

MITSUBISHI MOTORS CORPORATION

# SUSTAINABILITY REPORT 2021

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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 corporation has published the Sustainability Report 2021 to provide stakeholders with a better understanding of the Group's social responsibilities and the wide-ranging efforts aimed at fulfilling them.

### Scope of This Report

MITSUBISHI MOTORS CORPORATION and its Group companies in Japan and overseas

### Period Covered

FY2020 (April 1, 2020 to March 31, 2021) When appropriate, the Report also includes some historical and recent data from outside the reporting period.

### Date Published

Japanese edition: October 2021

(previous edition published October 2020, next edition to be published September 2022)

English edition: October 2021

(previous edition published November 2020, next edition to be published October 2022)

### Reference Guidelines

- GRI Standards (Global Reporting Initiative)
- Environmental Reporting Guidelines (2018 edition) issued by the Ministry of the Environment of Japan

### Inquiries

MITSUBISHI MOTORS CORPORATION

Sustainability Promotion Department

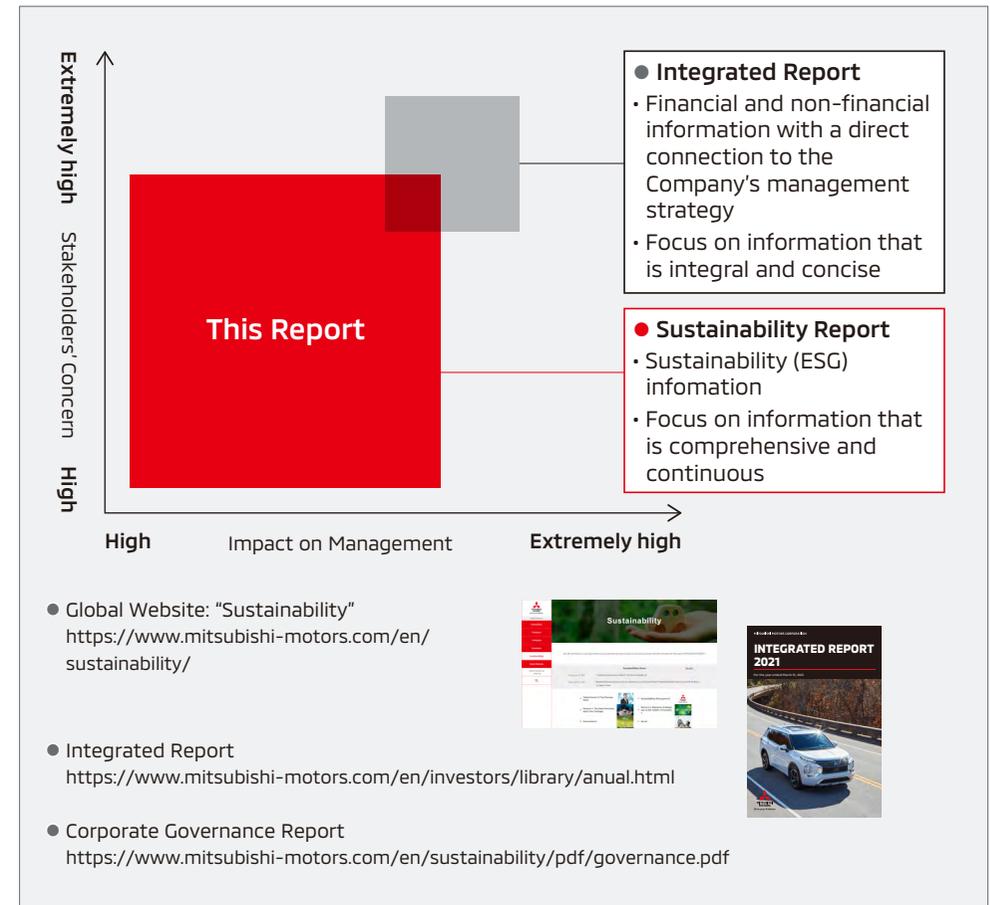
1-21, Shibaura 3chome, Minato-ku, Tokyo, 108-8410

### 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, 2021)

|   |  |
|---|--|
| 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<br>Equity-Method Affiliates: 19  |
| Number of Employees                                     | Consolidated: 30,091 Non-consolidated: 13,951  |

Please see our global website for details on product information.

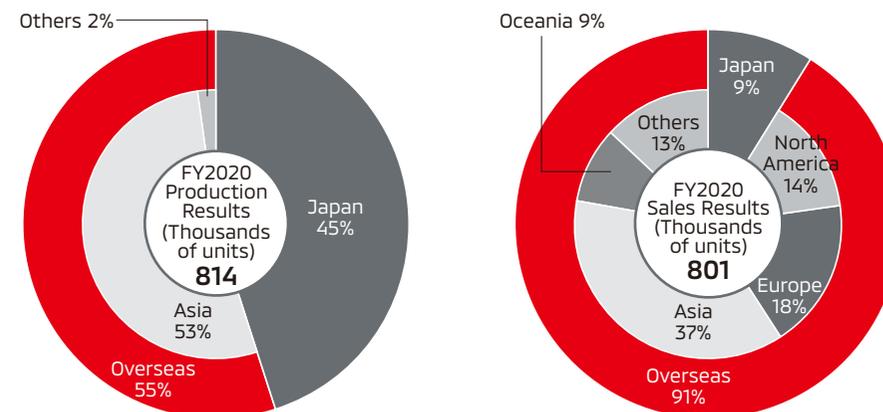
<https://www.mitsubishi-motors.com/en/products/>

### Performance Highlights

(million yen)

|   | FY2016    | FY2017    | FY2018    | FY2019    | FY2020    |
|---|-----------|-----------|-----------|-----------|-----------|
| Net Sales                                       | 1,906,632 | 2,192,389 | 2,514,594 | 2,270,276 | 1,455,476 |
| Operating Income                                | 5,118     | 98,201    | 111,815   | 12,788    | (95,321)  |
| Ordinary Income                                 | 8,944     | 110,127   | 119,850   | (3,843)   | (105,203) |
| Net income attributable to owners of the parent | (198,524) | 107,619   | 132,871   | (25,779)  | (312,317) |

### Global Sales and Production Volumes



### Production Volume by Region

(Thousands of units)

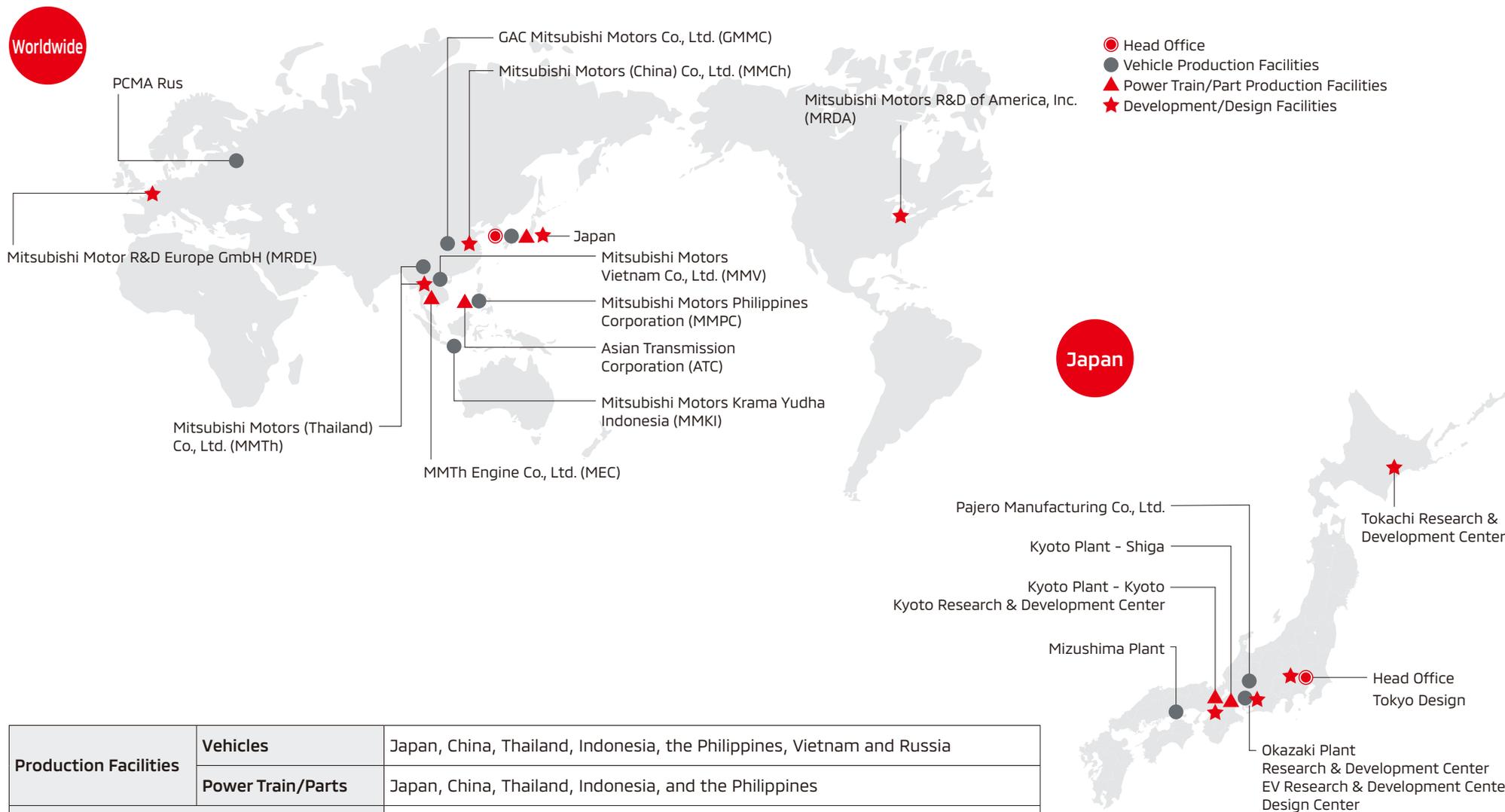
|              | FY2016       | FY2017       | FY2018       | FY2019       | FY2020     |
|--------------|--------------|--------------|--------------|--------------|------------|
| Japan        | 531          | 590          | 661          | 620          | 367        |
| Overseas     | 548          | 681          | 780          | 717          | 447        |
| Asia         | 533          | 661          | 752          | 697          | 434        |
| Others       | 15           | 20           | 28           | 20           | 13         |
| <b>Total</b> | <b>1,079</b> | <b>1,271</b> | <b>1,441</b> | <b>1,337</b> | <b>814</b> |

### Sales Volume by Region

(Thousands of units)

|               | FY2016     | FY2017       | FY2018       | FY2019       | FY2020     |
|---------------|------------|--------------|--------------|--------------|------------|
| Japan         | 80         | 97           | 104          | 95           | 73         |
| Overseas      | 846        | 1,004        | 1,140        | 1,032        | 728        |
| North America | 138        | 155          | 173          | 160          | 113        |
| Europe        | 179        | 193          | 236          | 215          | 144        |
| Asia          | 315        | 432          | 481          | 433          | 294        |
| Oceania       | 83         | 95           | 102          | 88           | 72         |
| Others        | 131        | 129          | 148          | 136          | 105        |
| <b>Total</b>  | <b>926</b> | <b>1,101</b> | <b>1,244</b> | <b>1,127</b> | <b>801</b> |

### Principal Facilities



## Commitment of Top Management

By establishing a robust management base and strengthening collaboration with stakeholders, we aim to remain a company of choice for society.



**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 disease, and I pray for their early recovery. I also have profound respect for the people who are working around the clock to prevent the disease from spreading.

To help prevent the spread of COVID-19, the MITSUBISHI MOTORS Group has donated or made free loans of its OUTLANDER PHEV (which can store and supply electricity) to serve as vaccination support vehicles for overseas institutions and Japanese municipalities. In addition to transporting medical teams and supplies, these plug-in hybrid electric vehicles (PHEVs) are contributing to the cooling and transportation of ice packs for vaccine transportation by utilizing the power supply function. It is also expected to serve as a backup power source in the unlikely event of a power outage at the inoculation site.

We will continue to support the prevention of the spread of COVID-19 in cooperation with governments, municipalities, and related organizations around the world.

### Realizing our Vision

MITSUBISHI MOTORS adopts the Mitsubishi Group's fundamental philosophy, the "Three Principles (Sankoryo)," as a guideline for its corporate activities. For each and every employee, we share the "Vision" that shows the society we want to create and the "Mission" that is the method to realize the vision with all employees of the MITSUBISHI MOTORS Group, and make it a value standard that we should always stand by. To realize our vision to "Create vibrant society by realizing the potential of mobility," we are following a fundamental policy of selection and concentration under "Small but Beautiful," our mid-term business plan from FY2020 and shifting to a business structure that leverages our strengths centered on the ASEAN. In addition, while working to strengthen environmental technologies such as the development of electric vehicles centered on PHEV, on the other hand, for advanced technologies such as CASE, we will build an efficient business structure by utilizing Alliances and strengthening collaboration with partners.

### Establishing a Robust Management Base to Support Sustainable Growth

Last year, the automobile industry was hit hard by the spread of COVID-19. In addition, the business environ-

ment surrounding the automobile industry is becoming more and more uncertain due to the tightening of environmental regulations in each country, changes in the international order such as the US-China conflict, and the global shortage of semiconductors. To achieve a breakthrough under these circumstances, we recognize the need to assess our business environment from a long-term perspective and bolster our management base with which we can respond to medium- to long-term risks and opportunities.

Regarding the environment, five years have passed since the adoption of the "Paris Agreement," more than 120 countries including Japan have declared "carbon neutral" in 2050, and Japan, the United States and other countries have raised their greenhouse gas reduction targets in 2030. As such, momentum for the realization of a carbon-free society is rapidly increasing. Against the background of these international policy trends, decarbonization has become an essential condition for companies to maintain their global competitiveness.

Also, work style reforms based on the New Normal triggered by the spread of COVID-19 and securing human resources to respond to drastic changes in the automobile industry such as CASE are important parts of the management foundation that supports our sustainable growth.

Based on such social conditions, expectations from stakeholders, and the direction of management strategies, we reviewed the material issues related to “environment” and “people” last year. In addition, the Sustainability Committee discussed the medium-term (2030) and long-term (2050) risks, opportunities and responses related to each and every material issues and drafted activity plans for each fiscal year. The contents are provided in the “Sustainability Report 2021.”

As for climate change, in particular, in October 2020 we formulated the Environmental Plan Package, which recognizes the major impact climate change will have on risks and opportunities and sets clear targets to be achieved. And then in July this year, we expressed our support for the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. Taking this opportunity, we are analyzing the impact of climate change on our business and finances. Going forward, we will reflect this analysis in our management strategy, respond to the automotive industry’s transformations due to climate change, and inform our stakeholders about our vision of staying ahead of the curve.

### Striving to be a Company of Choice for Society

The situation surrounding the automotive industry is changing at an unprecedented rate, and competition is expected to intensify due to technological innovation and evolution such as connected, autonomous driving, and electrification, and expectations for new services such as sharing. I am always racking my brain to come up an idea which will help us win the fierce competition and make MITSUBISHI MOTORS a company that continues to be chosen by society.

For CASE, we will efficiently leverage the superior base technologies of the Alliance, while adding adjust-

ment unique to MITSUBISHI MOTORS. We also intend to move forward with technological developments on vehicles for the ASEAN market and our original PHEV technology and lead the Alliance in technology areas where our strength lies.

This year, we have redefined “MITSUBISHI MOTORS-ness” for sustainable growth. We have defined that “MITSUBISHI MOTORS-ness” is to provide customers with safety, security, and comfort as well as Eco-friendly. We will contribute to the environment and realize “MMC-ness driving” with the electrification technology and “S-AWC” (Super-All Wheel Control) technology, a 4WD system that dramatically improves vehicle maneuverability and stability and most embodies the ideal of MITSUBISHI MOTORS.

Launching the world’s first mass-produced electric vehicle “i-MiEV” in 2009, we are a pioneer of electric vehicles and have accumulated world-class technologies. In addition, after many years of research into environmentally friendly PHEV system, in 2013 we launched the OUTLANDER PHEV with the tagline “an electric SUV that provides value whether driving or parking still,” followed by the ECLIPSE CROSS (PHEV model) in 2020. Although disasters have occurred frequently in recent years, PHEVs can directly supply electricity to household electrical appliances in the event of a power outage, and S-AWC provides safety, security, and comfort to our customers due to their ability to run on rough roads.

Going forward, MITSUBISHI MOTORS will continue to contribute to solving climate change and energy issues and achieving carbon neutrality in its own way, through the use of electrification technology.

“MITSUBISHI MOTORS-ness” cannot be realized without collaboration with all stakeholders, so we would like to deepen mutual understanding and grow our business

based on a strong relationship of trust through communication with our stakeholders. To do so, we will protect the rights of all stakeholders, including shareholders, customers, employees and business partners, especially we believe that our efforts to respect human rights, will be the foundation. Through a human rights due diligence framework, we will identify any negative impact our business activities have on human rights and work to eliminate or reduce such impacts in an effort to enhance trust for the Company from society and stakeholders.

In addition, in order to clarify the separation of supervision and execution in enhancing corporate governance, the Company transitioned to a company with three committees in FY2019. In June of this year, we welcomed Mr. Tomofumi Hiraku to the position of the chairman of the board as an independent outside director to further strengthen governance and create a company that is highly transparent to stakeholders.

Aiming to be a company that continues to be chosen by society, we will establish a robust management base and realize the sustainable growth of our company. At the same time, we will work together to solve social problems based on a strong relationship of trust with our stakeholders, thus contributing to the realization of a sustainable society.



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

# 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.

#### 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.

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

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 76 for details on the "MMC WAY."

\*2: Please see page 101 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.

In April 2019, we established the Sustainability Promotion Department as a dedicated organization that brings together sustainability-related operations that were previously dispersed in multiple departments. We are working to realize a sustainable society and increase corporate value while strengthening communication with executives and employees, including members of the Sustainability Committee, and stakeholders.



### Fiscal 2020 Achievements of the Sustainability Committee

- Meetings convened: 3
  - Principal matters for deliberation
    - Review of material issues, review of initiatives to address material issues in fiscal 2019, planning of initiatives for fiscal 2020, efforts related to human rights, editorial policy for "Sustainability Report 2020," deliberation of the environmental plan package, etc.
  - Committee members (As of June 2021)
    - Chair: Executive Officer, President & CEO
    - Vice-chair: Corporate officer (responsible for General Administration/Communication, Sustainability)
    - 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)
      - Executive Officer, Division General Manager, Corporate Strategy Management Division
      - Executive Officer, Division General Manager, TCS\*1 Division
      - Executive Officer, Division General Manager, Product Strategy Division
      - Executive Officer (responsible for Production)
      - Corporate Officer, Division General Manager, Human Resources Division
      - Corporate Officer, Division General Manager, Mobility Business Division
      - Division General Manager, Corporate Affairs Division
      - General Manager, Finance Planning Office
      - Division General Manager, PD\*2 Office
      - Division General Manager, Development Management Division
      - Division General Manager, Production Engineering Division
      - Division General Manager, Procurement Management Division
      - Division General Manager, Global Sales Development Division
      - Division General Manager, Global After Sales Division
      - Assistant Executive Officer (responsible for ASEAN and Oceania)
      - Division General Manager, Domestic Sales Division
      - General Manager, IR Office of Corporate Strategy Management Division
      - General Manager, Public Relations Department
      - Observer: Member of the Board (Audit Committee member)
- \*1: Total Customer Satisfaction  
\*2: Program Director

## 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. We confirm the degree of employee awareness through surveys, and the survey results are incorporated into activities for the next fiscal year.

### Examples of Activities

- E-learning about sustainability in general  
8,333 participants
- Training on overall sustainability tailored to each job rank  
653 participants  
(Entry-level employees, mid-career employees, newly appointed M2 employees <Managers>, M1 employees <General Managers>)
- Briefing on the Environmental Plan Package (department delegates)  
248 participants
- Monthly newsletter on sustainability

## Participation in the United Nations Global Compact

In May 2019, we 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.

Based on the 10 principles of the UNGC, we will continue to act as a good member of society and continue our activities toward the realization of the sustainable growth.



## 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)
- Organisation 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

Through dialogue with stakeholders that are important for the sustainable growth of the company, MITSUBISHI MOTORS clarifies the responsibilities and issues of the MITSUBISHI MOTORS Group and works on its daily operations while making efforts for improvement.

For example, 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 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.

We will deepen our dialogue with our stakeholders, face the expectations and issues of society sincerely, and make use of them in our future efforts.



Responding to customers at Customer Contact Center

### Dialogue with Stakeholders

| 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, sales companies, after-sales services  | Ongoing             | Promoting customer satisfaction activities   |
|                                   |   | Website, social networks  | Ongoing             |  |
|                                   |   | Customer satisfaction surveys   | As necessary        | Improving products and services  |
|                                   |   | 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  | 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.<br><br>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  | As necessary        | Creating a safe and rewarding working environment                                  |
|                                   |   | Consultation offices (Employee Consultation Office, Outside attorney consultation (Helpline), MITSUBISHI MOTORS Global Hotline) | Ongoing             |  |
|                                   |   | Town hall meetings with Executives  | As necessary        |  |
|                                   |   | Internal websites   | Ongoing             |  |
|                                   |   | Employee survey   | Every two years     |  |
|                                   |   |   |                     |  |
| <b>Local communities</b>          | Build good relations with local communities.<br><br>Engage in dialogue with diverse stakeholders to resolve social and environmental issues.  | Local community consultation desks, websites  | Ongoing             | Promoting initiatives to resolve social and environmental issues                   |
|                                   |   | Collaborations with municipalities  | As necessary        |  |
|                                   |   | Social contributions  | As necessary        |  |
|                                   |   | Community events  | As necessary        |  |
|                                   |   | Plant tours   | Ongoing             |  |

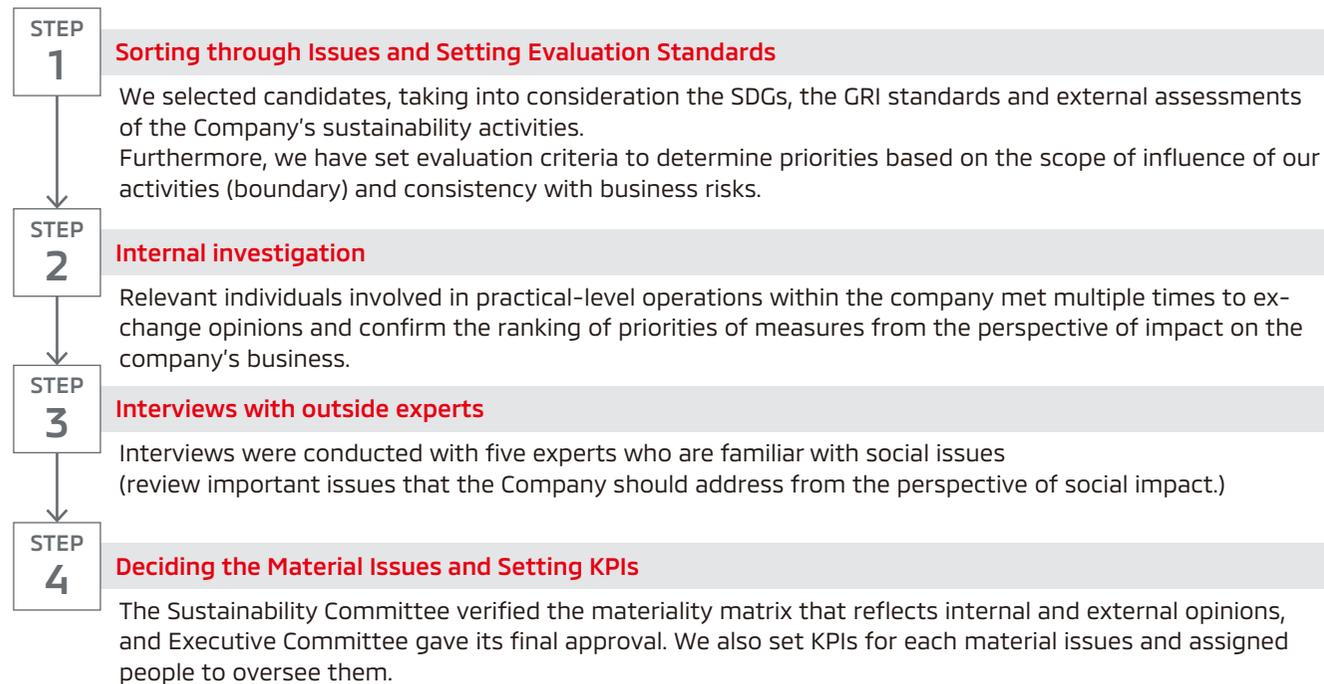
## MITSUBISHI MOTORS' Materiality

### 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 field 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.

#### Identification Process



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.

