

Feature 1: The New Environmental Plan Package



MITSUBISHI MOTORS believes that to realize a sustainable society, we must strike a balance between preservation of the global environment and the progress of humankind. Based on this understanding, we have formulated the New Environmental Plan Package, which defines the directions and targets of our environmental directives. On this basis, we will endeavor to preserve the global environment by leveraging our strengths in such areas as plug-in hybrid electric vehicles and other electric vehicle technologies.

Basic Approach

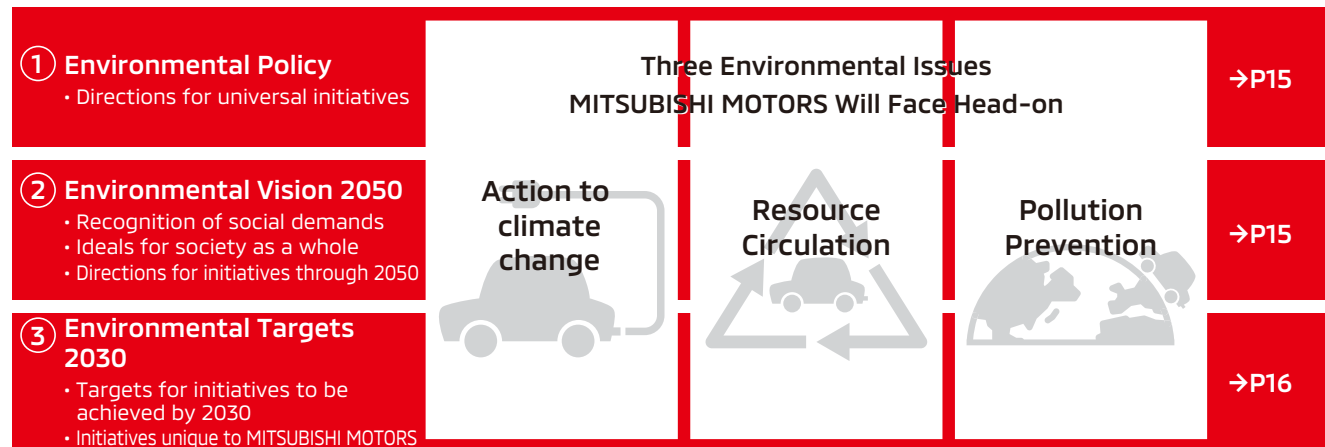
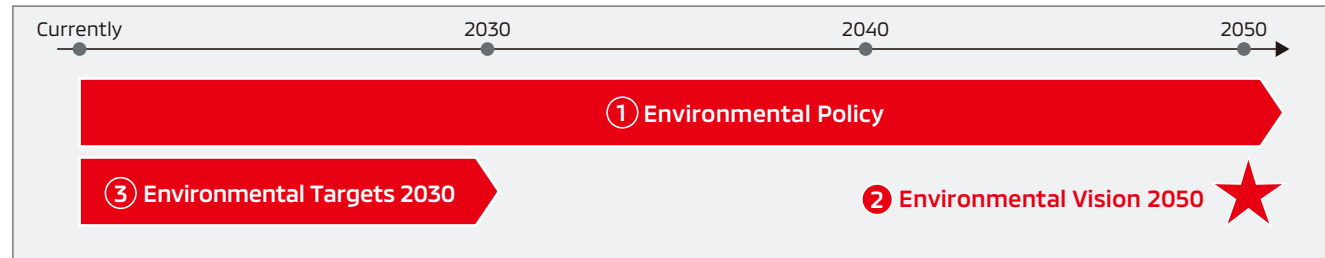
MITSUBISHI MOTORS' Vision is to "Create a vibrant society by realizing the potential of mobility," and one element of the Mission for realizing the Vision is to "Make positive contributions to the sustainable development of our society."

"Small but Beautiful," the mid-term business plan we unveiled in July 2020, identifies our challenges as "Conducting business with an emphasis on contributing to all stakeholders and society" and "Selection and concentration in line with our strengths and earnings area." On this basis, we will decisively complete structural reforms with a view to stabilizing our management foundation. Furthermore, we consider environmental issues to be material and believe they must be addressed without delay. Given that the problem of climate change is now becoming a reality and reflecting social trends, we formulated the New Environmental Plan Package based on our recognition of the need to define the direction of initiatives that anticipate society 30 years in the future.

Acknowledging our responsibility as a company that produces and sells automobiles, we will work toward specific targets in activities that reduce environmental impact. At the same time, we will reinforce our environmental technologies, hinging on plug-in hybrid electric vehicles, and encourage the spread of effective products and technologies. In this way, we will contribute toward the development of a vibrant and sustainable society.

Structure of the New Environmental Plan Package

The New Environmental Plan Package has three components: the Environmental Policy, the Environmental Vision 2050 and the Environmental Targets 2030



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The New Environmental Plan Package

Steps to Formulation

The Environmental Working Group we set up in fiscal 2018 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 MITSUBISHI MOTORS, 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*1 and IPCC*2, 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 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.

*1: International Energy Agency

*2: United Nations Intergovernmental Panel on Climate Change

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>
CO₂ 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 CO₂ 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**

Framework for Consideration

We formed the Environmental Working Group, made up of members from across the Company, and proceeded with considerations.

