make fitting 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 viewpoint so that we can achieve customer satisfaction during every point of contact with customers.

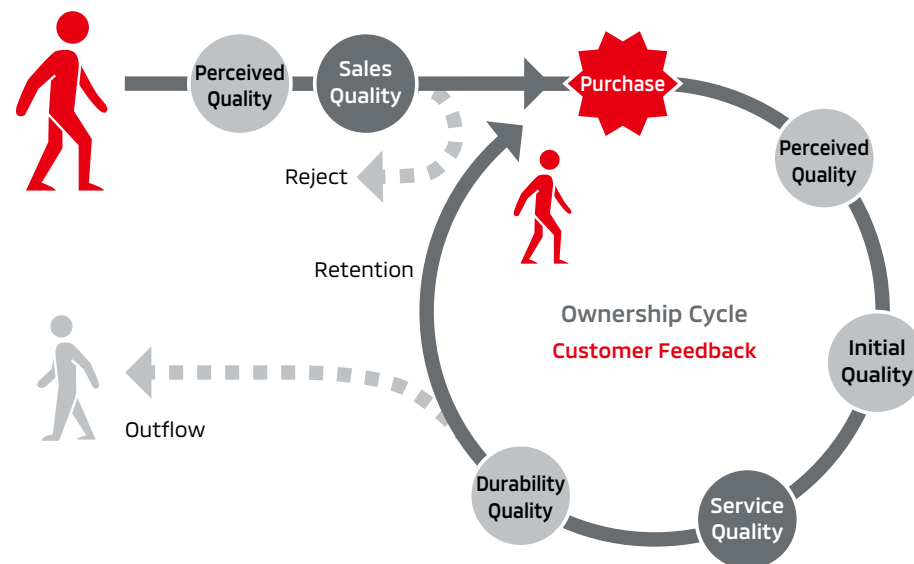
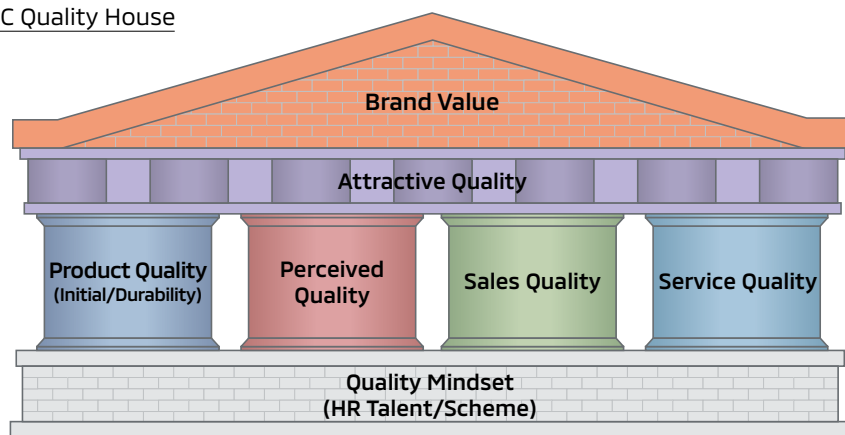
### Quality Policy

**Quality is the fundamental requirement to support our business.**

1. Commit to excellence in Product, Sales, and Service Quality exceeding customer expectations
2. Focus on Quality of Management to continuously improve overall company performance.
3. Comply with laws and global regulations to gain trust on MMC quality.

### The Four Quality Pillars Support Brand Image

MMC Quality House



## Improving Product Quality

Dealing appropriately not only with defects related to safety but also with regard to points raised and complaints about products is essential to improving customer satisfaction.

Regarding vehicles that have been sold, MITSUBISHI MOTORS is taking measures to reduce initial quality issues with a focus on defect incidents that occurred within three months to twelve months after sale. We have accelerated the speed of resolution through collaboration between the quality and development and production divisions, helping to reduce customer complaints.

Furthermore, to improve the initial quality of its new vehicles, we hold cross-functional "oobeya (large room) activities," where employees from various divisions (including development, production, service, quality control and procurement) meet in one room from the point at which shipment starts to consider countermeasures to address any problems that may occur. This approach allows initial quality to be improved more quickly.

Also, addressing issues that are not defects but that can cause customer dissatisfaction helps to improve processes during the development stage so new vehicles can be improved.

## Vehicle Quality Evaluations and Guarantees Based on a Customer Perspective

We are implementing a quality evaluation standard based on a customer perspective customer's point of view called AVES\* to ensure full quality assessments evaluation on prototype vehicles under development, vehicles undergoing quality verification and production vehicles sold to customers.

Assessments AVES evaluations includes static evaluations (interior and exterior appearances) and dynamic evaluations (when driving drivability). Dynamic evaluations check such aspects as noise, vibration, steering stability and various in-vehicle equipped functions. AVES assessors evaluators (specially qualified Company personnel) perform assessments evaluations in the customer's perspective and checking achievement of various criteria against quality standards.

AVES plays an important role in deciding whether to produce or start production of new models, as well as in maintaining quality guarantees on production vehicles. Accordingly, these assessments are evaluations are performed rigorously according to a rigorous customer perspective the customer's point of view.

\* AVES is a quality evaluation system used across the Renault-Nissan- Mitsubishi alliance, in which specially trained experts assess evaluates vehicles using more than 300 quality assessment evaluation criteria established from the customer's perspective.

perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the car life after purchase.



## Improving Sales Quality

We aim for top level customer's satisfaction and act in concert with sales companies to improve the quality of sales and become a brand that customers support and identify with.

### 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

## Improving Perceived Quality

We are taking measures from the development stage to improve quality with an emphasis on customer

satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction.

### Cooperation with Overseas Sales Companies

Cooperation with sales companies in each country and region is essential for achieving high customer satisfaction overseas. MITSUBISHI MOTORS provides product information to sales companies on a daily basis. In addition, we hold periodic online meetings with sales companies in individual countries, and strives to gather comments and opinions from local customers, such as market information and product requests gathered through interviews. In these ways, we strive to gather input from local customers.

Sales companies in each country and region are working to digitalize the sales process. They are devising ways to further satisfy customers in each country and region, by conducting online negotiations and sales, and by introducing smartphone apps. In response to COVID-19, we are conducting online training for sales staff. In addition, we support sales companies' efforts to improve customer satisfaction by sharing good practices of their sales quality improvement activities in each country and region.

### Appropriate Product and Service Information Disclosure

In compliance with the laws and regulations of each country and region, we strive to provide product and service information and labeling displays.

## Improving Service Quality

At the service site of the sales company that is the touch point with the customer, it is important to deliver "Good quality service" from the customer's perspective, from purchasing of the car.

We, hand in hand with partners in Japan and global dealers, are improving our capabilities of customer services, such as communication and technical skills, to deliver more satisfaction than customers expectation.

### Transferring Skills, in Japan

We have established its unique certification program for dealer staff. And it is offering an appropriate training for each staff member according to their skills. It is, after all, enhancing their capabilities of actual customer services. As COVID-19 has made it difficult to conduct group training, we are working to enhance e-learning and online training courses using the Internet to ensure that training is not interrupted.

We have 7 Technical Centers across Japan and organizes technical meet-ups, seminars and technical expert visits, supporting dealers from various perspectives including highly technical advice. It ends up swift response to customers.

### Transferring Skills, Global

To ensure the same and high-quality customer services around the world, We have been introducing its global-common-standard training and certification program for automobile technicians aiming to advanced customer services.

As in Japan, online training in other countries is also available via internet. It delivers ceaseless opportunity for dealer staff to sophisticate their competence in spite of the COVID-19 pandemic. Supporting from our technical experts are, of course, available at global dealerships regarding such as highly technical advice.

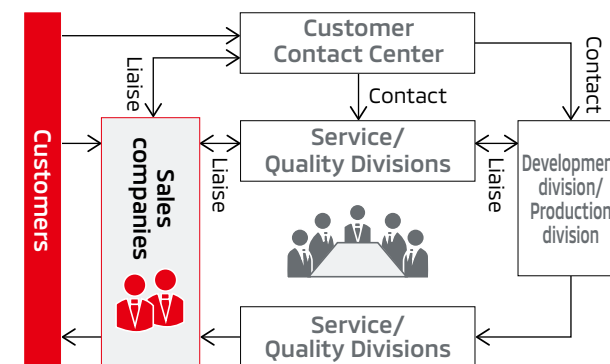
## Use of Customer Voice

The Group's mission is to provide customers with rich experience and satisfaction in their lives with cars by offering attractive products and excellent after-sales service. For that reason, we gather and analyze valuable customer comments and opinions received by domestic and overseas sales companies and by our Customer Contact Center. Our quality control, development, production, sales, and service divisions work together to actively improve quality.

### Improving Quality through Customer Voice

Sales companies hold specific interviews with customers on defects and related conditions. The quality sections have a system in place for sharing information received from sales companies with relevant divisions.

Also, by using a newly introduced system to analyze issues found in specific models, indications of defects from customers (quality information) and repair records, we can identify defect information and take countermeasures at an early stage to improve quality.



## Major Activities of the Customer Contact Center

MITSUBISHI MOTORS' Customer Contact Center accepts inquiries every day including weekends and holidays. The various comments and information from customers are managed in a database. Of the points raised, matters regarding defects are addressed in order to resolve customer problems in collaboration with sales companies and are used for further quality enhancements. In addition, feedbacks as well as opinions about product functionality, or opinions about 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.

Rather than outsourcing the operations of our Customer Contact Center, we have our employees communicate directly with customers. This approach allows us to maintain a high level of customer service quality and to accurately translate customer feedback into product and service improvements through smooth cooperation with each internal department.

## 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.

Refer to the site below for information on recalls.

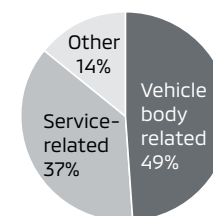
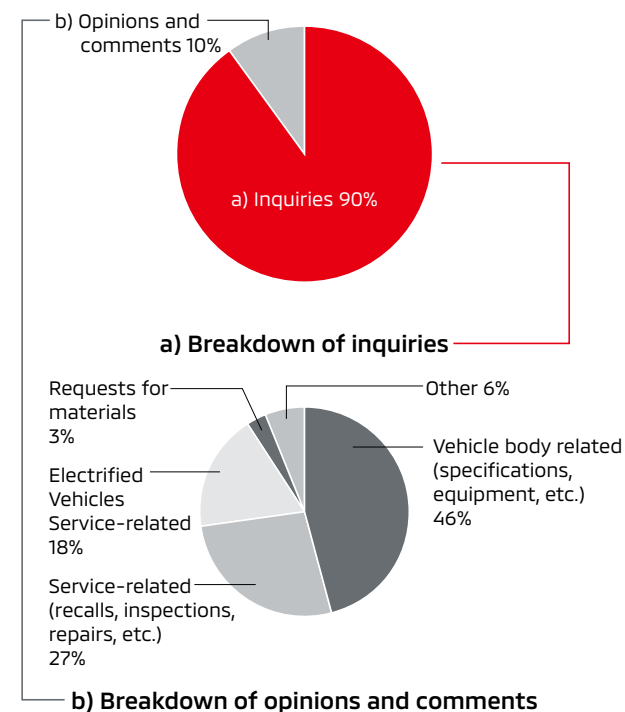
**(WEB)** <http://www.mitsubishi-motors.co.jp/support/recall/>  
This site contains the Japanese market information (only in Japanese).

## Domestic Cases and Number of Vehicles Involved in Recalls, Improvement Measures, and Service Campaigns

	No. of cases	No. of units
FY2017	27 cases	Approx. 629,000 units
FY2018	13 cases	Approx. 298,000 units
FY2019	15 cases	Approx. 590,000 units
FY2020	19 cases	Approx. 655,000 units
FY2021	13 cases	Approx. 492,000 units

## Contacts Received at the Customer Contact Center in FY2021

Number of contacts: approx. 32,000



## Management Structure

MITSUBISHI MOTORS analyzes quality information in order to realize "Top level quality from customer viewpoint" and we set specific objectives for which we investigate and implement policies toward realization while regularly on the status of improvements.

Also, regarding information from customers about vehicle defects provided by sales companies, we have established systems for immediate policy consultation, establishment and enactment by regularly gathering and sharing information.

Organization	Meeting Frequency	Chair	Members	Objective
<b>Quality Strategy Committee (QSC)</b>	Quarterly	Division general manager of TCS* <sup>1</sup> Division	Directors in charge of development and production, division general managers related to sales, service and product quality	Deliberation and decision of strategic topics in quality relating to sales, service and products
<b>Quality of Management Committee (QMC)</b>	Quarterly	Top management of QMS* <sup>2</sup>	Division and plant general managers, responsible person of direct departments	Sharing of best practices related to enhancing companywide management quality, responding to external examinations, reporting on items requiring correction and lateral deployment
<b>Quality Management Meeting (QMM)</b>	Monthly	Division general manager of TCS Division	Division general managers and supervisors in specialist positions (section head or higher) of divisions related to product quality	Confirmation of progress toward product quality targets, consideration and deliberation concerning effectiveness of improvement measures, provision of a forum for resolution in the event of defects

\*1 Total customer satisfaction

\*2 The Executive Officer, President & CEO or an executive designated by the Executive Officer, President & CEO

### QMS\*<sup>3</sup> ISO 9001 Initiatives

We believe that ongoing improvements in company-wide management quality are essential to achieving excellence in product, sales, and service quality exceeding customer expectations. Accordingly, all departments across the Company are earning ISO 9001 certification, not only those involved directly in product quality or sales and service quality.

Ongoing improvements in management quality means the following.

- 1) Prepare and implement annual plans with quantitative targets
- 2) Confirm progress at first-half and full-year management reviews
- 3) Share opportunities for improvement through internal audits
- 4) Use certification bodies to conduct examinations (surveillance, recertification)

Overseas production bases are obtaining ISO 9001 certification in the same way. We will continue this initiative to ensure that the products we produce and sell around the world exceed customers' expectations for product quality, as well as sales and service quality.

\*3 Quality Management System



## Developing a Quality-Oriented Mindset

Since FY2014, MITSUBISHI MOTORS has been holding Quality Forums in all domestic business locations in connection to activities that lead to increased quality in products, people and the Company as each employee individually reassesses and improves the quality of their work.

We also introduced Quality Forums in FY2018 at two overseas business locations: Mitsubishi Motors (Thailand) Co., Ltd. (MMTH) and Mitsubishi Motors Krama Yudha Indonesia (MMKI). We plan to expand this activity going forward.

Given the constraints we faced during COVID-19, in FY2021 we also launched a dedicated website and continued the activities online.

### Number of Participants in Quality Forums

	Domestic forums	Overseas forums (Thailand, Indonesia)
FY2017	2,810	—
FY2018	4,550	1,880
FY2019	6,200	800* <sup>1</sup>
FY2020	6,200* <sup>2</sup>	2,310* <sup>2</sup>
FY2021	6,000* <sup>2</sup>	2,850* <sup>2</sup>

\*1 Due to COVID-19, held only in Indonesia

\*2 Due to COVID-19, held online

## Assessing the Needs of Customers

We are promoting an awareness activity called "Customer Voice Seminar," whose objective is to give individual employees the opportunity to learn customers' needs by listening to actual comments and opinions of customers.

We incorporate this approach into the new employee training curriculum for new graduates and mid-career hires. We also provide numerous opportunities to take on customer perspectives, including through training for promoted personnel and voluntary training courses.

At the same time, we conduct and regularly update the video site for our Customer Voice Seminar on the employee intranet. With this system, people working from home or taking breaks from other tasks can view the content at any time.

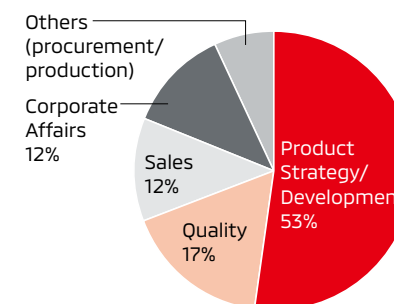
## Improvement of Customer Focus

For desired employees,, we are supporting the acquisition of Consumer Affairs Advisor qualification, which is a business qualification from the Prime Minister and Minister of Economy, Trade and Industry, with the objective of considering needs from the perspective of consumers and improving the quality of products and services.

As of April 1, 2022, 62 qualification holders have enrolled, making MITSUBISHI MOTORS 12th in the list of companies with the largest number of qualification holders.\*<sup>3</sup> Around 70% of these people are from manufacturing and quality-related departments, demonstrating a wide-ranging interest in and awareness of automaking from a customer perspective.

\*<sup>3</sup> According to research by Japan Industrial Association

### Consumer Affairs Advisor qualification holders



# Contribution to Local Economy through Business Activities



## Medium- to Long-Term Vision for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Companies from around the world are investing in the ASEAN region, leading to concerns about labor shortages and rising personnel costs.</li> <li>Economic development could lead to increasing income disparities within the region.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen management base by developing human resources.</li> <li>Ongoing capital expenditure could improve the working environment and raise productivity and efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>We will develop our business in pace with the region. We aim to grow along with the region through development and by resolving issues.</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>In the ASEAN region                             <ul style="list-style-type: none"> <li>Promoting initiatives toward a carbon-neutral society</li> <li>Multiple free trade agreement networks are being expanded, facilitating exports and imports.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Regional development through employment, human resource development, investment, technology transfer, export, the environment and social contribution</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business with an emphasis on contributing to all stakeholders and society</li> <li>Concentration of management resources with a business focus on the ASEAN region</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Employment	Continuous creation of local employment: Created local employment for 12,000 people in Thailand, Indonesia, the Philippines and Vietnam (including non-full-time employees)	—
Human resource development	Support for the development of personnel responsible for the development of the local economy: <Representative examples of training> Sales and service training for dealer staff, business-level-enhancement seminars for local employees, "manufacturing training" to enhance technical skills	○
Investment	Continuous implementation of capital investment that supports the growth of the local economy: <Principal investment plans> Established a new paint plant in Thailand, considered a new plant in Vietnam	○
Technology transfer	By continuing with local production, support advances in the local manufacturing industry: <Major projects> Established at a new paint plant in Thailand; in Thailand, Indonesia, the Philippines and Vietnam, provided scholarships to vocational training schools and technical universities, provided training vehicles, and conducted online courses	○
Export	Supporting growth of the local economy through the acquisition of foreign currency by means of export: <Number of vehicles exported> Exported 319,000 vehicles from Thailand and 42,000 from Indonesia	—
Environment and social contribution	Leverage our technologies and services to help resolve local social issues: <ul style="list-style-type: none"> <li>Started joint study of Kei-car segment commercial BEV in Thailand and Indonesia with logistics companies and state-owned postal service</li> <li>Began environmental contribution project to install rooftop solar power systems at hospitals in Thailand</li> <li>Installed DENDO DRIVE HOUSE, a vehicle-to-home (V2H) system that stores electricity generated by solar panels in electrified vehicles, at the headquarters of a sales distributor in Indonesia</li> <li>In Indonesia, donated three "Outlander PHEV" vehicles to support COVID-19 vaccine transportation</li> </ul>	—

○: As planned   △: Delayed   —: Results confirmed only



Target  
● 4.4



Targets  
● 9.2  
● 9.4



Target  
● 10.2



Target  
● 11.5



Target  
● 13.1



Target  
● 17.7

## Basic Approach

MITSUBISHI MOTORS has been developing business in the ASEAN region since prior to the rise of motorization, and we have grown up alongside these countries while developing close ties with the region based on the idea that "regional development" is "MITSUBISHI MOTORS development."

In this region, where we have undertaken business activities for many years, we are working proactively to address local social issues. We aim to grow together, invigorate the region, cultivate the market, understand consumers' needs and reinforce our own brand. In these ways, we believe we can simultaneously achieve regional development and our own development. Our current medium-term business plan, "Small but Beautiful," calls for the concentration of management resources on the ASEAN region—a core area of business—and providing the products of choice for customers that they need in order to achieve further growth. One of our material issues is "contribution to the local economy through business activities." In accordance with this aim, by developing our business in the ASEAN region, we will contribute to the local economy through employment, human resource development, investment, technology transfer and exports.\*1

In addition, by responding to social needs specific to the ASEAN region, we will engage in initiatives that leverage our technologies and services in the areas of the environment and social contribution, as well.\*2

\*1 Please see page 15 for details on identifying material issues

\*2 See pages 74–75 for specific examples.

## Management Structure

Local subsidiaries take charge of planning and implementing activities in line with initiatives that target material issues in the ASEAN region. Our sales division, which maintains administrative and supervisory functions, is responsible for promoting these initiatives. In the four countries where our production bases are located (Thailand, Indonesia, the Philippines and Vietnam), every six months we check with local subsidiaries on the rate of progress and results of initiatives, reporting to the management team via the Sustainability Committee.

## Employment

Markets in the ASEAN region have been affected by the COVID-19 pandemic. To help reinvigorate the economy and facilitate growth, we believe it is our mission to continue to create employment in the region. We employ approximately 12,000 people in the four countries where we have production bases: Thailand, Indonesia, the Philippines and Vietnam. In FY2022, we will use local human resources in line with our business plans.

## Human Resource Development

In the ASEAN region, which is working to become more industrially advanced, we help by providing experience in automobile manufacturing, sales and service. In addition to cultivating specialized expertise and skills, we cultivate people who are involved in manufacturing and foster local economic growth. In FY2021, we maintained strict COVID-19 precautions, conducting some training online and providing OJT in other areas, depending on the individual companies' circumstances.

- In Thailand, we conducted online sales and service training for around 40,000 employees and dealer staff.
- In Indonesia, we conducted online training for local employees according to their business level.
- In the Philippines, approximately 150 employees received manufacturing training in the aim of enhancing the production division's capabilities, boosting their level of specialization.

In FY2022, we plan to continue providing training courses and OJT according to conditions in each country.

## Investment

We continue to make capital investments in plants, which support local economic growth. In Thailand, where our largest overseas production base is located, we opened a new paint plant in FY2021. We are installing a rooftop solar power system as our efforts to reconfigure our manufacturing structure to reduce environmental impact.



## Technology Transfer

By continuing with local production, one of the roles played by our production sites in the ASEAN region is technology transfer, through which we support the advancement of the local manufacturing sector. MITSUBISHI MOTORS is also working to make its plants more competitive by transforming the value chain, such as by raising quality and lowering costs.

In FY2021, we consolidated two superannuated paint plants in Thailand into one new paint plant, completed paint renovation.

In addition to the conventional practice of automating application of the middle and top coats, the new plant is the first in the ASEAN region to introduce automated technology for applying sealants to the entire vehicle and for painting interior panels, significantly improving production efficiency and competitiveness compared to the previous plant.