#### Implementing a Review

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 United Nations Sustainable Development Goals (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.

## The Material Issues We Identified

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



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

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

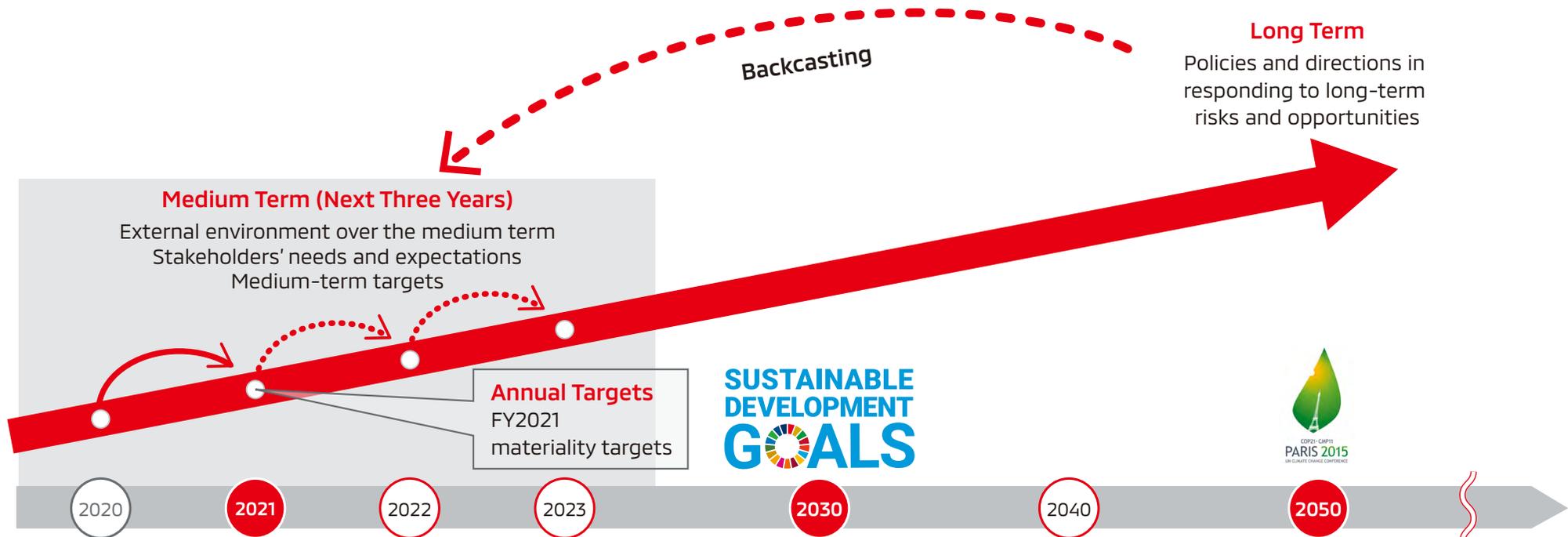
mitsubishi motors needs to reinforce its management base in order to respond to the various changes taking place in the automotive industry, look at the business environment from a long-term perspective, and respond to medium- to long-term risks and opportunities. To achieve these goals, we recognize 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.





# MITSUBISHI MOTORS Taking up the Challenge of Realizing a Sustainable Society



## Toward the Realization of “MITSUBISHI MOTORS-Ness”

MITSUBISHI MOTORS' Vision is to “Create 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.” In “Small but Beautiful,” the mid-term business plan we released in July 2020, we identified our missions 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.” We intend to make our structural reform through the finish line for stabler management base. Our product strategy is to focus on strengthening our lineup of environmentally friendly battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) during Phase 1, which is from FY2020 to FY2022. We spearheaded this strategy with the FY2020 launch of the ECLIPSE CROSS (PHEV model).

After releasing the mid-term business plan, “Small but Beautiful,” we redefined “MITSUBISHI MOTORS-ness” with a view to sustainable growth in the medium- to long-term. We believe that “MITSUBISHI MOTORS-ness” is to provide customers with safety, security and comfort as well as the environment, and will continue to

contribute to the environment and “MMC-ness driving” with our strength in electrification technology.

We thus believe that the environment is essential to “MITSUBISHI MOTORS-ness” and that environmental issues are material issues that cannot be postponed. Given that the problem of climate change is now becoming a reality and reflecting social trends, we formulated the Environmental Plan Package\* based on our recognition of the need to define the direction of initiatives that anticipate society 30 years in the future. Taking “Action to climate change,” “Resource Circulation” and “Pollution Prevention” as environmental measures we should address directly, we formulated medium- to long-term directions and targets in our Environmental Policy, Environmental Vision 2050, and Environmental Targets 2030. The Environmental Policy sets forth directions for universal initiatives. The Environmental Vision 2050 indicates our ideal social image and directions for initiatives aimed at achieving it by 2050. The Environmental Targets 2030 set out initiatives to be undertaken by 2030 on the path to realizing the Environmental Vision 2050.

As climate change countermeasures in the area of products, the Environmental Targets set targets

to be achieved by 2030—a 40% reduction in CO<sub>2</sub> emissions from new vehicles (compared with FY2010 levels) and electric vehicles (EVs) to account for 50% of sales—and we are moving forward with product development to this end. In May 2021, we announced an update to “Small but Beautiful,” our mid-term business plan. This update specified that we would offer electrification model on all vehicles by 2030. We will proactively launch EVs, such as the new OUTLANDER PHEV, targeting mainly advanced countries and regions that are enhancing their infrastructures and adopting more stringent regulations. Meanwhile, while taking the lead in introducing PHEVs and BEVs in emerging markets, we plan to strengthen our competitiveness by providing products that are suited to regional requirements.

We believe that initiatives progressing rapidly toward a carbon-neutral society represent a major opportunity for us. For example, we think Kei-car segment commercial BEVs are an optimal “last one-mile” solution in logistics. To expand our business by meeting society's needs, we are considering the launch of an improved MINICAB-MiEV model.

\* Please see pages 21–23 for details.

## Feature

## MITSUBISHI MOTORS Taking up the Challenge of Realizing a Sustainable Society

In addition to leveraging our own electrification technologies, we plan to take advantage of our alliance partners' electric drive units and components. This combination of options should enable us to respond to the differing needs of individual countries and regions and facilitate the steady rollout of attractive electric vehicles (EVs) with distinctive "MITSUBISHI MOTOS-ness."

For other environmental issues, as well, we are drawing a roadmap for activities defined in Environmental Targets 2030, and we plan to move steadily along this path.

Now that the Environmental Plan Package has been formulated, individual divisions in the Company are considering what measures to take to meet the targets specified in the Environmental Targets 2030, incorporating them into annual plans and moving forward with initiatives. The Sustainability Committee, chaired by the Executive Officer, President & CEO, regularly follows up with divisions to check their progress on formulating annual plans and initiatives, thereby ensuring effectiveness. If we find any gap between our annual operating results and forecasts based on the mid-term business plan and product plans and our 2030 targets, we will reflect it on our plans to achieve these targets. This is particularly the case with regard to the targets raised in the Environmental Targets 2030 for reduction in CO<sub>2</sub> emissions from new vehicles, sales ratio of EVs, and decreased CO<sub>2</sub> emissions from business activities.

Thus 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 (PHEVs), and encourage the spread of effective products and technologies. In this way, we will contribute toward the development of a vibrant and sustainable society.

### Pursuing the New Potential of Mobility

We are manifesting "MITSUBISHI MOTORS-ness" by pursuing the potential of mobility that leverages EVs. Automobiles are typically driven for only about 5% of the day; for the remaining 95% of the time they are parked\*. EVs have value as high-capacity storage batteries, and when they are parked this stored electricity could potentially be utilized for something else. We believe that using parked EVs to store and use electricity generated from renewable energy sources, can unlock new potential for mobility to lower economic and environmental impacts.

Another potential area is the so-called 'Smart cities', where all devices and infrastructure are connected via IoT technology. Within these cities, EVs are connected to the electricity grid from places where people live, via homes, office buildings, factories, hospitals, government offices and post offices. And with AI, charging and supply timing are optimally con-

trolled to help ensure balance across the grid. Consumers could be incentivized by returning the monetary benefits that accrue, while helping to reduce the environmental impact on society as a whole.

In these ways, EV combined with IoT, might extend their scope of use even further. For instance, a parked EV might receive an alert about an electricity shortage in another area. Autonomous driving technology could be put to use to move the parked EV to the location where the power is needed to supply electricity. In this case, EVs could act like "self-driving batteries" that help balance electricity loads. In addition to a means of mobility, EVs will be able to contribute to people's lives and support electricity demand, helping to realize a carbon-neutral society.

\* **The High Cost of Free Parking**

WEB [https://www.researchgate.net/publication/235359727\\_The\\_High\\_Cost\\_of\\_Free\\_Parking](https://www.researchgate.net/publication/235359727_The_High_Cost_of_Free_Parking)

### The potential of mobility: A future using vehicle-to-grid (V2G) technologies





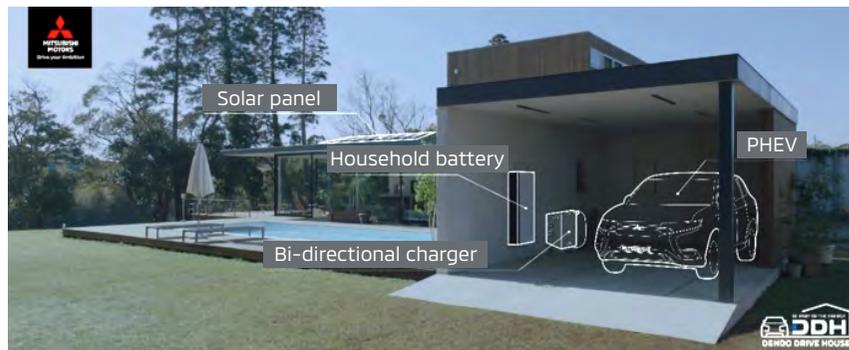
## MITSUBISHI MOTORS Taking up the Challenge of Realizing a Sustainable Society

We are pursuing the potential of mobility by making effective use of electric vehicles (EVs), and considering the implementation of vehicle-to-grid (V2G). V2G is a technology that enables the EV battery to help balance electricity demand and supply of a certain grid.

With V2G, EVs can be charged at off-peak times, when electricity rates are lower, and even supply back to the grid, when rates are higher. In similar way, households can use solar powered electricity for home appliances or for charging EVs, thereby cutting daily electricity bills and contributing to more efficient power use. During power outages, EVs can supply power to the home, making life safer and more secure. In this context, we are considering a variety of services that involves solar power systems and bi directional (V2H: Vehicle - to -Home) chargers, named DENDO DRIVE HOUSE (DDH)\*. This service is under consideration in a global perspective, such as ASEAN countries and Oceania.



V2G demonstration site in the employee parking lot of Okazaki Plant



Conceptual rendering of the DENDO DRIVE HOUSE (DDH)

\* This is an all-in-one bundled solution that comprises solar panels, bi directional (V2H: Vehicle - to -Home) charger, along with the purchase of an electric vehicle, offering a one-stop service in which dealers provide sales, installation and after-sales maintenance.

The benefits of DENDO DRIVE HOUSE (DDH) can be expressed using four 'E's.

**Easy:** We provide a one-stop solution that provides all necessary equipment and services as a package.

**Economy:** Solar power is used to generate power for the home, contributing to savings on daily electricity bills.

**Energy:** In times of disaster and during power outages, the system supplies back-up power.

**Environment:** CO<sub>2</sub> emissions are reduced, as solar panels are used for clean electric power generation.

We will continue working to unleash the new potential of EVs and contribute to a sustainable society. We aim to start by realizing V2G to increase the value of EVs and addressing climate change actions and energy problems.

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

| Travel   | Charging   | Supplying Electricity  |
|--|--|--|
| <b>Quieter and Further</b>   | <b>Quick and Easy</b>  | <b>From the Everyday to the Unexpected</b>   |
| <p>PHEVs have both a motor and an engine, one of which is selected automatically to drive the vehicle according to circumstances and driving style. This arrangement delivers environmental performance, as well as practicality.</p> <p>In addition to providing the power for quiet yet powerful travel, the electricity is generated by the engine, extending travel range without having to worry about remained electricity in battery.</p> | <p>Charging spots are situated in places people frequent, such as convenience stores and commercial facilities, as well as along major roads at expressway parking or service areas and Michi-no-Eki (roadside station), for convenient charging during long trips.</p> <p>On PHEVs, the engine automatically starts up when battery levels are running low, generating electricity and keep driving without charging.</p> | <p>PHEV batteries can supply power to entire home via bi-directional charger, allowing electrical appliances to be used as normal. PHEVs are also equipped with 100V AC (1,500W) power outlets, so they can generate power to operate laptop, electric kettle, or microwave ovens.</p> |



# MITSUBISHI MOTORS Taking up the Challenge of Realizing a Sustainable Society

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

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

**Production** → **Disposal**

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

**HEV\*1**  
High level of CO<sub>2</sub> emitted during travelling

**PHEV**  
Relatively less CO<sub>2</sub> emitted during production and travelling

**BEV\*2**  
Higher level of CO<sub>2</sub> emitted during production

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

Using the "life cycle assessment" 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 Battery electric vehicle

### 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 10 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 10 days\*3. It can also be used as an emergency power source in times of disaster.

\*3: 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).

Feature

# MITSUBISHI MOTORS Taking up the Challenge of Realizing a Sustainable Society

## A Pioneer of electric vehicles (EVs)

When motorization took off in Japan in the 1960s, vehicle exhaust gases caused air pollution, which became a major social problem. In 1966, before MITSUBISHI MOTORS became independent from Mitsubishi Heavy Industries, Ltd., the Company began working with three others (Tokyo Electric Power Company, Mitsubishi Electric Corporation and Japan Storage Battery Corporation) to develop EVs. Our aim was to make the skies blue again. In 1971, we succeeded in developing a battery electric vehicle (BEV) (the EV12), based on a Kei-car segment van.

After that, we conducted demonstration experiments with the California Air Resources Board in the United States, sought performance gains with lithium-ion batteries (achieving a Guinness World Record), developed in-wheel motors and researched driving performance. These steady R&D efforts on EVs led to the 2009 launch of the i-MiEV, the world's first mass-produced BEV, ushering in the era of EVs.

At the same time, we started to develop PHEV system, which combined the advantages of being environmentally friendly and having the ability to drive on rough roads and serve as batteries. These efforts success of the one and only EV with the OUTLANDER PHEV. Moving on from this development concept, we pursued the EV concept further with the launch of the ECLIPSE CROSS (PHEV model). We thus offered a new value proposition: an electrical SUV that delivered value whether driving or parked.

Going forward, we plan to leverage our electrification technologies to help preserve the global environment and provide new value.

The timeline features a central horizontal axis with years 1971, 1995, 1999, 2005, 2009, 2013, 2020, and 2021. Above the axis, the Mitsubishi (P)HEV is shown in 1995, and the OUTLANDER PHEV is shown in 2020. Below the axis, the Minicavan EV is shown in 1971, the FTO-EV in 1999, the i-MiEV in 2009, and the ECLIPSE CROSS (PHEV model) in 2021. A central image of the MIEV prototype is positioned between the 1995 and 2009 markers.

**MIEV**  
Prototype vehicle for BEV driving performance

**OUTLANDER PHEV**  
The world's best-selling SUV-type plug-in hybrid electric vehicle (PHEV)

**Mitsubishi (P)HEV**  
Environmental performance on a par with EVs Under testing by CARB\*  
\* California Air Resources Board

**Minicavan EV**  
Development commenced in 1966  
First 150 BEV models delivered in 1971

**FTO-EV**  
In pursuit of lithium-ion battery performance  
A Guinness World Record 2,142km/24h

**i-MiEV**  
World's first mass-produced BEV

**ECLIPSE CROSS (PHEV model)**  
An SUV with a coupe-like driving feel



# MITSUBISHI MOTORS Taking up the Challenge of Realizing a Sustainable Society

## Electric Vehicles (EVs) 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.

### DENDO Community Support Program Activities 1. Disaster Cooperation Agreements with Municipalities

Under this program, the Company enters into disaster cooperation agreements with municipalities around Japan. Our aim is to build a nationwide network for providing electrified vehicles such as OUTLANDER PHEV to ensure that power can be provided quickly and without a loss of time to disaster-affected areas and evacuation shelters in times of disaster.

As July 2021, we had agreements in place with 128\* municipalities. By FY2022, we aim to have agreements in place with municipalities across Japan.

### Agreements in Place with Municipalities around Japan (As of July 31, 2021)

Municipalities with agreements in place:  
**128\***



◆ Recent agreement status (Japanese only)

WEB <https://www.mitsubishi-motors.co.jp/carlife/phev/dcsop/>

\* Excluding two-party agreements between affiliated dealers and municipalities

### 2. Contributing Vehicles for COVID-19 Vaccinations

To support the COVID-19 vaccination drive, the Company is making free loans of the OUTLANDER PHEV to municipalities.

To facilitate the vaccination process, in addition to transporting medical teams these PHEVs provide electricity to help keep the refrigerant cool during transport. The vehicles also serve as backup power sources in the event of power outages at vaccine sites.

Loan to Minato-ku, Tokyo



Minato-ku, Tokyo

Okayama Prefecture



Okazaki city, Aichi Prefecture



Aichi Prefecture



Using the PHEV to keep the refrigerant cool

# Environment

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## Policy Directions

### 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

#### 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

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

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.

\* 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 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 CO<sub>2</sub> emissions and the realization of a society that is resilient to climate change.

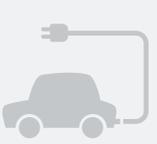
#### Resource Circulation

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.

## Environmental Targets 2030

| Targets 2030  | Main Initiatives   |
|---|--|
| <b>Action to Climate Change</b><br><br>CO <sub>2</sub> emissions from new vehicles* <sup>1</sup> : <b>-40%</b> (compared with FY2010)<br>CO <sub>2</sub> emissions from business activities* <sup>3</sup> : <b>-40%</b> (compared with FY2014)<br>Implementation of measures to address climate change | <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> |
| <b>Resource Circulation</b><br><br>Expanding adoption of plastic materials not derived from oil<br>Achievement of zero direct landfill waste (less than 0.5%)<br>Reuse of batteries used in electric vehicles  | <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>  |
| <b>Pollution Prevention</b><br><br>Conformance to regulations on regulations on use of hazardous substances in products  | <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

- Promotion of LCA\*<sup>6</sup>
- 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: 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.

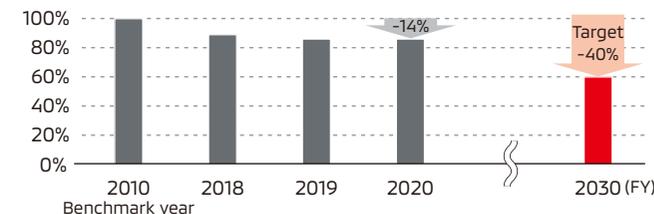
\*6: LCA stands for life cycle assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal.

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.

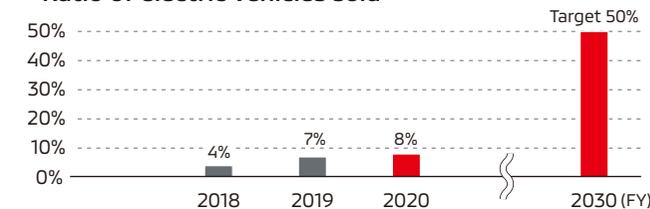
Our principal targets and results for FY2020 are outlined below. The substantial reduction in CO<sub>2</sub> emissions from our business activities was affected by a downturn in the number of vehicles produced, due to the COVID-19 pandemic.

### Environmental Targets 2030: Principal Targets and Results

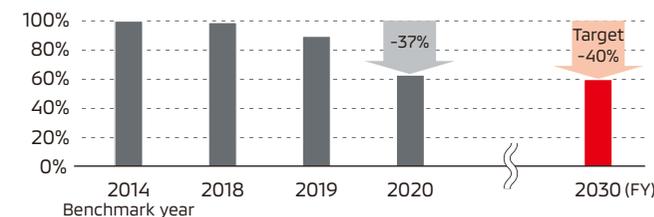
#### • CO<sub>2</sub> emissions from new vehicles



#### • Ratio of electric vehicles sold



#### • CO<sub>2</sub> emissions from business activities



## Framework for Consideration

MITSUBISHI MOTORS 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 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

## 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 MITSUBISHI MOTORS' 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**

\*1 Positions as of March 2020

## 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, MITSUBISHI MOTORS has constructed a framework for environmental manage-

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

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

Please see page 112 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.

## Management Target Companies (21 Companies)

### Production Affiliates (As of March 31, 2021)

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

### Non-Production Affiliates (As of March 31, 2021)

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

## 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.

Please see page 37 for a list of the dealers that have received Eco-Action 37 certification.

### Status of ISO 14001 Certification (As of May 31, 2021)

| Development Companies  |
|--|
| Mitsubishi Automotive Engineering Co., Ltd.  |
| Production Companies   |
| Pajero Manufacturing Co., Ltd.<br>(Headquarters Plant, Yamamoto Plant, Takami Plant, Kuriyama Warehouse)   |
| 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.<br>(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) |

## Promoting Life Cycle Assessment (LCA)

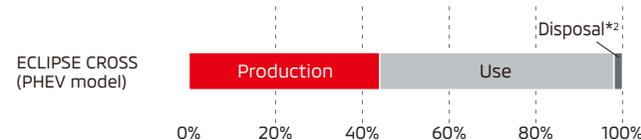
We perform LCA to determine the environmental impact across a product's life cycle. We evaluate total emissions, mainly of CO<sub>2</sub>, from such processes as extracting the resources used in parts and materials, producing materials, manufacturing parts, assembling vehicles, producing fuel, driving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

We use LCA to develop environment-friendly parts, electric vehicles and new-model vehicles, and compare their life cycle CO<sub>2</sub> emissions with those of conventional parts and vehicles.