After certain directions had been determined, a small circle chaired by the 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
(Established July 2018)

Leader: Technical advisor to the chairman*3
Subleader: Division general manager of the Development Management Division*3
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

*3 Positions as of March 2020

<From January 2020>

Board of Directors

Executive Committee

Small Circle

Members: • CEO

- Co-COO (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



The New Environmental Plan Package

Environmental Policy

MITSUBISHI MOTORS 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 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 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 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. 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.

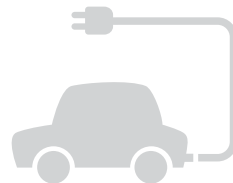
Against this backdrop, we formulated the Environmental Vision 2050, which sets out our vision for society to be achieved by 2050, as well as directions for our initiatives, with regard to climate change, resource circulation and preventing environmental pollution.

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 electric vehicles and the promotion of their use in society.

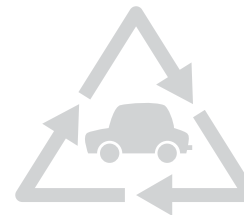
Action to Climate Change

Through electric vehicles and the increased use of renewable energy, we will contribute to net-zero CO₂ emissions and 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.

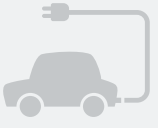




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Environmental Targets 2030

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.

| Targets 2030 | | Main Initiatives |
|--|---|--|
| Action to Climate Change  | CO ₂ emissions from new vehicles* ¹ : -40% (compared with fiscal 2010) | <ul style="list-style-type: none"> Promotion of electric vehicles, centering on PHEVs (percentage of electric vehicles*²: 50%) Improved fuel efficiency of ICE vehicles |
| | CO ₂ emissions from business activities* ³ : -40% (compared with fiscal 2014) | <ul style="list-style-type: none"> Promotion of energy conservation Introduction of renewable energy |
| | Implementation of measures to address climate change | <ul style="list-style-type: none"> Promotion of V2X*⁴ (DENDO DRIVE STATION/HOUSE) Contribution to adaptation through agreements in times of disaster |
| Resource Circulation  | Expanding adoption of plastic materials not derived from oil | <ul style="list-style-type: none"> Development of material technologies Proactive use in parts |
| | Achievement of zero direct landfill waste (less than 0.5%) | <ul style="list-style-type: none"> Reduction of waste generation and promotion of reuse as resources Appropriate waste treatment |
| | Reuse of batteries used in electric vehicles | <ul style="list-style-type: none"> Promotion of recovery and use (BESS*⁵, etc.) Technology development with a view to reuse (battery packs, systems) |
| Pollution Prevention  | Conformance to regulations on regulations on use of hazardous substances in products | <ul style="list-style-type: none"> Obtaining information on laws and regulations, enhancing the internal management structure Collaboration with suppliers |

Examples of Initiatives Unique to MITSUBISHI MOTORS

Introduction of a Power Storage System Employing Used Batteries from Electric Vehicles

We have installed a large-scale solar power plant at the Okazaki Plant and built a power system that employs used batteries from the OUTLANDER PHEV. The system is currently undergoing verification. By making this shift to renewable energy, we aim to reduce the plant's CO₂ emissions and lower its peak power consumption. In the event of a disaster-related power outage, electricity can be routed from this system to our gymnasium, which can serve as a local evacuation center, contributing to community response in the face of disaster.



Creating a Structure to Swiftly Provide Electric Vehicles to Affected Areas in Times of Disaster

We are promoting the DENDO Community Support Program, under which we aim to create a structure for quickly providing our electric vehicles to local governments in times of disaster. Under this program, we aim to enter into disaster cooperation agreements with local governments throughout Japan by fiscal 2022.

By providing the OUTLANDER PHEV, which can operate on rough roads and supply electricity for extended periods, we will contribute to the nation's resilience.



Environmental Management

- Promotion of LCA*⁶
- Expanded environmental information disclosure
- Collaboration with suppliers
- Promotion of environmental management within the Group and at sales outlets
- Promotion of employee education and awareness activities
- Promotion of grass-roots community environmental preservation activities

*1: CO₂ emissions per new vehicle while driving *2: Electric vehicles, plug-in hybrid electric vehicles, 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.



The New Environmental Plan Package

PDCA Cycle

We have positioned the environmental issues set forth in the New Environmental Plan Package as material issues for MITSUBISHI MOTORS. We are addressing these issues through a PDCA cycle, mainly via the Sustainability Committee, which the CEO chairs.

To realize the targets set in the Environmental Targets 2030, related departments draft annual action plans. These plans are gathered throughout the Group and approved by top management at the Sustainability Committee at the start of the fiscal year.

Based on these annual plans, individual departments work together to promote initiatives aligned with their business activities. We follow up each quarter on the status of these initiatives and seek to ensure effectiveness through reporting to the Sustainability Committee throughout the fiscal year.

Results of initiatives and issues encountered during the previous fiscal year are reported to management via the Sustainability Committee at the start of the fiscal year. In addition to results during the fiscal year, on the topics of CO₂ emissions from new vehicles, percentage of electric vehicles and CO₂ emissions from business activities, in particular, we report forecasts based on our mid-term business plan and product plans. Discrepancies between these figures and the Targets 2030 are shared and reflected when formulating the next mid-term business plan. We also share the evaluations we receive from stakeholders, clarifying issues at the companywide level.

Taking on board any issues identified in this manner, individual departments take the lead in drafting plans for the next fiscal year. Management reviews these plans at the Sustainability Committee as part of our effort to ensure improvements are made.