On the environmental front, the use of a reverse osmosis treatment system allows up to 75% of wastewater to be recycled. Also, the use of water-based paints and cartridge-type coating machines reduces emissions of volatile organic compounds (VOCs) by 50%. The effect of consolidating the plants was to reduce CO<sub>2</sub> emissions by 30% and lowering environmental impact, as well. (All data are in comparison with FY2017 levels.)

We are also promoting the adoption of renewable energy. The installation of a rooftop solar power system on our new paint shop will help to reduce CO<sub>2</sub> emissions by 1,700t or more a year.

We have offered scholarships to technical universities and vocational training schools in Thailand, Indonesia and the Philippines. We also provided train-

ing vehicles, conducted online training and provided instructors for online seminars, supporting vocational training with an eye to technology transfer.

In FY2022, we will continue to support vocational training and efforts to make our factories more competitive. Through these efforts, we aim to enhance the local manufacturing industry.

## Export

Exports generate foreign currency, which supports the continuous growth of the local economy. Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) is our largest overseas production base. Leveraging this strategic location, we export key models (including pickup trucks and SUVs) to ASEAN countries and globally. As in FY2020, the market remained difficult in FY2021 due to COVID-19. However, we exported around 320,000 vehicles from Thailand and approximately 40,000 units of "XPANDER," a compact MPV, from Indonesia. In FY2022, we will continue to enhance a mutually comprehensive structure for production within the ASEAN region, as well as maintaining exports to other ASEAN countries and the rest of the world.



New "XPANDER"

## Environmental and Social Contribution

In the ASEAN region, meeting to environmental regulation is becoming a more important issue than ever. In response to calls for the realization of a carbon-neutral society, we are leveraging our strengths in electrification technologies and expertise to help resolve local social issues.

In FY2021, we commenced joint studies with national postal services and a logistics company in Thailand and Indonesia using our Kei-car segment commercial BEV, the "MINICAB-MiEV." In addition, in Thailand we collaborated with the government on a project called Solar for Lives. In the aim of lowering CO<sub>2</sub> emissions, we started to install rooftop solar power systems at hospitals. In Indonesia, we donated three "Outlander PHEVs," participating in a government-led effort to support the transport of COVID-19 vaccines. In FY2022, we will continue to promote electrified vehicles in the ASEAN region and engage in activities that help reduce environmental impact.



Charging of "MINICAB-MiEVs," which are being used in a joint study



Hospital with a rooftop solar power system installed as part of the "Solar for Lives" environmental project

## Promotion of Work Style Reforms in Response to the New Normal (Diversity, Work-Life Balance)



### Medium- to Long-Term Vision for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Human resources could become concentrated at companies that are progressive on diversity and work style reforms.</li> <li>Remote working could result in lower productivity (more difficult to manage operations and personnel, breakdowns in communication, problems with managing the working environment).</li> </ul>	<ul style="list-style-type: none"> <li>The potential to secure excellent human resources, product development from a diverse perspective</li> <li>Higher productivity</li> </ul>	<ul style="list-style-type: none"> <li>Create an environment where diverse human resources can leverage their capabilities</li> <li>Reform work style to heighten productivity</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>Calls to create diverse workplaces that encourage promotion among women, foreign nationals and mid-career hires</li> <li>Disasters and infectious disease prompting a sharp rise in remote working</li> </ul>	<ul style="list-style-type: none"> <li>The provision of equal opportunity</li> <li>Provision of working environments that suit individual lifestyles and life events</li> </ul>	<ul style="list-style-type: none"> <li>Creating workplaces where women and people with disabilities can leverage their capabilities</li> <li>Establishing flexible working styles that enhance productivity</li> </ul>

Items	FY2021 Targets and Results		Self-Evaluation
Promotion of work style reforms	Ongoing implementation of work style reform measures	Creating a remote work environment that further enhances productivity	○
		Paid leave taken (administrative and engineering staff*1, manufacturing workers*2, medical workers*3): 17.8 days/year	△
Promotion of women's participation and advancement in the workplace	Measures based on our action plan to promote women's advancement	Conduct questionnaire survey on personal awareness/workplace climate Initiatives to promote the use of childcare leave	○
Promotion of employment of people with disabilities	Ongoing promotion of employment of people with disabilities	Percentage of employees with disabilities 2.44% (As of March 2022)	○

○: As planned △: Delayed

\*1 Administrative and engineering staff: Employees who work in corporate planning, adjustment, research, auditing, and other professional and engineering categories

\*2 Manufacturing workers: Employees engaged directly in manufacturing work or parts supply, equipment maintenance, testing or other supplementary work; also, employees who engage in supervision or instruction, technical instruction, or on-site support

\*3 Medical workers: Employees who engage in medical and health-related work, such as doctors, pharmacologists and nurses



## Basic Approach

Mitsubishi Motors views people as the key to creating sustainable growth and improving corporate value in the ever-changing automobile industry. We therefore believe in the importance of realizing an environment where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

The COVID-19 pandemic has prompted us to challenge the conventional approach toward "going to the office" to work, instead encouraging more flexible work styles that are less location- and time dependent. To leverage diverse human resources to create value, we are creating a working environment that helps individuals maximize their capabilities. In this way, we aim to achieve increases both in work productivity and quality of life, helping to realize a better work-life balance.

## Initiatives toward a Flexible Working Style

To promote and implement flexible working styles that enable diverse employees to fulfill their potential, in FY2020 we established the Flexible Working Styles Consideration Committee, which is chaired by the Executive Officer, President & CEO. This committee has been discussing matters to be addressed over the medium to long term. Based on the direction of its initiatives, in FY2021 relevant departments within the Company took over the promotion items from the committee and are continuing the initiatives. Key initiatives are outlined below.

<b>Area of work (remote work)</b>	To provide a more comfortable working environment than before, we eliminated the maximum number of hours and days for remote work. In addition, we allow work to be conducted at any location, even outside the home, that meets requirements.
<b>IT domain</b>	Improve IT infrastructure and significantly increase the maximum number of VPN connections
<b>Provide IT support tools</b>	Introduce communication tools to enhance communication between at-home working and remote locations
<b>Increase in IT literacy</b>	Share knowledge and usage examples at the departmental level to promote the use of communication tools

## Conducting Engagement Surveys

We have been conducting engagement surveys (employee surveys) since FY2013. We conduct these surveys to help us visualize the state of the Company, the organization as a whole and its employees. We also use the results to address issues and invigorate our people and organization.

With these surveys, we collect employee feedback on a wide range of topics, including management philosophy, diversity, work efficiency, supervisor management, customer orientation and finding the right person for the right job, helping us to identify areas of focus. In addition to the president and other members of the management team, as well as heads of departments and headquarters organizations, survey results are shared via the intranet with employees, to promote improvement initiatives at the company and organizational level. Data from the FY2021 survey were used to make decisions on HR system revisions and spring councils. Through such actions, we are working to continuously enhance engagement between employees and the Company.



## Promoting Diversity

MITSUBISHI MOTORS aims to grow sustainably while responding to the significant changes in the business and market environment resulting from diversifying customer needs and technological innovation. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value. With respect for employee diversity including race, nationality, ethnicity, gender, sexual orientation, gender identity, age, ability or religion, we are making efforts to create environment where each person can energetically work without difficulty.

To promote and achieve diversity, we are pursuing Di@MoND activities by the Diversity Promotion Office based on the Diversity Promotion Policy we established in July 2014. By embracing diversity, our aim is to leverage employees' diverse characteristics in a

manner that will contribute to the mutual growth of the Company and each individual employee. Initially, Di@MoND activities prioritized women's participation and advancement in the workplace. Now, we are also working to provide working environments that are comfortable for all.

► Data (p. 124): Number of employees, number of employees by region, number of locally hired managerial employees at overseas subsidiaries, status of female management promotions, employee makeup, number of new graduates hired

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

We promote women's participation and advancement in the workplace as a priority issue. Since 2014, we have been selecting female managers and manager candidates to join the Working Women's Empowerment Forum, led by the Japan Institute for Women's

Empowerment & Diversity Management.

From 2017, we have also been sending manager candidates to seminars hosted by the Aichi Gender Equality Foundation.

As of April 2022, 8.3% (three) of the Company's executives were women, and we had 96 female managers, of whom 13 were division general managers. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in April 2021 we formulated an action plan to promote women's advancement, setting 15% as our target ratio for female manager candidates, which we are working to achieve by March 2024.

Action Plan to Promote Women's Advancement [PDF](#) [5MB] (Japanese only)

► Data (p. 124): Status of female management promotions

### Diversity Promotion Policy

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



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### TOPICS

#### MITSUBISHI MOTORS Selected as Constituent of MSCI Japan Empowering Women Index

We have been selected as a constituent member of the MSCI Japan Empowering Women Index (WIN) for the fifth year in a row, beginning in 2018. WIN is 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.



## Promoting a Work-Life Balance

MITSUBISHI MOTORS is enhancing our work-life balance assistance programs to accommodate the diverse work styles of our employees. In FY2017, we introduced the telecommuting and accompanying leave systems to accommodate diverse work styles and life events. In FY2018, we established the Work-life Balance Support Concierge within the Company, from which employees can seek advice on the programs suitable for their individual childcare and nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system. In August 2021, we revised the telecommuting system in an effort to create an environment that fosters more productive and highly flexible working styles.

► DATA (P125): Number of persons taking childcare leave and retention of returnees, people utilizing major programs to promote work-life balance

### List of work-life balance assistance programs

	Programs	Overview
Childcare	<b>Pregnancy leave</b>	Can be taken for the designated period of time applied for in advance, between becoming pregnant and the day prior to maternity leave (may be taken multiple times)
	<b>Maternity leave</b>	Six weeks prior to birth and eight weeks after birth
	<b>Childcare leave</b>	Can be taken up to the end of April of the following fiscal year after the child's third birthday
	<b>Child nursing leave</b>	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)
	<b>Reduced working hours for childcare</b>	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	<b>Nursing care leave</b>	Aggregate total of three years can be taken per person receiving nursing care
	<b>Short-term nursing care leave</b>	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)
	<b>Reduced working hours for nursing care</b>	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	<b>Life plan leave</b>	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
	<b>Accumulation of unused paid leave</b>	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)
	<b>Flextime system</b>	System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days
	<b>Telecommuting system (Revised in August 2021)</b>	System that allows employees to work from a location other than their own or family home, as long as certain conditions are met, and to pay an allowance
	<b>Reemployment system</b>	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 reasons recognized by the Company, with an applicable period within five years after resignation
	<b>Accompanying leave</b>	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

## Helping Employees to Balance Work and Childcare

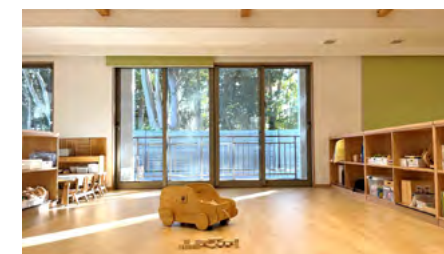
We actively support employees who seek to balance work and childcare.

This support also extends to facilities, with on-site daycare centers having been established. Dia-Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia-Kids Tamachi at our head office building in February 2019.

During the COVID-19 pandemic, elementary and other schools were temporarily closed, and government authorities asked people to refrain from attending after-school children's clubs and the like, so some employees were compelled to take time off to care for their children. We addressed this issue with a system of special paid leave. This leave was provided in addition to annual paid leave and offered to help employees balance work and home life during the emergency.

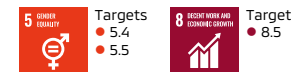


Dia-Kids Tamachi, a day-care center for employees (within the head office building)



Dia-Kids Okazaki (within the Okazaki site)





## Helping Employees to Balance Work and Nursing Care

As society ages, we believe it is important to help employees balance work and nursing care.

MITSUBISHI MOTORS has set up contact points where employees can consult with nursing care specialists as required via email or on the phone. Furthermore, we organize regular nursing care seminars delivered by outside instructors to provide basic information about how they can balance their work and nursing care. In FY2021, we held the seminars simultaneously in four regions (head office, Okazaki, Kyoto and Mizushima) online. They were attended by about 230 employees, primarily managers.

## Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a talented workforce that makes the most of its knowledge and experience, we operate a program to reemploy senior workers after their retirement. As of March 2022, there were 718 reemployed workers, engaged in handing down techniques and training the next generation.

## 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. As of April 2022, the percentage of employees with disabilities at the Company was 2.41%, which exceeds the statutory level. We will continue to promote additional employment while improving the work environment.

On a consolidated basis, the Company employs\* 185 people with disabilities, including physical, mental and intellectual abilities. At our head office, we have installed wheelchair- and ostomate-compatible toilet facilities, creating a working environment amenable to employees with disabilities.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007. This company employs 65 workers\* with intellectual disabilities at the Okazaki and Mizushima plants.

MMC Wing, now in its 15th year since establishment, 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. To help support the employment of people with disabilities, we proactively accept requests from employment support facilities and special needs schools to try on-site training, teaching people with disabilities opportunities about group activities and work processes.

As the presence of supportive instructors is essential for promoting and providing stable employment for people with disabilities, in FY2021 we offered an internship program for university students preparing

for employment to help them understand the work of instructors as an opportunity to come into contact with a diverse range of people and occupations.

\* As of April 2022

▶ Data (p. 125): Number of hired people with disabilities

## Global Action

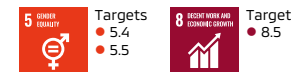
As part of the support offered to our workforce of non- Japanese employees, which is increasing year by year, we have established prayer rooms at our head office and Okazaki sites that are available to people of all religions and denominations. These rooms are open to customers, suppliers and other stakeholders who visit our sites. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.

▶ Data (p. 124): Number of employees by region, number of locally hired managerial employees at overseas subsidiaries



Prayer room in our head office building

Prayer room in the Okazaki area



## Promote LGBTQ Awareness

Our human rights policy defines "respect for human rights of our stakeholders" and states that we will not tolerate unfair discrimination or harassment based on such factors as gender, sexual orientation or gender identity, and will respect diversity. Furthermore, the MITSUBISHI MOTORS Global Code of Conduct, which all employees and executives are bound to comply with, clearly states: "Respect Human Rights and Diversity, Provide Equal Opportunity."

Based on these ideas and policies, we are striving to improve the workplace environment and internal systems in order to create a comfortable working environment where LGBTQ people can play an active role in the Company. In our employee system, the definition of marriage includes same-sex relationships, and employees in such relationships can take marriage and childcare leave and use Company housing. Since FY2018, we have held seminars to help provide basic knowledge to aid in accurately understanding LGBTQ issues and increasing supporters known as "Allies." Approximately 364 people attended the seminar in FY2021. In FY2021, for the third year we provided an e-learning course, "Understanding the Basics of LGBTQ," which was taken by around 7,000 employees. Upon request, employees who have taken the course can receive "ally stickers" to make the promotion more visible.

### TOPICS

#### Awarded PRIDE Index Gold Rating

Developed by "work with Pride," a voluntary organization in Japan, PRIDE Index is an indicator for rating workplace initiatives for sexual minorities, including LGBTQ. For four consecutive years, since 2018, we have been awarded the "gold" rating. We will continue to create workplace environments that are friendly for all employees.



## Participating in Initiatives Outside the Company

The Company is a member of the "policy advocacy team" of the Japan Automobile Manufacturers Association, Inc. This team, which is made up of people in charge of human resources at individual companies, participates in efforts to propose legal amendments and policies on new working styles. In FY2021, the team compiled recommendations and requests regarding the five days of mandatory paid leave stipulated in the Labor Standards Act.

# Stepping up Human Resource Development



## Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
<b>Long Term</b>	<ul style="list-style-type: none"> <li>Remote working could lead to a decrease in operational or HR management, causing productivity to fall and weakening the organization.</li> <li>A delayed response to social or environmental changes could reduce competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Higher productivity, a more resilient organization</li> <li>Enhanced competitiveness due to an increase in highly specialized personnel</li> </ul>	<ul style="list-style-type: none"> <li>Enact measures to enhance managers' ability to manage</li> <li>Augment the skills needed to respond flexibly to changes in the environment</li> </ul>
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
<b>Medium Term</b>	<ul style="list-style-type: none"> <li>Remote working leading to a lack of communication and growing sense of isolation</li> <li>A rapidly changing environment surrounding the auto industry (CASE, MaaS)</li> </ul>	<ul style="list-style-type: none"> <li>Secure personnel who have strong management capabilities</li> <li>Provide training that matches the environment and the times</li> </ul>	<ul style="list-style-type: none"> <li>Increase managers' management and HR development skills</li> <li>Improve training methods to match the environment and the times</li> </ul>

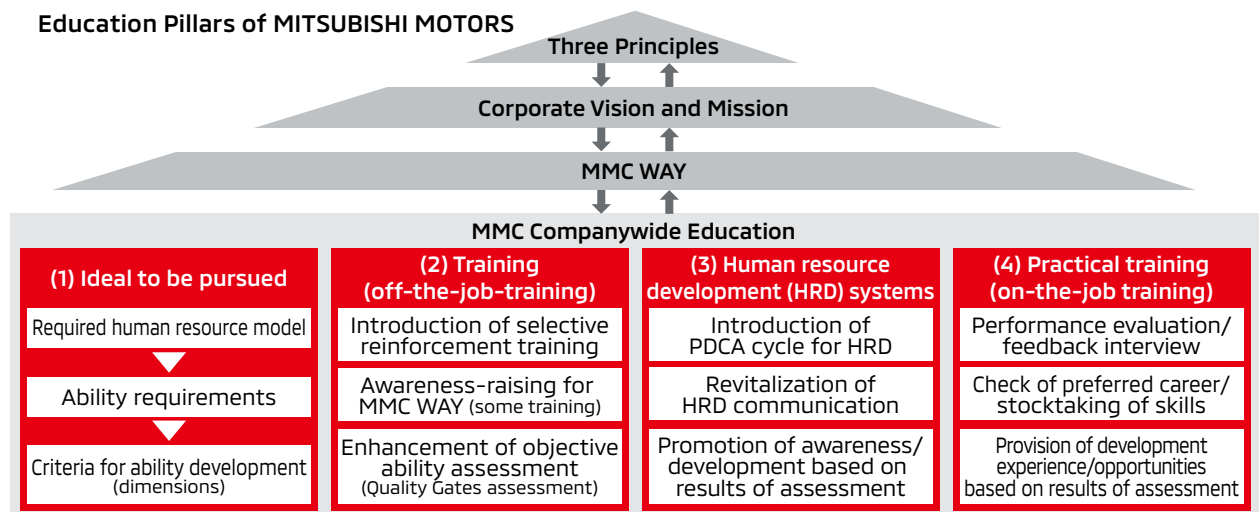
Items	FY2021 Targets and Results	Self-Evaluation
<b>Finding the best mix of online and face-to-face training</b>	Conduct online training through interactive communication using conference tools to make the training more effective In the second half, conducted face-to-face training (with thorough infection control measures in place)	○
<b>Enhancing managers' ability to manage</b>	Conduct training on a trial basis with a view to a companywide rollout Planned and conducted selective training for managers	○
<b>Augment communication skills</b>	Introduced a cross-mentoring system for new employees in addition to the existing mentoring system, with the aims of revitalizing communication in the remote work environment and helping employees gain traction early on in the workplace and making them more competitive.	○

○: As planned    △: Delayed

## Basic Approach

MITSUBISHI MOTORS' 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 daily behavior. 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 also discuss their personal vision for the future during annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to achievement of human resource development with deeper understanding.



## MMC WAY

MITSUBISHI MOTORS has summarized the attitudes and actions that employees need to practice to fulfill our mission. We have encapsulated this information into concrete and easy-to-understand keywords and shared them with employees as the "MMC WAY."

In FY2022, the Executive Officer, President & CEO and other members of the management team discussed the ideal standards of MITSUBISHI MOTORS in light of changes in the automotive industry and the environment surrounding our company. After listening to employees' opinions, we revised the MMC WAY, comprising five key items.

The first two items in the new MMC WAY emphasize key values. They call on us to "think of our customers first" as the foundation for earning "society's trust" and to "contribute to society" through our corporate activities. These items incorporate the message that every employee must remember our raison d'être: satisfying customers and contributing to society through corporate activities.

With the other three items, we have expressed important elements in the previous MMC WAY more specifically and clearly.

All executives and employees will share in the new MMC WAY, which incorporates what is important in our lives as a company and as human beings, and we will work together as one to take on the challenge of reaching our goals.

### MMC WAY

1. **Think of Our Customers, Strengthen Trust**
2. **Enrich Society**
3. **Welcome All Facts, Share Difficult News First**
4. **Conduct and Challenge Yourself Professionally**
5. **Respect All, Work as a Broader Team**

## Management Organization

In FY2021, we established the HR System Review Committee to identify issues with the current HR system and ensure fair and stable operation of the system, with compensation commensurate with job responsibilities and performance. The committee is made up of the Executive Officer, President & CEO and other members of the management team. Reflecting the committee's review results, we are introducing a new HR system in FY2022. In FY2022, we also established the HR Development Council as a successor to this committee, with the same members, to discuss and consider measures for cultivating young employees and executives. At present, we are working to optimize our personnel plan, striving to reinforce expertise in each department while determining the best balance with fixed costs. In addition, we are moving forward with recruitment to expand our development of electrified vehicle power train control systems and technical expertise in other fields, as well as to promote digital transformation (DX).

Meanwhile, we are looking into the continuous upskilling of IT/digital personnel and the implementation of digital literacy and reskilling for employees outside the IT department. We also dispatch employees for language and other training to the ASEAN region, which is a key geographic region for us, and welcome trainees from affiliated companies in the ASEAN region. Preparations are underway to begin training-oriented personnel exchanges among affiliated companies.



## Training and Education

### MITSUBISHI MOTORS' Education Program

Based on the education pillars, sections in charge of education with the Human Resources Division have put in place a training program for the systematic

development of human resources, from entry-level employees to general managers.

We plan and implement a variety of employee training programs, including not only training curriculum based on employee job classification, but also selective training for managers, training for all employ-

ees utilizing e-learning, and selective training in which employees voluntarily choose a program to attend.

### Consideration for Training Methods in Response to a Changing Environment

To respond to the changing environment and boost its organizational capabilities, MITSUBISHI MOTORS has put in place a training system that cultivates personnel in a systematic manner, from entry-level employees to general managers.