### Examples of LCA Implementation in FY2020

|          | Examples of LCA Implementation | Objectives  |
|----------|--------------------------------|---|
| Vehicles | ECLIPSE CROSS (PHEV model)     | <ul style="list-style-type: none"> <li>Assessing the effect of improvement from the gasoline model</li> <li>Assessing the impact of components</li> </ul> |
|          | New DELICA D:5 (Japan model)   | <ul style="list-style-type: none"> <li>Comparing the effects of improvement against other vehicles in the same class</li> </ul>                           |

### LCA Results for the ECLIPSE CROSS (PHEV model) (CO<sub>2</sub> emissions)



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

Concern about environmental impact throughout the life cycle is mounting in individual countries and regions. We are putting in place systems and infrastructures to facilitate our response 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/>

### Communication with Investors

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

In FY2020, we participated in dialogue with people in charge of stewardship at institutional investors in Japan and overseas. Our executives in charge of various areas of sustainability listened to opinions on such matters as climate change risks and opportunities, response to TCFD and our CO<sub>2</sub> emissions, among other topics.

## 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 FY2020, we conducted rank-based training and e-learning to promote an understanding of our social responsibility for sustainability, the relationship between sustainability and the environment, and the relationship between environmental issues and our business activities.

Please see page 9 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 85 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 49 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 comply 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 FY2020, we were subject to no fines or administrative orders stemming from violations of environmental laws and regulations\*. However, in three 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 15 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 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 Vision for Material Issues

|           | 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 electric vehicles (EVs) 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 EVs and renewable energy.</li> </ul> |

\* Zero emission vehicles (ZEVs) are BEVs 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 120 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 EVs 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>EVs 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> |



## FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives  | FY2020 Targets   | Indicators                | FY2020 Results  | Self-Evaluation |
|--|--|---------------------------|---|-----------------|
| <b>By 2030, reduce CO<sub>2</sub> emissions from new vehicles by 40% (compared with FY2010)</b>        | ● 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. | Progress of initiative    | ● Identified CO <sub>2</sub> emissions from new vehicles based on new business plan, reflected in product plans for next fiscal year. | ○               |
|  | –  | CO <sub>2</sub> emissions | -14%  | –               |
| <b>Achieve an electric vehicle (EV) sales ratio of 50% by 2030</b>                                     | ● Identify ratio of EV 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.                           | Progress of initiative    | ● Identified ratio of EV sales based on new business plan, reflected in product plans for next fiscal year.                           | ○               |
|  | –  | Ratio of EV sales         | 8%  | –               |
| <b>By 2030, reduce CO<sub>2</sub> emissions from business activities by 40% (compared with FY2014)</b> | ● Identify and assess CO <sub>2</sub> emissions targets at each location.  | Progress of initiative    | ● After confirming targets and results for each location, identify and assess status of initiatives companywide.                      | ○               |
|  | –  | CO <sub>2</sub> emissions | -37%  | –               |
| <b>Enact measures in response to climate change</b>  | ● Promote disaster countermeasures, such as electricity supply systems that use EVs.   | Progress of initiative    | ● Introduced various measures, including the DENDO DRIVE STAION/HOUSE, DENDO Community Support Program and V2X demonstration project. | ○               |

### 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 120 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. For this reason, MITSUBISHI MOTORS has identified “responding to climate change and energy issues” as a topmost 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 electric vehicle 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 electric 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.



## Responding to the TCFD Recommendations

With the issue of climate change growing increasingly serious, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD), which in June 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). Going forward, we will enhance our disclosure in line with the TCFD Recommendations.



## Scenario in Which Climate Change Countermeasures Are Successful

In the countries and regions that are the Company's target markets, electric vehicles (EVs) and zero emission vehicles (ZEVs) are expected to become more commonplace as regulations on fuel economy, CO<sub>2</sub> emissions and ZEVs are introduced or further strengthened. Failure to comply with these regulations could affect the Company by making it susceptible to fines or increasing costs for regulatory compliance. Also, the Company could incur higher costs at the production and procurement stages due to the introduction of carbon taxes and carbon pricing. At the same time, measures to counter regulations on fuel economy, CO<sub>2</sub> emissions and ZEVs could present opportunities in the form of increased sales of EVs.

The Company will seek to respond to these conditions by lowering costs (by standardizing components through the alliance) and promoting the adoption of EVs, centered on plug-in hybrid electric vehicles (PHEVs). At the production and procurement stages, we will seek to reduce risks by promoting energy conservation activities and the introduction of renewable energy.

## Scenario in Which Climate Change Countermeasures Are Not Successful

Typhoons, flooding and other meteorological disasters are forecast to become more frequent and intense. Accordingly, the Company faces the growing risk that damage to production facilities or supply chain interruptions could halt production. On the other hand, increasingly frequent and intense meteorological disasters could present an opportunity in the form of higher sales of EVs as demand rises for emergency power sources that can be used in times of disaster.

The Company's BCM (Business Continuity Management) Committee has formulated a business continuity plan and is seeking to mitigate risk by putting in place systems and operating procedures in anticipation of natural disasters. In addition, we are responding to the opportunity to increase sales by promoting EVs, centering on PHEVs, which can serve as V2X\*1 units.

\*1 A general term encompassing vehicle to home (V2H) and vehicle to grid (V2G), among others

## Principal Risks and Opportunities the Company Recognizes, and their Response Measures

| Global changes   | Risks  | Opportunities  | Principal response measures   |
|--|--|--|---|
| <b>Strengthening of requirements for fuel economy and zero-emission vehicles</b> | <ul style="list-style-type: none"> <li>Fines for failing to meet fuel economy requirements</li> <li>Additional costs to respond to requirements</li> </ul> | Increased sales of EVs   | <ul style="list-style-type: none"> <li>Promote EVs, centering on PHEVs*2</li> <li>Reduce costs by taking advantage of the alliance, such as by standardizing components</li> </ul>      |
| <b>Introduction of carbon taxes and carbon pricing</b>                           | <ul style="list-style-type: none"> <li>Higher costs to procure electricity and raw materials</li> </ul>  | —  | <ul style="list-style-type: none"> <li>Promotion of energy conservation activities and the introduction of renewable energy</li> </ul>  |
| <b>Increasing frequency and intensity of meteorological disasters</b>            | <ul style="list-style-type: none"> <li>Production stoppages due to damage to production facilities and disruption of supply chains</li> </ul>              | Increased sales of EVs in line with a growing need to secure emergency power sources | <ul style="list-style-type: none"> <li>Implementation of BCM-related systems and operating procedures</li> <li>Promotion of EVs, centered on PHEVs</li> <li>Promotion of V2X</li> </ul> |

\*2 Please see page 30-31 for details on developing electric vehicles

Given the circumstances outlined above, the Company is promoting climate change countermeasures based on its Environmental Plan Package. We are currently moving forward with vehicle development employing plug-in hybrid technology, which is at the core of our electrification technology. Among our efforts to achieve a decarbonized society, we will work to address the so-called "last mile problem" in logistics with the MINICAB-MiEV, a Kei-car segment commercial battery electric vehicle, which we believe is ideally suited to this application. This combination of options based on alliance and proprietary technologies should enable us to respond flexibly to uncertain future scenarios and the differing needs of individual countries and regions.



## Responding to Greenhouse Gas (GHG) 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 GHG emissions across the supply chain in relation to corporate activities.

To calculate GHG 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 FY2020, across the supply chain our GHG emissions were 20,656 thousand tons of CO<sub>2</sub> equivalent.

► Data (pp. 109–110): CO<sub>2</sub> emissions, Scope 3 breakdown, energy input (primary, secondary energy)

## Developing Electric 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, we 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 electric vehicle (EV) sales to 50% by 2030. This change focuses our core technologies on responding to climate change and energy issues through EVs, 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 EVs, thereby promoting their popularization and use in society and contributing toward the realization of a sustainable society.

### Battery Electric Vehicles

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

The Company released the i-MiEV as the world's first mass-produced battery electric vehicle (BEV) 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 BEV. In 2012, we began offering the MINICAB-MiEV TRUCK, also a BEV in the Kei-car segment. These technologies are the foundation of next-generation EVs, such as PHEVs.

## TOPICS

### Launch of Partially Improved MINICAB-MiEV, a Kei-car segment Commercial BEV



After having made partial improvements, we launched the MINICAB-MiEV, a Kei-car segment commercial BEV, in September 2020.

The MINICAB-MiEV is equipped with the battery and motor used on the i-MiEV. In addition to the superior environmental performance inherent to a BEV, it excels in power, silence, comfort and more. The MINICAB-MiEV is highly effective as a delivery vehicle due to its driving range and payload capacity. We have delivered more than 9,000 of these vehicles to more than 40 companies, as well as municipalities throughout Japan.



## TOPICS

### Japan Post Continuing to Introduce MITSUBISHI MOTORS' Battery Electric Vehicles (BEVs) as Delivery Vehicles



Since FY2019, MITSUBISHI MOTORS has been providing Japan Post Co., Ltd. with the MINICAB-MiEV, a Kei-car segment commercial BEVs, for use as delivery vehicles. By the end of FY2020, the total number of vehicles delivered reached 1,500. These vehicles are well suited for deliveries in large metropolitan areas, where travel distances are relatively short. By using vehicles that emit no CO<sub>2</sub> or other exhaust gas while driving, it is helping to promote environmental management by Japan Post, which aims to reduce the emission of greenhouse gases.

### 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 BEVs: powerful driving, superb quietness and high stability.

We released the OUTLANDER PHEV in 2013. 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.

Please see for details, refer to the section of the Feature on page 17 entitled "The Values Plug-in Hybrid Electric Vehicles (PHEVs) Provide."

## TOPICS

### Launch of the ECLIPSE CROSS (PHEV model), a Crossover SUV



The Company has introduced a PHEV variant of the ECLIPSE CROSS, a crossover SUV, which launched in December 2020.

The ECLIPSE CROSS (PHEV model) apply twin-motor 4WD PHEV system from the OUTLANDER PHEV. The architecture consists of one front and one rear high-power electric motor, a large-capacity battery and a 2.4 L MIVEC engine, allowing for the smooth and powerful acceleration unique to electric vehicles along with nimble yet stable handling.

The battery is 13.8 kWh with an all-electric range of 57.3 km (WLTC Mode), allowing pure electric driving for most of daily commute. 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

### OUTLANDER PHEV Becomes Europe's Top-Selling SUV-Type Plug-in Hybrid Electric Vehicle (PHEV) in 2020



The OUTLANDER PHEV was the top-selling SUV-type PHEV in the European market in 2020, and the second highest among all PHEVs of all, with 26,673 vehicles\*1 sold during the year.

The OUTLANDER PHEV combines electrification and 4WD control technologies to produce the powerful yet silent driving performance unique to electric vehicles (EVs), while delivering superior environmental performance. The world's first SUV-type PHEV, the OUTLANDER PHEV launched in Japan in January 2013. Since then, the model has been sold in more than 60 countries.

\*1 According to a study by JATO Dynamics Limited

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

By leveraging the large-capacity batteries on its battery electric vehicles (BEVs) and PHEVs to supply electricity, MITSUBISHI MOTORS 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 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

### Implementation of V2G Demonstration Project by Using Electric Vehicles

The Company took part in the Fiscal 2020 V2G Aggregator Project, promoted and endorsed by the Ministry of Economy, Trade and Industry, providing an employee parking lot at the Okazaki Plant as a demonstration site.

Under the vehicle-to-grid (V2G) scheme, the high-capacity batteries of EVs are used to regulate the demand and supply of the power grid through an IoT aggregation system. We used 50 EVs to build one of the largest demonstration sites in Japan.

In FY2020, the project's third year, we made progress on considering the V2G business model and back-up methods, such as transferring power between sites in the event of a change in the number of vehicles or other unforeseen mobility needs.

Further effort is needed to stabilize the power grid and facilitate the expansion of renewable energy resources. We believe V2G could increase the value of electric vehicles and help to address environmental problems, such as climate change and energy issues.

## TOPICS

### Start of a Demonstration Project to Adjust Charging toward EVs with a View to Realizing Dynamic Pricing

We were selected to participate in the Fiscal 2020 Demonstration Project on Using Dynamic Pricing to Shift the Charging of EVs. This project took place in October 2020.

The ministry is concerned that the growing popularity of EVs 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 EVs to act as monitors. We emailed monitors 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 EVs for free during these periods. This project enabled electricity retailers to consider the viability of this arrangement, encouraged a shift in behavior among EV owners and provided a chance to study the impact on the power grid.



By using EVs to build an efficient electricity system that allows for adjustment, we aim to lower the cost to society by avoiding the need to expand the power grid.

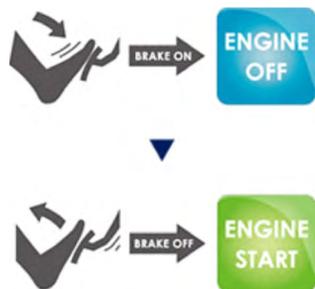


**Development of Improving Fuel Economy Technologies**

MITSUBISHI MOTORS develops technologies to boost the fuel efficiency of vehicles powered by conventional engines. We are developing engine and vehicle body technologies to reduce fuel and energy waste.

**Idle-Stop "AS&G"**

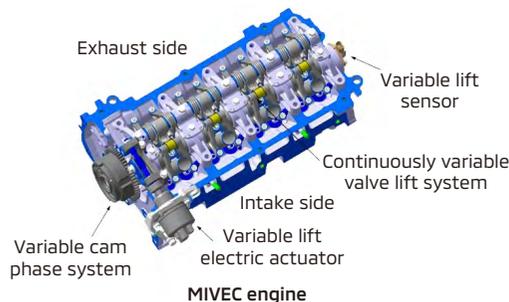
AS&G is an idling stop function that automatically stops and starts the engine when the vehicle stops or moves off. This has a major effect on improving the fuel economy because no fuel is consumed when at a stop. When fitted with a coasting stop function, AS&G stops the engine while decelerating.



**Hybrid System**

Some models in the eK series employ a hybrid system, using the energy produced during deceleration to efficiently charge their 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 is equipped with a 1.5L down-sized 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 wishes, 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. We are improving fuel consumption by reducing the load on the engine during charging and power generation.



## Efforts in Production

MITSUBISHI MOTORS is upgrading its production facilities, introducing new equipment and improving operations in an effort to conserve energy and reduce CO<sub>2</sub> emissions from production activities.

In FY2020, at our facilities we consolidated our steam piping and upgraded the transformers at a special high-voltage substation. People involved with production sites, production technologies and power supply are also taking part in energy-conservation activities. By reviewing startup timing and operating conditions, we are improving the operation of production facilities by focusing on energy-intensive processes, such as painting, casting and forging. We are improving the operation of boilers, compressors and other equipment that supplies power. Also, we are working to optimize the operation of various types of

motor. In these ways, we are introducing measures, starting from areas where we expect results to be greatest. The COVID-19 pandemic had a significantly effect on production volumes in FY2020. We strove to reduce energy losses by concentrating production and shutting off equipment when not in operation.

## 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. In FY2020, we increased generating capacity at the Okazaki Plant and started operating a charging system built from used OUTLANDER PHEV batteries. We also began operating a large-scale rooftop solar power system at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), our production and sales company in Thailand. In FY2021,

we plan to commence operations of additional large-scale rooftop solar power system at other plants in the ASEAN.

### TOPICS

#### Saving Energy by Concentrating Production at a High-Frequency Induction Furnace in the Casting process (Mizushima Plant)

In the first half of FY2020, we tackled to keep our production efficiency responding to lower production volumes stemming from the COVID-19 pandemic. In the casting process at the Mizushima Plant, we consolidated production days to reduce energy losses from our high-frequency induction furnace.

High-frequency induction furnaces are used in the casting process to melt steel so it can be flowed into dies and made into engine parts and other components. This process requires high levels of heating, which needs to be maintained. Therefore production waiting time and frequent furnace startups and shutdowns will result in substantial energy losses.

We adopted the emergency measure of concentrating production into the first half of the week and shutting down the furnace during the remaining days. This approach minimized wait times and startup frequency, preventing energy losses. As a result, we saved the equivalent of around 500t-CO<sub>2</sub> compared with the energy that would have been lost if we had not concentrated production in this way.



Casting process at Mizushima Plant

### TOPICS

#### Operational Start of a Large-Scale Rooftop Solar Power System (MMTh)

Operation of a 5.0MW rooftop solar power system has commenced at the Laem Chabang Plant of Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), our production and sales company in Thailand.

MMTh, which has a production and engine plant in Laem Chabang, Chonburi Province, is our largest overseas manufacturing facility. In addition to the newly operational rooftop solar power system, we are planning a 2.0MW rooftop solar power system upgrade at a new paint plant that is currently under construction. These two systems combined will reduce the amount of CO<sub>2</sub> emitted per year from production by more than 6,100 tons.



Large-scale rooftop solar power system that commenced operation at MMTh



TOPICS

**Expansion of a Rooftop Solar Power System and Commencement of a Power Storage System Built from Used Batteries (Okazaki Plant)**

At the Okazaki Plant, we have installed a rooftop solar power system that makes use of an energy solution service provided by Mitsubishi Corporation and Mitsubishi Corporation Energy Solutions. In FY2020, we expanded the plant's generation capacity by 0.3MW, to 3.3MW. This plant has reduced our CO<sub>2</sub> emissions by more than 1,500 tons (FY2020 results). We have also begun operating a 0.6MWh power storage system built from reused batteries from the OUTLANDER PHEV, which the Okazaki Plant manufactures. This power storage system is used in normal times to reduce maximum power demand of Okazaki Plant. It can also be used in times of disaster or during power outages to provide power to our gymnasium (which serves as an evacuation center for the surrounding area). The power storage system supplies electricity produced by our rooftop solar power system, so it can be used for disaster response by the people in the community. 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 plant (built from used batteries) that has commenced operation at the Okazaki Plant

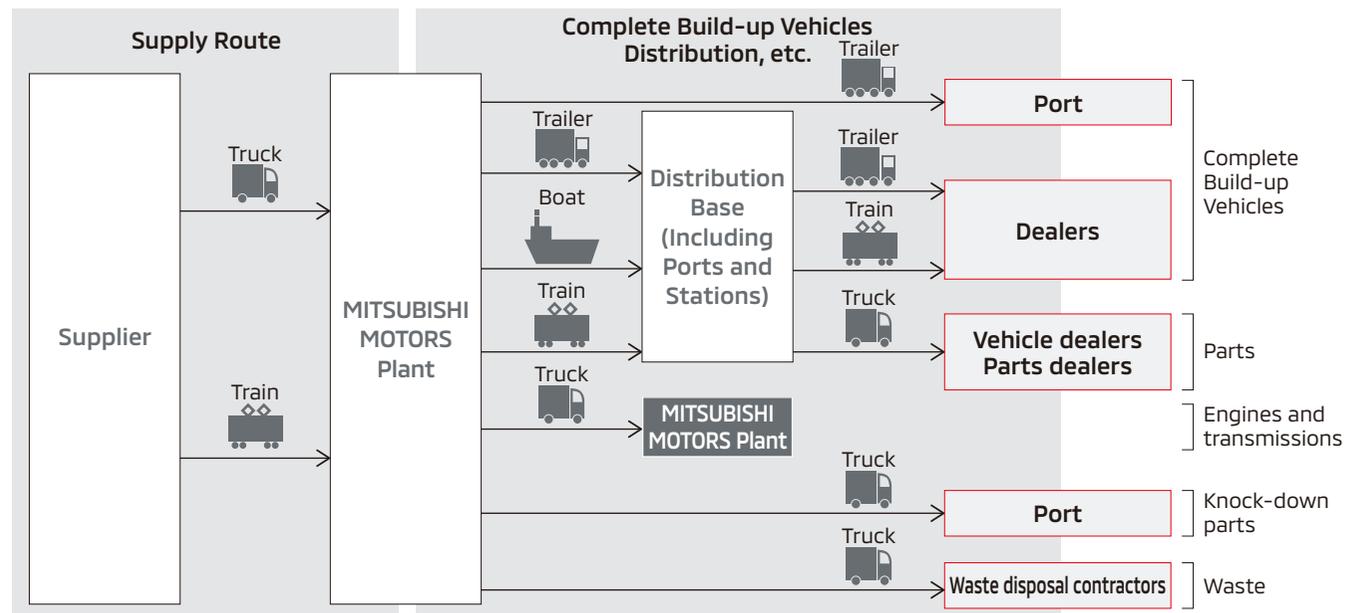
**Efforts in Distribution**

MITSUBISHI MOTORS sets reduction targets for unit CO<sub>2</sub> emissions (kg-CO<sub>2</sub>/1,000t km) during the transport of production parts, spare parts and vehicles to promote initiatives for achieving these targets.

In each distribution area, we strive to shorten transport distances through the relocation of sourcing

points and increasing direct deliveries. We also work to decrease the number of transport trips by improving of packing specification for high load factor, and consolidating transport routes, reducing the number of trucks. We are also working more closely with our transport subcontractors to introduce eco-cars and promote eco-driving.

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





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

MITSUBISHI MOTORS understands 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.

Since starting in 2018, overseas plants at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and Mitsubishi Motors Krama Yudha Indonesia (MMKI) have been moving ahead steadily with efforts to collect and calculate CO<sub>2</sub> emissions from distribution, including land, sea and air transportation.



Transportation of vehicles (Thailand)



Sea transport

## Office Initiatives

We are 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.



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.

## Dealer Initiatives

We encourage 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 electric 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 June 1, 2021)

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

## TOPICS

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

MITSUBISHI MOTORS seeks to put DENDO DRIVE STATION into operation in prefectures across Japan.

In FY2020, we opened 6 DENDO DRIVE STATION branches, bringing the nationwide total to 89. The new DENDO DRIVE STATION branches, in order of opening, are the Sendai Branch (Kagoshima Prefecture), the Tamana Branch (Kumamoto Prefecture), the Auto Mall Takeo Branch (Saga Prefecture), the Yakuin Branch (Fukuoka Prefecture), the Auto Mall Norimatsu Branch (Fukuoka Prefecture) and the Ichinomiya Suehiro Branch (Aichi Prefecture).

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



Sendai Branch  
Kita Kagoshima Mitsubishi Motor Sales Co., Ltd.



Tamana Branch  
Kumamoto Mitsubishi Motor Sales Co., Ltd.



Auto Mall Takeo Branch  
Kyushu Mitsubishi Motor Sales Co., Ltd.



Yakuin Branch  
Kyushu Mitsubishi Motor Sales Co., Ltd.



Auto Mall Norimatsu Branch  
Kyushu Mitsubishi Motor Sales Co., Ltd.



Ichinomiya Suehiro Branch  
Nishiowari Mitsubishi Motor Sales Co., Ltd.

## Resource Recycling Initiatives



### Medium- to Long-Term Vision for Material Issues

|             | 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>  |
| Medium Term | External Environment   | Stakeholders' Needs and Expectations  | Medium-Term Targets  |
|             | <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 electric vehicles (EVs)</li> </ul> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives   | FY2020 Targets   | Indicators             | FY2020 Results   | Self-Evaluation |
|---|--|------------------------|--|-----------------|
| <b>Expanding adoption of plastic materials not derived from oil</b>         | <ul style="list-style-type: none"> <li>● Create a roadmap for expanding the percentage of plastic materials not derived from oil used in vehicles</li> </ul>                                     | Progress of initiative | <ul style="list-style-type: none"> <li>● Clarified the types of vehicles and components to consider expanding the use of plastic materials not derived from oil; created a roadmap clarifying FY2025 targets and measures</li> </ul> | ○               |
| <b>Achievement of zero direct landfill waste (less than 0.5%) by FY2030</b> | <ul style="list-style-type: none"> <li>● Plants in Japan: Achieve zero direct landfill waste (less than 0.5%)</li> <li>● Overseas plants: Have begun gathering data</li> </ul>                   | Progress of initiative | <ul style="list-style-type: none"> <li>● Plants in Japan: Achieved</li> <li>● Overseas plants: Have begun managed operations of data on waste using an environmental performance management system</li> </ul>                        | ○               |
| <b>Reuse of batteries used in EVs</b>                                       | <ul style="list-style-type: none"> <li>● Install an energy storage system (BESS<sup>*1</sup>) at the Okazaki Plant and begin considering issues related to utilizing reused batteries</li> </ul> | Progress of initiative | <ul style="list-style-type: none"> <li>● Installed equipment for verification testing of BESS, and are implementing a VPP<sup>*2</sup> verification test</li> </ul>  | ○               |

\*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 belief 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. 111): 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. Since 1999, we have implemented the 3Rs in the stage starting with conceptual design in accordance with our unique Recycling Plan Guidelines.

With regard to wires and harnesses, and motors, we have improved detachability and ease of recycling in accordance with the Harness Design Guidelines.

At dealers, bumpers replaced during repairs are recycled for undercovers and battery trays. 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 ECLIPSE CROSS (PHEV model), which was launched in 2020, 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

We encourage 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 electric 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 Electric Vehicles (EVs)

Used EV 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 EV 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.

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 battery electric vehicles (BEVs) 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), airbags, and fluorocarbons for recycling.

Regarding ASR recycling, we participate in ART\*1 in order to jointly process ASR. As a result of the creation of new processing facilities and other measures, the ASR recycling rate in FY2020 was 96.4%, 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.

\*1 Automobile Shredder Residue Recycling Promotion Team established by Nissan Motor Co., Ltd., Mazda Motor Corporation, MITSUBISHI MOTORS and others.

### 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\*2 established in 2000, automobile manufacturers or importers must accept and recycle end-of-life vehicles. Also, in 2003, the ELV Directive\*3 was enacted, specifying ease of recycling as a certification requirement.

The company 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).

\*2 "Directive of the European Parliament and of the Council on End-of-Life Vehicles"

\*3 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.

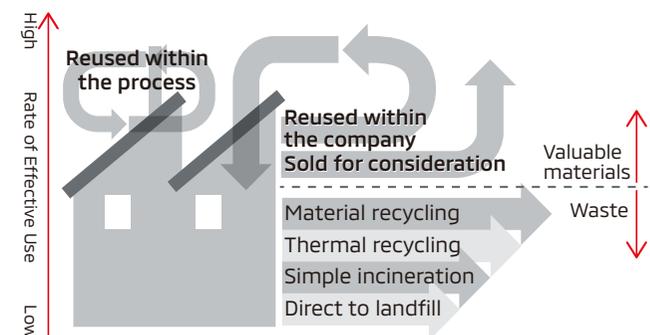
### Response to the EU's Directives on Approval for Vehicle Models for Recyclability

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. 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

By improving its production processes, the Company is working to reduce the amount of waste it generates through manufacturing. 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. As we continue working toward the achievement of zero direct landfill waste (less than 0.5%), a goal raised in the Environmental Targets 2030, we are endeavoring to reduce waste generation, reuse waste as resources and dispose of waste properly.

#### Effective Use of Resources and Recycling



## Prevention of Pollution



### Medium- to Long-Term Vision for Material Issues

|             | 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> |
| Medium Term | External Environment  | Stakeholders' Needs and Expectations   | Medium-Term Targets  |
|             | <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>   |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives                      | FY2020 Targets                       | Indicators             | FY2020 Results  | Self-Evaluation |
|--|--------------------------------------|------------------------|---|-----------------|
| Properly manage hazardous substances in products | Properly manage hazardous substances | Progress of initiative | We are obtaining information on regulated substances, upgrading our internal management system and conducting content surveys on newly regulated substances | ○               |



## 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.

In order to contribute to the realization of a sustainable society, MITSUBISHI MOTORS considers the prevention of pollution to be one of the material issues for the Company. 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 promoting the development of fuel economy improving technologies and electric vehicle technologies, we strive to manage to hazardous substances. 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.

## 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 electric vehicles, which emit little exhaust while driving, we are endeavoring to develop and encourage the use of gasoline and diesel vehicles that have emissions containing fewer hazardous substances.

### Improving Gasoline Engine Vehicles

Since the 1960s, emissions of carbon monoxide, hydrocarbons, and nitrogen oxides (NOx) have been steadily restricted by regulations.

We have taken various measures since such regulations were first introduced. We currently comply with these regulations by applying electronically controlled fuel injectors and advanced catalyst technologies to the combustion control system.

### Improving Diesel Engine Vehicles

For diesel engine vehicles, carbon monoxide, hydrocarbons, NOx, and particulate matter have been regulated in some countries, such as Japan, United States and European countries, since the 1970s.

Since such regulations were first introduced, we have taken measures including improving the combustion technology. To comply with these regulations, we have developed and produced clean diesel engines by systemizing technology such as VG turbochargers, controlling combustion with a common rail fuel injection system, introducing after-treatment using NOx trap catalysts, diesel particulate filters and a urea selective catalytic reduction (SCR) system.



## Clean Diesel Engine Systems

### VG Turbocharger

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



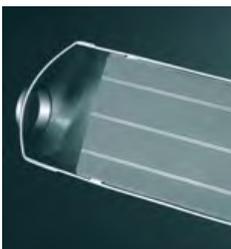
### Common Rail Fuel Injection System

Particulate matter and NOx can be generated due to incomplete combustion. In 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)

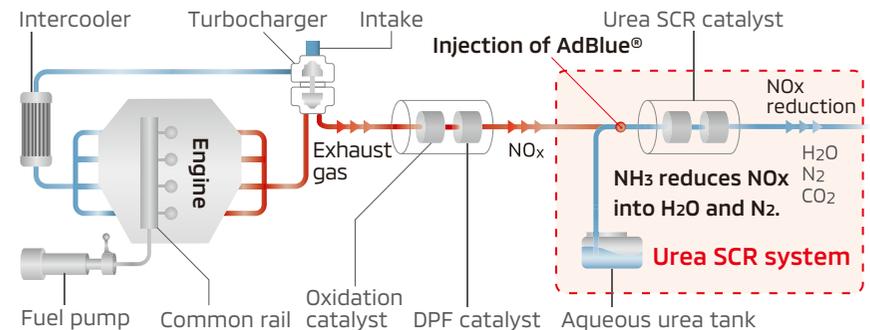
This substantially reduces particulate matter.



### Urea Selective Catalyst Reduction (SCR) System

Nitrous oxides (NOx) from diesel engines' emissions are purified using an aqueous urea solution (AdBlue®\*), breaking them down into non-polluting nitrogen and water.

#### [The 4N14 Engine System]



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

#### TOPICS

### 2.5L Naturally Aspirated Engine on the New OUTLANDER

The 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, clears emission gas level LEV III-SULEV30\*2. By using the items described right column, the engine performs on both the output and fuel economy fronts.

\*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.



## 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\*1 concerning substances and the Convention on POPs\*2. 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.

\*1 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

\*2 Persistent Organic Pollutants

▶ Data (p. 110): Emissions of Sulfur Oxide, Nitrogen Oxide, VOC (Volatile Organic Compounds) and Ozone-Depleting Substances

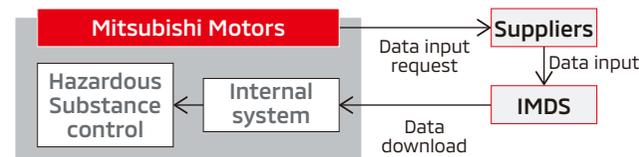
▶ Data (p. 113, pp. 116-118): Atmospheric pollutants and PRTR-designated pollutants

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

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

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

### Flow of Data Collection through IMDS



## Reduction of In-Cabin VOCs

To provide customers with a healthy and safe cabin space, we work 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

MITSUBISHI MOTORS is applying the waterborne 3WET paint method\*<sup>1</sup> 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). MMTh also plans to use this approach at a new paint plant it is constructing.

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.

\*<sup>1</sup> 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. 110): VOCs (volatile organic compounds)



New paint plant under construction in Thailand (MMTh)

### Management of Air Pollutants

We follow laws and regulations to manage the concentrations and amounts of such air pollutants as Nitrogen oxides (NO<sub>x</sub>), Sulfur oxides (SO<sub>x</sub>) and soot emitted in production processes.

To lower NO<sub>x</sub> emissions, we introduce low-NO<sub>x</sub>-content boilers and burners when upgrading or installing new equipment. To reduce Sox emissions, we are using lower-sulfur boiler fuels, such as kerosene or natural gas.

▶ Data (p. 113): Atmospheric pollutants

## 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\*<sup>2</sup> 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.

\*<sup>2</sup> PRTR is short for Pollutant Release and Transfer Register.

### 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\*<sup>3</sup>.

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

\*<sup>3</sup> 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 Vision for Material Issues

|             | 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> |
| Medium Term | External Environment   | Stakeholders' Needs and Expectations  | Medium-Term Targets  |
|             | <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>            |

### FY2020 Materiality Targets and Results

○: As planned    △: Delayed

| Details of Main Initiatives                    | FY2020 Targets  | Indicators   | FY2020 Results  | Self-Evaluation |
|--|---|--|---|-----------------|
| Manage water risks at each production facility | Increase the number of locations where we understand the amount of water used | Number of locations where we understand the amount of water used | Understand the amount of water used at overseas locations | ○               |



## 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, rainwater storage tanks have been set up in order to reuse rainwater. We have also set up equipment to filter groundwater so that it can be used to supply drinking water during disasters to people nearby the plant.

▶ Data (p. 111): Withdrawn water volume



Rainwater storage tanks (Okazaki Plant)



Groundwater membrane filtration equipment (Okazaki Plant)



## Reuse of Discharged Water

Mitsubishi Motors Krama Yudha Indonesia (MMKI) is making efforts to recycle wastewater and reuse rainwater in order to reduce water withdrawal. In FY2020, roughly 47% of the water processed in its wastewater treatment plant is reused within MMKI.

We are upgrading our discharged water recycling plant in preparation for the start of operations in FY2021 of a new paint plant under construction at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh). At this plant, we plan to introduce a system that will recycle up to 75% of water internally.

▶Data (p. 111): Wastewater volume



Discharged water recycling plant under construction (Thailand)

## 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\* 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 up grading equipment for processing discharged water that had deteriorated over time. In FY2021, we plan to complete and commence operations at a community plant for processing domestic waste water emitted from offices.

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

▶Data (pp. 114–115): Water pollutants



General effluent treatment facilities (Okazaki Plant)



Observation well (Okazaki Plant)



Surface oil detector (Okazaki Plant)

## TOPICS

### Completion of Construction to Separate Piping for Rainwater and Plant Discharge (Kyoto Plant)

In old sewer systems, rainwater and domestic wastewater flow together and are eliminated through the same pipes as "combined sewerage." During typhoons and heavy rains, water volumes can exceed the capacity of downpipes and water treatment facilities. In such cases, water is diverted into rivers and other public waterways. There is continuous needs to reduce this pollution load.

Remnants of this old sort of combined sewerage system were intact at the Kyoto Plant (established in 1944). To completely separate piping for factory wastewater and rainwater, we have moved forward with phased construction to install new wastewater-specific piping. Construction began in FY2019, and in FY2020 we completed the work, separating the water flows completely. As a result, we are reducing rainwater flows into the public sewerage system and preventing the flow of factory wastewater into public water supplies.



Underground construction to install wastewater piping for factory water discharge (Kyoto Plant)

For details on the issues with combined sewerage, see the City of Kyoto website (Japanese only).

[WEB](https://www.city.kyoto.lg.jp/suido/page/0000008679.html) <https://www.city.kyoto.lg.jp/suido/page/0000008679.html>

## Preservation of Biodiversity



### Medium- to Long-Term Vision for Material Issues

|           | 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>● Growing international call for conservation based on the May 2019 assessment report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)</li> <li>● Consideration on adopting a "post-2020 biodiversity framework" at the COP15 biodiversity summit (to be held in Kunming, China, in October 2021)</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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives   | FY2020 Targets  | Indicators            | FY2020 Results   | Self-Evaluation |
|---|---|-----------------------|--|-----------------|
| <b>Promote preservation activities that leverage the results of ecosystem surveys at locations in Japan</b> | <ul style="list-style-type: none"> <li>● Nurture and protect indigenous species at business sites in Japan</li> <li>● Conduct tree-planting and cultivation activities in Japan and overseas</li> </ul> | Initiatives Conducted | <ul style="list-style-type: none"> <li>● Created a biotope* at the Kyoto Plant</li> <li>● Planted and cultivated trees at Pajero Forest (Yamanashi Prefecture)</li> <li>● Launched an afforestation project in Thailand</li> </ul> | ○               |

\* 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.

▶Data (p. 119): Biodiversity data

## 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                     |

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



## Creating a Biotope at the Kyoto Plant

Based on an ecosystem survey conducted in FY2019, 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. Within the plant, we found a diverse profusion of plant and insect varieties, compared with the greenery surrounding the plant. At a pond in the square, we found four types of dragonfly larvae, including the *Sympetrum eroticum eroticum*.

### Unusual Flora Discovered in the City during Our Survey



Ranunculus japonicus



Carex doniana



*Sympetrum eroticum eroticum* dragonfly larvae

In FY2020, we turned a pond within an area of the plant called Relaxation Plaza into a biotope. We worked on the pond and grasslands to cultivate indigenous species such as the prickly water lily, floating

hearts and bulrushes, creating a habitat for dragonflies, locusts and other insects.

Aquatic plant seedlings were separated out by "Sustainable Kyoto," an environmental education center within the Kyoto City Southern Clean Center.



Relaxation Plaza



Prickly water lily



Floating heart



Bulrushes

The prickly water lilies we cultivated at the pond in the Relaxation Plaza have steadily grown to the point where seeds can be collected. Some seeds that were grown into seedlings at the Sustainable Kyoto facility were returned to their original location. Through Sustainable Kyoto, we plan to provide seeds to companies and schools in Kyoto so they can cooperate in growing and breeding rare aquatic plants.



Seeds collected from the prickly water lily

On the site of the Kyoto Plant, we work to preserve the region's biodiversity through such efforts as cultivating *Asarum caulescens*, a native species that is deeply rooted in the culture of Kyoto. Going forward, we will also nurture the connections between the Kyoto Plant and the natural surroundings we discovered during this ecosystem survey. Through ongoing maintenance of the site's greenery, we will maintain biodiversity and strive to preserve the regional ecosystem.

## Overseas Preservation Activities

Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) has established a non-profit organization, the Mitsubishi Motors Thailand Foundation (MMTF). The company announced in January 2021 that as the first phase of its activities, the foundation would promote the "60 Rai Reforestation" Project to commemorate MMTh's 60th anniversary. Working with Thailand's Royal Forest Department and the Thailand Greenhouse Gas Management Organization, in FY2021 the foundation will endeavor to revitalize an area of forest covering 60 rai (9.6 hectares) in eastern Chonburi and Sa Kaeo provinces. Employees from MMTh and people from the local community will work 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 Vision for Material Issues

|           | 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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives                                     | FY2020 Targets   | Indicators              | FY2020 Results        | Self-Evaluation |
|---|--|-------------------------|-----------------------|-----------------|
| <b>Delivering products which help prevent traffic accidents</b> | Formulate basic policies for individual safety technologies as planned | Formulation of policies | Formulated as planned | ○               |

#### 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 glob-

ally. A new target was adopted for Target 3.6 of the Sustainable Development Goals (SDGs) at the 74th UN General Assembly 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 safety technologies and promoting traffic safety education.

\*2018 World Health Organization (WHO) survey

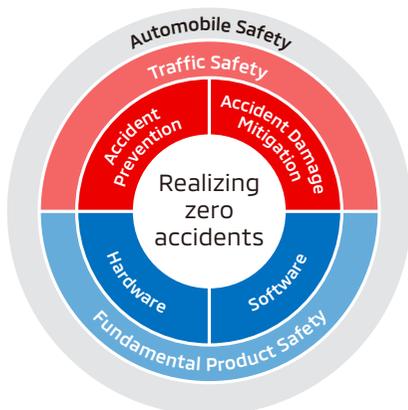


## Management Structure

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.

### Active safety functions

| 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.<br>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.  |



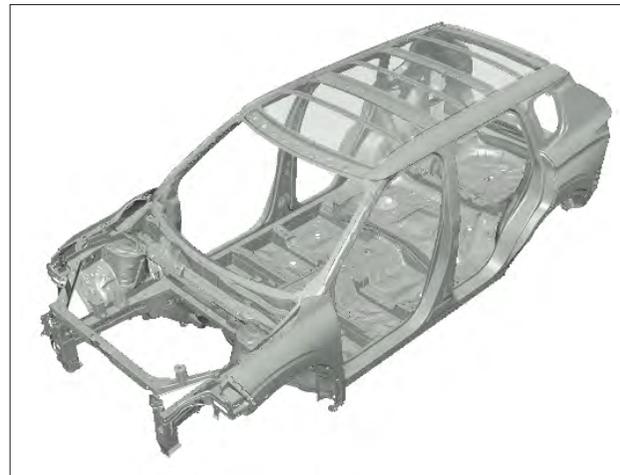
## Body Structures that Protect People

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 new OUTLANDER, which launched in North America in April 2021, uses 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 ultra-high-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 new OUTLANDER

## 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

| Region        | Third-Party Evaluation | Model                           | Rating     |
|---------------|------------------------|---------------------------------|------------|
| United States | NCAP*                  | OUTLANDER PHEV<br>ECLIPSE CROSS | Overall 5★ |
| ASEAN         | ASEAN NCAP*            | OUTLANDER                       | 5★         |
| Australia     | NCAP*                  | ECLIPSE CROSS PHEV              | 5★         |

Period: May 2020 to June 2021

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



## 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 2021)

| Safety Support Car S Wide Models |                       |
|----------------------------------|-----------------------|
| ECLIPSE CROSS                    | OUTLANDER PHEV        |
| DELICA D:5                       | DELICA D:5 URBAN GEAR |
| RVR                              |                       |
| eK WAGON                         | eK CROSS              |
| eK SPACE                         | eK CROSS SPACE        |
| DELICA D:2                       | DELICA D:2 CUSTOM     |
| MIRAGE                           | TOWN BOX              |
| MINICAB                          | 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 2021)

| (Forward Vehicles) Forward Collision Mitigation Braking System<br>(Pedestrians) Forward Collision Mitigation Braking System |                |
|---|----------------|
| ECLIPSE CROSS   | DELICA D:5     |
| eK WAGON  | eK CROSS       |
| eK SPACE  | eK CROSS SPACE |
| DELICA D:2  | TOWN BOX       |
| MINICAB   | MINICAB TRUCK  |

| Pedal Misapplication Prevention Device |                |
|--|----------------|
| ECLIPSE CROSS                          | DELICA D:5     |
| eK WAGON                               | eK CROSS       |
| eK SPACE                               | eK CROSS SPACE |
| DELICA D:2                             | TOWN BOX       |
| MINICAB                                | 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 Vision for Material Issues

|           | Risks   | Opportunities   | Direction of Responses   |
|-----------|---|---|--|
| Long Term | <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> <p>*1 Please see 58 page for the details on the "Quality Policy"</p> |

|             | External Environment   | Stakeholders' Needs and Expectations   | Medium-Term Targets   |
|-------------|--|--|---|
| Medium Term | <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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives | FY2020 Targets   | Indicators   | FY2020 Results   | Self-Evaluation |
|-----------------------------|--|--|--|-----------------|
| Improving product quality   | Ratio of defects identified within 3 months in service of new vehicle sale                         | Ratio of defects identified within 3 months in service of new vehicle sale | Achieved reduction target  | ○               |
| Improving sales quality     | Sales Satisfaction Index (SSI)<br>Top 3 ranking in industry surveys in the ASEAN5* <sup>2</sup>    | Sales Satisfaction Index (SSI)   | Sales Satisfaction Index (SSI)<br>Achieved target in three of the five ASEAN5 countries  | △               |
| Improving service quality   | Customer Satisfaction Index (CSI)<br>Top 3 ranking in industry surveys in the ASEAN5* <sup>2</sup> | Customer Satisfaction Index (CSI)  | Customer Satisfaction Index (CSI)<br>Achieved target in all five of the ASEAN5 countries | ○               |

\*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 on April 1, 2019, MIT-SUBISHI 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 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 that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction.

We strive to achieve the highest levels of quality from the customer's viewpoint so that we can achieve customer satisfaction during every point of contact with customers.

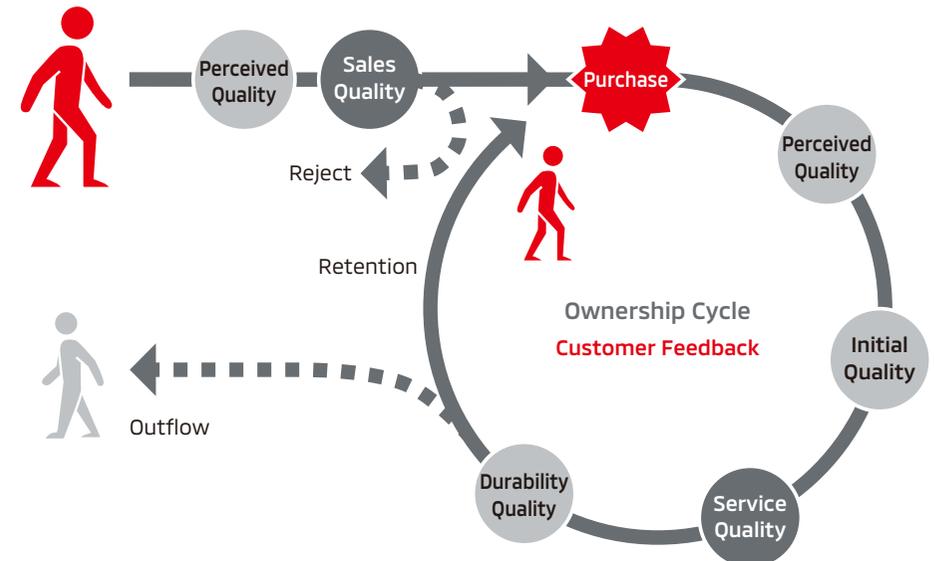
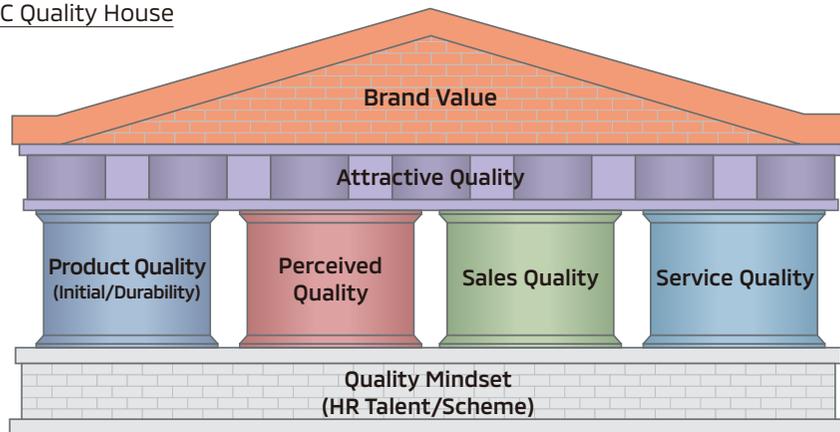
### Quality Policy

**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 responsibly 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 already 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 stead 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 customer's point of view.