By introducing a telecommuting system in FY2021, we paved the way for expanding our training methods in preparation for a post-pandemic world. We expanded the online training that we put in place in the previous fiscal year, moving from a listening-based approach to one that uses conferencing tools to foster group work and real-time question-and-answer sessions. As such training is not location-specific, people from different worksites can participate at the same time, which encourages interaction among locations. While ensuring pandemic-protection measures are in place, we are also gradually reintroducing group training, depending on the training's objective. For example, we are conducting some parts of new-employee training face to face. We will continue to strengthen our educational system with the aim of developing human resources capable of responding flexibly and autonomously to changes in the environment.

The ability of each individual is the key to corporate growth in a situation where the future is difficult to predict. Recognizing this, we will continue to study and implement mechanisms that help employees cope with changes in the environment and support their personal growth.

Job Classification (required human resource model)	Training for each job rank				Training across all job ranks	Global	
	Training for newly promoted employees	Reinforcement training	Training for candidates for promotion	Institutional training		Mindset/Skills	English
<b>General managers (M1)</b> (innovation leader)	Training for newly Promoted M1	Selective reinforcement training (e-Learning)		Feedback interview training	Training for mid-career employees	Selective training (GCDP*3 program, etc.)	Measures for improving TOEIC score (TOEIC score range from 300 to 695)
<b>Section managers (M2)</b> (management professional)	Training for newly promoted M2	Leadership training for organizational transformation Selective reinforcement training (e-Learning)	Training for M1 candidates (assessment)	Follow-up training on commitment and target & KPI/C WAY			
<b>Assistant Manager</b> (a leader of practical work)	Training for newly promoted Assistant Manager	Training for M2 candidates	Training for M2 candidates (assessment)		Training for mentors of new graduates	Global mindset training*2	
<b>Main Staff</b> (a key player in the execution of work)	Training for newly promoted Main Staff	Training for Assistant Manager candidates Good communicator development training					
<b>Staff</b> (a professional in the operational work)	Entry-level employee training	Third year training*1 Second year training				Global mindset training*2	
<b>Clerical Staff</b> (efficiently carries out operations)	Entry-level employee training	Third year training*1 Second year training				Global mindset training*2	

\*1 Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training.  
 \*2 To be conducted within third year training and entry-level employee training program, respectively.  
 \*3 GCDP: Global Career Development Program

▶Data (p. P125): FY2020 training results



## Fostering Global-Minded Human Resources

In line with increases in both overseas production and sales volumes, we are placing emphasis on developing human resources who are capable of adopting a transglobal perspective and performing in the global business field.

English language skills are essential when working with people outside Japan, so we offer employees training designed to systematically improve their English skills, including beginner and intermediate courses aimed at improving basic skills. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we run a program in which younger employees are dispatched to non-English-speaking emerging countries for three years (one year of language training + two years of work experience at a local affiliate). Plans are also in place for training programs at overseas subsidiaries.

## Supporting Lifelong Education

In accordance with the Revised Act for the Stabilization of Employment of Older Persons, which went into effect in April 2021, we are promoting the reemployment of retirees aged 60 and over to steadily pass on the skills, knowledge and experience of our 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.

### FY2021 Seminars for Future Good Life

Number of seminars	4 in total across the company
The number of participants	55

## Career formation and evaluation

### Personnel System

Regarding career formation, we have put in place 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.

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 interview 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.

We have introduced multifaceted competency (behavioral) evaluation systems for general managers and section managers, as well as for general employees, based on a performance achievement evaluation using a target management system, the MMC WAY (our action guidelines), human resource development and organizational management, and expertise, respectively.

We have positioned these systems as management-enhancing tools aimed at general managers and section managers with the objective of revitalizing the

organization. In doing so, we aim to: (1) Share organizational objectives and foster a sense of responsibility for achieving these objectives, (2) Enhance incentives for achieving objectives, (3) Enforce mindset and behavior expected from employees, and (4) Make appointments and promotions according to merit.

For non-management personnel, our aims are (1) Sharing organizational objectives and instilling a sense of responsibility for achieving them, (2) Raising transparency and employee approval of evaluations and employee treatment, and (3) Promoting the establishment of shared values.

## Fair Compensation System

We 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. In conjunction with raises given annually based on individual performance, raises are also given according to advances in career.

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

▶ Data (p. 125): Wage levels

## Promoting Occupational Health and Safety



### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Workplace accidents, increases in the number of people with lifestyle diseases or mental health disorders, or damage to the physical and mental health of employees could adversely affect our corporate image and obstruct our business continuity.</li> <li>Infectious diseases could affect our employees and business activities.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure business stability by creating safe and secure workplaces and promoting physical and mental health</li> <li>Protect employee health and work through measures to halt infectious disease</li> </ul>	<ul style="list-style-type: none"> <li>Create an environment where employees can work safely and be physically and mentally healthy</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>A growing number of people with mental health disorders and lifestyle diseases</li> <li>Threats from infectious diseases on a global scale</li> </ul>	<ul style="list-style-type: none"> <li>Help employees respond to environmental, age and lifestyle changes</li> <li>Ensure thorough measures to halt infections</li> <li>Calls for business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Prevent mental health disorders stemming from environmental changes, and maintain employees' physical and mental health</li> <li>Promote health and safety management systems and ensure compliance with safety-related laws and regulations</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
Creation of safe workplaces	Ongoing measures for the creation of safe workplaces: Overall accident rate*1 0.20 (result)	○
Promote physical and mental health	Ongoing promotion of employees' physical and mental health: New mental patient incidence rate*2 0.62% (result)	×

○: As planned ×: Failed to meet target

\*1 Number of accidents with or without loss of workdays per 1 million working hours

\*2 (Total number of new mental health patients ÷ total number of workers)×12



## Basic Approach

MITSUBISHI MOTORS believes ensuring the health and safety of employees is the foundation of corporate activities. Accordingly, we have established a Health and Safety Management Policy and are undertaking related measures on an ongoing basis, including through offices for on-site cooperation.

### 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.

## Management Organization

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

Each time a workplace accident occurs, the situation is reported to the Executive Officer, President & CEO and other members of senior management, and the Company responds according to their instructions.

## Initiatives to Ensure Workplace Safety

We work 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 most workplace accidents. In order to prevent these, we identify unsafe conditions 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 em-



employees can experience firsthand such hazardous situations as pinching, being caught up in equipment, becoming wounded and falling. In FY2021, 2,842 people took part in this training.

In addition, some of our business sites are operating "remote safety training schools," which enhance the ability to predict danger through visual experiences.

In FY2021, our accident rate was 0.20, which is substantially lower than the average for the Japanese automobile industry, at 0.47, and meets our target, of 0.26. However, as previously, unsafe conditions are the cause of most accidents, in FY2022 we will again work to enhance the ability to predict danger and take synchronized, companywide, in-depth efforts to eradicate unsafe conditions by identifying potential accidents at each business site and ensuring that facilities are intrinsically safe.

As for assessing our compliance with safety-related laws and regulations, we use checklists to conduct self-checks of each workplace and to conduct reciprocal checks on other workplaces to ensure thorough compliance. In FY2020, we began conducting checks at technical centers and parts centers, as well. In FY2021, we expanded the scope of verification to include domestic associates to ensure compliance with laws and regulations. At our overseas plants, compliance assessments were performed at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), Mitsubishi Motors Philippines Corp. (MMPC) and P.T. Mitsubishi Motors Krama Yudha Indonesia (MMKI).

▶Data (p. 125): Accident rate

## Mental and Physical Health Initiatives

For the purpose of maintaining and improving the mental and physical health of our employees, MIT-

SUBISHI MOTORS prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Given that mental health issues account for more than half of absences due to illness, we have positioned mental health measures as a company-wide priority issue and have introduced an outside Employee Assistance Program\* (EAP), a type of mental health program. We also offer consultation on individual issues, provide mental health education and offer support programs to improve the workplace. However, in FY2021 the number of new sick days taken due to mental illness rose 12% year on year, and work-related concerns continued to account for around 80% of all cases. Accordingly, in FY2022 we will continue to prioritize prevention with the aim of providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments. Meanwhile, 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 conduct training to enhance workplace communications, and conduct a program delivered by outside counselors to improve workplace environments. In our efforts to create an environment that facilitates consultation, we facilitate individual consultations with outside counselors. We have also established a helpdesk where employees can consult with attorneys and other specialists.

\* This employee support program 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.

## Responses to COVID-19

We have been affected by the COVID-19 pandemic in a variety of ways. Recognizing that business continuity and the health of our employees are topmost priorities, we have taken swift measures while remaining abreast of government trends and other developments in Japan and overseas.

### Specific Initiatives

- Daily disinfection of common areas
- Installation of shielding curtains on production lines
- Temperature checks of employees and visitors
- Erection of shields in the cafeteria, spacing out seating, encouraging silence while eating, and other measures



Shields in the cafeteria (Mizushima Plant)



Seats in the dining area are numbered, making it easier to maintain a seating record (Okazaki Plant).





## Preventing and Containing Infection

To protect the health of our employees, we have notified all employees about efforts to prevent and contain infection.

- A call for attention to efforts to prevent and contain infection and instructions for how to respond if feeling ill or if infected or in close contact with those who are
- Consistent rules to apply when working at all sites, such as social distancing at business sites and offices, temperature checks and cafeteria measures
- Details about the Ministry of Health, Labour and Welfare's enhanced quarantine measures in relation to employee business travel to and from overseas locations, danger levels for infection around the world and other precautions

## Workplace Vaccinations to Prevent the Spread of COVID-19

In an effort to reduce the burden on local communities and accelerate the COVID-19 vaccine rollout, the Japanese government asked some companies to conduct workplace vaccinations. In June 2021, MITSUBISHI MOTORS received such a request, and by November we had completed vaccinations of all who requested them. The rollout of a third round of workplace vaccinations began in March 2022.

## Implementation of Telecommuting to Prevent the Spread of Infection

We recommended teleworking for employees concerned about the high risk of infection from using public transport, as well as employees with existing illnesses that placed them at increased risk from the disease. We also monitor conditions at headquarters (Tokyo) and in other prefectures, maintaining the ratio of people telecommuting in each area at a certain level.

## Labor-Management Relations

The Company supports the basic principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact, 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 2022, our labor union had 12,859 members, which accounts for all employees except officers and managers.

## 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 FY2021, 40 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.

## Respect for Human Rights

### Basic Approach

Based on the idea that respect for human rights is the foundation of our business activities, MITSUBISHI MOTORS supports the United Nations Global Compact (UNGC), in which the United Nations advocates the 10 principles in the four categories of human rights, labor, environment, and anticorruption. As a participating company, we support and respect international standards and norms such as "the International Bill of Human Rights," "the ILO's Declaration on Fundamental Principles and Rights at Work," "the United Nations Guiding Principles on Business and Human Rights" and "the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises." Based on the 10 principles of the UNGC, as a good corporate citizen we will continue our activities toward the realization of the sustainable growth of society.

As a global company, we believe that respect for human rights and anti-corruption initiatives are very important.

Based on this belief, we established our Human Rights Policy after consultation with experts and approval by the Executive Committee, with the aim of conducting our business activities in a manner that respects the human rights of our stakeholders. This policy outlines fundamental matters such as support and respect for international standards and norms regarding human rights, and matters for compliance. The policy also stipulates specific measures to prevent and reduce negative impacts on human rights, to provide remedial measures, and to provide

education for officers and employees. This policy has been translated into English and made available on our website to all employees of Group companies in Japan and overseas.

In the MITSUBISHI MOTORS Global Code of Conduct, "Respect Human Rights and Diversity, Provide Equal Opportunity," specifies that discrimination, retaliation and harassment are not permitted in any form or to any extent, and that the diversity of suppliers, customers, executives, employees and local communities shall be respected in addition to respecting human rights.

### Human Rights Policy

Our Human Rights Policy stipulates the following items.

- Recognition of initiatives on respect for human rights as essential factors in the fulfillment of our social responsibility
- Compliance with the Human Rights Policy by all of the executives and employees, and respect for fundamental human rights throughout our business activities
- Support and respect for international standards and norms
- Compliance with the national laws and regulations in each market where we operate
- Where conflict exists between internationally recognized human rights and national laws, seeking of ways to honor the principles of international human rights

[Compliance items]

1. Prohibition of Discrimination
2. Elimination of Unjustifiable Labor Practices
3. Freedom of Association, Labor and Management Dialogue
4. Ensuring Access to "Decent Work"
5. Community Involvement

[Initiatives]

1. Human Rights Due Diligence
  - Mitsubishi Motors will identify, prevent, or mitigate negative impacts on human rights which may be caused by our business activities through the application and support of human rights due diligence processes.
2. Remediation
  - Where Mitsubishi Motors identifies that it has caused or contributed to a negative impact on human rights, we will provide for or cooperate in remediation processes.
3. Ensuring Transparency and Accountability
  - Mitsubishi Motors will provide appropriate education or training to all executives and employees.
  - We will ensure that our Group companies comply with this policy, and we will request that our business partners respect human rights.
  - We will disclose our initiatives on respect for human rights.

The full text of the Human Rights Policy, including annotations, can be found here:

(WEB) [https://www.mitsubishi-motors.com/en/sustainability/society/human\\_rights/pdf/human\\_rights\\_policy.pdf](https://www.mitsubishi-motors.com/en/sustainability/society/human_rights/pdf/human_rights_policy.pdf)

## Management System

MITSUBISHI MOTORS' efforts addressing respect for human rights are mainly focused on the sustainability, human resources and procurement departments. The executive in charge of sustainability, acting as the person in charge of promoting initiatives on respect for human rights, reports the status of human rights risk assessment and related measures to the Sustainability Committee, which is held three times a year. Members of the Sustainability Committee share the details of these reports with their departments, promoting companywide efforts to respect human rights.

We regard human rights violations as a risk to our corporate survival. Accordingly, we are strengthening our efforts to address risks related to business and human rights in our risk management initiatives, which are integral part of our internal control systems\*1.

As for the internal system for promoting an awareness of human rights, the Corporate Officer in charge of human resources leads the promotion of awareness training. As one aspect of our human rights awareness education, human rights themes are incorporated into shared materials used in various training programs, and in each business site human resources department works to raise human rights awareness.

We also participate in events held by the Industrial Federation for Human Rights, Tokyo, and the Mitsubishi Group Human Rights Enlightenment Committee (organized by Mitsubishi Group companies), of which we are a member, and attend conferences and research meetings held by other external organizations. (In FY2021, we spent a total of 64 days participating in training sessions.) We also use the latest information obtained through our participation in these events in

our human rights awareness activities and utilize the knowledge we gain from these activities in our in-house training programs.

\*1: For details on our internal control systems, please go to P110.

## Human Rights Due Diligence

Through a human rights due diligence framework, we work to identify negative impacts our business activities have on human rights and strive to prevent or mitigate such impacts.

We recognize that the human rights of our employees, including working conditions, health and safety, are a high-impact risk that we bring through our business activities.

Based on this understanding, as part of our human rights due diligence we conducted a human rights assessment\*2 at our headquarters and three plants in Japan in the second half of FY2021. We conducted the assessment using an external evaluation organization to ensure objectivity and consistency with international norms.

As a result of this assessment, we identified several areas for improvement, including work rules and employee dormitory management. However, none of these items had a material impact on our business or employees.

Based on the findings of the FY2021 human rights assessment and the points raised by the evaluation body, we will promptly implement measures and continue to work toward reducing human rights risks.

\*2 Examples of assessment items: employment contracts, working hours, wages, child labor, forced labor, fundamental rights at work, discrimination, health and safety, remedial measure



### <FY2021 Results>

- STEP 1 Determined human rights issues to be addressed by the Company based on international norms and guidelines
- STEP 2 Identified working conditions and health and safety of employees as risks with a major human rights impact
- STEP 3 Assessment conducted by external organization at headquarters and three plants in Japan (Okazaki Plant, Kyoto Plant, Mizushima Plant)
- STEP 4 Based on the assessment results, enact measures to mitigate and prevent human rights risks
- STEP 5 Monitor mitigation and preventive measures for effectiveness (from FY2022)

## Complying with the Human Rights Policy

Coinciding with Human Rights Day on December 10, to raise awareness, each year MITSUBISHI MOTORS' Executive Officer, President & CEO disseminates a message to all officers and employees regarding respect for human rights and emphasizing the importance of sincere words and actions, and awareness raising.

Our policies and activities for promoting and realizing respect for human rights are described below.

### Prohibiting Discrimination

The Company requires executives and employees to respect diversity and to create equal opportunities with no allowance for unfair discrimination or harassment on bases such as race, skin color, nationality, ethnicity, family origin, sex, sexual orientation, gender identity, age, disability, language or religion.

Also, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with respect for diverse values.

### Eliminating Unjustifiable Labor Practices

The Company does not tolerate slavery labor, including human trafficking, child labor, forced labor or other unjustifiable labor practices, and strives to eliminate such practices.

To ensure against such practices, we verify potential employees' ages to ensure statutory requirements are met when entering into labor agreements. We do not charge applicants or employers any fees related to recruitment. Pay slips clearly state any legal deductions; we do not make unfair deductions, but regularly pay employees their full dues. We do not retain employees' passports or other identifications or prevent them from movement. Employees are free to choose whether to enter or leave the dormitories.

### Freedom of Association and Labor-Management Dialogue

The Company respects its employees' right to associate, and we engage in sincere dialogue with employees to resolve various types of issues. Regarding collective agreements with labor unions, we recognize employees' freedom to engage in legitimate union activity, including collective bargaining. We clearly state that employees who engage in such activities will not be subject to disadvantageous working conditions or other sanctions.

### Ensuring Access to Decent (Rewarding and Humane) Work

To ensure decent work, in addition to complying with individual countries' laws and regulations, we conduct activities focused on respect for human rights, based on international norms (such as the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work). Specifically, we ascertain the living wage and ensure that we pay salaries that satisfy this requirement. In addition, in our production processes we take gender and age into consideration when devising work content.

▶Data (p. 125): Wage levels

### Community Involvement

In our efforts to maintain harmony with the local community, we contribute to society by utilizing each and every employee's skills and know-how as well as our technologies and products.

### Consideration for Human Rights in Work and Investment

As we believe that positive relationships based on mutual understanding between employees and everyone in the community are essential to the sustainability of our business, when establishing business sites or related facilities, we give consideration to the cultural values of the country and region including customs and religions.

## In-House Education and Training

In order to encourage all employees to cultivate their respect for human rights, the Company 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 FY2021, we conducted a total of 470 hours of human rights training for 490 employees, including entry-level employees, mid-career employees and newly promoted managers (department general managers and section managers). Details of the training are described below.

<b>Newly promoted general managers</b>	Raising awareness of social and internal human rights issues required for workplace management, sharing information to promote respect for human rights, etc.
<b>Newly promoted managers</b>	Recent topics regarding human rights. Prevention harassment. The roles of managers, etc.
<b>Mid-career employees</b>	Recent topics regarding human rights. The relation between our business and human rights, etc.
<b>Entry-level employees</b>	The significance of corporate initiatives regarding human rights. Fundamental knowledge regarding human rights, etc.

To promote awareness of sexual minorities among our employees, we have been conducting seminars at each business site since FY2018. In addition, we also conduct an internal e-learning course covering basic knowledge of LGBTQ issues.

Training Programs in FY2021	Number of Participants	Attendance Rate
<b>Entry-level employee training</b>	105	100%
<b>Mid-career employee training (newly promoted)</b>	178	100%
<b>Newly promoted manager training</b>	209	100%
<b>Seminars to raise understanding of LGBTQ issues</b>	364	—*1
<b>LGBTQ e-learning course</b>	7,003	—*1

\*1 Attendance ratio not disclosed for voluntary attendance

## Supply Chain Considerations

MITSUBISHI MOTORS conducts appropriate transactions, which includes not causing human rights violations against its business partners. We determine transaction prices and delivery dates following thorough consultation with individual suppliers.

In addition, we promote two-way communication with our business partners through management based on the Supplier CSR Guidelines.

The guidelines include provisions on respect for human rights, including the elimination of discrimination and the prohibition of child labor and forced labor, and we request that suppliers take human rights into consideration. To enhance the guidelines' effectiveness, we obtain Supplier Commitment agreements from our business partners.

## Requests to Sales Companies

At sales companies, we carry out initiatives to provide a work environment with consideration for the health and safety of employees and we prohibit acts that infringe on human rights.

## Access to Assistance

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) and the MITSUBISHI MOTORS Global Hotline, which offers assistance in multiple languages\*2 for whistle blowing and consultation for employees. The MITSUBISHI MOTORS Global Hotline has established contact points in 10 countries to handle reports from employees of the Company and its major affiliates in a total of 13 languages\*3.

We have also established the Customer Contact Center\*4 for customers and the Business Partner Helpline\*5 for suppliers. These hotlines receive reports and requests for consultations regarding human rights issues.

Confidentiality and user anonymity is guaranteed at all of these consultation offices. We ensure that people who seek consultation are not treated unfairly.

\*2 For information on the establishment of Internal and External Consultation Offices (Helplines) and the MITSUBISHI MOTORS Global Hotline, please go to P114.

\*3 The MITSUBISHI MOTORS Global Hotline is available in Japanese, English, Chinese (simplified and traditional), Korean, Tagalog, Indonesian, Thai, Vietnamese, German, Dutch, French and Spanish.

\*4 For further information regarding the Customer Contact Center, please go to P95.

\*5 For further information regarding the Business Partner Helpline, please go to P70.

## Achieving a Sustainable Supply Chain



Target  
● 3.9



Targets  
● 8.7  
● 8.8



Targets  
● 12.4  
● 12.5

### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>● We could lose social credibility if we were to infringe on human rights in our procurement of raw materials and parts.</li> <li>● We could be complicit in infringement on human rights or environmental destruction</li> </ul>	<ul style="list-style-type: none"> <li>● Maintain social credibility through responsible behavior in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>● CSR procurement (consideration on the ethics front)</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>● Growing awareness of human rights in international society</li> </ul>	<ul style="list-style-type: none"> <li>● Expectations of business continuity and enhanced trust</li> </ul>	<ul style="list-style-type: none"> <li>● Collaboration and communication with business partners</li> </ul>

Items	FY2021 Targets and Results	Self-Evaluation
<b>Reinforcement of CSR in the supply chain</b>	Support for supplier CSR evaluations by third-party organization: Explained the purpose of CSR evaluations to business partners, and conducted such evaluations at 70% of business partners (based on purchase amounts)	○

○: As planned   △: Delayed

### Basic Approach

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 alliance members are exchanging information on CSR activities in the supply chain, as well, and moving forward with these activities.

The Company and its overseas production bases conduct business directly with around 800 compa-

nies, including suppliers of raw materials and parts and business partners providing services, advertising and logistics. We recognize that the Company's business activities have a significant impact on these companies, as well as on an even greater number of Tier 2 and other suppliers.