## Improving Perceived Quality

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



## Improving Sales Quality

We aim for top-level quality from a customer viewpoint 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 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 and strives to gather comments and opinions from local customers. In addition, we obtain market information from sales companies and gather product requests through interviews. In these ways, we strive to gather input from local customers.

In FY2020, sales companies in various countries and regions concentrated on sales activities under the "new normal" conditions. For example, Within our core market ASEAN region\*, we held online meetings among sales companies to share and discuss on issues and solutions. We highlighted good examples of sales companies' efforts to enhance service quality and distributed this information among the countries and regions. In these ways, we supported sales companies' efforts to augment customer satisfaction.

\* Thailand, Indonesia, the Philippines, Vietnam and Malaysia

### 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

It is crucial to keep providing customer-oriented "superior service quality" from the customers' first experience of purchasing a vehicle at dealers where customers and our meet.

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.

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.

On-line trainings are also available via internet. It delivers ceaseless opportunity for dealer staff to sophisticate their competence in spite of the COVID-19

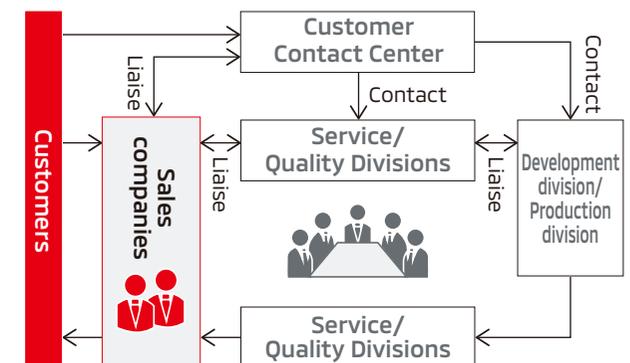
pandemic. Supporting from our technical experts are, of course, available at global dealerships regarding such as highly technical advice.

## Use of Customer Voice

One of our Group's missions is to provide rich experiences for customers by offering them attractive products and excellent service, ensuring satisfaction throughout the ownership cycle. 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 operations, our own personnel staff the Customer Contact Center. Enabling our customers to communicate directly with customers helps maintain high-quality customer response and facilitates smooth interaction among internal departments. This approach ensures that customer feedback is used appropriately to improve products and services.

### 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.

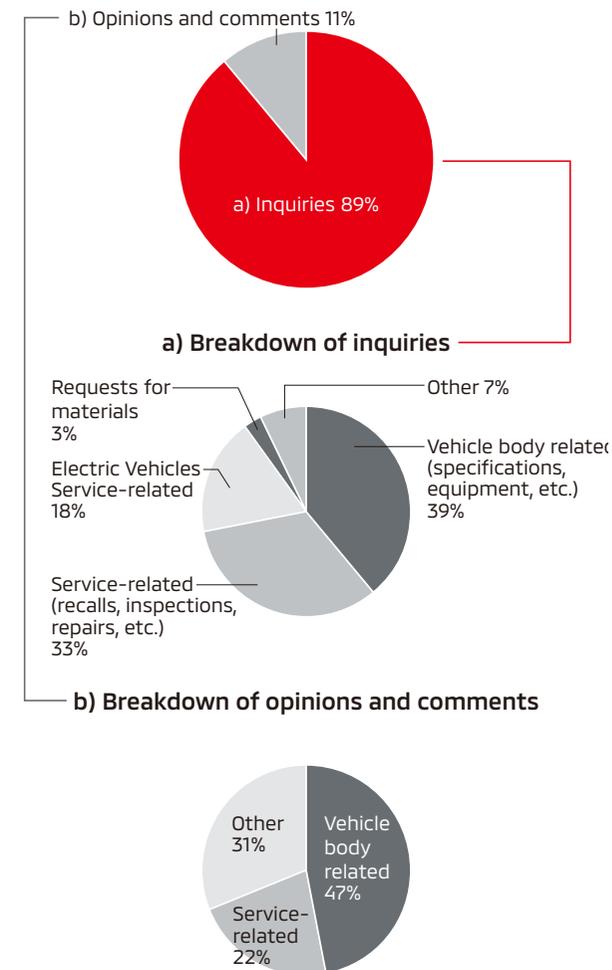
[\(WEB\) http://www.mitsubishi-motors.co.jp/support/recall/](http://www.mitsubishi-motors.co.jp/support/recall/)  
This site contains the Japanese market information (only in Japanese).

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

|        | No. of cases | No. of units            |
|--------|--------------|-------------------------|
| FY2016 | 26 cases     | Approx. 1,938,000 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   |

### Contacts Received at the Customer Contact Center in Fiscal 2020

Number of contacts: approx. 33,700



## 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 following-up 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*1 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*2                    | 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\*3 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.

Due to the limitations imposed by the COVID-19 pandemic, we launched a dedicated website, allowing the activities to be continued online.

### Number of Participants in Quality Forums

|        | Domestic forums     | Overseas forums     |
|--------|---------------------|---------------------|
| 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> |

\*<sup>1</sup> Due to COVID-19, held only in Indonesia

\*<sup>2</sup> Due to COVID-19, held online

## Assessing the Needs of Customers

By listening to the actual comments and opinions of customers, we are helping employees to consider customer needs.

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.

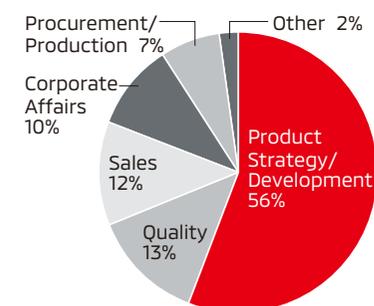
## Improvement of Customer Focus

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, 2021, 65 qualification holders have enrolled, making MITSUBISHI MOTORS 11th 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

|             | 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>                                       |
| Medium Term | External Environment   | Stakeholders' Needs and Expectations  | Medium-Term Targets   |
|             | <ul style="list-style-type: none"> <li>In the ASEAN region,               <ul style="list-style-type: none"> <li>Environmental regulations are growing stricter, and individual countries are promoting electrification policies with a view to increasing EV production volumes.</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, exports, 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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives                  | FY2020 Targets  | Indicators  | FY2020 Results   | Self-Evaluation |
|--|---|---|--|-----------------|
| <b>Employment</b>                            | Continuous creation of local employment   | Actual employment                                   | Created local employment for 11,000 people in Thailand, Indonesia, the Philippines and Vietnam (including non-full-time employees)   | –               |
| <b>Human resource development</b>            | Support for the development of personnel responsible for the development of the local economy         | Number of training sessions, number of participants | Representative examples of training<br>Sales and service training for dealer staff, business-level-enhancement seminars for local employees, "manufacturing training" to enhance technical skills, internal control and compliance training  | ○               |
| <b>Investment</b>                            | Continuous implementation of capital investment that supports the growth of the local economy         | Rate of progress on investment plan                 | Principal investment plans<br>Upgraded a paint plant and installed a rooftop solar power system in Thailand, prepared to export commercial vehicles to the Philippines and ASEAN countries, considered a new plant in Vietnam  | ○               |
| <b>Technology transfer</b>                   | By continuing with local production, support advances in the local manufacturing industry             | Progress on projects                                | Major projects<br>Commenced local production of the XPANDER in Vietnam and Malaysia; in Thailand, Indonesia, the Philippines and Vietnam, provided scholarships to vocational training schools and technical universities, provided training vehicles, and conducted traveling courses | ○               |
|  | Localized production of engines   | Business viability KPI targets                      | Achieve business viability, reach KPI targets, and begin mass production of engines in Indonesia   | ○               |
| <b>Export</b>                                | Supporting growth of the local economy through the acquisition of foreign currency by means of export | Number of vehicles exported                         | Exported 202,000 vehicles from Thailand and 39,000 from Indonesia  | ○               |
| <b>Environmental and social contribution</b> | Leverage our technologies and services to help resolve local social issues                            | Level of contribution                               | Engaged in initiatives using the OUTLANDER PHEV<br>Began producing the OUTLANDER PHEV in Thailand; in Indonesia, donated OUTLANDER PHEV vehicles to the Red Cross to assist in efforts to halt the COVID-19 pandemic   | ○               |



## 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. We believe these efforts will allow us to simultaneously achieve social value and our own corporate value. Our current mid-term business plan, "Small but Beautiful," calls for the concentration of management resources, identifying the ASEAN region as a core business area. We aim to achieve further growth by providing customers with the products they require. 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 11 for details on identifying material issues

\*2 See pages 89-92 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 11,000 people in the four countries where we have production bases: Thailand, Indonesia, the Philippines and Vietnam. In fiscal 2021, we plan to create employment 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 fiscal 2020, 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 sales and service training for around 20,000 employees and dealer staff. In Indonesia, we conducted online training for local employees according to their business level. In the Philippines, more than 200 employees received manufacturing training in the aim of enhancing the production division's capabilities, boosting their level of specialization. In fiscal 2021, 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 are building a new paint plant and installing a rooftop solar power system. Through these efforts, we are reconfiguring our manufacturing structure to reduce environmental impact. In the Philippines, we are setting up production facilities for the L300, a commercial vehicle model for export. In Vietnam, we are considering the construction of a new plant.



## Technology Transfer

In terms of technology transfer by production sites in the ASEAN region, by continuing with local production we are supporting the advancement of the local manufacturing sector. MITSUBISHI MOTORS is also working to make our factories more competitive by transforming the value chain, such as by raising quality and lowering costs. In fiscal 2020, we commenced local production in Malaysia of the XPANDER, a compact MPV. We established a new engine assembly plant for the XPANDER in Indonesia. In addition to generating new employment, the plant will encourage technology transfer from Japan and promote local parts procurement. Mass production began at the plant in fiscal 2020. The COVID-19 pandemic limited the number of engineers we were able to dispatch from overseas. However, we provided local support remotely, and as a result production was able to commence generally according to plan. Boosting engine production at another location in the ASEAN region in addition to Thailand has reinforced our competitiveness.

In fiscal 2020, we offered scholarships to technical universities and vocational training schools in Indonesia, the Philippines and Vietnam. We also provided training vehicles, conducted traveling courses, and provided instructors for online seminars, supporting vocational training with an eye to technology transfer.

## 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. In fiscal 2020, the COVID-19 pandemic made market conditions extremely problematic. Even so, we exported 200,000 vehicles from Thailand. From Indonesia, we shipped approximately 40,000 units of the XPANDER, a compact MPV. 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.

## Environmental and Social Contribution

Responding to environmental regulation is becoming a more serious issue than ever before. Amid growing mobility and worldwide advances in electrification, electric vehicles are swiftly being adopted in the ASEAN region, as well. Leveraging our strengths in EV technologies and expertise, we are helping various countries popularize EVs and resolve local social problems. In fiscal 2020, we commenced local production and sales in Thailand of a plug-in hybrid electric vehicle, the OUTLANDER PHEV, as well as launching in the Philippines. In Indonesia, we donated OUTLANDER PHEV models to the Red Cross, which used them to supply power in efforts to fight the COVID-19 pandemic. Going forward, we will continue to provide technologies and expertise related to electric vehicles and EV infrastructure.

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



### Medium- to Long-Term Vision for Material Issues

|             | 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>                              |
| Medium Term | External Environment  | Stakeholders' Needs and Expectations   | Medium-Term Targets  |
|             | <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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives   | FY2020 Targets   | Indicators  | FY2020 Results                    | Self-Evaluation |
|---|--|---|-----------------------------------|-----------------|
| Promotion of work style reforms                                     | Ongoing implementation of work style reform measures   | Overtime hours (administrative and engineering staff)* <sup>1</sup>   | 18.7 hours/month                  | △               |
|   |  | Paid leave taken (administrative and engineering staff, manufacturing workers* <sup>2</sup> , medical workers* <sup>3</sup> ) | 19.3 days/year                    | ○               |
|   |  | Telecommuting ratio (Tamachi area)  | 77% (average for the fiscal year) | ○               |
| Promotion of women's participation and advancement in the workplace | Implementation of ongoing measures to promote women's participation and advancement in the workplace | Number of female managers   | 79 (As of April 2021)             | △               |
| Promotion of employment of people with disabilities                 | Ongoing promotion of employment of people with disabilities  | Percentage of employees with disabilities   | 2.36% (As of March 2021)          | ○               |

\*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

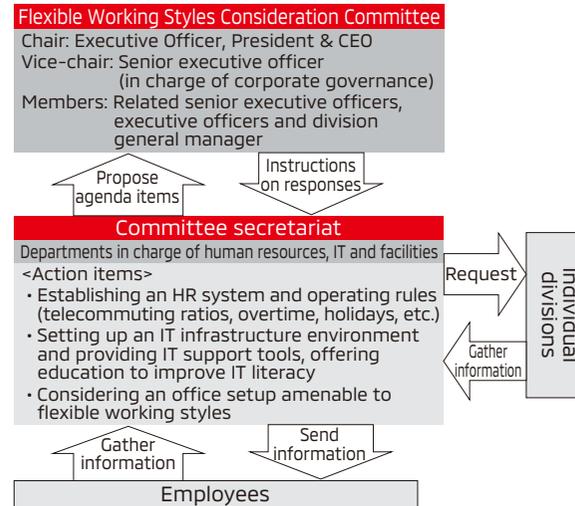
MITSUBISHI MOTORS views the key to creating sustainable growth and improving corporate value in an everchanging operating environment is people. We therefore believe that realizing an environment is important where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

Before COVID-19, it was usually assumed that employees would go to the workplace, but the pandemic is changing this assumption. We have now shifted to a flexible working style that is less dependent on specific times and locations. To create value by leveraging diverse human resources, we are creating an environment that embraces working styles that help individuals achieve a work-life balance and make the most of their capabilities. At the same time, we aim to enhance work productivity and the quality of life.

## Management Organization

We have been promoting telecommuting and flextime systems in our effort to develop an environment where diverse employees can maximize their abilities. To realize more flexible working styles through remote working, we recognized the need to consider the situation from a medium- to long-term perspective. Accordingly, in July 2020 we established the Flexible Working Styles Consideration Committee, which is chaired by the Executive Officer, President & CEO. This committee is deliberating and promoting initiatives.

## Organization of the Flexible Working Styles Consideration Committee



## Examples of Work Style Reform Initiatives

| Measures related to working hours  |
|--|
| • Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m. |
| • Encouraging employees to use our half-day leave system and flextime system, which we recently revised to remove the core time requirements             |
| • Encouraging employees to take paid leave around public holidays and consecutive holidays in order to make a longer weekend                             |
| Measures related to places of work   |
| • Promoting the use of telecommuting   |
| Measures for raising awareness about work style reforms  |
| • Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division                                     |

▶ Data (pp.120-121): Working hours, ratio of paid leave taken, number of employees using telecommuting/flextime systems

## Employee Surveys

Since FY2013, we have conducted employee surveys to identify issues affecting the Company, organizations, and individual employees. The survey results are used to improve awareness and operations at each workplace.

In FY2019, we conducted a global survey targeting affiliated companies in Japan and overseas. In FY2020, we provided feedback to individual corporate organizations.



## 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. 120): 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 Working Women's Empowerment Forum, led by the Japan Institute for Women's Empowerment & Diversity Management.

As of July 2021, 8.8% (three) of the Company's executives were women, and we had 80 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.

▶ Data (p. 120): 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 fourth 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.

**PDF** Women's Participation and Advancement in Workplace Action Plan (Japanese only)

► Data (pp. 120–121): Status of female management promotions, 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     | Pregnancy leave                               | 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)   |
|               | Maternity leave                               | Six weeks prior to birth and eight weeks after birth  |
|               | Childcare leave                               | Can be taken up to the end of April of the following fiscal year after the child's third birthday   |
|               | Child nursing leave                           | Can be taken until the end of the fiscal year of the child's 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases)   |
|               | Reduced working hours for childcare           | Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child's 12th birthday (combined use with the flextime system is also available)   |
| Nursing care  | Nursing care leave                            | Aggregate total of three years can be taken per person receiving nursing care   |
|               | Short-term nursing care leave                 | If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases)  |
|               | Reduced working hours for nursing care        | Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven-hours per day, and are also eligible for flextime work.   |
| Miscellaneous | Life plan leave                               | Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work-related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies   |
|               | Accumulation of unused paid leave             | Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work-related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment) |
|               | Flextime system                               | System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days  |
|               | Telecommuting system (Revised in August 2021) | 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  |
|               | Reemployment system                           | Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reasons recognized by the Company, with an applicable period within five years after resignation  |
|               | Accompanying leave                            | Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years  |

## 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 two 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.

In FY2020, some daycare centers were closed or employees voluntarily restrained from taking their children to daycare centers. The Company intervened by offering an interim baby sitter dispatch service. With elementary and other schools temporarily closed and government authorities requesting that people refrain from attending after-school children's clubs and the like, 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



## Helping Employees to Balance Work and Nursing Care

As birth rates decline and 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. We also organize on-site individual nursing care consultations with nursing care specialists. Furthermore, we organize nursing care seminars delivered by outside instructors to provide basic information about how they can balance their work and nursing care. In FY2020, we held the seminars simultaneously in four regions (head office, Okazaki, Kyoto and Mizushima) online. They were attended by about 300 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 2021, there were 714 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. The percentage of employees with disabilities at the Company was 2.38%.\* We will continue to promote additional employment while improving the work environment.

At the parent company, we employ 180 people\* with physical and mental disabilities. 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 employed 62 workers\* with intellectual disabilities at the Okazaki and Mizushima plants. In the 14 years that have passed since its establishment, MMC WING has received many inquiries about employment from “Hello Work” Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, we do not stop at just providing employment within our company when doing our part for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities opportunities to experience group activities and work processes.

\* As of April 2021

▶Data (p. 121): 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 which are available to people of all religions and denominations. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.

In FY2020, we began offering elective training in Japanese business etiquette to non-Japanese employees as part of entry-level employee training. This five-hour course, which centered on written and spoken output, included such topics as using polite language, participating in a customer visit role play and learning about business email.

▶Data (p. 120): Number of employees by region, number of locally hired managerial employees at overseas subsidiaries



Prayer room in our head office building



Signs on the ceiling indicating the direction of worship



Prayer room in the Okazaki area



## Promoting LGBT Awareness

The MITSUBISHI MOTORS Global Code of Conduct expressly includes respect for LGBT individuals under “Respect Human Rights and Diversity and Provide Equal Opportunity.” In FY2018, we began holding an LGBT seminar with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as “Allies.” Around 480 employees attended the seminar in FY2020. FY2020 was the second year for our e-learning course, “Understanding the Basics of LGBT,” which was taken by around 7,400 employees.

In September 2019, we partially revised our rules of employment so that the definition of marriage extends to same-sex partners and applies when taking wedding vacations or life planning leave.

## 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. The team is compiling recommendations and requests regarding the five days of mandatory paid leave stipulated in the Labor Standards Act.

### 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 LGBT. For three consecutive years, since 2018, we have been awarded the highest “gold” rating. We will continue to create workplace environments that are friendly for all employees.



# Stepping up Human Resource Development



## Medium- to Long-Term Vision for Material Issues

|             | Risks  | Opportunities   | Direction of Responses   |
|-------------|--|---|--|
| Long Term   | <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> |
| Medium Term | External Environment   | Stakeholders' Needs and Expectations  | Medium-Term Targets  |
|             | <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>           |

## FY2020 Materiality Targets and Results

○: As planned △: Delayed

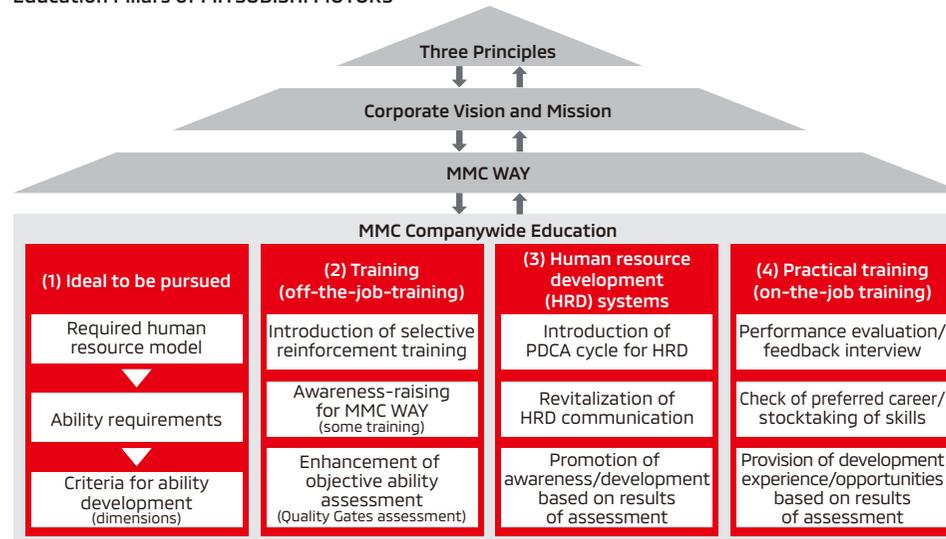
| Details of Main Initiatives   | FY2020 Targets   | Indicators        | FY2020 Results   | Self-Evaluation |
|---|--|-------------------|--|-----------------|
| Conduct training online and ensure online training gains a foothold | Ensure that all training for administrative and engineering staff can be done online | Education program | The COVID-19 pandemic made it difficult to conduct face-to-face training, so all training for administrative and engineering staff was moved online. | ○               |

### 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.

### Education Pillars of MITSUBISHI MOTORS





## Management Organization

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.

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

### MITSUBISHI MOTORS' Organizational Framework for Education

| Job Classification<br>(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><br>(innovation leader)           | Training for newly Promoted M1                | Selective reinforcement training (e-Learning)  |   | Feedback interview training<br>Follow-up training on commitment and target & MMC WAY | Training for mid-career employees<br>Engineer training | Training for expats to be dispatched to foreign affiliates<br>Selective training (GCDP*3 program, etc.) | TOEIC score range from 300 to 695<br>Measures for Improving TOEIC score |
| <b>Section managers (M2)</b><br>(management professional)     | Training for newly promoted M2                | Leadership training for organizational transformation<br>Selective reinforcement training (e-Learning) | Training for M1 candidates (assessment) |  |  |   |   |
| <b>Assistant Manager</b><br>(a leader of practical work)      | Training for newly promoted Assistant Manager | Training for M2 candidates (preparatory training for assessment)                                       | Training for M2 candidates (assessment) |  | Training for mentors of new graduates                  |   |   |
| <b>Main Staff</b><br>(a key player in the execution of work)  | Training for newly promoted Main Staff        | Training for Assistant Manager candidates (advance training)<br>Good communicator development training |   |  |  |   |   |
| <b>Staff</b><br>(a professional in the operational work)      | Entry-level employee training                 | Third year training*1<br>Second year training  |   |  | Global mindset training*2                              |   |   |
| <b>Clerical Staff</b><br>(efficiently carries out operations) | Entry-level employee training                 | Third year training*1<br>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



## Training and Education

### Conducting Training Online and Ensuring Online Training Gains a Foothold

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.