Based on this understanding, all processes, from the procurement of raw materials to the manufacture of parts and products to the end delivery, require responsible behavior that takes such factors as the environment and human rights into account.

To achieve sustainable growth throughout the supply chain, we have formulated Supplier CSR Guide-

lines and work together with all our business partners on CSR initiatives.

In response to one aspect of our CSR activities that become of particular importance in recent years, the environment, we have formulated Green Procurement Guidelines and are promoting initiatives throughout the supply chain. As compliance with both guidelines is a priority in our procurement activities, our executives take advantage of opportunities such as supplier briefings to request that the entire supply chain thoroughly comply with the guidelines.

For details on respect for human rights, please see P90.

Target  
3.9Targets  
8.7  
8.8Targets  
12.4  
12.5

## Management System

### Formulating Guidelines and Confirming Them through Agreements and Declarations of Conformity

To ensure compliance with its Supplier CSR Guidelines and Green Procurement Guidelines, MITSUBISHI MOTORS has business partners submit Supplier Commitment to the Supplier CSR Guidelines and Declarations of Conformity to Regulations on Substances of Concern to the Green Procurement Guidelines.

We ensure the effectiveness of our business partnerships by having new business partners submit these documents before commencing transactions, and by continuously confirming the status of the agreement afterwards.

### Communicating with Suppliers

Providing suppliers with appropriate information and two-way communication is essential for supply chain management. At the end of every fiscal year, we hold a Suppliers Meeting to make our policy for the next fiscal year well-known. Last fiscal year, this meeting was held on March 29, 2022 and attended by approximately 300 companies. We also participate in the MITSUBISHI MOTORS Cooperation Council, a voluntary organization of around 200 supplier companies that facilitates small-scale meetings between the management teams of suppliers and our own Company.

(These small-scale meetings were held a total of nine times, involving approximately 20 companies each time.) The meetings help foster closer communication at the management level.

### 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.

### Ensuring Knowledge of the Guidelines within the Company

As part of managing the Supplier CSR Guidelines and the Green Procurement Guidelines, we work to ensure that the guidelines are known within the Company. As part of the education we provide, we conduct training for all new employees involved in procurement (both entry-level employees and new midcareer employees), as well as training when employees are transferred from other divisions to the procurement division.

## Supplier CSR Guidelines

### Expansion of Guidelines

Through the Supplier CSR Guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and includes labor practices, environment management, and compliance.

Having reestablished these guidelines in February 2019, we have clarified CSR evaluations of business partners and the actions to be taken in the event of noncompliance. We have expanded these efforts to include our major overseas bases—Mitsubishi Motors Thailand (MMTh), Mitsubishi Motors Krama Yudha Indonesia (MMKI) and Mitsubishi Motors Philippines Corporation (MMPC)—and received Supplier Commitment agreements from suppliers at our major overseas production bases.

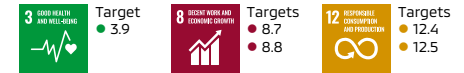
**PDF** [Supplier CSR Guidelines](#)

### Policies on Conflict Minerals

The "conflict minerals" (tin, tantalum, tungsten and gold) and cobalt 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.

To ensure that we are not complicit in human rights abuses through the procurement of these conflict minerals, we promote responsible procurement by clearly specifying in our Supplier CSR Guidelines the prohibition of child labor, forced labor, and the non-use of conflict minerals as raw materials.





## Improving CSR Activities in the Supply Chain through Third-Party Evaluations

MITSUBISHI MOTORS conducts third-party evaluations in cooperation with Renault and Nissan, our alliance partners, with the aim of improving suppliers' CSR activities. In FY2021, many of our suppliers underwent third-party evaluations. Approximately 70% of suppliers have now been evaluated (based on purchasing amounts) since the start of these activities. We will further increase the number of suppliers undergoing evaluations in FY2022. We will also ask suppliers that have already been audited to improve/re-apply for audits in order to improve their evaluation scores.

### Third-party evaluation items

21 Sustainability Criteria			
ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
<b>Operations</b> <ul style="list-style-type: none"> <li>Energy Consumption &amp; GHGs</li> <li>Water</li> <li>Biodiversity</li> <li>Local &amp; Accidental Pollution</li> <li>Materials, Chemicals &amp; Waste</li> </ul> <b>Products</b> <ul style="list-style-type: none"> <li>Product Use</li> <li>Product End-of-Life</li> <li>Customer Health &amp; Safety</li> <li>Environmental Services &amp; Advocacy</li> </ul>	<b>Human Resources</b> <ul style="list-style-type: none"> <li>Employee Health &amp; Safety</li> <li>Working Conditions</li> <li>Social Dialogue</li> <li>Career Management &amp; Training</li> </ul> <b>Human Rights</b> <ul style="list-style-type: none"> <li>Child Labor, Forced Labor &amp; Human Trafficking</li> <li>Diversity, Discrimination &amp; Harassment</li> <li>External Stakeholder Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>Corruption</li> <li>Anticompetitive Practices</li> <li>Responsible Information Management</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Environmental Practices</li> <li>Supplier Social Practices</li> </ul>

Source: EcoVadis

## Efforts to Become Carbon Neutral throughout the Supply Chain

The Company aims to achieve carbon neutral by 2050. To do so, it is essential that our suppliers reduce CO<sub>2</sub> emissions.

In FY2021, we communicated with key suppliers about our directions for lowering CO<sub>2</sub> emissions.

By participating in the CDP\* supply chain program, in FY2022 we intend to increase our understanding of the status of business partners' initiatives, risks and opportunities, and to enhance communication through briefings for suppliers. Our goal is for these activities to provide a springboard for promoting CO<sub>2</sub> reduction activities among our suppliers.

\* An international environmental NGO that collects requests from institutional investors and others interested in environmental issues, and encourages major companies and organizations around the world to disclose and evaluate environmental information

## Green Procurement Guidelines

### Expansion of Guidelines

In its Green Procurement Guidelines, we ask business partners to acquire and renew external certifications of environment management systems, as well as to manage hazardous substances, promote the 3Rs (reduce, reuse and recycle), submit LCA data to allow us to understand the lifecycle environmental impact, reduce environmental impact in business activities, and reduce their environmental impact related to logistics.

In addition to Japan, we have introduced the Green Procurement Guidelines at overseas production bases, adjusting the guidelines to account for actual conditions in each country and operational details at each location. These companies are also applying the guidelines to their business partners.

[PDF](#) Green Procurement Guidelines

### Collection of Materials and Hazardous Substance Data through IMDS

To encourage the management and reduction of hazardous substances, we promote management under the International Material Data System (IMDS). For this reason, we ask business partners to disclose data on environmentally hazardous substances for materials and parts by inputting them into IMDS in accordance with the Green Procurement Guidelines. We also ask them to establish a management system for environmentally hazardous substances.

Through these processes, we confirm compliance with regulations regarding hazardous substances used in parts and materials for new vehicles and vehicles in ongoing production.

Target  
3.9Targets  
8.7  
8.8Targets  
12.4  
12.5

## Working with Suppliers to Improve Quality

MITSUBISHI MOTORS regularly conducts quality audits and quality self-check guidance with its suppliers as collaborative efforts to improve quality along the entire supply chain.

In FY2021, we conducted process audits for 41 suppliers at 47 plants, and indicated items were generally improved within three months. We conducted process audits remotely when COVID-19 made it difficult to suppliers' worksites in person. Quality self-checks were performed by 329 business partners. In these ways, we seek to enhance communication with business partners and increase quality.

We periodically issue Supplier Score Cards, which numerically represent suppliers' quality results. This approach has clarified issues for each company, making it easier to implement improvement measures quickly and accurately. In cases of particularly serious defects, we analyze the causes and examine the appropriateness of countermeasures in collaboration with business partners to prevent recurrence.

We cooperate on defect prevention activities to keep defective parts from being delivered and ensure we are able to provide new models with confidence.

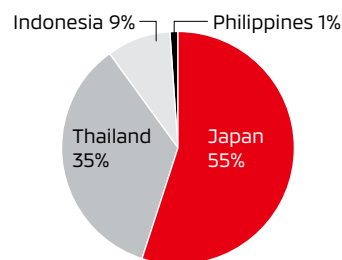
## Promotion of Localization

To optimize costs at overseas production bases, our basic policy is to source from local suppliers where possible, as long as such procurement is effective and the necessary technologies are in place.

For parts which are already locally procured, we also promote the local procurement of the components used within these parts, etc., to optimize costs further.

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 with Japanese business partners, joint ventures with local business partners, technical partnerships, and the like. We work to contribute to local regions by creating local jobs and improving local technical capabilities.

### Country-Specific Parts Procurement Ratios by Production Base (FY2021)



## Initiatives for Business Continuity Plans in the Supply Chain

A large-scale natural disaster, major outbreak of infectious disease, or shortage of specific parts or materials (such as semiconductors), could interrupt the flow of parts from our suppliers. We might then run the risk of business being suspended.

To avoid or mitigate such risks, as part of our business continuity plans (BCPs) in the supply chain we are taking measures to identify risks and impacts early on and to find alternative production options for each business partner and component.

Specifically, by having business partners register with our Supply Chain Risk Management System, we can monitor the status of damage and risk—not only at suppliers' plants, but also at Tier 2 and other suppliers.

In addition, we have registered suppliers with the Supplier Simultaneous Survey System so that in the event of an earthquake of intensity 5 or higher on the Japanese seismic intensity scale or other contingencies, we can assess the damage and risk, as well as the impact on our production.

## Participating in Outside Initiatives

Curbing and combating climate change require efforts that go beyond the scope of individual companies. Entire industries and their supply chains must work together to reduce CO<sub>2</sub> emissions.

As a member of the Japan Automobile Manufacturers Association, we participate via subcommittees in discussions on industrywide policies and measures in the area of procurement.

## Promoting Social Contribution Activities



### Medium- to Long-Term Visions for Material Issues and FY2021 Results

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>An increase in large-scale disasters due to climate change</li> <li>Disparities in economic development and inequality</li> </ul>	<ul style="list-style-type: none"> <li>Provide reassurance and support safety through further expansion of disaster cooperation agreements and by quickly putting support systems in place in times of disaster</li> <li>Contribute to communities' social development through ongoing activities that meet regional needs</li> </ul>	<ul style="list-style-type: none"> <li>Create structures to provide electrified vehicles swiftly in times of disaster</li> <li>Leverage individual employees' skills and know-how as well as our products for continuous development of the community</li> </ul>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>Around the world, subsequent disasters stemming from extreme weather, such as heat waves, droughts and flooding due to heavy rains</li> </ul>	<ul style="list-style-type: none"> <li>Expectations of disaster support in emergencies and reconstruction support</li> </ul>	<ul style="list-style-type: none"> <li>Promote the conclusion of disaster cooperation agreements</li> <li>In STEP fields, leverage individual employees' skills and know-how as well as our products to continue engagement in social contribution activities</li> </ul>

Items	FY2021 Targets and Results		Self-Evaluation
Promote ongoing activities that address social issues and regional needs	Increase the number of disaster cooperation agreements concluded	Target: 150 Actual: 190	○
	Promote activities in the "STEP" field	Target: Continue conducting activities in response to the "new normal" Actual: Considered moving activities online and conducted activities	○

○: As planned △: Delayed

### Basic Approach and Policies

In accordance with the Social Contribution Activities Policy formulated on the basis of MITSUBISHI MOTORS' vision and mission, we are promoting activities such as concluding disaster cooperation agreements that leverage the features of our plug-in hybrid electric vehicles (PHEVs).

In FY2022, we worked to conclude disaster cooperation agreements with all prefectural governments to increase awareness of the effectiveness of PHEVs in times of disaster. In addition, we are strengthening cooperation among Group companies to conduct activities more in line with local needs.

### Social Contribution Activities Policy

To address diversifying social issues, MITSUBISHI MOTORS carries out its STEP social contribution activities, focused on four main themes, standing for the first letters of Society, Traffic safety, Environment and People. Based on this policy, we will continue to contribute to society by utilizing each and every employee's skills and know-how as well as our technologies and products, aiming to create a better society where people can hope for a better future.





### Logo Mark for Social Contribution Activities

The figure shows how our circle of activity in STEP areas expands outward from the center.



### Breakdown of Social Contribution Expenditures in FY2021\*1

	(¥ million)
Society	9
Traffic safety	5
Environment	236
People	95
Support for disaster-stricken areas, support measures to address COVID-19	260
<b>Total expenditure</b>	<b>605</b>

\*1 Social contribution expenditures including donations as well as in-kind benefits and free use of company facilities converted into monetary equivalents.

### Number of Participants in Social Contribution Activities and Activity Time in FY2021\*2

Number of employees participating	Cumulative total of 50,576
Time employees spent on activities	32,228 hours

\*2 Activities during working hours

## Society

### DENDO Community Support Program

By entering into disaster cooperation agreements with municipalities and loaning them roving COVID-19 vaccine vehicles, MITSUBISHI MOTORS is helping municipalities with its PHEVs, which can generate power and be tapped as sources of electricity.

By combining the power of PHEVs to provide transportation and the power of electricity, we are making people's lives safer and more secure.

For details, please see the feature on P21 and our website. [\(WEB\) https://www.mitsubishi-motors.co.jp/carlife/phev/dcsp/](https://www.mitsubishi-motors.co.jp/carlife/phev/dcsp/) (This site is only available in Japanese.)



Disaster cooperation agreement

### MMC and MLIT Sign Agreement to Collaborate on Verification Test

Throughout Japan, drainage facilities are growing dilapidated and are expected to require upgrades. An increase in flood damage in recent years has prompted calls to upgrade and augment drainage facilities, but reducing the costs of doing so has been an issue. To address this situation, the Ministry of Land, Infrastructure, Transport and Tourism is leading an effort to use mass-produced engines to power the pumps used at these drainage facilities. In this manner, the project seeks to keep costs down and upgrade drainable facilities efficiently. In a verification test for this project and aimed at considering technological developments, MITSUBISHI MOTORS is participating by providing the diesel engines mass-produced for its "DELICA D:5" to power the pumps.

In a verification test performed in February 2022 by the Public Works Research Institute in the city of Tsukuba, Ibaraki Prefecture, diesel engines were used to drive drainage pumps, which successfully drained the water from a reservoir in the test facility.



"DELICA D:5" engines driving drainage pumps

Water being drained during the verification test

### Participating in Joint Research on a System to Get Manhole Pumps Started in the Event of a Disaster-Related Power Failure

In recent years, the number of manhole pump outages due to power outages has increased due to frequent windstorms and floods, and this has become a social problem. To address this issue, in September 2021 we joined a joint research project on a system to get manhole pumps started in the event of a disaster-related power failure. The aim is to use electric vehicles (EVs) and plug-in hybrid electric vehicles to power the manhole pumps needed to move water in the event of a disaster-related power outage.

In this study, we are conducting verification tests in the cities of Kawasaki and Hamamatsu in collaboration with pump manufacturers and parties for development of a system that combines electrified vehicles, solar power generation and portable storage batteries to contribute to a decarbonized society. By building this system, we aim to be environmentally friendly and contribute to the safety and security of people's lives.



Power being supplied on a trial basis by a plug-in hybrid electric vehicle



Target 10.2



Target 11.5



Target 13.1



Target 15.4

## Traffic safety

### Operating the "Kuruma no Gakko" of Traffic Safety Classroom

MITSUBISHI MOTORS is implementing "Kuruma no Gakko," a program in which participants think about traffic safety, learn and have fun together.

In FY2021, with aiming for reduction of the number of traffic accidents caused by mis-operation while driving, we conducted a "diagnosis of driving capability" to measure the level of attention required for driving and helped people experience the collision prevention assist function of a safety support car by having them ride inside it. While exercising due caution to prevent COVID-19 infections, we held a Kuruma no Gakko course in Yakage-cho, Okayama Prefecture, which was attended by 12 people. Approximately 40 people attended our course at the Mizushima Plant in April 2022.



Riding together in a safety support car

### Traffic safety around business sites

Employees serve as traffic safety sentries on the roads around our business sites, helping to ensure safe commutes to and from school and work. We also conduct patrols in collaboration with local traffic safety associations and police. In addition to heightening awareness of traffic safety, patrol local areas, check locations that are susceptible to accidents, and inspect traffic safety facilities and install footprint stickers to call attention to pedestrian stops.



Employees serving as safety sentries

In FY2021, cumulative total of 398 employees took part in 19 such activities across our business sites.

### Traffic Safety Awareness for Children Website for Children "Do You Know the Answer? Traffic Safety Quiz"

We set up the web-page on the website "Why, Why, Car Development Research Group" that provide information on the automobile industry to elementary school age children, there is a web-page about traffic safety using a quiz format to introduce traffic rules and manners they should follow when walking or riding a bicycle in their day-to-day activities.



"Do You Know the Answer? Traffic Safety Quiz"  
(WEB) <https://www.mitsubishi-motors.com/jp/sustainability/contribution/people/kids/anken/>  
(This site is only available in Japanese.)

## Environment

### Forest Preservation Activities

MITSUBISHI MOTORS is collaborating with OISCA to preserve forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer activities. These activities aim to protect metropolitan water sources and spread awareness of the environment among our employees.

In FY2021, we halted employee volunteer activities to prevent the spread of COVID-19, but we did mow areas where this work was needed to nurture saplings.

In addition, we were designated a "Green Partner 2022" under a program sponsored by the Forestry Agency called "Forest x Decarbonization Challenge 2022." We were recognized as a company that contributes to decarbonization through forest maintenance.



Trimming undergrowth in planted areas



"Green Partner 2022," indicating contribution to decarbonization through forest maintenance

### Start of the 60 Rai Reforestation Project in Thailand to Commemorate MMTh's 60th Anniversary

In September 2021, Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and a non-profit organization, the Mitsubishi Motors Thailand Foundation (MMTF) worked with Thailand's Royal Forest Department and the Thailand Greenhouse Gas Management Organization to revitalize an area of forest covering 60 rai (9.6 hectares) in Chonburi and Sa Kaeo provinces. This was the start of the 60 Rai Reforestation Project to commemorate MMTh's 60th anniversary by planting a total of 12,000 trees. In recognition of these efforts, MMTh received the "Forest Revitalization & Forestry Resource Development Award" from Thailand's Royal Forest Department.



Afforestation activities performed on two occasions



"TRITON" vehicles transporting seedlings to the planting site



## People

### Supporting the Education of Elementary, Junior and Senior High School Students

We support the education of the children who will take responsibility for the next generation through factory tours (where elementary school students can experience manufacturing sites) and a hands-on lesson program, in which employees visit elementary schools to conduct lessons. We also host career counseling studies to encourage junior and senior high school students to think about the future and broaden their horizons.

In FY2021, we conducted these activities remotely due to COVID-19. The activities were attended by approximately 28,200 elementary, junior and senior high school students.



Factory tour for elementary school students



Junior high school student taking part remotely in a company visit

### Participating in a Joint Industry-Academia Project with a Vocational School and an Art University

To help nurture students with an interest in car design, in April 2021 we took part in a joint industry-academia with the design departments of HAL College of Technology & Design and Tama Art University. Our designers provided online guidance, and the students envisioned the future 10 years



Online lectures on concept planning and sketch development

from now, planning and proposing new lifestyle mobility utilizing electrification and 4WD technologies for our positive and adventurous users. The project concluded with student presentations in September 2021 that were used to determine grand prix winners.

### Educational Support in Asia

In Thailand, Indonesia, the Philippines, Vietnam, and Malaysia, we take part in various efforts to help children who have difficulty accessing education for economic reasons. We provide scholarships to junior high school, high school and university students; donate learning tools to orphanages; donate teaching vehicles that can help cultivate high-quality human resources for the automotive industry; and host interns. We are also actively providing support online in the face of COVID-19.

### Donating a "TRITON" Pickup Truck to a Community Learning Center in Malaysia

In October 2021, Mitsubishi Motors Malaysia (MMM) donated a "TRITON" pickup truck to the Dignity Farm School, a community learning center for economically disadvantaged people in the state of Pahang.

Dignity Farm School offers a youth education program where students can learn natural farming methods and agricultural skills. The donated "TRITON" will be used for agricultural activities and for commuting to school for the indigenous minority people (Orang Asli) in the Malay Peninsula.



Making the donation



The donated "TRITON"

### Vocational Training in the Philippines

In May and June 2021, Mitsubishi Motors Philippines Corp. (MMPC) conducted vocational training for a total of 22 universities and technical colleges, including Bataan Peninsula State University and Laguna State Polytechnic College. In the same year, MMPC signed a memorandum of understanding with universities and vocational schools in the Philippines to support the education of young people who will be responsible for the future. MMPC provided online vocational training to ensure that students did not miss any opportunities to acquire knowledge and skills amid the COVID-19 pandemic.



Online vocational training

### MITSUBISHI MOTORS STEP Funds and Matching Gift Program

The MITSUBISHI MOTORS STEP Funds, introduced in April 2009, is a structure through which employees of Mitsubishi Motors Group companies can continuously participate in social contribution activities by voluntarily donating fixed sums to the funds. These funds are then used for to support activities in developing countries and areas struck by the Great East Japan Earthquake, in line with the purposes of MITSUBISHI MOTORS social contribution activities. In addition, to demonstrate it values employees' motivation to contribute to society and to support more people, the Company matches donations made through the MITSUBISHI MOTORS STEP Funds.

The recipients of donations and matching gifts are selected based on their alignment with the fo-





cus areas of our Social Contribution Activities Policy, business continuity, regular activity reports and track record. Recipients of our support hold debriefing sessions for employees, and engage in dialogue with them, linking our activities to theirs.

Through this support, we aim to continue with activities that meet local needs and contribute to the development of the local community.

Support Recipient
<ul style="list-style-type: none"> <li>■ World Vision Japan</li> <li>■ The MICHINOKU Future Fund</li> <li>■ OISCA</li> <li>■ Kindergartens, Nursery schools, elementary schools, etc., near our workplaces</li> </ul>

### Engaging in the "Forest Wooden Building Block Project" for Children

The concept of this project is to present nurseries and kindergartens near Company business sites with cozy wooden building blocks for enhancing the children's creativity through block play, which are made of Japanese cypress comes from forestry thinning operations mainly in Hayakawa-cho, located in the prefecture of Yamanashi, where we carry out our forest conservation activities.

In addition, we have been engaging in "Employee Presenter Program" through which our employees hand out a set of forest wooden building blocks to nurseries and kindergartens of their



Building blocks made from thinned cypress

choice (usually choice from their childhood memories) through our internal donation funds.

In FY2021, we presented blocks to 60 kindergartens and nursery schools. The blocks have been donated to 465 kindergartens since 2010.

### Support for Disaster-Stricken Areas

In the event of natural disasters and other emergencies, we provide various forms of support, such as monetary donations, free loan of vehicles, and employee volunteer work.

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) donated three "TRITON" pickup trucks and one "PAJERO SPORT," as well as money, to humanitarian aid organizations Aksi Cepat Tanggap (ACT) and United Volunteer Otomotif (UVO) to support the victims of the Mount Semeru eruption that occurred in December 2021 on the East Java, Indonesia.



A "TRITON" in use in the disaster area

### Supporting Measures to Address COVID-19

We are loaning out "Outlander PHEV" vehicles free of charge to municipalities to help in providing COVID-19 vaccines.

Our plug-in hybrid electric vehicles (PHEVs) facilitate the administration of vaccines in several ways. In addition to transporting medical personnel, they are used to keep vaccines cool during transport and as a backup power source at vaccination sites, taking advantage of the PHEVs' ability to supply power.

Overseas affiliates provided vehicles, medical equipment and monetary donations to government-related organizations and medical institutions.

In addition, we donated food to needy families in lockdown areas, and donated computers and peripherals to an orphanage for use as online learning tools during the pandemic.



Providing a venue for vaccinations (the gymnasium at our Okazaki Plant)



Providing "TRITON" models specially fitted with medical equipment (Thailand)



Food donations in lockdown areas (Vietnam)

◆Support for COVID-19 Relief Measures  
 (WEB) <https://www.mitsubishi-motors.com/en/sustainability/contribution/society/relief/covid-19/>



### Main Support in FY2021 (Measures to Address Disasters and COVID-19)

		Support	Support Recipient
March 2022	Humanitarian crisis in Ukraine	Donated 1 million euros	United Nations High Commissioner for Refugees (UNHCR)
February 2022	Typhoon No. 22 in the Philippines	Donated 1 million pesos	Philippine Red Cross
December 2021	COVID-19	Donated packages containing vitamins, masks and disinfectant Donated two medical devices to monitor patients' heartbeats, blood pressure and other information	Hospitals in Jakarta, Indonesia Duy Anh City Health Center, Binh Duong Province, Vietnam
	Eruption of Mount Meru, Indonesia	Provided three TRITON and one PAJERO SPORT vehicles, made monetary donation	Aksi Cepat Tanggap, United Volunteer Otomotif, a humanitarian aid organization in Indonesia
November 2021	COVID-19	• Donated 30 sets of online learning tools, including computers, printers, projectors and one-year Internet data plans • Donated masks	Ten orphanages in Jakarta and surrounding areas of Indonesia
October 2021	COVID-19	Donated food product sets	Economically disadvantaged children in Malaysia
		Donated 1,000 packages of daily necessities, such as medical masks and food	Five vaccination site in Jakarta and surrounding areas of Indonesia
		Donated medical equipment and food	People in Vietnam living in lockdown areas, medical staff and security forces
August 2021	COVID-19	• Loaned one TRITON and two Outlander vehicles • Donated 20,000 Malaysian ringgit	Mercy Malaysia, an NPO
		Donated the equivalent of 43,000 Malaysian ringgit in tents, tables, chairs and portable air conditioning units	COVID-19 assessment centers, Malaysia
		Provided three specially equipped TRITON vehicles to transport patients	Covid-19 Relief Effort by Rueng Lao Chao Nee, Thailand
		Provided a total of 24 vehicles, including TRITON, EXPRESS and Outlander models	Disaster Relief Australia
July 2021	COVID-19	Donated 10,000 antigen test kits	Ministry of Transportation, Indonesia
		Donated 500 sets of oxygen concentrators	Ministry of Industry, Indonesia
		• Donated 500 sets of personal protective equipment (PPE) • Donated 300 sets of toys	COVID-19 emergency hospitals in Indonesia
June 2021	COVID-19	Loaned Outlander PHEV vaccine support vehicles	Sakahogi-cho, Gifu Prefecture
		• Donated one TRITON • Donated 200 million Vietnamese dong to purchase COVID-19 vaccines and defray other expenses	Binh Duong Fatherland Front Committee
		• Donated 30 sets of online learning tools, including computers, printers, projectors and one-year Internet data plans • Donated masks	Ten orphanages in Jakarta and surrounding areas of Indonesia
May 2021	COVID-19	Loaned Outlander PHEV vaccine support vehicles	Otofuke-cho, Hokkaido; Okazaki City, Aichi Prefecture; Gamagori City, Aichi Prefecture; Konan City, Shiga Prefecture; Kurashiki City, Okayama Prefecture; Soja City, Okayama Prefecture
		• Donated drinking water and N95 masks • Donated 10 tons of cardboard for production of paper medical beds	Medical institutions in Thailand
April 2021	COVID-19	Loaned Outlander PHEV vaccine support vehicles	Minato-ku, Tokyo
		Donated three Outlander PHEVs	Indonesian Ministry of Health, Ministry of State Enterprises (BUNM), Indonesian Red Cross Society



# Governance

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## Strengthening Governance and Ensuring Compliance



### Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Corporate malfeasance becoming an increasing social problem</li> <li>Increasing number of cyberattacks and other issues related to information leaks, as well as their increasing severity</li> <li>Business interruptions due to natural disasters or outbreaks of infectious diseases</li> </ul>	<ul style="list-style-type: none"> <li>Ensure soundness and transparency by establishing a robust governance system, and earn society's trust</li> <li>Ensure safety and sustainability of corporate business through enhanced risk management</li> </ul>	<ul style="list-style-type: none"> <li>Further reinforce governance by working to ensure compliance with laws and regulations and to promote proper, effective business execution</li> <li>Assess risks appropriately and prevent them from occurring. Minimize the impacts should they occur</li> </ul>
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>Revisions to the Companies Act (2019) to reinforce governance, such as making it mandatory for listed companies to have outside directors, and revisions to the Act on the Protection of Personal Information and the Whistleblower Protection Act (2022)</li> <li>Business interruptions due to natural disasters or outbreaks of infectious diseases</li> <li>Frequent information leaks and business interruptions due to cyberattacks and other issues</li> <li>War, terrorism, political instability, deterioration of public safety and other factors in our key markets</li> </ul>	<ul style="list-style-type: none"> <li>Expectations of business continuity and enhanced trust</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a robust governance structure by achieving effective and efficient operation of the internal control system</li> <li>Enact thorough compliance to prevent serious incidents</li> <li>Mount an emergency response when risks emerge, strengthen internal information sharing</li> </ul>

## Corporate Governance

### Basic Approach and Policies

Based on its Vision and Mission, MITSUBISHI MOTORS considers compliance to be of topmost importance and is making the ongoing reinforcement and improvement of governance a management priority, in order to meet the expectations of shareholders, customers and all other stakeholders, and to achieve sustainable growth and increase in corporate value over the medium to long term.

In addition, the Company has put together its basic framework for and views on corporate governance in the form of "Corporate Government Guidelines" and publishes these guidelines on the Company's website.

[PDF](#) Corporate Governance Guidelines

### System of Corporate Governance

As of June 21, 2019, the Company has transitioned to a company with three committees, as part of its efforts to enhance its corporate governance and clearly separate supervisory and execution function, and in order to achieve swift execution of business in quick response to environmental changes and to ensure the soundness and transparency of management through further strengthening of supervision and implementation of more thorough risk management.



## Board of Directors and Directors

### Policy for the Nomination of Candidates for Directors and Composition of Members of the Board

The Board makes decisions on important management issues and oversees the execution of business by Executive Officers.

MITSUBISHI MOTORS has established the following basic policy regarding the policy for nominating candidates for Directors and the composition and size of the overall Board of Directors.

#### <Basic Policy>

In order for the Board to objectively and multi-dimensionally deliberate on management policies and execution of specific matters, and to appropriately supervise the execution status of operation by Executive Officers, it shall be important that the appropriate number of Directors, internal or outside, with diversity in terms of knowledge, experience, expertise and background, engage in vigorous discussions from a variety of perspectives. To this end, candidates for Directors shall be nominated.

In accordance with this policy, the independence and diversity of the Board shall be ensured.

In order to strengthen the supervisory function of the Board, the majority of Board members shall be Outside Directors. Furthermore, in order to fulfill their duties from an independent and objective standpoint, at least one-third of the Directors shall be Independent Directors, and consideration shall be given to their total term of office. In addition, the majority of the Nomination, Compensation, and Audit Committees, respectively, shall be Outside Directors, and in principle, the chairperson of each committee shall be an Outside Director.

Outside Directors shall be nominated based on their diverse knowledge, experience, and expertise, which cannot be obtained from Internal Directors

alone, for example, specialists in law, accounting, finance, etc., persons with management experience at global companies above a certain size, and persons with a wealth of knowledge of world affairs or social and economic trends, etc. Importance shall be placed on their eagerness to devote the necessary time and efforts to understand the business of the Company as a group, and discuss the direction the Company as a group should take, and to express their opinions to the management without hesitation. In addition, the diversity of backgrounds such as gender, age, and internationality shall be also taken into account, as it shall be recognized that multiple perspectives contribute to business promotion and appropriate supervision and auditing.

As for Internal Directors, Executive Officer, President & CEO, and a person who can appropriately serve as a member of the Audit Committee based on his or her execution experience of operation at the Company shall be nominated.

Also, it shall be ensured that the Board is composed of the number of people who can openly and constructively discuss and exchange opinions.

As of June 23, 2022, the Board comprised 13 Members (2 female Members). 11 of the 13 Directors are Outside Directors with extensive experience and high levels of insight, and 5 of the Outside Directors are Independent Outside Directors.

We publish individual Directors' knowledge, experience and expertise (skill matrix) on our website.

[WEB](https://www.mitsubishi-motors.com/en/sustainability/governance/policy_skill.html) [https://www.mitsubishi-motors.com/en/sustainability/governance/policy\\_skill.html](https://www.mitsubishi-motors.com/en/sustainability/governance/policy_skill.html)

### Independence Standards and Qualification for Outside Directors

The Company has established independence standards for outside directors as follows, and we appoint as independent directors those persons who are not at risk of having a conflict of interest with general shareholders.

<Independence standards and Qualification for Outside Directors>

The Outside Directors of the Company shall not be any of the following and shall be in a neutral position independent from the Company's management.

1. An executive of a major shareholder\*<sup>1</sup> of the Company
2. An executive of a major business partner\*<sup>2</sup> of the Company, or of a company for which the Company is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender\*<sup>3</sup> to the Company or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of the Company
5. A consultant, an accounting professional such as a certified public accountant, or a legal professional such as an attorney-at-law who receives a large amount\*<sup>4</sup> of monetary consideration or other property other than compensation of corporate officers from the Company (in the event such property is received by a corporation, association or other group, then any person belonging to such group)
6. An executive of a company with which the Company shares a corporate officer
7. An executive of an organization that is receiving a large\*<sup>4</sup> donation or grant from the Company
8. A person to whom any of 1 through 7 has applied during the past 3 years
9. A person with a close relative (second degree of kinship) to whom any of 1 through 7 applies
10. A person whose total period in office as an Outside Director exceeds 8 years
11. Other persons for whom the possibility of a relationship with the Company appears strong under substantive and comprehensive consideration of the situation

\*1 a major shareholder: a shareholder who owns a 10% or greater share of voting rights

\*2 a major business partner: a major client of the Company with annual transactions valued at 2% or more of the Company's consolidated net sales in the most recent fiscal year, or a major



supplier to the Company with annual transactions valued at 2% or more of the supplier's consolidated net sales in the most recent fiscal year

\*3 a major lender: a financial institution that provides the Company with loans amounting to 2% or more of the Company's consolidated net sales at the end of the most recent fiscal year

\*4 large amount: an amount of consideration received from the Company that is 10 million yen or more

### Analysis and evaluation of the effectiveness of the Board of Directors

To improve the effectiveness of corporate governance, the Company annually evaluates the effectiveness of its Board through a questionnaire survey of all Directors.

In FY2021, the Company evaluated the effectiveness of the Board based mainly on the 4 elements "composition of the Board and each committee," "matters for deliberation by the Board and each committee," "oversight functions of the Board and each committee," and "status of deliberations by the Board and each committee" from the perspective of enhancing the Board's oversight function.

As a result of the evaluation, the Company has judged that there are no serious concerns or other issues regarding the effectiveness of the Board. The main issues revealed in the evaluation were as follows.

- Shifting the focus of deliberations and discussions of the Board to broader matters.
- Deepening understanding of the environment surrounding of management and the status of the execution side, which is a prerequisite for the decisions and supervision by the Board, and enhancing opportunities to obtain information on the background of examination and decision making by the executive side.

MITSUBISHI MOTORS will work to continue to strengthen corporate governance by further improving the effectiveness of the Board, including initiatives for major issues recognized through analysis and evaluation of the Board.

## Committees

The Board of Directors has the following three statutory committees, which supervise Directors and Executive Officers together with the Board of Directors. Each committee is composed of a majority of Outside Directors, and the Chairpersons of each committee are Outside Directors. Through this, a system is in place in which corporate governance functions in a fair and transparent manner.

### Nomination Committee

The Nomination Committee makes decisions on proposals for the appointment and dismissal of Members of the Board to be proposed to the General Meeting of Shareholders, approves proposals for the appointment and dismissal of Executive Officers proposed by the President to the Board of Directors, and discusses succession planning for the Company's President. The committee is composed of 5 outside directors, and an Independent Outside Director (Main Kohda) serves as the chairperson.

In FY2021, the Nomination Committee met 10 times. In addition to selecting Board of Directors candidates and executive officers, the committee deliberated on such items as the Policy of the Nomination of Candidates for Directors, etc., the skill matrix, and succession planning for the President.

### Compensation Committee

The Compensation Committee deliberates and determines the policy regarding determination of remuneration of Directors and Executive Officers, as well as the details of individual remuneration. The committee is composed of 4 Outside Directors and 1 Internal Director. An Outside Director (Shunichi Miyanaga) serves as the chairperson.

The Compensation Committee met 9 times in FY2021. In addition to determining regular Remuneration for Directors and Executive Officers amounts and

other matters, the committee reviewed the remuneration system for Directors and Executive Officers and deliberated on the inclusion of new targets related to ESG, which are increasingly being recognized as an important management issue. As a result, from FY2022 we have introduced ESG-related topics (CO<sub>2</sub> emissions for business activities and employee engagement) as performance indicators for remuneration linked to medium-to-long term.

### Audit Committee

The Audit Committee audits the execution of duties of the Members of the Board and Executive Officers, supervises the status of implementation and operation of internal control systems, and prepares audit reports; furthermore, it implements internal investigations into matters for which the Board of Directors determined that it is unreasonable for the person who executes the business to conduct an investigation. The committee is composed of 4 Outside Directors and 1 Internal Director, and an Independent Outside Director (Yaeko Takeoka) serves as the chairperson.

In FY2021, the Audit Committee met 15 times. Please see page 109 for the status of Audit Committee audits.

## Executive Officers

The Board of Directors decides on matters requiring resolution by the Board of Directors pursuant to laws and regulations and the Articles of Incorporation, matters delegated by the resolution of the General Meeting of Shareholders, and certain important matters related to the management of the Company's business. The authority to make decisions on business execution for other matters is delegated to the Executive Officers.

Executive Officers are responsible for making decisions on business execution delegated by the Board of Directors. The President is appointed as the head of

the executive departments by resolution of the Board of Directors.

As of June 23, 2022, the Company had 12 Executive Officers (including the President).

**Outline of the Decision-Making Process for Business Execution and Various Committees**

In the execution of business, in addition to the President, who is the head of the Executive Officers, Executive Vice Presidents who have authority and responsibilities as persons in charge with respect to the execution of business within the scope of their duties are also appointed. In order to speed up business execution and improve the transparency of the decision making process, based on the Delegation of Authority (DOA) Rules, the Company defined the matters delegated and their scope and established decision making procedures for major matter.

Important matters on management are decided after deliberation at the Executive Committee (EC), which is composed of all Executive Officers and chaired by the President.

Important matters relating to product development projects are decided after deliberation at the Product Decision Meeting (PDM).

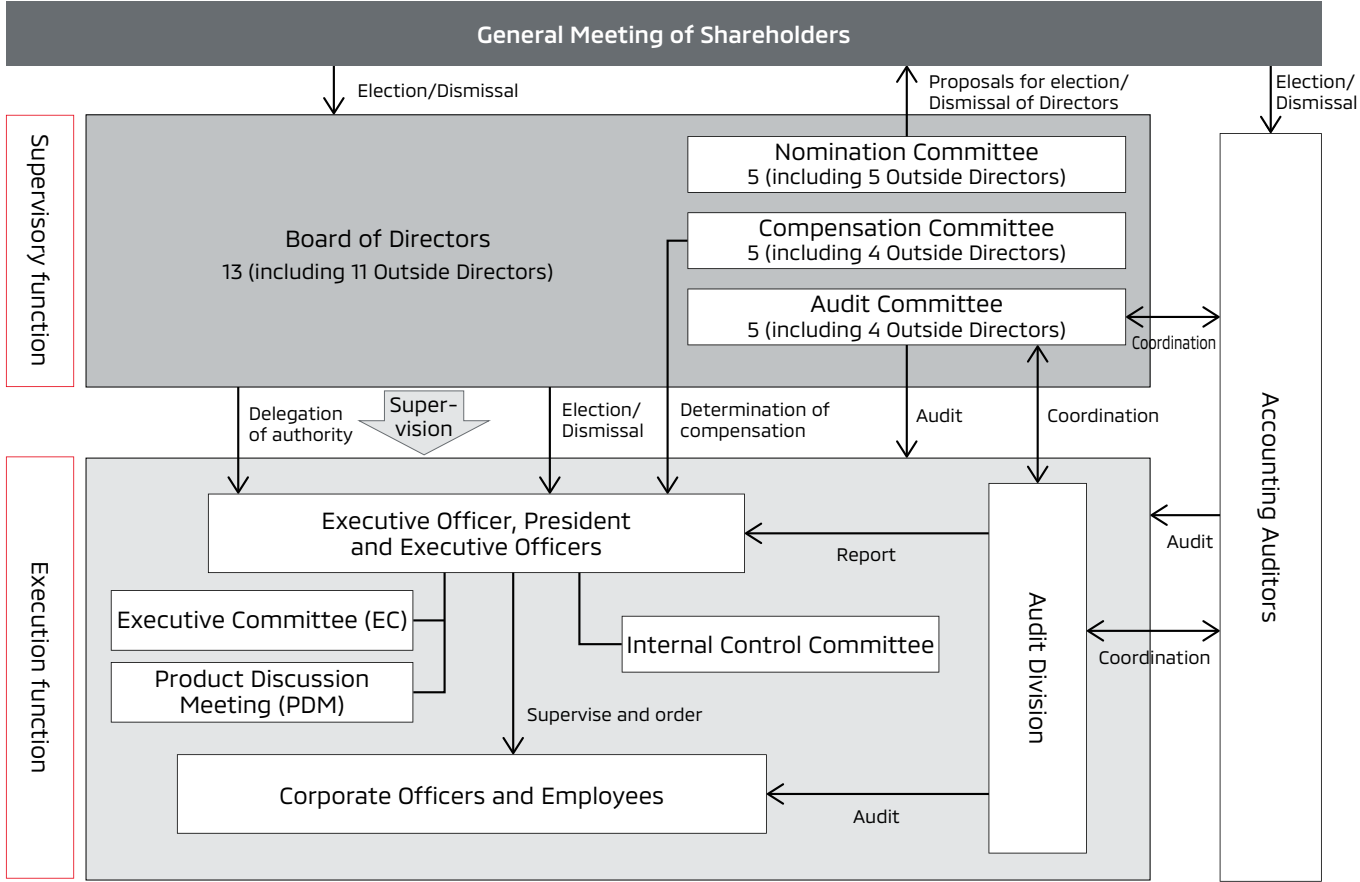
Additionally, matters related to internal control are decided after deliberation at the Internal Control Committee.

Each of these committees are chaired by the President and the relevant Executive Officers serve as members.

**Conflicts of Interest**

To avoid harming the common interests of the MITSUBISHI MOTORS and its shareholders, the Company conducts transactions with interested parties such as executives and major shareholders in the same manner as other transactions: we engage in such transac-

**Corporate Governance and Business Execution Structures** (June 23, 2022)



tions after giving due consideration to their economic rationale, checking with multiple related departments and upon the approval of the responsible person to whom authority has been delegated. Particularly with regard to transactions that are in competition with or that represent conflicts of interest between the Company and its directors or executive officers, the

rules of the Board of Directors stipulate prior approval from the Board of Directors and reporting after any such transaction.

In addition, the rules of the Board of Directors stipulate that directors with special conflicts of interest may not participate in voting on such Board of Directors resolutions.



## Status of Audit Committee Audits and Internal Audits

### Status of Audit Committee audits

MITSUBISHI MOTORS' Audit Committee gathers information and conducts organizational audits in relation to the establishment and operation status for internal control systems (including internal controls pertaining to financial reporting), such as those for main affiliates in Japan and overseas, status of progress with and operation of compliance activities, verification of the appropriateness of risk evaluations, and risk management frameworks and the like, through Audit Committee meetings that are held monthly in principle and other meetings with Internal Audit Divisions, interviews with Executive Officers, and the like, based on audit policy and audit plans. In the fiscal year under review, some audits of overseas offices that are usually undertaken by the Audit Committee were suspended due to the spread of COVID-19, but we strived to implement effective audits utilizing telephone lines, the Internet and other communication methods.

In the Audit Committee during the fiscal year under review, there were resolutions approved, matters discussed, and reports made concerning the audit policies and audit plans; audit methods; the assignment of audit duties; the status of the improvement and maintenance of the internal control systems; audit plans made, audit methods used, and the suitability of the results of audits performed by the Accounting Auditors; communications in relation to Key Audit Matters (KAM); and the monthly reports on the status of duties executed by the Full-time Member of the Audit Committee.

In addition to the meetings above, based on its

audit policies and audit plans, the Audit Committee held 6 meetings (approximately 120 minutes per meeting) with the internal audit divisions during the year, performed audits, and collected information on the operating status of internal controls through the divisions. The Audit Committee also interviewed Executive Officers and others 11 times during the year (approximately 90 minutes per interview) to confirm how the MMC group's major subsidiaries and affiliates in Japan and overseas as well as divisions address issues on the development and operation of the internal control system, compliance, risk management, etc.