In FY2020, the COVID-19 pandemic made it difficult to create opportunities for in-person group education at training centers. With many employees moving to a remote working environment, we set up an environment that also allowed employees to undergo training online and provided learning opportunities during remote working. We will continue to enhance our training system in the aim of cultivating personnel who can respond flexibly and autonomously to a changing environment.

The future is currently difficult to predict, and each person's strength will be tested. We will continue to consider and implement measures that foster employees' abilities to respond to a changing environment and create an organization that supports individual growth.

▶Data (p. P121): 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

global 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 keeping with the Revised Act for Stabilization of Employment of Older Persons, we are encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques, knowledge and experience of skilled workers.

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

#### FY2020 Seminars for Future Good Life

|                            |                               |
|----------------------------|-------------------------------|
| Number of seminars         | 2 in total across the company |
| The number of participants | 58                            |

## 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 process is to have employees build an objective picture of their challenges and then proceed along a career path they have formed for themselves with conviction and a high degree of motivation.

We have introduced management-enhancing tools aimed at section managers and general 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 trans-



parency and employee approval of evaluations and employee treatment, and (3) Promoting the establishment of shared values.

### Evaluation Standards: MMC WAY

MITSUBISHI MOTORS has created six, simple keywords that capture the minimum necessary preparation and behavior required as MITSUBISHI MOTORS employees.

| MMC WAY  |  |
|--|--|
| Mindset  | Actions  |
| ◇ <b>Cross-functional</b><br>Work beyond organizational boundaries | ◇ <b>Commit</b><br>Achieve quantifiable goals                  |
| ◇ <b>Transparent</b><br>Candid and accountable                     | ◇ <b>Challenge</b><br>Take proactive action for value creation |
| ◇ <b>Look outward</b><br>Go out and learn                          | ◇ <b>Perform</b><br>Results with sense of speed                |

### 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.121): Wage levels

## Promoting Occupational Health and Safety



### Medium- to Long-Term Vision for Material Issues

|           | 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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives | FY2020 Targets                                       | Indicators             | FY2020 Results | Self-Evaluation |
|-----------------------------|--|------------------------|----------------|-----------------|
| Creation of safe workplaces | Ongoing measures for the creation of safe workplaces | Overall accident rate* | 0.30           | △               |

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



## 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 and 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 around 80% of workplace accidents. In order to prevent these, we identify unsafe conditions or employee behaviors in all work situations and make improvements. Additionally, we create safe workplaces by carrying out mutual safety checks at production sites by senior officials and workplace supervisors to identify commonly overlooked hazards. Other measures include adopting improvement proposals and requests raised by employees. We also established "safety training schools" at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience firsthand such hazardous situations as pinching, being caught up in equipment, becoming wounded and falling. In FY2020, 1,550 people took part in this training.



To prevent falls, we have introduced non-slip shoes for some senior workers, improved steps, held courses, distributed materials and taken other efforts to heighten awareness.

In FY2020, there were no workplace accidents involving the loss of one or more workdays. However, the accident rate was 0.30. Although lower than the automobile industry average of 0.46, this figure was above our target of 0.26. As previously unsafe conditions are the cause of most accidents, in FY2021 we will seek to analyze why accident potential had not been determined as we work to create countermeasures. We will again work to enhance the ability to predict danger and take synchronized, company-wide, in-depth efforts to eradicate unsafe conditions by identifying potential accidents 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. 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). We plan to increase the number of bases going forward.

▶Data (p. 121): Accident rate

### Mental and Physical Health Initiatives

For the purpose of maintaining and improving the mental and physical health of our employees, MITSUBISHI 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.

The number of employees who were absent from work due to the onset of mental health issued decreased by 27% compared to the previous FY. However, given that work-related concerns account for approximately 80% of all cases, we continue to prioritize prevention with the aim of providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments.

We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. We have made an appeal for employees to actively attend sessions with industrial physicians, explaining the purpose of the sessions and about how confidentiality is assured. This effort is helping with the early detection and response to mental health issues. We also assess stress levels at each workplace, conduct training to improve 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

MITSUBISHI MOTORS has been affected by the COVID-19 pandemic in a variety of ways. Under these circumstances, we have given topmost priority to business continuity and the health of our employees as we introduced measures through a structure cutting across the organization.

In February 2020, we established the COVID-19 Countermeasures Council to facilitate the timely sharing of information and swift decision-making. The council, composed of the Executive Officer, President and CEO, directors and division general managers, and leaders at key locations in Japan and overseas. The council gathered up-to-date information from individual departments and reported on and discussed

### Specific Initiatives

- Daily disinfection of common areas
- Installation of shielding curtains on production lines
- Temperature checks of employees and visitors
- Preparation of face guards
- Erection of shields in the cafeteria, 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).



matters across the organization, such as the impact of the pandemic on production, procurement (including suppliers) and sales, the status of associates and measures being taken to protect the health of employees. We strive to remain abreast of movements in Japan and overseas, including government trends, and implement measures swiftly.

### 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

### Implementation of Telecommuting to Prevent the Spread of Infection

In late February 2020, we notified all employees of our basic policy on telecommuting.

- We relaxed rules on telecommuting, raising the maximum number of hours per month from 80 to 160.

- 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 monitor conditions at headquarters (Tokyo) and in other prefectures, maintaining the ratio of people telecommuting in each area at a certain level.

The company has also swiftly put in place an IT environment in place to enable efficient teleworking.

## Labor-Management Relations

MITSUBISHI MOTORS 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 2021, our labor union had 12,718 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

### Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues.

In FY2020, 57 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 and Human Rights Policies

Based on the idea that respect for human rights is the foundation of our business activities, in May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC)\* in which the United Nations advocates the ten 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,” and “the United Nations Guiding Principles on Business and Human Rights.” Based on the 10 principles of the UNGC, 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 that idea, in order to further specify initiatives for the respect of human rights and anti-corruption, in May 2019, a partial revision was made to the MITSUBISHI MOTORS Global Code of Conduct. “Respect Human Rights and Diversity, Provide Equal Opportunity” in the Global Code of Conduct 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.

In June 19, we enacted a Human Rights Policy, following approval by the Executive Committee. The policy defines specific initiatives, including support and respect for international standards and norms regarding human rights, matters for compliance, and the implementation of human rights risk assessment and executive/employee training. The policy has been translated into English and is available on our website for viewing by all employees in Japan and other countries.

\*See page 9 for details on our support of the UN Global Compact.

Human Rights Policy

### Management System

The Company’s efforts addressing respect for human rights are mainly focused on the sustainability, human resources and procurement departments. Three times each year, the executive in charge of sustainability, acting as the person in charge of promoting human rights initiatives, 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.

The Company uses a human rights due diligence framework to identify the negative impact its business activities could have on human rights and takes steps to minimize or eliminate such circumstances. In FY2021, we plan to conduct human rights audits at our production bases in Japan.

Our internal system for promoting an awareness of human rights starts with awareness training, which is headed by the executive in charge of human resources. Personnel in charge of education stationed at our business sites are working to raise human rights awareness among employees by conducting lectures using shared educational materials. We also participate in events held by the Industrial Federation for Human Rights, Tokyo, of which we have been a member for some time, and the MITSUBISHI MOTORS Human Rights Enlightenment Committee and attend conferences, research meetings, and so on held by other external organizations, gather information, and take measures to improve understanding. In FY2020, we spent approximately 41 days in such meetings, although some of them were cancelled due to COVID-19. The insights gained from these opportunities have been reflected in internal training and other purposes.



## Complying with the Human Rights Policy

### Prohibiting Discrimination

MITSUBISHI MOTORS 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. 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 ID cards or prevent them from movement.

### 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. 121): 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 sustain-

ability 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 FY2020, we conducted a total of 940 hours of human rights training for 980 employees, including entry-level employees, mid-career employees and newly promoted managers (section managers and division general managers). Details of the training are described below.

|  |  |
|--|--|
| <b>Newly promoted General managers</b> | Provision of expertise needed as workplace managers, etc.  |
| <b>Newly promoted managers</b>         | Recent topics regarding human rights, prevention of harassment, 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. |

In addition to training, we regularly distribute information on human rights-related topics to all divisions within the Company with the aim of raising



awareness of human rights. One such initiative is the dissemination of a message from our Executive Officer, President & CEO, coinciding with Human Rights Day on December 10.

To promote LGBT awareness among employees, we held seminars at various sites. We also rolled out an internal e-learning course covering basic knowledge of LGBT issues.

| Training Programs by Type                      | Number of Participants | Attendance Rate |
|--|------------------------|-----------------|
| Entry-level employee training                  | 466                    | 100%            |
| Mid-career employee training (newly promoted)  | 377                    | 100%            |
| Newly promoted manager training                | 141                    | 100%            |
| Seminars to raise understanding of LGBT issues | 478                    | —*1             |
| LGBT e-learning course                         | 7,629                  | —*1             |

\*1 Attendance ratio not disclosed for voluntary attendance

### Requests to Suppliers

In addition to internal efforts targeting human rights internally, MITSUBISHI MOTORS places great importance on initiatives that address human rights among suppliers. In the Supplier CSR Guidelines, we specify matters involving respect for human rights, including the complete elimination of discrimination and the prohibition of child labor and forced labor. We confirm that suppliers agree to consider human rights based on these guidelines by having them sign Supplier Commitment agreements.

### 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) \*2 for whistle blowing and consultation for employees.

Also, having established a Business Partner Helpline\*3 for suppliers, and a Customer Contact Center\*4 as a consultation office for customers, we are receiving reports and request of 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 Establishment of Internal and External Consultation Offices (Helplines) P103

\*3 For further information regarding the Business Partner Helpline, please go to P86

\*4 For further information regarding the Customer Contact Center, please go to P61

## Achieving a Sustainable Supply Chain



### Medium- to Long-Term Vision for Material Issues

|             | 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>    |
| Medium Term | External Environment   | Stakeholders' Needs and Expectations   | Medium-Term Targets  |
|             | <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> |

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives                     | FY2020 Targets  | Indicators  | FY2020 Results   | Self-Evaluation |
|---|---|---|--|-----------------|
| <b>Reinforcement of CSR in the supply chain</b> | <ul style="list-style-type: none"> <li>Expansion of Supplier CSR Guidelines to MITSUBISHI MOTORS overseas production bases</li> <li>Support for supplier CSR evaluations by third-party organization</li> </ul> | <ul style="list-style-type: none"> <li>Promoting the purpose of Supplier CSR Guidelines</li> <li>Recommendation of supplier on CSR evaluations by third party organization</li> </ul> | <ul style="list-style-type: none"> <li>Rolled out Supplier CSR Guidelines via production bases in Thailand, Indonesia and the Philippines to their business partners</li> <li>Explained the purpose of third-party evaluations to business partners and commenced evaluations</li> </ul> | ○               |

### 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 companies, 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 Tier 2 and other suppliers. 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 work to remain at the industry lead in terms of quality, reinforce our cost competitiveness and promote local procurement. We also issue Supplier CSR Guidelines and work together with all our business partners on CSR initiatives.

To address one aspect of our CSR activities, the environment, we issue Green Procurement Guidelines and request that business partners comply with them. These two sets of guidelines are posted on Supplier Portal, which they can readily access. Company executives also address suppliers at Supplier Meeting and other times.



## Management System

MITSUBISHI MOTORS asks business partners to conform with its Supplier CSR Guidelines and Green Procurement Guidelines. To ensure steady implementation, we ask suppliers to submit Supplier Commitment and Declaration of Conformity to Regulations on Substances of Concern. We ask new business partners to submit these documents before commencing business with them. We also continue to confirm compliance once we have begun working together to ensure the guidelines' effectiveness.

Supplier CSR evaluations by third-party organizations, which are described in the Supplier CSR Guidelines, are raised as themes in Supplier Meeting. Responsible persons for CSR also engage in any inquiries from suppliers to discuss the topic.

## Rollout of Supplier CSR Guidelines

Aiming for collaborative initiatives with suppliers, we formulated its Supplier CSR Guidelines in 2010. Through these guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and their quality, while also including labor practices, environment management, and compliance.

Also, having reestablished these guidelines in February 2019, we have specified the implementation of supplier CSR initiative evaluations by third party agencies and measures to be taken when compliance violations are discovered. We have also received Supplier Commitment. In FY2020, our overseas bases—Mitsubishi Motors Thailand (MMTh), Mitsubishi Motors Krama Yudha Indonesia (MMKI) and Mitsubishi Motors Philippines Corporation (MMPC) also conducted these activities, ensuring that suppliers of overseas production bases are also submitting Supplier Commitment.

[PDF](#) Supplier CSR Guidelines

## Rollout of Green Procurement 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.

We are considering revisions to the Green Procurement Guidelines in keeping with the Environmental Plan Package we formulated in October 2020.

[PDF](#) Green Procurement Guidelines

### Collection of Materials and Hazardous Substance Data through IMDS

Applying the International Material Data System (IMDS), we ask business partners to disclose hazardous substance data, etc. regarding materials and parts based on the Green Procurement Guidelines. We also have our business partners construct their own internal management systems for hazardous substances.

Through these processes, we confirm compliance with use regulations regarding hazardous substances used in new vehicles and vehicles in ongoing production, and we confirm that their usage decreases.



## 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.

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

## 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.

## Promoting Supply Chain Management

### Enhancing CSR Activities in the Supply Chain through Third-Party Evaluations

In order to mutually confirm and promote CSR activities with suppliers, we will request statements of agreement for the Supplier CSR Guidelines, and, as an APO, regarding the evaluation of supplier CSR activities, we will start to use the same third-party evaluations as Renault-Nissan. In FY2020, we communicated with numerous business partners and had them undergo third-party evaluations. In fiscal 2019 and 2020, around 40% of business partners underwent third-party evaluations (on a purchase amount basis). We plan to increase this percentage in FY2021.

Based on the aforementioned evaluations, we promote improvements and ask business partners to undergo evaluations periodically. For business partners with low evaluation scores, we ask to formulate and implement improvement plans, and undergo periodic re-evaluation.

### Working with Suppliers to Improve Quality

MITSUBISHI MOTORS regularly conducts quality audits and quality self-check guidance with its suppliers to improve quality along the entire supply chain.

In FY2020, we conducted process audits for 90 suppliers at 140 plants. Some of these audits

were performed on a document-only basis, due to COVID-19. Improvements to issues pointed out during these audits were generally implemented by suppliers in three months or less. Quality self-checks were also conducted at 432 supplier plants. We will continue to improve communication and quality across the supply chain through these activities.

We periodically issue Supplier Score Card, which numerically represent suppliers' quality results. We encourage suppliers to make improvements themselves and work with them on on-site improvements. Responsible procurement engineers conduct on-site visits of business partners with particularly low scores, jointly analyzing past defects, suggesting improvements and conducting activities in collaboration with suppliers. We cooperate on preventative activities to keep defective parts from being delivered and ensure we are able to provide new models with confidence.

### Ensuring Knowledge of the Guidelines within the Company

As part of managing the Supplier CSR Guidelines, we take efforts to ensure that the guidelines are well-known within the company. As part of MITSUBISHI MOTORS procurement training, we conduct training for new employees (both entry-level employees and new midcareer employees), as well as training when employees are transferred.



## Communicating with Suppliers

Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. At the end of every fiscal year, MITSUBISHI MOTORS holds Suppliers Meeting to make our policy for the next fiscal year well-known. In Japan, we help the MITSUBISHI MOTORS Cooperation Council, a voluntary organization of around 200 supplier companies, hold lectures and conduct research activities each year. Doing our best to maintain communications, in FY2020 these lectures were held online due to COVID-19.



Takao Kato, Executive Officer, President & CEO, providing an online briefing

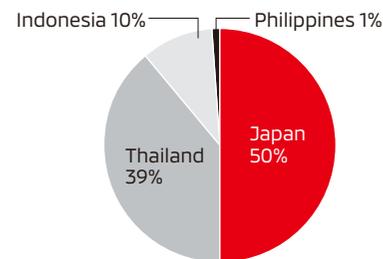
## Promotion of Localization

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.

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.

### Parts Procurement Ratios by Production Base (FY2020)



## Initiatives for Business Continuity Plans in the Supply Chain

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

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

# Promoting Social Contribution Activities



## Medium- to Long-Term Vision for Material Issues

| Long Term   | Risks  | Opportunities   | Direction of Responses   |
|-------------|--|---|--|
|             | <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>         |
| Medium Term | External Environment   | Stakeholders' Needs and Expectations  | Medium-Term Targets  |
|             | <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> |

## FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Details of Main Initiatives  | FY2020 Targets   | Indicators | FY2020 Results  | Self-Evaluation |
|--|--|------------|---|-----------------|
| Promote ongoing activities that address social issues and regional needs | <ul style="list-style-type: none"> <li>Revise our Social Contribution Activities Policy</li> <li>Step up the dissemination of information utilizing our logo mark</li> </ul> | —          | <ul style="list-style-type: none"> <li>Formulated a new Social Contribution Activities Policy and announced it outside the company</li> <li>Disseminated information globally, utilizing our logo mark</li> </ul> | ○               |

### Basic Approach and Policies

In April 2020, we formulated a new Social Contribution Activities Policy based on MITSUBISHI MOTORS' Vision and Mission. We promote activities in line with this policy, such as entering into disaster cooperation agreements that leverage the features of our plug-in hybrid electric vehicles (PHEVs).

To generate broader awareness of these activities, we disseminated information globally, making use of our logo mark.

### 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 Fiscal 2020\*1

|   | (¥ million) |
|---|-------------|
| Society   | 17          |
| Traffic safety  | 6           |
| Environment   | 5           |
| People  | 175         |
| Support for disaster-stricken areas, support measures to address COVID-19 | 57          |
| <b>Total expenditure</b>  | <b>259</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 Fiscal 2020\*2

|                                    |                           |
|------------------------------------|---------------------------|
| Number of employees participating  | Cumulative total of 9,426 |
| Time employees spent on activities | 6,330 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, see the feature on page 19.

### Activities to Support the Employment of People with Disabilities

Four times each year since 2012, we have contracted with welfare facilities for people with disabilities to mow the greenery around our plants. We also encourage people with disabilities to gain employment skills. For example, we periodically offer bread and other items they have made for sale in our offices.

We provide them with PET bottle caps collected at our plants to social welfare corporations that employ people with disabilities and collect and crush plastic products and shred used papers as part of an effort to support employment.



People with disabilities mowing around plants



PET bottle caps are being crushed for recycling

## MMC and MLIT Sign Agreement to Collaborate on Verification Test

We are participating in a verification test for the Ministry of Land, Infrastructure, Transport and Tourism involving the use of diesel engines mass-produced for our DELICA D:5 to power pumps used at drainage facilities.

Throughout Japan, drainage facilities are growing dilapidated and are expected to require upgrades almost at the same time. An increase in flood damage in recent years has prompted calls to further upgrade and augment drainage facilities, but reducing the costs of doing so has been an issue. The current project seeks to keep costs down by using mass-produced engines. We are studying methods and developing technologies to upgrade drainage facilities efficiently, ultimately leading to safety and security for citizens.



Signing ceremony to denote collaboration on safety and security for citizens.

## Traffic safety

### 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 through patrols, marked company cars 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.

In fiscal 2020, cumulative total of 283 employees took part in 20 such activities across our business sites.



Calling out for traffic safety at a pedestrian crossing (Okazaki)



Installing footprint stickers (Shiga)

### Traffic Safety Awareness for Children

#### Website for Children "Do You Know the Answer? Traffic Safety Quiz"

On the "Why? Why? Car Development Research Group" website that was designed to provide information on the automobile industry to elementary school age children, there is a webpage 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/anzen/>  
(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 fiscal 2020, 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.



Trimming undergrowth in planted areas

### Powering Illumination with a Plug-in Hybrid Electric Vehicle (PHEV)

In December 2020, we provided an OUTLANDER PHEV, which was used to light up an illumination event held by Heian Jogakuin (St. Agnes) University, called Agnes Illumination 2020.

The event was conceptualized as one in which all illumination would be provided by electricity generated from renewable sources. To achieve this, solar power was used to charge the OUTLANDER PHEV, which then supplied the electricity to power all the illumination.



Illumination powered by a PHEV

## 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 a hands-on lesson program, in which employees visit elementary schools to conduct lessons. We also host career counselling studies to encourage junior and senior high school students to think about the future and broaden their horizons.

In fiscal 2020, we began conducting these activities remotely due to COVID-19. The activities were attended by 3,053 children from 39 schools.



Student showing his work remotely



Student learning to tighten a screw with an impact screwdriver

### Educational Support in Asia

Through our local associates, we take part in various efforts to help prevent children from being denied access to 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.



### Donating Teaching Vehicles to Eight Universities in Vietnam

In October 2020, Mitsubishi Motors Vietnam Co., Ltd. (MMV) announced that it had donated prototype vehicles to eight universities in Vietnam's Ho Chi Minh City and Binh Duong Province. MMV's aims are to help educate the students that will take responsibility for the next generation, as well as to further strengthen university-business ties to encourage job-seeking university students and support recruiting efforts by companies looking for experienced employees. In addition to serving as teaching aids to help students learn about automotive technologies and driving skills, the prototype vehicles also help students with vehicle assembly and other practical exercises.



Prototypes donated as teaching vehicles

### Donating to a Soccer Club That Takes Part in Welfare Activities in Malaysia

In November 2020, Mitsubishi Motors Malaysia (MMM) donated some 35,000 ringgit (around ¥920,000) to the 1st International Soccer Academy (FISA). FISA engages in welfare activities targeting children from low-income households, aiming to keep them from becoming embroiled in drugs and crime and to live active lives.



Soccer club that engages in welfare activities (FISA)

### MITSUBISHI MOTORS STEP Funds and Matching Gift Program

The MITSUBISHI MOTORS STEP Funds, introduced in April 2009, is a structure through which employees 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. The company also matches donations made by the MITSUBISHI MOTORS STEP Funds.



#### Support Recipient

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

### "Forest Wooden Building Block Project" for children

The concept of this project is to present nurseries and kindergartens 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 choice (usually choice from their childhood memories) through our internal donation funds.

In fiscal 2020, we presented blocks to 60 kindergartens and nursery schools. The blocks have been donated to 405 kindergartens since 2010.



Building blocks made from thinned cypress



## Support for Disaster-Stricken Areas

### Support in Asia

In January 2021, different parts of Indonesia were hit with a series of natural disasters, including earthquakes, flooding and landslides due to heavy rains.

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) provided the OUTLANDER PHEV to supply electricity power lighting in disaster-stricken areas. MMKSI also provided the TRITON to help evacuate people and cooperated with local support organizations in other ways.



Courtesy of Palang Merah Indonesia

Leveraging a PHEV's ability to supply electricity



Courtesy of Aksi Cepat Tanggap Indonesia

TRITON conducting rescue in a disaster-stricken area

### Support in Japan

Immediately after the Great East Japan Earthquake, MITSUBISHI MOTORS carefully listened to the needs of the disaster-stricken areas, created a mechanism to support them through our business and in our employees' daily lives, and have been continuously providing support under the theme of "Don't Forget/Stay Connected." Every effort is made to provide a wide range of support in response to emergency situations such as natural disasters. This includes contributions through donations, free loan of vehicles, and volunteer work by employees.

Based on a disaster cooperation agreement, in fiscal 2020 we loaned OUTLANDER PHEV and ECLIPSE CROSS PHEV models to evacuation centers in Akita City, which suffered a large-scale power outage due to heavy snowfall. The vehicles were used to power electric appliances, such as televisions, lights and stoves. Going forwards, we aim to continue conducting rapid support activity in times of disaster.



Plug-in hybrid electric vehicles (PHEVs) supplying electricity to an evacuation center



## Supporting Measures to Address COVID-19

The Company's business sites produced face shields, which we donated to local governments and medical institutions. We also joined the Open COVID-19 Declaration. Based on this declaration, we will neither seek compensation nor assert any patents, utility models, designs or copyrights against any activities, which purpose to stop the epidemic, until the World Health Organization (WHO) declares the end of the COVID-19 outbreak.

Overseas, associates set up hand-washing stations at public facilities, provided orphanages with online tools for learning about COVID-19 (such as donating PCs and peripheral equipment) and offered support, such as helping to transport food to families impoverished by COVID-19. They continue to support efforts to halt COVID-19.

See the feature on page 19 for details on COVID-19 vaccine support vehicles



Providing a bundled PC and Internet environment (Indonesia)



Setting up a hand-washing station (Indonesia)

◆Measures to help prevent the spread of COVID-19  
<https://www.mitsubishi-motors.com/en/sustainability/contribution/society/relief/covid-19/>



### Main Support in Fiscal 2020 (Measures to Address Natural Disasters and COVID-19)

|                |   | Support   | Support Recipient  |
|----------------|---|---|--|
| February 2021  | COVID-19  | Donated 10 notebook PCs for online learning   | Pertubuhan Kebajikan Yesuwin Mahligai Selangor (PKYMS)   |
|                | Flooding in Indonesia                           | Cooperated with the Aksi Cepat Tanggap (ACT) team and loaned one TRITON   | Majene Regency, West Sulawesi  |
| January 2021   | Monsoon in northeast Malaysia                   | Donated 23,000 ringgit  | Triton Tuners Club Malaysia  |
|                | Heavy snowfall                                  | Loaned one OUTLANDER PHEV and one ECLIPSE CROSS PHEV  | Akita city, Akita Prefecture   |
|                | Earthquake on the Indonesian island of Sulawesi | Cooperated with the Indonesian Red Cross Society and loaned one OUTLANDER PHEV  | Mamuju and Majene Regencies, West Sulawesi   |
|                | Landslides due to heavy rains in Indonesia      | Cooperated with the United Volunteer Otomotif (UVO) Peduli and loaned one TRITON  | Puncak/Gunung Mas Regency, western Java  |
| December 2020  | COVID-19  | <ul style="list-style-type: none"> <li>Donated 30 sets of PCs, printers, projectors, one-year Internet data plans and other online learning tools</li> <li>Donated masks, clothing, books and toys</li> </ul> | Ten orphanages in area around Jakarta, Indonesia   |
|                |   | Loaned an L200 to support food transportation by Comedor Santa Maria, an NPO  | States of Coahuila, Nuevo Leon, Oaxaca, Yucatan and Guanajuato, Mexico   |
| November 2020  | The disaster caused in Mexico by Hurricane ETA  | <ul style="list-style-type: none"> <li>Loaned one L200</li> <li>Provided support for food and other supplies</li> </ul>   | State of Tabasco, Mexico   |
| September 2020 | COVID-19  | Erected 10 portable hand-washing stations   | Hospitals and parks in the Special Capital Region of Jakarta, Indonesia  |
|                |   | <ul style="list-style-type: none"> <li>Donated 5,000 masks</li> <li>Donated 100 sets of food (rice, cooking oil, canned foods)</li> </ul>   | Orphanages in the Special Capital Region of Jakarta, Indonesia   |
|                |   | Donated personal protective equipment (PPE) to faculty and staff  | Community resource center in the state of Tennessee, U.S.  |
| July 2020      | Heavy rainfall                                  | Donated ¥3 million  | Japanese Red Cross Society   |
|                |   | Loaned five OUTLANDER PHEV and five eK SPACE  | Village of Kuma in Hitoyoshi, Kumamoto Prefecture  |
| June 2020      | COVID-19  | Loaned a total of eight PAJERO SPORT and TRITON   | States of New South Wales, Victoria and Queensland and the city of Canberra, Australia   |
| May 2020       | COVID-19  | Loaned one eK CROSS SPACE   | Soja City, Okayama Prefecture  |
|                |   | Joined the Open COVID-19 Declaration  | –  |
|                |   | <ul style="list-style-type: none"> <li>Loaned one OUTLANDER PHEV</li> <li>Donated N95 medical masks</li> </ul>  | Indonesian Red Cross Society   |
|                |   | Donated 50 benches for resting, 200 water tanks and 400 face shields  | City of Santa Rosa, Laguna Province, Philippines   |
| April 2020     | COVID-19  | Donated face shields we had made  | Okazaki City, Aichi Prefecture; Sakahogi Cho, Gifu Prefecture; Kyoto Prefecture; Okayama Prefecture; nearby medical facilities |
|                |   | In collaboration with Nitto Denko Philippines Corporation, the local arm of Nitto Denko Corporation, donated 500 meters of filter materials used in making masks  | Philippines Department of Trade and Industry   |
|                |   | Loaned four L300  | Philippines Department of Transportation, City of Santa Rosa, Laguna Province, Philippines                                     |
|                |   | Donated 3 billion dong  | Central Committee, Vietnam Fatherland Front  |
|                |   | Donated five L300   | Indonesian Red Cross Society   |
|                |   | <ul style="list-style-type: none"> <li>Donated one OUTLANDER PHEV</li> <li>Donated artificial respirators, protective clothing and masks</li> </ul>   | Community resource center in the state of Tennessee, U.S.<br>Medical institutions in Thailand                                  |

# Governance

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## Strengthening Governance and Ensuring Compliance



### Medium- to Long-Term Vision for Material Issues

|           |  |  |  |
|-----------|--|--|--|
| Long Term | <b>Risks</b> <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>                       | <b>Opportunities</b> <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> | <b>Direction of Responses</b> <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> |
|           | <b>External Environment</b> <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</li> <li>● Business interruptions due to natural disasters or outbreaks of infectious diseases</li> <li>● Frequent information leaks due to cyberattacks</li> </ul> | <b>Stakeholders' Needs and Expectations</b> <ul style="list-style-type: none"> <li>● Expectations of business continuity and enhanced trust</li> </ul>   | <b>Medium-Term Targets</b> <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> </ul>  |

## Corporate Governance

### Basic Approach and Policies

Based on its corporate philosophy (Vision & Mission), MITSUBISHI MOTORS considers compliance to be of topmost importance and 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.

#### (1) Board of Directors and Members of the Board (i) Composition of Members of the Board

The Board makes decisions on important management issues and oversees the execution of business

by Executive Officers. As of June 23, 2021 the Board consists of 13 Directors (including 2 female members), 11 of whom oversee the Company as Outside Directors each with considerable experience and a high level of insight. Furthermore, five of the Outside Directors are registered at Tokyo Stock Exchange as Independent Directors.

We believe that these Outside Directors make insightful comments at Board meetings based on their considerable experience and knowledge in such fields as corporate management, finance, accounting and law, and sufficiently fulfill their duties as Directors. The Company will continue to build a structure with awareness of the balance and diversity of knowledge, experience and capabilities, as well as the scale, of the Board as a whole.



## (ii) Independence standards for outside directors

MITSUBISHI MOTORS 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 for outside directors>

The Company's Outside Directors must occupy a neutral position, independent from the Company's operational management and must not be:

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 Members of the Board 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 Director
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. Major shareholder: A shareholder who owns a 10% or greater share of voting rights

\*2. Major business partner: A business partner of the Company with annual transactions valued at 2% or more of either the Company's consolidated net sales in the most recent fiscal year or the business partner's consolidated net sales in the most recent fiscal year

\*3. Major lender: A financial institution that provides the Company with loans amounting to 2% or more of the Company's consolidated total assets 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

## (iii) 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 FY2020, the Company evaluated the effectiveness of the Board based mainly on the four 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.

- Coordination of agenda items and matters to be reported in order to emphasize broader deliberation from the perspective of the Board's oversight functions
- Provision of information regarding examination and decision-making processes on the management side that form a basis for the Board's determinations, corporate and business information that enable the Board to perform its oversight functions, and opportunities to acquire knowledge

The Company 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.

## (2) Committees

The Board has the following three statutory committees of which Outside Directors comprise the majority of the Members and the Company has established a system that monitors Directors and Executive Officers as well as facilitates corporate governance.

### (i) Nomination Committee

The Nomination Committee makes decisions on proposals for electing and dismissing Members of the Board, which are proposed at the General Meeting of Shareholders, and engages in deliberations regarding matters such as proposals for appointing and removing the Executive Officers and Corporate Officers, which are proposed at the Board of Directors and the succession planning for the Executive Officer, President & CEO. The committee is composed of five outside directors, and an Independent Outside Director (Main Kohda) serves as the chairperson.



### (ii) 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 four outside directors and one internal director. An Outside Director (Shunichi Miyanaga) serves as the chairperson.

### (iii) Audit Committee

The Audit Committee supervises the execution of the duties of Directors and Executive Officers and prepares audit reports, and also implements internal investigations based on the judgment of the Board. The committee is composed of four outside directors and one internal director, and an Independent Outside Director (Yaeko Takeoka) serves as the chairperson.

### (3) Executive Officers

The Board of Directors entrusts the Executive Officer, President & CEO with the authority to make decisions concerning the general execution of business, with the exception of matters stipulated for determination by the Board of Directors based on laws, regulations, the Articles of Incorporation and the rules of the Board of Directors.

The Executive Officer, President & CEO entrusts some of that authority to other executive officers based on rules for the delegation of authority and holds control over the shared business execution framework. Meanwhile, to contribute to the appropriate exercise of authority by the Executive Officer, President & CEO, the Company has established the Executive Committee and the Product Decision Meeting to ensure sufficient deliberation of important management matters and important matters related to product development.

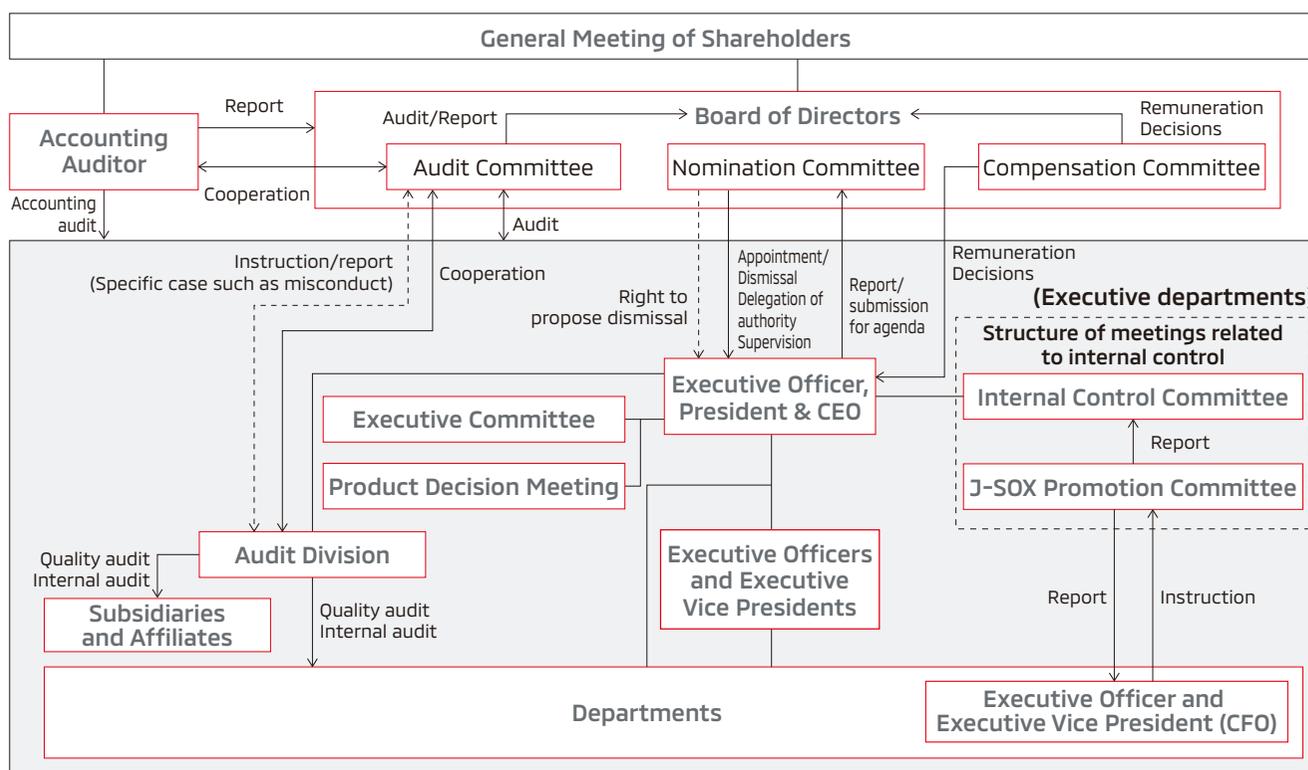
### (4) Conflicts of Interest

To avoid harming the common interests of the Company 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 transactions 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.

#### Corporate Governance and Business Execution Structures (June 23, 2021)





## Status of Audit Committee Audits and Internal Audits

### (1) 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.

### (2) Status of internal audits

The Company has established internal audit departments (Internal Audit Department and Quality Audit Department) in Internal Audit Division (an independent organization reporting directly to President & CEO) and these departments conduct internal audits based on the annual audit plan.

Internal Audit Department conducts audits to determine whether operational management of the Group is being conducted with transparency using appropriate processes. Quality Audit Department conducts audits regarding the proper execution of the quality-related work of the Group.

Audit results from internal audits conducted by Internal Audit Division are reported directly to President & CEO.

### (3) 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.

## 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”<sup>\*1</sup> resolved at the Board of Directors, MITSUBISHI MOTORS monitors the status of operations and strives to improve and reinforce internal control systems.

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

First, it appointed a Vice President in charge of Global Risk Control to manage compliance and operation risk and regularly report on governance improvement measures to the Board of Directors. Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the 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 Vice President in charge of Global Risk Control, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the reports and resolution contents decided on by subcommittees in each internal control field, such as compliance, information security, business continuity management,

and J-SOX, in accordance with the “Basic Policy on the Establishment of Internal Control Systems.” From fiscal 2018 and onwards, we will proceed to create a global internal control system through establishing and operating internal control committees at its major associates in Japan and overseas.

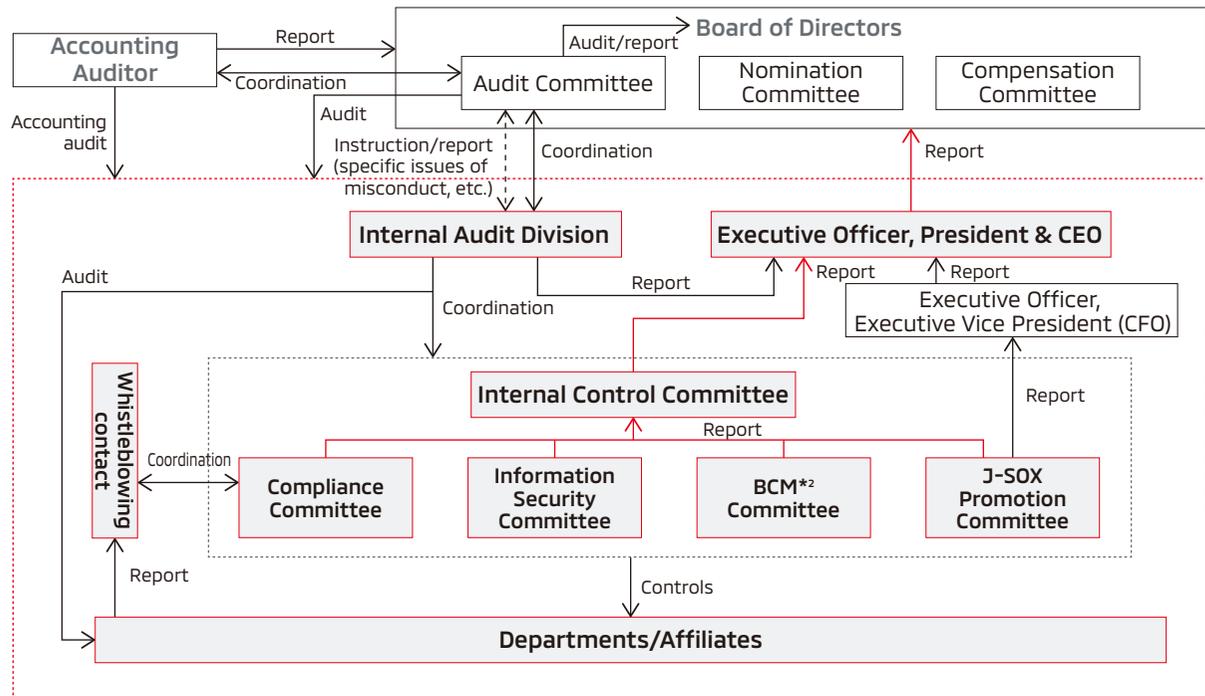
We have also positioned the Internal Audit Division as independent of business execution. The Internal Audit Division coordinates with other committees, including the Internal Control Committee, with the aim

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.

<sup>\*1</sup> See here for “Basic Policy on the Establishment of Internal Control systems” [PDF](#)

Internal Control Structure



<sup>\*2</sup> Business Continuity Management

## 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 that 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 vice president or corporate 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.

These risk management initiatives are regularly reported to the Board as major internal control activities, and their efficacy is verified.

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, 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

Via the BCM Committee, which we established in FY2020, we created guidelines to help prevent infection and keep it from spreading for each relevant department within us and at Group companies. We also responded in other ways, such as revisiting work processes in supply chain to ensure stable parts procurement.

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 Conflicts 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

In order to prevent compliance infractions, including information security infractions, from a global internal control perspective, each division or function appoints a compliance officer and department heads serve as code leaders, with the Vice President in charge of Global Risk Control providing overall leadership. Major subsidiaries and associates in Japan and overseas also appoint compliance officers. To help prevent compli-

ance infractions, in FY2018 we established and started operating MITSUBISHI MOTORS Global Hotline.

Procedures are in place for reporting of serious compliance concerns ultimately to the Board of Directors via code leaders and compliance officers. As required, compliance officers give their departments appropriate instructions for dealing with problems, taking corrective action and preventing a recurrence.

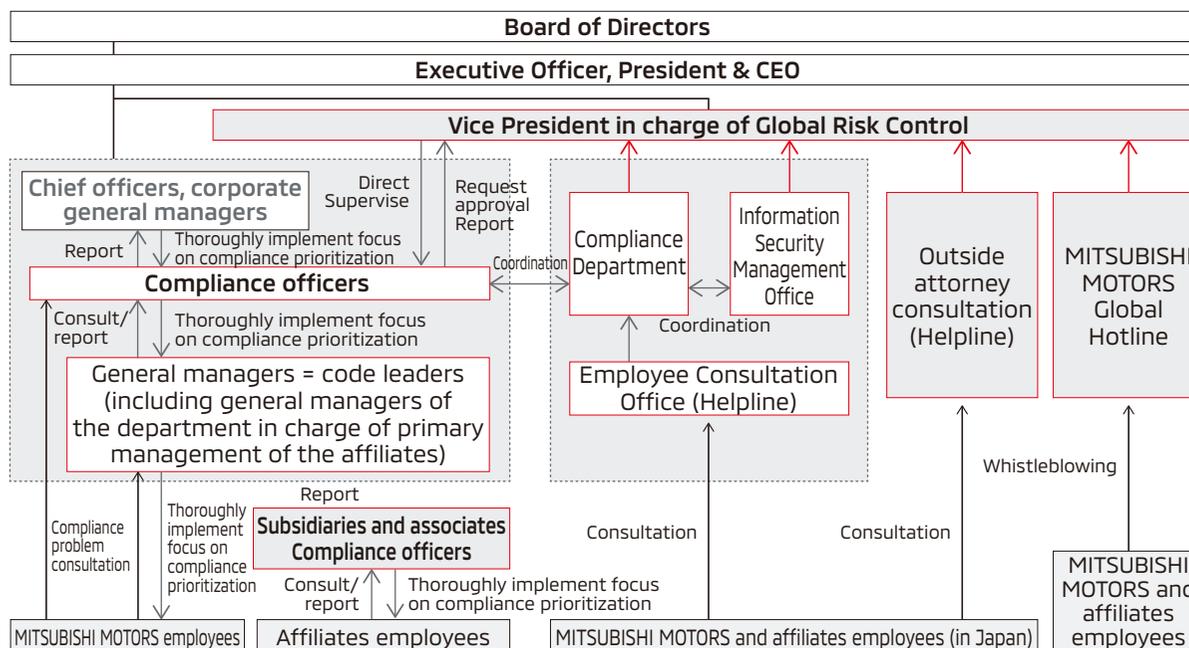
The Board of Directors is provided with regular reports on these compliance structures, efforts relat-

ed 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. Members of the Board of Directors, including outside directors, deliberate on and supervise these matters.

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 FY2020, we checked the status of 20 Group companies (MITSUBISHI MOTORS, 7 domestic associates, and 12 overseas associates).

In FY2020, 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. In FY2020, these offices fielded 132 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 Vice President in charge of Global Risk Control. 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.

We have also established a Business Partner Helpline designated to be used by our business partners.

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 (FY2020)

| Item   | Number |
|--|--------|
| Corporate/business proposals                       | 20     |
| Workplace environment                              | 17     |
| Labor relations                                    | 12     |
| Human relations/harassment                         | 25     |
| Compliance, violations of operational rules, fraud | 26     |
| Others   | 32     |

## 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 use e-learning and lectures by outside instructors in legal compliance training relating, for example, to environmental laws, the Labor Standards Act, and security trade control laws, to provide employees with the most current information related to their own work. In particular, we are currently putting effort into harassment prevention training. In FY2020, we promoted awareness by holding training, including training for all executives and tailored to each job rank.

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 (two times a year) to talk about business ethics issues faced in the workplace and workplace culture.

In addition, we provide easy-to-understand compliance-related information by posting a Compliance Newsletter on our intranet every month.

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



## Anti-Corruption

### Policies and Approach

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

### Management 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 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 provision 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 management and operational standards for providing and receiving gifts or business entertainment, in addition to those to public servants. It expressly prohibits (1) providing gifts or business entertainment that is illegal or goes beyond generally accepted bounds, and (2) receiving illicit payoffs. In addition to this, we provide guidelines for the scope of exceptions to the above and make filing of an application compulsory to ensure transparency. If these standards are violated, the compliance officer of the relevant division formulates internal reports and implements preventative measures for the future.

Since many employees in sales sites directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. 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 Domes-

tic 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 FY2020, 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 FY2020, we donated ¥15 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. Our measures to ensure information security include putting in place and reviewing internal regulations, managing information assets, strengthening measures against computer viruses and cyberattacks, providing education to employees via e-learning and other measures, and 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.

MITSUBISHI MOTORS Group 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.

\*Base Erosion and Profit Shifting Action Plan

### 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) MITSUBISHI MOTORS makes disclosures to all relevant taxation authorities and stakeholders in a proper and timely manner, ensuring the submission of the country-by-country report (CBCR) required by the taxation authority under the transfer pricing regulation for multinational enterprises after receiving verification from external experts.