In addition to the meetings above, full-time Members of the Audit Committee attended important meetings including meetings of Executive Committee; inspected important approval/decision documents; interviewed Executive Officers and Corporate Officers; visited and audited, or conducted hearings with MMC's major business locations and its major subsidiaries and affiliates in Japan and overseas; provided training for and had liaison meetings with auditors of subsidiaries and affiliates in Japan; and performed the tripartite audit system (i.e., internal audits, auditors' audits, and accounting audits). The status of duties executed by full-time Members of the Audit Committee is reported in the meeting of the Audit Committee which is to be held once a month in principle.

The status of activities carried out by the Audit Committee is reported to the Board of Directors twice a year. The Audit Committee also exchanges opinions with Executive Officer, President & CEO, to communicate its findings.

### Status of internal audits

MMC has established the Internal Audit Dept. and the Quality Audit Dept. as internal audit departments

within the Internal Audit Div., an independent organization that reports directly to Executive Officer, President & CEO. These departments conduct planned internal audits based on the annual audit plan.

The Internal Audit Dept. conducts internal audits to determine whether operational management of MMC and subsidiaries and affiliates in Japan and overseas is being conducted with transparency using appropriate processes. The Quality Audit Dept. audits the appropriateness of product quality-related activities by MMC and subsidiaries and affiliates in Japan and overseas.

Audit results by the Internal Audit Div. are reported directly to Executive Officer, President & CEO. To ensure the appropriateness of accounting audits, regular tripartite audit meetings are held with full-time Audit Committee Members and Accounting Auditors.

### Cooperation between the Audit Committee and internal audit departments

The Audit Committee Members regularly hold meetings with Internal Audit Division to receive information regarding the auditing system, auditing plans, and internal audit results within the Company and at its affiliated domestic and overseas companies, and to provide feedback to Internal Audit Division on the status of the Audit Committee Members' audits. Additionally, the Audit Committee summarizes audit activities it has conducted, including the details of reports received from the Internal Audit Division, and reports the results to the Board twice a year.

## Items Relating to Takeover Defense

Not applicable.

# Internal Control



## Basic Approach, Policies and Organization

Based on the "Basic Policy on the Establishment of Internal Control Systems"\* resolved at 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. As one of its priority measures aimed at regaining trust, in FY2017 the Company appointed a Global Risk Control Officer to manage compliance and operational hazard risks and report regularly to the Board of Directors on governance improvement measures. (In FY2022, the name of the post was changed to the Executive Officer for Internal Control/Corporate Affairs.) 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 Executive Officer, Executive Vice President (CFO), handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act. The Internal Control Committee, chaired by the Executive Officer, President & CEO and vice-chaired by the Executive Officer in charge of Global Risk Control, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the contents reported and /or resolved at subcommittees in each internal control field, such as compliance, information security, business continuity management, and J-SOX, in accordance with the "Basic Policy on the Establishment of Internal Control Systems."

From FY2022, we expanded the scope of risks covered to address the new risks that have emerged in recent years and are intricately intertwined with multiple risk factors (strategy, finance, operational and hazard risks) for a single event. In addition, we have estab-

lished the Internal Control Promotion Office under the supervision of the Executive Officer for Internal Control/Corporate Affairs to identify and prevent potential risks, respond to emergencies when risks materialize, and make the Company's major risks visible.

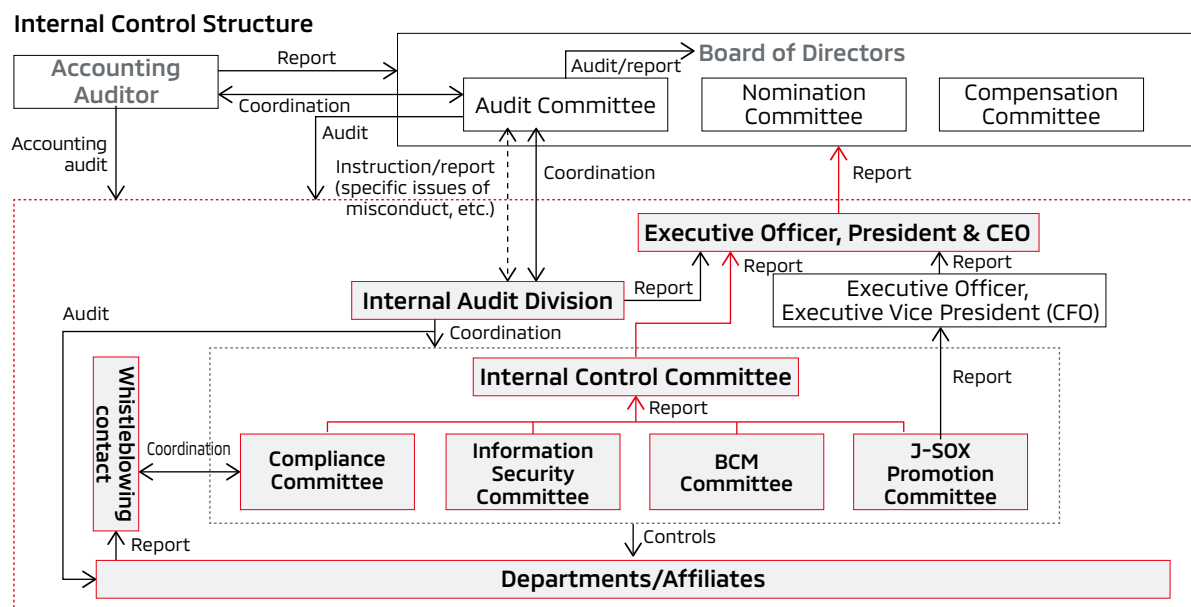
We have been working to establish a global internal control structure by gradually establishing and operating internal control committees from FY2018 at main affiliates in Japan and overseas. In addition, we have established a system in which a designated department is responsible for the overall management of each affiliated company, and related internal departments support the responsible department according to their roles, providing various support, checks and balances, and supervision to strengthen the affiliate and promote its development. Furthermore, internal rules have been established to ensure that important information at subsidiaries is reported to the Company in a timely and appropriate manner, and subsidiaries operate in accordance with these rules. To ensure the appropriateness of financial

reporting, a specialized organization has been set up under the J-SOX Promotion Committee described above. This organization follows up on and gathers information about systems in place at the Company and its affiliates, the scope of evaluation, the evaluation status of companies subject to evaluation, the improvement status and other matters.

We have also 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.

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.

\* See here for "Basic Policy on the Establishment of Internal Control Systems" [PDF](#)



## 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 MITSUBISHI MOTORS Group's business, prevent risks from occurring, and engage in appropriate management to minimize the impact of risks if they do occur.

### Development of Risk Management Framework

We have 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, divisional risk management and affiliated company risk management.

For priority risk management, we select risks that the entire MITSUBISHI MOTORS 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 Corporate Officer and Vice President level, and work as quickly as possible to reduce these risks.

In divisional 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 involves regular confirmation by MITSUBISHI MOTORS of the

status of initiatives addressing various risks faced by subsidiaries and associates and activities such as business continuity planning improvements. Improvement suggestions and guidance are provided as required.

As a new strengthening measure, the Internal Control Promotion Office was established in FY2022. As risks that are intricately intertwined with strategy, finance, operational and hazard risks (geopolitical risks, risks related to economic security, risks related to business and human rights, etc.) have surfaced in recent years, the Company has established a system to manage risks with expanded scope.

These risk management initiatives are regularly reported to the Board as major internal control activities.

In addition, to prepare for unforeseen contingencies we have developed urgent information communication system 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, which we revise as appropriate. 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.

The MITSUBISHI MOTORS basic policy in times of disaster such as earthquake or other natural disaster or an outbreak of infectious disease-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 (in accordance with the Metropolitan Tokyo Ordinance on Measures for Stranded Individuals), we have ensured means through which they can communicate with their families, cached emergency supplies and are conducting initiatives by 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.

Further, in light of the spread of COVID-19, the Company newly established a "BCM (Business Continuity Management) Committee" from FY2020 and will endeavor to promote BCM activities on a regular basis.

### Responses to COVID-19

To prevent the spread of COVID-19 and from the perspective of maintaining a business continuity structure, MITSUBISHI MOTORS has created and released response guidelines to ensure health and safety of employees. The Company is also undertaking measures such as the promotion of working from home and off-peak working.

We will continue to monitor the infection status. By responding appropriately, such as by establishing response headquarters, we will work to enhance risk management and reinforce business continuity.



# Compliance



## Basic Approach and Policies

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, we have issued a "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 associates in Japan and overseas.

## MITSUBISHI MOTORS Global Code of Conduct

### [Principle]

MITSUBISHI MOTORS Group Companies (collectively herein referred to as "MITSUBISHI MOTORS Group" or "Company") have set this Global Code of Conduct that all MITSUBISHI MOTORS Group executives and employees must follow in order to fulfill our social responsibilities as a company.

This Global Code of Conduct applies to all MITSUBISHI MOTORS Group executives and employees. Each member of the Company is charged with responsibility to comply this Global Code of Conduct.

### 1. Comply with all Laws and Rules

We shall comply with all applicable laws and regulations of the country where the Company conducts business as well as all Company policies and rules.

### 2. Promote Safety

We shall maintain and promote a healthy work environment, and engage in safe work practices. We are also committed to ensuring the safety of our customers and passengers, and continually promoting the safety of products.

### 3. Avoid Conflict of Interest

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

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

We shall never have any association with anti-social forces whatsoever. We shall not participate in acts of terrorism, drug dealings, money laundering, and other individual or organized criminal activities.

### 5. Preserve Company Assets

We shall safeguard the Company's assets, and shall never use the said assets, including funds, confidential business information, physical properties and intellectual properties without permission.

### 6. Be Impartial and Fair

We shall maintain impartial and fair relationship with public servants as well as business partners, including dealers,

suppliers, and other third parties. We shall not participate in or endorse any corrupt practices including bribery, directly or indirectly such as through a third party.

### 7. Be Transparent and Accountable

We shall maintain accounts and records relating to corporate management with integrity, and disclose Company's business activities fairly and transparently to our stakeholders, including shareholders, customers, employees, and local communities with timely and properly manner.

### 8. Respect Human Rights and Diversity, Provide Equal Opportunity

We shall respect the human rights and diversity of suppliers, customers, other executives, colleagues, and local communities. We shall never tolerate discrimination, retaliation or harassment in any form or degree.

### 9. Be Environmentally Responsible

We shall strive to take into consideration environmental conservation when developing products and providing services, and promote recycling, as well as resource and energy savings.

### 10. Be Active and Report Violations

We shall carry out our work in accordance with this Global Code of Conduct. When we have come to know any violation of this Global Code of Conduct, we shall immediately report it to the Company, and the executives and employees who have come forward with such information based on their own beliefs shall be infallibly protected from any form of retaliation.



## Management Structure

At MITSUBISHI MOTORS, to prevent compliance infractions and information security incidents, under the direction of the Executive Officer for Internal Control/Corporate Affairs each division appoints a compliance officer, and department heads serve as code leaders.

Compliance officers work closely with the code leaders to prevent compliance violations within their departments. When a compliance violation occurs, corrective actions are taken, prevention of recurrence

and effectiveness are confirmed, and horizontal deployment is implemented and reported to the Executive Officer for Internal Control/Corporate Affairs.

Major subsidiaries and associates in Japan and overseas also appoint compliance officers. To help prevent compliance infractions, in FY2018 we established and started operating MITSUBISHI MOTORS Global Hotline.

The Board of Directors is provided with regular reports on these compliance structures, efforts related to education and the formulation or revision of the

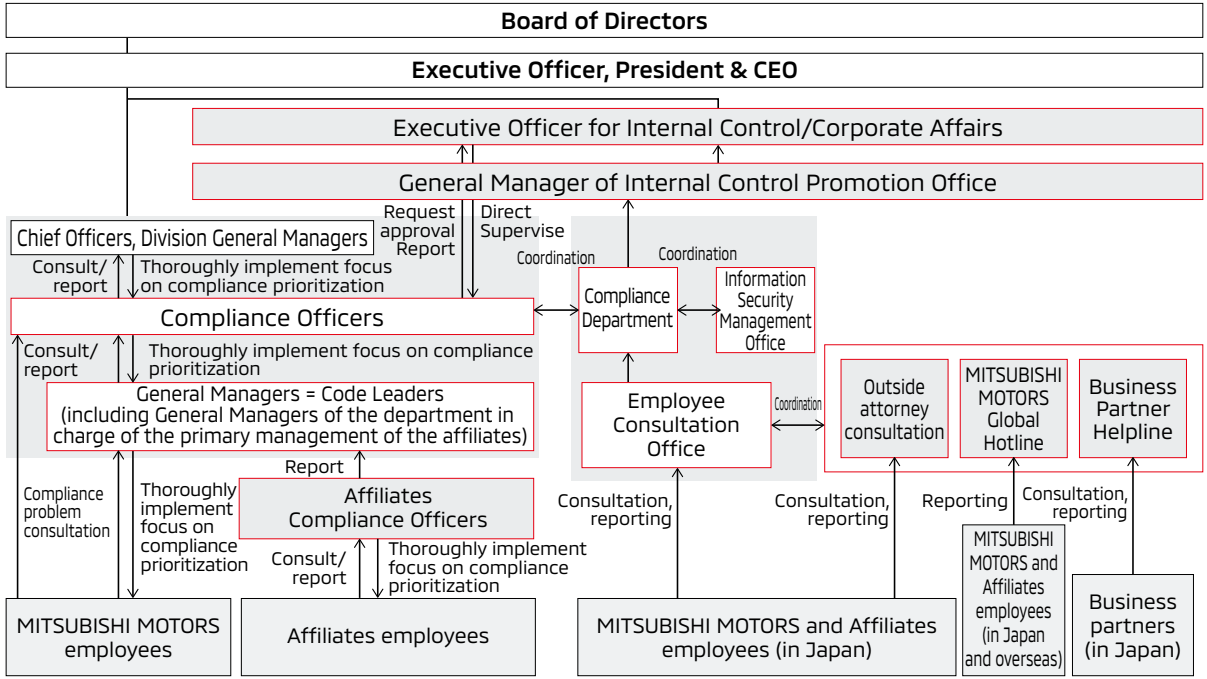
Global Code of Conduct, as well as the status of any compliance infractions and their countermeasures.

In the event of a major incident, an emergency response organization is set up in accordance with the emergency response manual, and a system is in place to ensure that an appropriate response is taken.

As for internal controls related to financial reporting, we verify compliance structures and procedures for financial summaries. If inadequate controls are found at a company being evaluated, we request reporting on the nature of the problem and improvements being made. In FY2021, we checked the status of 20 Group companies (MITSUBISHI MOTORS, 7 domestic associates, and 12 overseas associates).

In FY2021, we experienced no serious compliance infractions requiring disclosure.

Organizational Framework for Promoting Compliance





## Establishment of Internal and External Consultation Offices

To prevent and promptly detect improper conduct, MITSUBISHI MOTORS has established an internal consultation office (Employee Consultation Office) allowing employees of the Company or its subsidiaries and associates in Japan to report or consult about such conduct. Outside the Company, we have set up a consultation office staffed by outside attorneys, as well as the MITSUBISHI MOTORS Global Hotline, accessible to employees both in Japan and overseas. We have also established a Business Partner Helpline designated to be used by our business partners in Japan. In FY2021, these offices fielded 134 reports or consultations.

Offices endeavor to swiftly resolve issues raised in reports and consultations after first seeking to confirm the facts through an investigation by the Employee Consultation Office or by enlisting the assistance of relevant compliance officers. Information received about compliance issues or issues with potential business risks is immediately reported to the Executive Officer for Internal Control/Corporate Affairs and Audit Committee Members. After receiving instructions on how to respond, offices endeavor to resolve the issues.

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 order to ensure that persons who seek consultation are not treated unfairly.

The MITSUBISHI MOTORS Global Hotline established in FY2018 was set up within an outside firm providing such services. This makes it possible to file anonymous reports. Systems for identifying and managing risks of the entire group have been put in place, too, with MITSUBISHI MOTORS headquarters even able to check details of reports from subsidiaries and associates.

### Number of Reports/Consultations Fielded by Consultation Offices by Category (FY2021)

Item	Number
Corporate/business proposals	10
Workplace environment	20
Labor relations	19
Human relations/harassment	34
Compliance, violations of operational rules, fraud	24
Others	27

## 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 associates, fostering such sense for the group as a whole.

We also provide all our employees with e-learning opportunities, including courses on the basics of compliance, as well as education on information security and on working overtime and on holidays.

On and around Safety Pledge Days,\* each individual division voluntarily holds events to reaffirm the day's significance. Workplace discussions are also held at the same time 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.

As well as the activities outlined above, in FY2021 internal and outside directors taught courses on compliance for executives to raise their awareness of this topic. For managers at the general manager level or higher, an external lecturer provided compliance lectures to help improve workplace operations. Outside instructors also provided communication training to managers at the level of section manager and above to enhance workplace communication and support remote work.

\* To prevent past incidents, such as the regrettable recall coverup, 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 Structure

The Company implements e-learning programs for all employees to familiarize them with the Global Code of Conduct and allows them to review the code at any time by distributing pamphlets containing this code and posting it to a smartphone app (for managers and above). We also communicate the code across the group, distributing the pamphlets to subsidiaries and associates in Japan, and in electronic form to subsidiaries and associates overseas.

We have formulated the "MITSUBISHI MOTORS Global Anti-Bribery Policy" as a global guideline for the prevention of bribery and corrupt practices. This policy states clearly that we tolerate absolutely no bribery or corrupt practices. In our efforts to reinforce measures for preventing bribery and corrupt practices throughout the Group, we require affiliated companies in Japan and overseas to comply with the same policies. We also ask our suppliers, contractors, procurement partners, dealers and outside agents to comply with applicable laws and regulations related to bribery and with individual companies' anti-bribery policies.

In particular, the Company has formulated control regulations and operational standards on the provi-

sion and receipt of gifts or business entertainment for public servants, prohibiting the improper provision of such gifts or business entertainment to public servants or their receipt from public servants. When providing gifts or business entertainment to public servants, a preemptive application must be made to the general manager of the Legal Department, and must be provided only if approval is received.

The Company has put in place management and operational standards in addition to those for public servants. These standards expressly prohibit the provision of gifts or business entertainment that is illegal or goes beyond generally accepted bounds and the receipt of illicit payoffs. In addition to this, we provide guidelines for the scope of exceptions to the above and make filing of an application compulsory to ensure transparency. In case these standards are violated, a system is in place for internal reporting and the formulation and implementation of measures to prevent recurrence.

Since many employees in sales sites directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. At our domestic sales subsidiaries we conduct regular education and training to instill thorough awareness of our compliance policies and prevent improper activity. Each company implements site audits regularly. As part of our internal auditing of affiliated companies in Japan, our Internal Audit Division also conducts operational audits of domestic sales subsidiaries. Audit results are reported to the Company's President & CEO, and the results are also shared with our Domestic Sales Division. We follow up the progress of action plans for improvement.

We work to thoroughly prevent corruption at overseas associates by assigning oversight to their executives and employees. Prior to their appointment, we provide training on legal risks, including the prohibition and prevention of corruption.

When conducting audits of overseas subsidiaries, our Internal Audit Division also verifies the progress of efforts to prevent bribery and other corrupt practices.

In FY2021, no fine or any other punishment was imposed on the Company by regulatory authorities for corrupt practices.

No employees have been disciplined for corrupt practices.

## Political Involvement (Political Contributions)

We respect the requirements set forth in the Global Code of Conduct to "comply with all laws and rules," "be impartial and fair" and "be transparent and accountable," and maintain appropriate relationship with politics.

Recognizing that reasonable expenditures are required to appropriately maintain a democratic government, the Company considers making political contributions to be one aspect of its social responsibility. When making such contributions, we do so in accordance with the Public Offices Election Act, the Political Funds Control Act, and other laws and regulations related to politics. We also ensure to follow our own internal rules for approval. In FY2021, we donated ¥13.9 million to the People's Political Association.



## 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. The Company is promoting the following information security measures.

- Putting in place and reviewing internal regulations related to information security
- Managing information assets and strengthening measures against computer viruses and cyberattacks
- Providing education to employees via e-learning and other measures
- Monitoring information security activities by the Information Security Committee

## Protection of Personal Information

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. In addition, rules on personal information protection are being strengthened around the world. We coordinate with our bases in individual countries, putting in place systems to respond appropriately with their laws and regulations on the protection of personal information.

## Security Export Control

The Company 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 Export Control Regulations." We ensure the legality of our export transactions through our management system, with its the Security Export Control Committee, led by the Executive Officer, President & CEO, who serves as chief security trade control officer.

## Approach to Taxation

The Company recognizes that proper tax payment in all operating countries is one of key elements of corporate social responsibility for multinational companies.

The Company has established the following Global Tax Policy to promote tax compliance in business activities. In line with this policy, we have created a governance system and strive to maintain proper tax payments in compliance with international rules and national regulations.

## Global Tax Policy for MITSUBISHI MOTORS Group

### 1. Tax compliance

The MITSUBISHI MOTORS Group (hereinafter simply referred to as "MITSUBISHI MOTORS") pledges to pursue proper tax payments all over the world based on the "MITSUBISHI MOTORS Global Code of Conduct." This means MITSUBISHI MOTORS maintains appropriate and timely tax payments by understanding the intent and purpose of the BEPS\* Action Plan, which was developed and publicized by the OECD and G20 countries, as well as by complying with tax regulations in all countries and regions in which it conducts businesses, tax treaties, and other international tax regulations related to its business. In addition, MITSUBISHI MOTORS pledges not to use any tax havens or loopholes that are against the intentions and purposes of laws.

### 2. Corporate governance on tax matters

- (1) MITSUBISHI MOTORS recognizes corporate governance on tax matters as an infrastructure to promote tax compliance and tax planning and, under the initiative of top management, pursues the optimization of governance systems to secure the accuracy and transparency of accounting and tax-related information.
- (2) The MITSUBISHI MOTORS Group makes disclosures to all relevant taxation authorities and discloses appropriately and in a timely manner the BEPS transfer pricing documentation and other information required for submission by multinational enterprises.

## List of Executives (as of June 23, 2022)



Outside Outside director | **Indep.** Independent director | Male Female

Name	Position	Attributes	Committees	Attendance at Board of Directors and Committee Meetings (April 2021 to March 2022)	Tenure as Director (As of June 23, 2022)	Reasons for Appointment
Tomofumi Hiraku	Member of the Board Chairman of the Board	Outside <b>Indep.</b> Male	Nomination Committee	Board of Directors 12 of 12 times Nomination Committee 9 of 9 times*1	1 year	He has served in a series of important roles as Director-General of the Kansai Bureau and Director-General of the Manufacturing Industries Bureau for the Ministry of Economy, Trade and Industry (METI) and was engaged in energy policy at the Agency for Natural Resources and Energy, possessing broad experience and knowledge and a wide network across industrial fields, and we expect he will use these attributes to actively oversee management of the Company and provide advice and opinions as Director and Chairman.
Takao Kato	Member of the Board	Male	Compensation Committee	Board of Directors 15 of 15 times Nomination Committee 1 of 1 times*2 Compensation Committee 9 of 9 times	3 years	He has many years of experience and insight concerning management of MMC's global business, including experience of serving as President of PT Mitsubishi Motors Krama Yudha Indonesia, one of MMC's largest overseas manufacturing bases. In addition, he has been engaged in MMC's management since June 2019 as CEO. We believe he will play an important role in the decisions in significant matters and business execution of the Company.
Hitoshi Inada	Member of the Board	Male	Audit Committee (Full time Member)	—*3	—	He has an extensive track record and insight in legal affairs, compliance and corporate governance earned over many years of developing global business at a general trading company and MMC, that we expect him to utilize in the management of the Company.
Shunichi Miyanaga	Member of the Board	Outside Male	Compensation Committee (Chairperson)	Board of Directors 15 of 15 times Compensation Committee 9 of 9 times	8 years	He possesses considerable experience and knowledge obtained as top management in corporate management in a global manufacturing company, and we expect he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Main Kohda	Member of the Board	Outside <b>Indep.</b> Female	Nomination Committee (Chairperson) Compensation Committee	Board of Directors 15 of 15 times Nomination Committee 10 of 10 times Compensation Committee 9 of 9 times	4 years	She possesses deep knowledge about international finance, keen acumen and objective perspective as a writer, and considerable insight and experience gained as a Member of the Council of the Ministry of Finance and the Ministry of Land, Infrastructure, Transport and Tourism, and we expect she will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Yaeko Takeoka	Member of the Board	Outside <b>Indep.</b> Female	Audit Committee (Chairperson)	Board of Directors 15 of 15 times Audit Committee 15 of 15 times	3 years (Reference: Previously served for four years as an Audit & Supervisory Board member of the Company)	She possesses extensive experience as an Audit & Supervisory Board Member of the Company and has distinguished herself as a legal specialist over a long period, and we expect that she will use her considerable experience and knowledge as a legal professional to actively oversee management of the Company and provide advice and opinions.
Kenichiro Sasae	Member of the Board	Outside <b>Indep.</b> Male	Nomination Committee Compensation Committee	Board of Directors 15 of 15 times Nomination Committee 10 of 10 times Compensation Committee 6 of 6 times*4	3 years	He served in a series of important roles at the Ministry of Foreign Affairs and possesses broad international understanding and experience as a diplomat, and we expect he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Hideyuki Sakamoto	Member of the Board	Outside Male	Nomination Committee	Board of Directors 15 of 15 times Nomination Committee 10 of 10 times	3 years	He has a wealth of knowledge and experience in the management of a global automotive manufacturer, and we expect that he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Yoshihiko Nakamura	Member of the Board	Outside <b>Indep.</b> Male	Audit Committee	Board of Directors 15 of 15 times Audit Committee 15 of 15 times	2 years	He has worked for many years as a certified public accountant and possesses extensive knowledge as a specialist in accounting audits, and we expect that he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Joji Tagawa	Member of the Board	Outside Male	Compensation Committee	Board of Directors 15 of 15 times Compensation Committee 9 of 9 times	2 years	He has a wealth of knowledge and experience in the management of a global automotive manufacturer, and we expect that he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Takahiko Ikushima	Member of the Board	Outside Male	Audit Committee	Board of Directors 15 of 15 times Audit Committee 12 of 12 times*4	2 years	He has a wealth of knowledge and experience in the management of a global automotive manufacturer, and we expect that he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Takehiko Kakiuchi	Member of the Board	Outside Male	Nomination Committee	—*3	—	He possesses considerable experience, achievements and insight on global business management nurtured through his career as top management at a global general trading company, and we expect he will utilize those attributes to actively oversee management of the Company and provide advice and opinions.
Kanetsugu Mike	Member of the Board	Outside Male	Audit Committee	—*3	—	He has a wealth of experience and extensive knowledge as top management of a global international financial institution, and we expect he will utilize those attributes to actively conduct oversee management of the Company and provide advice and opinions.

\*1 Mr. Tomofumi Hiraku was appointed as director on June 23, 2021. Accordingly, he has attended a different number of Board of Directors and committee meetings than other directors.

\*2 Mr. Takao Kato was resigned as Nomination Committee member on June 23, 2021.

\*3 Messrs. Hitoshi Inada, Takehiko Kakiuchi and Kanetsugu Mike were appointed as director, Audit Committee member and Nomination Committee member, respectively, on June 23, 2022. Accordingly, no Board of Directors or committee meetings had yet been held for them to attend.

\*4 Messrs. Kenichiro Sasae and Takahiko Ikushima were appointed as Compensation Committee and Audit Committee members, respectively, on June 23, 2021. Accordingly, they have attended a different number of committee meetings than other directors.

For directors' career summaries, visit:

(WEB) <https://www.mitsubishi-motors.com/en/company/director/>

# Executive Remuneration



## Basic Views and Policy

MITSUBISHI MOTORS' Compensation Committee, which is chaired by an outside director, has established the following policy regarding remuneration for Directors and Executive Officers.

### <Basic approach>

1. The compensation system shall contribute to MMC group's sustainable growth and medium- to long-term improvement of corporate value.
2. The compensation system shall be linked with corporate results in order to motivate Executive Officers to accomplish management strategies and management plans as well as to achieve targeted corporate results in an appropriate manner.
3. The compensation levels shall contribute to securing professionals who measure up to ideal standards for management personnel that MMC expects for those responsible for corporate operation to have.
4. The compensation system shall increase a shared awareness of profits with shareholders and awareness of shareholder-focused management.
5. The decision-making process relating to compensation shall be highly transparent and objective.

Based on these policies, the Compensation Committee determines the method calculating remuneration and individual remuneration amounts of the directors and executive officers. Remuneration for FY2021 is contained in the FY2021 Annual Securities Report (pages 65–67).

FY2021 Annual Securities Report

(WEB) [https://www.mitsubishi-motors.com/content/dam/com/ir\\_en/pdf/yuka/2022/yuka20220707e.pdf](https://www.mitsubishi-motors.com/content/dam/com/ir_en/pdf/yuka/2022/yuka20220707e.pdf)

Based on the recognition that addressing sustainability is a high priority management issue management issue for the Group, from FY2022 we have added the following ESG-related items as indicators for determining medium-to-long-term performance-linked compensation.

- Environmental indicator:  
We have introduced "CO<sub>2</sub> emissions from business activities" as an indicator for measuring progress in addressing climate change and other increasingly environmental issues.
- Social indicator:  
We have introduced "employee engagement" as an indicator of advancement of employee job satisfaction and increased initiative through securing diversity and work-life balance, and promoting HR development.

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## Environmental Data Related to Products and Business Activities

### Sales of Electrified Vehicles

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total electrified vehicles</b>	Vehicles	36,125	54,572	75,143	64,561	65,496
<b>Electrified vehicle sales ratio</b>	%	3	4	7	8	7
<b>Plug-in hybrid electric vehicles (PHEVs)</b>	Vehicles	28,296	47,238	47,758	35,553	43,021
Japan	Vehicles	5,105	6,780	4,970	5,629	11,663
Overseas	Vehicles	23,191	40,458	42,788	29,924	31,358
<b>Electric vehicles (EVs)</b>	Vehicles	773	766	1,015	1,566	839
Japan	Vehicles	288	410	901	1,517	690
Overseas	Vehicles	485	356	114	49	149
<b>Hybrid electric vehicles (HEVs)</b>	Vehicles	7,056	6,568	26,370	27,442	21,636
Japan	Vehicles	7,056	6,568	26,370	27,442	21,636
Overseas	Vehicles	0	0	0	0	0
<b>Global sales (including vehicles with internal combustion engines)</b>	Vehicles	1,101,194	1,243,914	1,126,843	801,442	936,749

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

	Unit	2017	2018	2019	2020	2021	
<b>United States (fuel economy)</b>	Import passenger automobile	mpg	44.6	45.9	45.4	45.5	45.3
	Light truck	mpg	34.9	35.8	35.9	36.8	35.8
<b>Europe (CO<sub>2</sub> emissions)</b>	Passenger automobile	g-CO <sub>2</sub> /km	118	121	115.6	–	–
<b>China (fuel economy)</b>	Import vehicle	L/100km	12.0	12.0	12.0	–	–
	Local production vehicle	L/100km	7.5	7.1	7.2	7.5	7.89

\* Values reported publicly in respective countries and regions. Values are by model year in the United States and by calendar year in Europe and China.

### Business Activity Indicators

#### CO<sub>2</sub> emissions

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Production</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	492	518	464	312	358
<b>Non-production</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	63	70	62	53	53
<b>Japan</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	387	404	348	246	277
<b>Asia</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	162	178	173	116	132
<b>Others</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	6	6	5	3	2
<b>Scope 1 (direct emissions)</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	119	119	110	80	92
<b>Scope 2 (indirect emissions)</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	436	469	416	285	319
<b>(Scope 1+2) Total</b>	x10 <sup>3</sup> t-CO <sub>2</sub>	555	588	526	365	411
<b>Scope 3</b>	x10 <sup>3</sup> t-CO <sub>2</sub> eq	38,721	42,580	35,429	20,286	28,146
<b>(Scope 1+2+3) Total</b>	x10 <sup>3</sup> t-CO <sub>2</sub> eq	39,276	43,168	35,955	20,651	28,557

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.  
Of the environmental management system target companies in FY2021, more than 97% of sites by CO<sub>2</sub> emissions conversion base have acquired ISO 14001 or other environmental management system certification.

#### CO<sub>2</sub> emission factors

- Based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures"
- Overseas electricity emission factors use values for individual electric power companies. Some bases use emission factors obtained annually from the IEA's "CO<sub>2</sub> Emissions from Fuel Combustion" or its "Emission Factors."

FY2014 results for Scope 1 + 2: 598,000t-CO<sub>2</sub> eq

## Scope 3 Breakdown

(FY)

Category	Unit	2017	2018	2019	2020	2021	Coverage
1 Purchased goods and services	x10 <sup>3</sup> t-CO <sub>2</sub> eq	5,855	6,900	6,331	4,043	5,495	consolidated (only production)
2 Capital goods	x10 <sup>3</sup> t-CO <sub>2</sub> eq	297	407	319	310	150	non-consolidated
3 Fuel energy not included in Scope 1 or 2	x10 <sup>3</sup> t-CO <sub>2</sub> eq	45	21	49	36	44	consolidated
4 Upstream transportation and distribution	x10 <sup>3</sup> t-CO <sub>2</sub> eq	1,013	1,278	1,174	541	1,049	consolidated
5 Waste generated in operations	x10 <sup>3</sup> t-CO <sub>2</sub> eq	16	19	21	11	15	consolidated (only production)
6 Business travel	x10 <sup>3</sup> t-CO <sub>2</sub> eq	4	4	4	4	4	consolidated
7 Employee commuting	x10 <sup>3</sup> t-CO <sub>2</sub> eq	14	14	14	13	13	consolidated
8 Upstream leased	x10 <sup>3</sup> t-CO <sub>2</sub> eq	-	-	-	-	-	-
9 Downstream transportation and distribution	x10 <sup>3</sup> t-CO <sub>2</sub> eq	-	-	-	-	-	-
10 Processing of sold products	x10 <sup>3</sup> t-CO <sub>2</sub> eq	-	-	-	-	-	-
11 Use of sold products	x10 <sup>3</sup> t-CO <sub>2</sub> eq	30,731	33,199	26,833	14,927	20,981	all destination
12 End-of-life treatment of sold products	x10 <sup>3</sup> t-CO <sub>2</sub> eq	741	727	671	382	382	all destination
13 Downstream leased assets	x10 <sup>3</sup> t-CO <sub>2</sub> eq	-	-	-	-	-	-
14 Franchises	x10 <sup>3</sup> t-CO <sub>2</sub> eq	5	12	13	19	14	Some dealers in Japan
15 Investment	x10 <sup>3</sup> t-CO <sub>2</sub> eq	-	-	-	-	-	-

## Energy Input (Primary and Secondary Energy)

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total amount</b>	PJ*	9.9	10.2	9.5	7.0	8.2
<b>Production</b>	PJ	8.7	9.0	8.3	5.9	7.0
<b>Non-production</b>	PJ	1.2	1.2	1.2	1.1	1.2
<b>Japan</b>	PJ	7.0	7.2	6.6	4.9	5.6
<b>Asia</b>	PJ	2.8	2.9	2.8	2.0	2.5
<b>Others</b>	PJ	0.1	0.1	0.1	0.1	0.1

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.

\* 1015 joules Unit calorific value: Quoted from the "Act on the Rational Use of Energy"

## Sulfur Oxide

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total emissions</b>	t	184	218	163	125	50

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.

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	2017	2018	2019	2020	2021
<b>Total emissions</b>	t	65	65	61	44	58

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.

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	2017	2018	2019	2020	2021
<b>Total emissions</b>	t	1,882	2,354	2,243	1,227	1,511

FY2020 emissions have been corrected, due to a tabulation error.

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

## Emissions of Ozone-Depleting Substances

Estimated at less than 0.1t (CFC equivalent) for MITSUBISHI MOTORS CORPORATION alone.

**Generated Waste**

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total emissions</b>	x10 <sup>3</sup> t	162	187	202	109	143
<b>Production</b>	x10 <sup>3</sup> t	148	176	194	103	137
<b>Non-production</b>	x10 <sup>3</sup> t	14	11	8	6	6

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.

**Generated Waste and Externally Disposed Waste**

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total amount produced</b>	x10 <sup>3</sup> t	99	104	89	58	85
<b>Externally disposed waste</b>	x10 <sup>3</sup> t	48	56	53	40	54
<b>Internal recycle</b>	x10 <sup>3</sup> t	51	48	36	18	31

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant

**Raw Material Input**

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Iron and aluminum</b>	x10 <sup>3</sup> t	143	154	141	97	117
<b>Resin</b>	x10 <sup>3</sup> t	3.0	2.5	2.1	1.1	2.4

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant

**Withdrawn Water Volume**

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total amount</b>	x10 <sup>3</sup> m <sup>3</sup>	6,727	6,211	5,915	4,420	4,640
<b>Production</b>	x10 <sup>3</sup> m <sup>3</sup>	6,343	5,901	5,654	4,188	4,389
<b>Non-production</b>	x10 <sup>3</sup> m <sup>3</sup>	384	310	261	232	251
<b>City water</b>	x10 <sup>3</sup> m <sup>3</sup>	1,150	878	988	718	383
<b>Industrial water</b>	x10 <sup>3</sup> m <sup>3</sup>	3,602	3,412	3,280	2,594	2,938
<b>Underground water</b>	x10 <sup>3</sup> m <sup>3</sup>	1,975	1,921	1,647	1,108	1,319

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.

• MMKI recycles and reuses some of its wastewater. In FY2021, roughly 152,000m<sup>3</sup> of water was recycled. (Roughly 3% of total MITSUBISHI MOTORS Group water withdrawal.)

**Wastewater Volume**

(FY)

	Unit	2017	2018	2019	2020	2021
<b>Total amount</b>	x10 <sup>3</sup> m <sup>3</sup>	4,577	4,504	4,104	3,266	3,316
<b>Production</b>	x10 <sup>3</sup> m <sup>3</sup>	4,193	4,194	3,843	3,034	3,254
<b>Non-production</b>	x10 <sup>3</sup> m <sup>3</sup>	384	310	261	232	62
<b>Sewage</b>	x10 <sup>3</sup> m <sup>3</sup>	2,405	2,396	2,041	1,713	1,581
<b>Public waters</b>	x10 <sup>3</sup> m <sup>3</sup>	2,172	2,108	2,063	1,553	1,735

Target sites: Environmental management target companies for each fiscal year (including the Company)  
Ratio of data coverage obtained from environmental management target companies: 100%  
Please see page 27 for the 22 environmental management target companies in FY2021.

• Includes some estimated figures.

## Environmental Accounting

### Environmental Conservation Costs

(FY)

Category	Main Initiatives Details		Unit	2019		2020		2021	
				Investment	Cost	Investment	Cost	Investment	Cost
Business Area Cost	Pollution Prevention Cost	Preventing air pollution, water pollution and soil pollution	Million yen	41	1,251	203	629	591	651
	Global Environmental Conservation Cost	Preventing global warming and the ozone depletion	Million yen	250	9	346	13	78	9
	Resource Circulation Cost	Reduction, proper disposal and recycling of the waste	Million yen	0	1,418	0	933	0	465
Upstream/Downstream Costs	Withdrawing used bumpers and corresponding automobile recycling law		Million yen	0	1,688	0	1,661	0	2
Administration Activity Cost	Maintaining certification of ISO14001, educating employees and monitoring		Million yen	130	420	18	588	0	114
R&D Cost	Research and development about reductions in environmental impact of products such as improving fuel economy and exhaust gas measures		Million yen	1,711	51,383	456	32,731	0	0
Social Activity Cost	Hands-on environmental lessons, supporting global environmental activity, donation to environmental groups and disclosing environmental information		Million yen	0	273	47	189	0	256
Environmental Remediation Cost	Compensation for environmental damage by business activities		Million yen	0	12	0	5	0	2
<b>Total</b>			Million yen	<b>2,132</b>	<b>56,454</b>	<b>1,070</b>	<b>36,749</b>	<b>669</b>	<b>1,499</b>

	Unit	Capital investment	R&D cost	Capital investment	R&D cost	Capital investment	R&D cost
<Reference> Group-wide capital investment, R&D cost	100 Million yen	1,039	1,308	764	1,014	627	907

Target site: MITSUBISHI MOTORS CORPORATION, Pajero Manufacturing Co., Ltd.

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

(FY)

Category	Details of Benefit	Unit	2019	2020	2021
Revenue	Operating revenue from the sale of recycled waste products and used products produced through key business	Million yen	1,774	1,083	2,546
Cost Reduction	Energy expense saving through energy conservation	Million yen	532	2,333	-1,313
	Water expense saving through water conservation	Million yen	8	31	12
	Disposal cost saving through lower resource input or recycle	Million yen	114	-551	389
	Packaging materials cost saving through recycling	Million yen	422	369	379
<b>Total</b>		Million yen	<b>2,850</b>	<b>3,265</b>	<b>2,013</b>

FY2020 figures (cost reduction: energy expense/packaging materials) have been corrected due to a tabulation error.

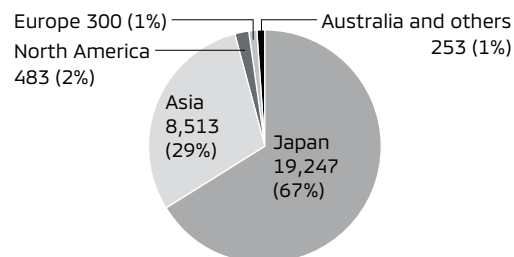
Target site: MITSUBISHI MOTORS CORPORATION, Pajero Manufacturing Co., Ltd.

## Human Resource-Related Data

### Number of Employees

		FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees (nonconsolidated)	Total	13,693	14,171	14,407	13,951	13,829
	Male	12,336	12,695	12,848	12,403	12,309
	Female	1,357	1,476	1,559	1,548	1,520
Number of employees (consolidated)		30,507	31,314	32,171	30,091	28,796
Number of temporary workers (consolidated)		7,122	8,682	7,558	6,434	7,948
(Percentage of temporary workers on a consolidated basis)		(19%)	(22%)	(19%)	(18%)	(22%)

### Number of Employees by Region: 28,796 (consolidated)



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

Number of managerial employees	Persons	1,099
	Ratio	11.5%
Number of employees		9,549

(As of March 2022)

### Status of Female Management Promotions

		Jul. 2018	Jul. 2019	Jul. 2020	Jul. 2021	Jul. 2022
Number of female managers*1	Persons	58	68	74	80	94
	Ratio	3.5%	3.9%	3.5%	4.1%	4.7%
	General manager or above	11	13	14	13	13
Number of female executives*2	Persons	3	5	5	3	3
	Ratio	7.7%	12.5%	12.5%	8.8%	8.3%

\*1 Including dispatched personnel on leave and secondees, excluding medical workers

\*2 Number of female executives includes outside directors

### Employee Makeup (non-consolidated)

		FY2017	FY2018	FY2019	FY2020	FY2021
Average age	Male	41.9	41.6	41.4	41.1	41.9
	Female	39.2	38.5	38.1	37.5	38.5
Average years of service	Male	16.6	16.7	16.2	15.8	15.9
	Female	12.8	12.4	11.6	11.1	11.7
Number of employees who have left the company (total)		539	533	735	1,002	644
Retirement		248	272	381	203	191
Voluntary retirement (Percentage of voluntary retirement)		249 (46%)	240 (45%)	303 (41%)	305 (30%)	418 (65%)
Involuntary retirement		2	7	14	11	10
Work transfer, other		40	14	37	483	25

### Number of New Graduates Hired

		FY2017	FY2018	FY2019	FY2020	FY2021
Total	Male	220	314	368	386	101
	Female	31	54	92	85	22
University graduate/Master's degree or above	Male	133	226	229	204	42
	Female	27	47	76	76	16
Junior college/vocational school graduates	Male	1	5	1	0	5
	Female	0	0	0	0	5
High school graduates/other	Male	86	83	138	182	54
	Female	4	7	16	9	1

### Working Hours and Ratio of Paid Leave Taken

	FY2017	FY2018	FY2019	FY2020	FY2021
Total working hours per person/per year	2,115.5	2,131.2	2,013.6	1,880.8	1,960.3
Overtime worked per person	329.5	372.3	288.6	221.4	248.7
Ratio of annual paid leave taken*3	82.6%	86.6%	100.6%	99.2%	89.5%

\*3 Days of annual paid leave taken during the year  

$$\frac{(\text{days carried forward from the previous year} + \text{days granted for the current year})}{\text{Days of annual paid leave available for the year}} \times 100$$

### Number of Persons Taking Childcare Leave and Retention Rate of Returnees

		FY2017	FY2018	FY2019	FY2020	FY2021
Number of persons taking childcare leave	Total	127	131	194	81	156
	Male	6	10	49	35	88
	Female	121	121	145	46	68
Retention rate of returnees*1		92.3%	100%	97.7%	96%	95%

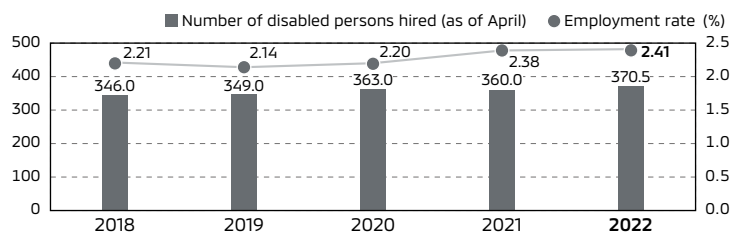
\*1 Total number of employees still employed 12 months after returning to work from childcare leave  
Total number of employees whose childcare leave ended during the previous reporting period x100

### Major Programs to Promote Work-Life Balance

FY2021 Results		Male	Female	Total
Childcare	Pregnancy leave	—	10	10
	Maternity leave	—	84	84
	Childcare leave	88	68	156
	Child nursing leave	328	164	492
	Reduced working hours for childcare	8	201	209
Nursing care	Nursing care leave	3	2	5
	Short-term nursing care leave	213	44	257
	Reduced working hours for nursing care	2	6	8
Miscellaneous	Life plan leave	115	35	150
	Accumulation of unused paid leave	663	34	697
	Flexitime system (including managerial employees)*2	6,429	1,138	7,567
	Reemployment system			
	Number of employees registered as candidates for re-hiring under the reemployment system (in FY2021, four employees were rehired under this program)	7	16	22
	Accompanying leave (three returnees in FY2021)	0	16	16

\*2 With regard to the flexitime system, the number of employees eligible to use the system (as of April 1, 2021)

### Employment of People with Disabilities\*3, 4



\*3 The number of persons hired and the employment rate are calculated in accordance with the "Act on Employment Promotion etc. of Persons with Disabilities," with the employment of one person with a severe physical or intellectual disability being counted as two persons.

\*4 In principle, employment of a one part-time worker is calculated as 0.5 persons. However, one part-time worker with a severe physical or intellectual disability is counted as one person.

### FY2021 training led by the Human Resources Division

Number of employees who took courses during the year (total)	10,650
Total number of hours attended	96,770 hours
Number of course hours/days per employee	7.0 hours /0.87 days
Training expenses per employee	¥6,171

### Wage Levels

	Monthly compensation	Comparison with local minimum wage*5
Starting pay	High school graduate Administrative and Engineering staff	¥166,900 108%
	High school graduate Manufacturing Worker	¥172,900 111%
	Technical college graduate	¥186,600 110%
	Junior college graduate	¥171,400 101%
	University graduate	¥210,400 124%
	Master's degree	¥232,400 137%
	Doctor of Philosophy	¥266,400 158%
	Average salary of all employees (annual)	¥6,605,000
Percentage of women's salaries to men's salaries (annual)		77%
Ratio of Performance-Linked 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

\*5 Minimum wages are calculated based on the minimum wage in Aichi Prefecture (¥955/hour) for high school graduates and the minimum wage in Tokyo (¥1,041 /hour) for non-high school graduates as of April 2022, assuming eight-hour work days and 20.3 days per month. Salary levels are based on job classification, so there is no disparity in salary based on race, nationality, gender or other factors among people performing the same job.

### Accident Rate (Accident Frequency)

	FY2017	FY2018	FY2019	FY2020	FY2021
Overall accident rate*6	0.60	0.41	0.42	0.30	0.20
Accident rate with loss of workdays*7	0.09	0.10	0.10	0.00	0.03

\*6 Number of accidents with or without loss of workdays per 1 million working hours

\*7 Number of accidents with loss of workdays per 1 million working hours

### Employee Shareholding Association

As of March 2022	
Number of members of the employee shareholding association	969
Membership rate	6.5%
Shares owned	2,111,890

## Governance-Related Data

### Overview of Corporate Governance in FY2021

<b>Organizational form</b>	Company with three committees
<b>Board of Directors members</b>	13
<b>Outside directors</b>	11
<b>Of whom, independent directors</b>	5
<b>Number of Board of Directors meetings</b>	15
<b>Ratio of attendance at Board of Directors meetings</b>	100%
<b>Of which, ratio of attendance by outside directors</b>	100%
<b>Chairperson of the Board of Directors</b>	Chairman of the Board
<b>Statutory committees</b>	Nomination Committee, Compensation Committee, Auditor Committee
<b>Nomination Committee</b>	5 (including 5 outside directors) Chairperson: Outside director (independent director)
<b>Compensation Committee</b>	5 (including 4 outside directors) Chairperson: Outside director
<b>Auditor Committee</b>	5 (including 4 outside directors) Chairperson: Outside director (independent director)

### Total Compensation in FY2021

Information related to total compensation is disclosed in the Annual Securities Report.

[WEB](https://www.mitsubishi-motors.com/en/investors/library/yuka.html) <https://www.mitsubishi-motors.com/en/investors/library/yuka.html>

### Compliance-Related Data

	Units	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Number of reports to or consultations with the internal Employee Consultation Office (helpline)</b>	Instances	170	194	166	112	109
<b>Number of reports to or consultations with the outside attorney consultation office (helpline)</b>	Instances	4	13	4	2	5
<b>Number of reports to or consultations with the MITSUBISHI MOTORSs Global Hotline</b>	Instances	–	14	25	14	19
<b>Number of reports to or consultations with the Business Partner Helpline</b>	Instances	0	0	3	4	1

# GRI Standards Reference Chart

Item	Description	Index for applicable pages
GRI 102: General Disclosures 2016		
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 (P4-5) 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 (P4-5) Description of business, (6-9) Status of subsidiaries and associates
102-5	a. Nature of ownership and legal form	Corporate Overview Securities Report (P40-50) Information about shares, etc.
102-6	a. Markets served	Corporate Overview Securities Report (P4-5) Description of business, (6-9) Status of subsidiaries and associates
102-7	a. Scale of the organization	Corporate Overview ESG Data > Human Resource-Related Data Securities Report (P11) Employees, (P20-24) 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 ESG Data > Human Resource-Related Data Securities Report (P11) 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	Social > Achieving a Sustainable Supply Chain Securities Report (P4-5) 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	Environment > Environmental Management Governance > Risk Management Securities Report (P14-19) Business-related risks
102-12	a. 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 Sustainability Management > Sustainability Management > External Initiatives Supported or Referred to
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations	Sustainability Management > Sustainability Management > Participation in External Organizations Social > Respect for Human Rights > Management System Social > Promotion of Work Style Reforms in Response to the New Normal > Participating in Initiatives Outside the Company Social > Achieving a Sustainable Supply Chain > Participating in Initiatives Outside the Company



Item	Description	Index for applicable pages
<b>Strategy</b>		
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
102-15	a. A description of key impacts, risks, and opportunities	Commitment of Top Management Sustainability Management > MITSUBISHI MOTORS' Materiality Each Materiality > Medium- to Long-Term Vision for Material Issues (P30, 46, 50, 55, 58, 62, 66, 73, 76, 82, 86, 94, 98, 105) Environment > Responding to Climate Change and Energy Issues > Responding to the TCFD Recommendations Securities Report (P14-19) Business-related risks
<b>Ethics and integrity</b>		
102-16	a. A description of the organization's values, principles, standards, and norms of behavior	Sustainability Management > Corporate Philosophy and Policy Governance > Compliance > Basic Approach and Policies
102-17	a. A description of internal and external mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity, and reporting concerns about unethical or unlawful behavior, and organizational integrity.	Governance > Compliance > Establishment of Internal and External Consultation Offices Environment > Environmental Management > Environmental Risk Management Social > Respect for Human Rights > Access to Assistance Social > Achieving a Sustainable Supply Chain > Management System
<b>Governance</b>		
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	Sustainability Management > Sustainability Management > Framework for Promoting Sustainability Governance > Corporate Governance > Corporate Governance and Business Execution Structures Governance > Internal Control Corporate Governance Report (P37) Corporate Governance and Business Execution Structures
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 (P53-94) 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 topics b. Whether post holders report directly to the highest governance body	Sustainability Management > Sustainability Management > Framework for Promoting Sustainability Securities Report (P53-94) Information about corporate governance, etc.
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	Social > Promoting Occupational Health and Safety > Labor-Management Relations General Shareholders Meetings Website Corporate Governance Report (P9) Principle 5-1. Policy for Constructive Dialogue with Shareholders

Item	Description	Index for applicable pages
102-22	a. Composition of the highest governance body and its committees	Governance>List of Executives Corporate Governance Report (P12-29) Business Management Organization and Other Corporate Governance Systems regarding decision-making, Execution of Business, and Oversight in Management Securities Report (P53-94) Information about corporate governance, etc.
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 (P53-94) Information about corporate governance, etc.
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 (P1-29), I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information and II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management
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, including, as a minimum:	Governance>Corporate Governance>Conflicts of Interest Corporate Governance Report (P1-11) Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information
102-26	a. 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 (P53-94) 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 (P1-11) Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information
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.	Governance>Corporate Governance>Corporate Governance and Business Execution Structures Corporate Governance Report (P1-11) Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information
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 (P14-19) Business-related risks, (P53-94) 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	Governance>Risk Management>Development of Risk Management Framework
102-31	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	Governance>Risk Management>Development of Risk Management Framework
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	Sustainability Management>Sustainability Management>Framework for Promoting Sustainability
102-33	a. Process for communicating critical concerns to the highest governance body	Governance>Compliance>Management Structure
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	Governance>Compliance>Management Structure

Item	Description	Index for applicable pages
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	Commitment of Top Management Governance > Executive Remuneration Corporate Governance Report (P22) Incentives Securities Report (P53-94) Information about corporate governance, etc.
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 (P22) Incentives Securities Report (P53-94) Information about corporate governance, etc.
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 Website
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	–
<b>Stakeholder engagement</b>		
102-40	a. A list of stakeholder groups engaged by the organization	Sustainability Management > Stakeholder Engagement
102-41	a. Percentage of total employees covered by collective bargaining agreements	Social > Promoting Occupational Health and Safety > 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	Sustainability Management > Stakeholder Engagement
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. How the organization has responded to those key topics and concerns, including through its reporting	–
<b>Reporting practice</b>		
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 (P6-10) Status of subsidiaries and associates
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	Sustainability Management > MITSUBISHI MOTORS' Materiality
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

Item	Description	Index for applicable pages
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, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include:	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:	–
GRI103 Management approach 2016		
103-1	Following information related to each material topic a. An explanation of why the topic is material b. The Boundary for the material topic c. Any specific limitation regarding the topic Boundary	Sustainability Management > MITSUBISHI MOTORS' Materiality
103-2	Following information related to each material topic a. An explanation of how the organization manages the topic b. A statement of the purpose of the management approach c. A description of the following, if the management approach includes that component	Sustainability Management > Sustainability Management > Framework for Promoting Sustainability Sustainability Management > MITSUBISHI MOTORS' Materiality > Identifying and Reviewing Material Issues Material Issues: P30, 46, 50, 55, 58, 62, 66, 73, 76, 82, 86, 94, 98, 105
103-3	Following information related to each material topic a. An explanation of how the organization evaluates the management approach	Sustainability Management > MITSUBISHI MOTORS' Materiality > Identifying and Reviewing Material Issues Material Issues: P30, 46, 50, 55, 58, 62, 66, 73, 76, 82, 86, 94, 98, 105
Economic		
GRI201: Economic performance 2016		
201-1	a. Direct economic value generated and distributed b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance	Securities Report (P98-99) Consolidated statement of income Social > Promoting Social Contribution Activities > Basic Approach and Policies (Breakdown of Social Contribution Expenditures)
201-2	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure	Environment > Responding to Climate Change and Energy Issues Securities Report (14-19) Business-related risks
201-3	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities b. If a separate fund exists to pay the plan's pension liabilities, its explain c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage d. Percentage of salary contributed by employee or employer e. Level of participation in retirement plans	Securities Report (P133-135) Retirement benefits

Item	Description	Index for applicable pages
201-4	a. Total monetary value of financial assistance received by the organization from any government during the reporting period b. The information in 201-4-a by country c. Whether, and the extent to which, any government is present in the shareholding structure	–
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	ESG Data > Human Resource-Related Data
202-2	Proportion of senior management hired from the local community	ESG Data > Human Resource-Related Data
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Social > Contribution to Local Economy through Business Activities
203-2	Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts	Social > Contribution to Local Economy through Business Activities
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Social > Achieving a Sustainable Supply Chain
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Governance > Compliance > Anti-Corruption
205-2	Communication and training about anti-corruption policies and procedures	Governance > Compliance > Anti-Corruption
205-3	Confirmed incidents of corruption and actions taken	Governance > Compliance > Anti-Corruption
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance > Compliance
GRI 207: TAX 2019		
207-1	Approach to tax	Governance > Compliance > Approach to Taxation
207-2	Tax governance, control, and risk management	Governance > Compliance > Approach to Taxation
207-3	Stakeholder engagement and management of concerns related to tax	Governance > Compliance > Approach to Taxation
207-4	Country-by-country reporting	–
Environment		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	ESG Data > Environmental Data Related to Products and Business Activities
301-2	Percentage of recycled input materials used to manufacture the organization's primary products and services	–
301-3	Reclaimed products and their packaging materials	Environment > Resource Recycling Initiatives
GRI302: Energy 2016		
302-1	Energy consumption within the organization	ESG Data > Environmental Data Related to Products and Business Activities
302-2	Energy consumption outside of the organization	ESG Data > Environmental Data Related to Products and Business Activities
302-3	Energy intensity	–

Item	Description	Index for applicable pages
302-4	Reduction of energy consumption	ESG Data > Environmental Data Related to Products and Business Activities
302-5	Reductions in energy requirements of products and services	ESG Data > Environmental Data Related to Products and Business Activities
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Environment > Conservation of Water Resources
303-2	Management of water discharge-related impacts	Environment > Conservation of Water Resources
303-3	Water withdrawal	ESG Data > Environmental Data Related to Products and Business Activities Environment > Conservation of Water Resources
303-4	Water discharge	ESG Data > Environmental Data Related to Products and Business Activities WEB > Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data Environment > Conservation of Water Resources
303-5	Water consumption	ESG Data > Environmental Data Related to Products and Business Activities
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment > Preservation of Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Environment > Preservation of Biodiversity
304-3	Habitats protected or restored	Environment > Preservation of Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	WEB > ESG Data > Biodiversity Data
GRI305: Emissions 2016		
305-1	Direct GHG emissions (Scope 1)	ESG Data > Environmental Data Related to Products and Business Activities Responding to Climate Change and Energy Issues > Reducing CO <sub>2</sub> Emissions across the Supply Chain
305-2	Energy indirect GHG emissions (Scope 2)	ESG Data > Environmental Data Related to Products and Business Activities Responding to Climate Change and Energy Issues > Reducing CO <sub>2</sub> Emissions across the Supply Chain
305-3	Other indirect GHG emissions (Scope 3)	ESG Data > Environmental Data Related to Products and Business Activities Responding to Climate Change and Energy Issues > Reducing CO <sub>2</sub> Emissions across the Supply Chain
305-4	GHG emissions intensity	ESG Data > Environmental Data Related to Products and Business Activities
305-5	Reduction of GHG emissions	ESG Data > Environmental Data Related to Products and Business Activities Identifying Material Issues Environment > Environmental Plan Package > Environmental Targets 2030
305-6	Emissions of ozone-depleting substances (ODS)	ESG Data > Environmental Data Related to Products and Business Activities

Item	Description	Index for applicable pages
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Prevention of Pollution > Preventing Air Pollution ESG Data > Environmental Data Related to Products and Business Activities WEB > ESG Data > Atmosphere/Wastewater Quality/PR-TR-designated Pollutants Data
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Environment > Resource Recycling Initiatives
306-2	Management of significant waste-related impacts	Environment > Resource Recycling Initiatives
306-3	Waste generated	ESG Data > Environmental Data Related to Products and Business Activities Environment > Resource Recycling Initiatives
306-4	Waste diverted from disposal	WEB > ESG Data > Atmosphere/Wastewater Quality/PR-TR-designated Pollutants Data
306-5	Waste directed to disposal	WEB > ESG Data > Atmosphere/Wastewater Quality/PR-TR-designated Pollutants Data
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Environment > Environmental Management > Environmental Risk Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Social > Achieving a Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Social > Achieving a Sustainable Supply Chain
Social		
GRI 401: Employment 2016		
401-1	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	ESG Data > Human Resource-Related Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Data > Human Resource-Related Data Securities Report (P133-135) Retirement benefits
401-3	Total number of employees that took parental leave, by gender.	ESG Data > Human Resource-Related Data
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Social > Promoting Occupational Health and Safety > Labor-Management Relations
GRI403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Social > Promoting Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Social > Promoting Occupational Health and Safety
403-3	Occupational health services	Social > Promoting Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Social > Promoting Occupational Health and Safety > Labor-Management Relations
403-5	Worker training on occupational health and safety	Social > Promoting Occupational Health and Safety
403-6	Promotion of worker health	Social > Promoting Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	–

Item	Description	Index for applicable pages
403-8	Workers covered by an occupational health and safety management system	Social > Promoting Occupational Health and Safety > Labor-Management Relations
403-9	Work-related ill health	Social > Promoting Occupational Health and Safety ESG Data > Human Resource-Related Data
403-10	Work-related ill health	Social > Promoting Occupational Health and Safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	ESG Data > Human Resource-Related Data
404-2	Programs for upgrading employee skills and transition assistance programs	Social > Stepping up Human Resource Development
404-3	Percentage of employees receiving regular performance and career development reviews	Social > Stepping up Human Resource Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	ESG Data > Human Resource-Related Data
405-2	Ratio of basic salary and remuneration of women to men	Social > Stepping up Human Resource Development ESG Data > Human Resource-Related Data
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	–
GRI407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social > Promoting Occupational Health and Safety > Labor-Management Relations
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Social > Respect for Human Rights > Complying with the Human Rights Policy
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social > Respect for Human Rights > Complying with the Human Rights Policy
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	–
GRI411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	–
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	Social > Respect for Human Rights > Basic Approach and Human Rights Due Diligence
412-2	Employee training on human rights policies or procedures	Social > Respect for Human Rights > Complying with the Human Rights Policy
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Social > Respect for Human Rights > Basic Approach and Complying with the Human Rights Policy



Item	Description	Index for applicable pages
GRI413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Social > Contribution to Local Economy through Business Activities
413-2	Operations with significant actual and potential negative impacts on local communities	–
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Social > Achieving a Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Social > Achieving a Sustainable Supply Chain
GRI 415: Public Policy 2016		
415-1	Political contributions	Governance > Compliance > Political Involvement (Political Contributions)
GRI416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Securities Report (P4-5) Description of business
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Recall Information
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Social > Improvement of Product, Sales, and Service Quality
417-2	Incidents of non-compliance concerning product and service information and labeling	Governance > Compliance
417-3	Incidents of non-compliance concerning marketing communications	Governance > Compliance
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–
GRI419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Governance > Compliance

## Third-Party Opinion



**Mr. Keisuke  
Takegahara**

Executive Fellow  
Research Institute of  
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Development Bank of  
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The Sustainability Report 2022 provides comprehensive disclosure of MITSUBISHI MOTORS' efforts to realize its vision, to "Create a vibrant society by realizing the potential of mobility." The first half of the report indicates the Company's overall directions by introducing the corporate philosophy, strategy and key topics, while the latter half of the report presents specific achievement of the previous year's activities in accordance with the medium- to long-term vision for material issues. The structure of this report effectively helps to convey the editorial intent to provide readers with a systematic understanding of a wide range of initiatives.

Last fiscal year's report, particularly the first half, described relatively major changes: (1) a focus on "MITSUBISHI MOTORS' uniqueness," (2) strengthening of the long-term time horizon with the introduction of Environmental Vision 2050 and (3) the aspiration of dynamic materiality. The emphasis this fiscal year appears to be on enhancing these new elements. This is clearly demonstrated by the Commitment of Top Management. After describing efforts to achieve car-

bon neutrality throughout the supply chain, increasing corporate value by cultivating human resources, reinforcing human rights initiatives and enhancing governance, the Commitment of Top Management section concludes with the intent to further pursue "MITSUBISHI MOTORS' uniqueness" and provide value, giving an overview of the items are underway to strengthen the Company's new directions.

Looking at the details, the first thing that catches my eye is the revision of the "Environmental Vision 2050." Last year's edition used somewhat indirect expression of contributing to enhancing the resilience of society against the risk of transitioning to net zero, but this time, the Company clearly states its commitment to achieving carbon neutrality by 2050. Electrified vehicles are the Company's weapon of choice for reaching these goals. Explanation of the multilayered strategy of collaborating with business partners, utilizing IoT technology and promoting renewable energy to enhance the value of electrified vehicles concretely expresses the pursuit of "MITSUBISHI MOTORS' uniqueness" and deepens readers' understanding of the concept. I also felt that the Company's approach to strengthening regional resilience by building VPPs with used batteries (which will become a major issue in the future) is based on core technologies and simultaneously pursues climate change, the circular economy and regional resilience, while embodying the Company's unique characteristics. One of the highlights of this report is the updated response to the TCFD recommendations, which is a tool for communicating the Company's initiatives to the capital markets. The risks and opportunities were analyzed according to three scenarios, and this part was rewarding to read, giving us a glimpse of the discussions within the Company for the revision of Environmental Vision 2050.

There have been several important developments on the social side, as well. The first was revisions to the Company's behavior guidelines, the "MMC WAY." It is an important message from management that the image of required human resources has been redefined based on the recognition that the active participation of diverse human resources is the key to improving corporate value, as indicated in the "Commitment of Top Management." At the same time, I can see that risk management measures have been steadily strengthened, such as the launch of human rights due diligence and the addition of new indicators related to health management.

The addition of CO<sub>2</sub> emissions and employee engagement as indicators for medium-to-long-term performance-linked compensation for executives from FY2022, and the linking of the progress of both environmental and social initiatives to governance, also clearly demonstrates the company's position on sustainability as an important management issue.

I believe that this report has added depth to its ability to systematically and comprehensively present its sustainability activities. Now that content has covered the "MITSUBISHI MOTORS' uniqueness" and the specific initiatives that embody it, what is expected next is to enhance the strategic part and strengthen the story from the perspective of value creation. In addition to the Top Message, MITSUBISHI MOTORS' Materiality, and Medium-to-Long-term Strategy, the main parts are now in place, including a strengthened focus on human capital through the revision of the "MMC WAY." I have high expectations for the presentation of a value creation process that combines these elements. I look forward to further enhancement, including the division of roles and collaboration with the Integrated Report, which continues to evolve in parallel.