## List of Executives (as of June 23, 2021)

Outside Outside director **Indep.** Independent director  Male  Female

| Name               | Position                                      | Attributes  | Committees  | Attendance at Board of Directors and Committee Meetings (April 2020 to March 2021)                              | Tenure as Director (As of June 23, 2021)   | Reasons for Appointment   |
|--------------------|---|---|---|---|--|---|
| Tomofumi Hiraku    | Members of the Board<br>Chairman of the Board | Outside <b>Indep.</b>    | Nomination Committee                                      | —*1   | —  | 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                           |                          | Compensation Committee                                    | Board of Directors 16 of 16 times<br>Nomination Committee 4 of 4 times*2<br>Compensation Committee 9 of 9 times | 2 years  | He has many years of experience and insight concerning management of MMC's global business, including experience of serving as President of one of the MMC's largest overseas manufacturing base in Indonesia. 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.  |
| Kozo Shiraji       | Member of the Board                           |                          | Audit Committee (Full time Member)                        | Board of Directors 16 of 16 times<br>Audit Committee 15 of 15 times   | 2 years<br>(Reference: Previously served for two years as an Audit & Supervisory Board member of the Company)  | He has not only experience in MMC but also considerable experience, achievements and insight nurtured through his long-standing career in the automotive business at a global general trading company. We expect these experiences to benefit the Company's management.   |
| Shunichi Miyanaga  | Member of the Board                           | Outside                  | Compensation Committee (Chairman)                         | Board of Directors 16 of 16 times<br>Compensation Committee 9 of 9 times  | 7 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.  |
| Ken Kobayashi      | Member of the Board                           | Outside                  | Nomination Committee                                      | Board of Directors 16 of 16 times<br>Nomination Committee 6 of 6 times  | 5 years  | 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.   |
| Main Kohda         | Member of the Board                           | Outside <b>Indep.</b>    | Nomination Committee (Chairman)<br>Compensation Committee | Board of Directors 16 of 16 times<br>Nomination Committee 6 of 6 times<br>Compensation Committee 8 of 9 times   | 3 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>    | Audit Committee (Chairman)                                | Board of Directors 14 of 16 times<br>Audit Committee 15 of 15 times   | 2 years<br>(Reference: Previously served for five years as an Audit & Supervisory Board member of the Company) | She possesses lengthy experience as an Audit & Supervisory Board Member of the Company and has distinguished herself as a lawyer 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>    | Nomination Committee<br>Compensation Committee            | Board of Directors 16 of 16 times<br>Nomination Committee 6 of 6 times<br>Compensation Committee —*3            | 2 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.   |
| Kiyoshi Sono       | Member of the Board                           | Outside                | Audit Committee   | Board of Directors 14 of 16 times<br>Audit Committee 12 of 15 times   | 2 years  | 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.  |
| Hideyuki Sakamoto  | Member of the Board                           | Outside                | Nomination Committee                                      | Board of Directors 14 of 16 times<br>Nomination Committee 5 of 5 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.   |
| Yoshihiko Nakamura | Member of the Board                           | Outside <b>Indep.</b>  | Audit Committee   | Board of Directors 13 of 13 times*5<br>Audit Committee 11 of 11 times*4   | 1 year   | 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                | Compensation Committee                                    | Board of Directors 13 of 13 times*5<br>Compensation Committee 6 of 6 times*4                                    | 1 year   | 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                | Audit Committee   | Board of Directors 13 of 13 times*5<br>Audit Committee —*3  | 1 year   | He has a wealth of knowledge and experience at a global automotive manufacturer, and we expect that 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 and Nomination Committee member on June 23, 2021. Accordingly, no Board of Directors or committee meetings had yet been held for him to attend.

\*2 Mr. Takao Kato was appointed as Nomination Committee member on August 7, 2020. Accordingly, the number of committee meetings available for him to attend differs from that of other directors.

\*3 Messrs. Kenichiro Sasae and Takahiko Ikushima were appointed as Compensation Committee and Audit Committee members on June 23, 2021 respectively. Accordingly, no committee meetings had yet been held for them to attend.

\*4 Messrs. Hideyuki Sakamoto, Yoshihiko Nakamura and Joji Tagawa were appointed as Nomination Committee, Audit Committee and Compensation Committee members on June 18, 2020 respectively. Accordingly, the number of committee meetings available for them to attend differs from that of other directors.

\*5 Messrs. Yoshihiko Nakamura, Joji Tagawa and Takahiko Ikushima were appointed as directors on June 18, 2020. Accordingly, the number of Board of Directors meetings available for them to attend differs from that of other directors.

For directors' career summaries, visit:

(WEB) <https://www.mitsubishi-motors.com/en/company/director/>

## Executive Remuneration

Information on the remuneration of directors and executive officers, as well as policies for determining how this remuneration is calculated, is contained in the annual securities report for the year ended March 31, 2021. (See pages 89 to 92.)

**(WEB)** [https://www.mitsubishi-motors.com/content/dam/com/ir\\_en/pdf/yuka/2021/yuka20210729e.pdf](https://www.mitsubishi-motors.com/content/dam/com/ir_en/pdf/yuka/2021/yuka20210729e.pdf)

# ESG Data

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## Environmental Data Related to Products and Business Activities

### Sales of Electric Vehicles (EVs)

(FY)

|   | Unit     | 2016    | 2017      | 2018      | 2019      | 2020    |
|---|----------|---------|-----------|-----------|-----------|---------|
| <b>Total EVs</b>  | Vehicles | 31,877  | 36,125    | 54,572    | 75,143    | 64,561  |
| <b>EV sales ratio</b>   | %        | 3       | 3         | 4         | 7         | 8       |
| <b>Plug-in hybrid electric vehicles (PHEVs)</b>                           | Vehicles | 23,850  | 28,296    | 47,238    | 47,758    | 35,553  |
| Japan   | Vehicles | 3,625   | 5,105     | 6,780     | 4,970     | 5,629   |
| Overseas  | Vehicles | 20,225  | 23,191    | 40,458    | 42,788    | 29,924  |
| <b>Battery electric vehicles (BEVs)</b>                                   | Vehicles | 1,153   | 773       | 766       | 1,015     | 1,566   |
| Japan   | Vehicles | 392     | 288       | 410       | 901       | 1,517   |
| Overseas  | Vehicles | 761     | 485       | 356       | 114       | 49      |
| <b>Hybrid electric vehicles (HEVs)</b>                                    | Vehicles | 6,874   | 7,056     | 6,568     | 26,370    | 27,442  |
| Japan   | Vehicles | 6,874   | 7,056     | 6,568     | 26,370    | 27,442  |
| Overseas  | Vehicles | 0       | 0         | 0         | 0         | 0       |
| <b>Global sales (including vehicles with internal combustion engines)</b> | Vehicles | 926,390 | 1,101,194 | 1,243,914 | 1,126,843 | 801,442 |

### Business Activity Indicators

#### CO<sub>2</sub> emissions

(FY)

|                                     | Unit                                  | 2016   | 2017   | 2018   | 2019   | 2020   |
|-------------------------------------|---------------------------------------|--------|--------|--------|--------|--------|
| <b>Production</b>                   | x10 <sup>3</sup> t-CO <sub>2</sub>    | 394    | 492    | 518    | 464    | 315    |
| <b>Non-production</b>               | x10 <sup>3</sup> t-CO <sub>2</sub>    | 67     | 63     | 70     | 62     | 53     |
| <b>Japan</b>                        | x10 <sup>3</sup> t-CO <sub>2</sub>    | 362    | 387    | 404    | 348    | 245    |
| <b>Asia</b>                         | x10 <sup>3</sup> t-CO <sub>2</sub>    | 92     | 162    | 178    | 173    | 120    |
| <b>Others</b>                       | x10 <sup>3</sup> t-CO <sub>2</sub>    | 7      | 6      | 6      | 5      | 3      |
| <b>Scope 1 (direct emissions)</b>   | x10 <sup>3</sup> t-CO <sub>2</sub>    | 102    | 119    | 119    | 110    | 79     |
| <b>Scope 2 (indirect emissions)</b> | x10 <sup>3</sup> t-CO <sub>2</sub>    | 359    | 436    | 469    | 416    | 289    |
| <b>(Scope 1+2) Total</b>            | x10 <sup>3</sup> t-CO <sub>2</sub>    | 461    | 555    | 588    | 526    | 368    |
| <b>Scope 3</b>                      | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 32,592 | 38,721 | 42,580 | 35,429 | 20,286 |
| <b>(Scope 1+2+3) Total</b>          | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 33,053 | 39,276 | 43,168 | 35,955 | 20,654 |

Figures have been recalculated retroactively to reflect corrected aggregation and revised CO<sub>2</sub> emission factors.

Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies

Please see page 24 for details on management target companies.

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."

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

|  |                             | Unit                  | 2016 | 2017 | 2018 | 2019  | 2020 |
|--|-----------------------------|-----------------------|------|------|------|-------|------|
| <b>United States (fuel economy)</b>      | Import passenger automobile | mpg                   | 41.3 | 44.6 | 45.9 | 45.4  | 45.5 |
|  | Light truck                 | mpg                   | 34.6 | 34.9 | 35.8 | 35.9  | 36.8 |
| <b>Europe (CO<sub>2</sub> emissions)</b> | Passenger automobile        | g-CO <sub>2</sub> /km | 118  | 118  | 121  | 115.6 | —    |
| <b>China (fuel economy)</b>              | Import vehicle              | L/100km               | 10.0 | 12.0 | 12.0 | 12.0  | —    |
|  | Local production vehicle    | L/100km               | 7.6  | 7.5  | 7.1  | 7.2   | 7.5  |

\* 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.

## Scope 3 Breakdown

(FY)

| Category                                     | Unit                                  | 2016   | 2017   | 2018   | 2019   | 2020   | Coverage                       |
|--|---------------------------------------|--------|--------|--------|--------|--------|--------------------------------|
| 1 Purchased goods and services               | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 5,389  | 5,855  | 6,900  | 6,331  | 4,043  | consolidated (only production) |
| 2 Capital goods                              | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 159    | 297    | 407    | 319    | 310    | non-consolidated               |
| 3 Fuel energy not included in Scope 1 or 2   | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 42     | 45     | 21     | 49     | 36     | consolidated                   |
| 4 Upstream transportation and distribution   | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 772    | 1,013  | 1,278  | 1,174  | 541    | consolidated                   |
| 5 Waste generated in operations              | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 10     | 16     | 19     | 21     | 11     | 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 | 13     | 14     | 14     | 14     | 13     | consolidated                   |
| 8 Upstream leased assets                     | 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 | 25,623 | 30,731 | 33,199 | 26,833 | 14,927 | all destination                |
| 12 End-of-life treatment of sold products    | x10 <sup>3</sup> t-CO <sub>2</sub> eq | 575    | 741    | 727    | 671    | 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      | 5      | 12     | 13     | 19     | Some dealers in Japan          |
| 15 Investment                                | x10 <sup>3</sup> t-CO <sub>2</sub> eq | -      | -      | -      | -      | -      | -                              |

## Energy Input (Primary and Secondary Energy)

(FY)

|                       | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------|------|------|------|------|------|------|
| <b>Total amount</b>   | PJ*  | 8.3  | 9.9  | 10.2 | 9.5  | 6.9  |
| <b>Production</b>     | PJ   | 7.0  | 8.7  | 9.0  | 8.3  | 5.8  |
| <b>Non-production</b> | PJ   | 1.3  | 1.2  | 1.2  | 1.2  | 1.1  |
| <b>Japan</b>          | PJ   | 6.5  | 7.0  | 7.2  | 6.6  | 4.9  |
| <b>Asia</b>           | PJ   | 1.6  | 2.8  | 2.9  | 2.8  | 1.9  |
| <b>Others</b>         | PJ   | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  |

Figures have been recalculated retroactively to reflect the coefficients applied.  
Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies  
Please see page 24 for details on management target companies.

\* 10<sup>15</sup> joules Unit calorific value: Quoted from the "Act on the Rational Use of Energy"

## Sulfur Oxide

(FY)

|                        | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|------|------|------|------|------|------|
| <b>Total emissions</b> | t    | 182  | 184  | 218  | 163  | 125  |

Figures have been recalculated retroactively to reflect corrected aggregation.  
Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies  
Please see page 24 for details on management target companies.

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 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|------|------|------|------|------|------|
| <b>Total emissions</b> | t    | 62   | 65   | 65   | 61   | 44   |

Figures have been recalculated retroactively to reflect corrected aggregation.  
Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies  
Please see page 24 for details on management target companies.

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 | 2016  | 2017  | 2018  | 2019  | 2020  |
|------------------------|------|-------|-------|-------|-------|-------|
| <b>Total emissions</b> | t    | 2,166 | 1,882 | 2,354 | 2,243 | 2,480 |

Target site: Okazaki Plant, Mizushima Plant, Pajero Manufacturing Co., Ltd, Suiryu 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               | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|--------------------|------|------|------|------|------|
| <b>Total emissions</b> | x10 <sup>3</sup> t | 150  | 162  | 187  | 202  | 109  |
| <b>Production</b>      | x10 <sup>3</sup> t | 141  | 148  | 176  | 194  | 103  |
| <b>Non-production</b>  | x10 <sup>3</sup> t | 9    | 14   | 11   | 8    | 6    |

Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies  
Please see page 24 for details on management target companies.

## Generated Waste and Externally Disposed Waste (MITSUBISHI MOTORS alone)

(FY)

|                                  | Unit               | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|--------------------|------|------|------|------|------|
| <b>Total amount produced</b>     | x10 <sup>3</sup> t | 93   | 99   | 104  | 89   | 58   |
| <b>Externally disposed waste</b> | x10 <sup>3</sup> t | 47   | 48   | 56   | 53   | 40   |
| <b>Internal recycle</b>          | x10 <sup>3</sup> t | 46   | 51   | 48   | 36   | 18   |

## Raw Material Input

(FY)

|                          | Unit               | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------|--------------------|------|------|------|------|------|
| <b>Iron and aluminum</b> | x10 <sup>3</sup> t | 137  | 143  | 154  | 141  | 97   |
| <b>Resin</b>             | x10 <sup>3</sup> t | 3.0  | 3.0  | 2.5  | 2.1  | 1.1  |

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant

## Withdrawn Water Volume

(FY)

|                          | Unit                            | 2016  | 2017  | 2018  | 2019  | 2020  |
|--------------------------|---------------------------------|-------|-------|-------|-------|-------|
| <b>Total amount</b>      | x10 <sup>3</sup> m <sup>3</sup> | 5,606 | 6,727 | 6,211 | 5,915 | 4,420 |
| <b>Production</b>        | x10 <sup>3</sup> m <sup>3</sup> | 5,295 | 6,343 | 5,901 | 5,654 | 4,188 |
| <b>Non-production</b>    | x10 <sup>3</sup> m <sup>3</sup> | 311   | 384   | 310   | 261   | 232   |
| <b>City water</b>        | x10 <sup>3</sup> m <sup>3</sup> | 428   | 1,150 | 878   | 988   | 718   |
| <b>Industrial water</b>  | x10 <sup>3</sup> m <sup>3</sup> | 3,505 | 3,602 | 3,412 | 3,280 | 2,594 |
| <b>Underground water</b> | x10 <sup>3</sup> m <sup>3</sup> | 1,673 | 1,975 | 1,921 | 1,647 | 1,108 |

Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies  
Please see page 24 for details on management target companies.

• MMKI recycles and reuses some of its wastewater. In fiscal 2020, roughly 119,000m<sup>3</sup> of water was recycled. (Roughly 2% of total MITSUBISHI MOTORS Group water withdrawal.)

## Wastewater Volume

(FY)

|                       | Unit                            | 2016  | 2017  | 2018  | 2019  | 2020  |
|-----------------------|---------------------------------|-------|-------|-------|-------|-------|
| <b>Total amount</b>   | x10 <sup>3</sup> m <sup>3</sup> | 3,977 | 4,577 | 4,504 | 4,104 | 3,266 |
| <b>Production</b>     | x10 <sup>3</sup> m <sup>3</sup> | 3,666 | 4,193 | 4,194 | 3,843 | 3,034 |
| <b>Non-production</b> | x10 <sup>3</sup> m <sup>3</sup> | 311   | 384   | 310   | 261   | 232   |
| <b>Sewage</b>         | x10 <sup>3</sup> m <sup>3</sup> | 1,708 | 2,405 | 2,396 | 2,041 | 1,713 |
| <b>Public waters</b>  | x10 <sup>3</sup> m <sup>3</sup> | 2,269 | 2,172 | 2,108 | 2,063 | 1,553 |

Target site: MITSUBISHI MOTORS CORPORATION and 21 management target companies  
Please see page 24 for details on management target companies.

• Includes some estimated figures.

## Environmental Accounting

## Environmental Conservation Costs

(FY)

| Category                       | Main Initiatives Details  |  | Unit        | 2018         |               | 2019         |               | 2020         |               |
|--------------------------------|---|--|-------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                |   |  |             | Investment   | Cost          | Investment   | Cost          | Investment   | Cost          |
| Business Area Cost             | Pollution Prevention Cost   | Preventing air pollution, water pollution and soil pollution | Million yen | 106          | 1,315         | 41           | 1,251         | 203          | 629           |
|                                | Global Environmental Conservation Cost  | Preventing global warming and the ozone depletion            | Million yen | 171          | 13            | 250          | 9             | 346          | 13            |
|                                | Resource Circulation Cost   | Reduction, proper disposal and recycling of the waste        | Million yen | 22           | 1,226         | 0            | 1,418         | 0            | 933           |
| Upstream/Downstream Costs      | Withdrawing used bumpers and corresponding automobile recycling law   |  | Million yen | 0            | 1,770         | 0            | 1,688         | 0            | 1,661         |
| Administration Activity Cost   | Maintaining certification of ISO14001, educating employees and monitoring   |  | Million yen | 56           | 680           | 130          | 420           | 18           | 588           |
| R&D Cost                       | Research and development about reductions in environmental impact of products such as improving fuel economy and exhaust gas measures               |  | Million yen | 1,116        | 41,527        | 1,711        | 51,383        | 456          | 32,731        |
| Social Activity Cost           | Hands-on environmental lessons, supporting global environmental activity, donation to environmental groups and disclosing environmental information |  | Million yen | 68           | 239           | 0            | 273           | 47           | 189           |
| Environmental Remediation Cost | Compensation for environmental damage by business activities  |  | Million yen | 0            | 138           | 0            | 12            | 0            | 5             |
| <b>Total</b>                   |   |  | Million yen | <b>1,539</b> | <b>46,907</b> | <b>2,132</b> | <b>56,454</b> | <b>1,070</b> | <b>36,749</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 | 1,377              | 1,243    | 1,039              | 1,308    | 764                | 1,014    |

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

(FY)

| Category       | Details of Benefit   | Unit        | 2018         | 2019         | 2020         |
|----------------|--|-------------|--------------|--------------|--------------|
| Revenue        | Operating revenue from the sale of recycled waste products and used products produced through key business | Million yen | 2,512        | 1,774        | 1,083        |
| Cost Reduction | Energy expense saving through energy conservation  | Million yen | -889         | 532          | 2,333        |
|                | Water expense saving through water conservation  | Million yen | -3           | 8            | 31           |
|                | Disposal cost saving through lower resource input or recycle   | Million yen | -241         | 114          | -551         |
|                | Packaging materials cost saving through recycling  | Million yen | 439          | 422          | 422          |
| <b>Total</b>   |  | Million yen | <b>1,818</b> | <b>2,850</b> | <b>3,318</b> |

## Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2020)

### Explanation of values

The regulation values indicate the strictest values in the text of laws, regulations and pollution prevention agreements. For atmospheric emissions, the maximum values are indicated.

Regarding PRTR, Class I Designated Chemical Substances that are handled at a volume of a 1 t/year or more are listed.

Technical words in the charts

NOx: Nitrogen oxide SOx: Sulfur oxide BOD: Biochemical oxygen demand COD: Chemical oxygen demand SS: Concentration of suspended solids in water

### Atmospheric pollutants

#### Okazaki Plant

| Atmospheric pollutants           | Equipment                             | Unit              | Regulation | Actual (maximum) |
|----------------------------------|---------------------------------------|-------------------|------------|------------------|
| NOx                              | Boiler (Large-type, NO <sub>2</sub> ) | ppm               | 120        | 61               |
|                                  | (Other)                               | ppm               | 120        | 72               |
|                                  | Drying furnace (for coating)          | ppm               | 120        | 44               |
| Soot dust                        | Boiler                                | g/Nm <sup>3</sup> | 0.1        | 0.005            |
|                                  | Drying furnace (for coating)          | g/Nm <sup>3</sup> | 0.1        | 0.002            |
| SOx (sulfur in fuel regulations) |                                       | wt%               | 0.5        | –                |
| Formaldehyde                     | Drying furnace                        | mg/m <sup>3</sup> | 30         | 5.6              |

#### Mizushima Plant

| Atmospheric pollutants           | Equipment                                | Unit               | Regulation | Actual (maximum) |
|----------------------------------|--|--------------------|------------|------------------|
| NOx                              | Boiler (Steam)                           | ppm                | 150        | –                |
|                                  | (Heating)                                | ppm                | 150        | 65               |
|                                  | (Small-type)                             | ppm                | 150        | 45               |
|                                  | (Absorption-type air conditioner)        | ppm                | 180        | 59               |
|                                  | (Booth fan heating facility)             | ppm                | 100        | <15              |
|                                  | Drying furnace                           | ppm                | 230        | 44               |
|                                  | Melting furnace                          | ppm                | 200        | <27              |
|                                  | Metal heating furnace                    | ppm                | 180        | 40               |
|                                  | Total amount                             | Nm <sup>3</sup> /h | 12.749     | 7.284            |
| Soot dust                        | Boiler                                   | g/Nm <sup>3</sup>  | 0.1        | 0.01             |
|                                  | Boiler (Booth fan heating facility only) | g/Nm <sup>3</sup>  | 0.03       | <0.0005          |
|                                  | Drying furnace                           | g/Nm <sup>3</sup>  | 0.1        | 0.071            |
|                                  | Melting furnace                          | g/Nm <sup>3</sup>  | 0.1        | <0.001           |
|                                  | Metal heating furnace                    | g/Nm <sup>3</sup>  | 0.1        | 0.018            |
| SOx (sulfur in fuel regulations) |  | wt%                | 0.50       | 0.48             |

#### Mizushima Plant (Harmful gases (Okayama Prefecture regulations))

| Atmospheric pollutants | Unit | Regulation | Actual (maximum) |
|------------------------|------|------------|------------------|
| Acrylonitrile          | ppm  | 40         | <0.1             |
| Acetonitrile           | ppm  | 80         | <0.1             |
| Formaldehyde           | ppm  | 10         | 0.8              |
| Cyan and its compounds | ppm  | 10         | –                |
| Carbon disulfide       | ppm  | 40         | –                |
| Phenol                 | ppm  | 10         | 0.2              |
| Styrene                | ppm  | 200        | <0.1             |
| Benzene                | ppm  | 50         | 1.3              |
| Phosgene               | ppm  | 0.1        | –                |
| Vinyl chloride         | ppm  | 500        | –                |

#### Kyoto Plant – Kyoto

| Atmospheric pollutants           | Equipment             | Unit                   | Regulation | Actual (maximum) |
|----------------------------------|-----------------------|------------------------|------------|------------------|
| NOx                              | Boiler                | ppm                    | 150        | 78               |
|                                  | Drying furnace        | ppm                    | 230        | ≤93              |
|                                  | Melting furnace       | ppm                    | 200        | ≤56              |
|                                  | Metal heating furnace | ppm                    | 180        | ≤110             |
| Soot dust                        | Boiler                | ppm                    | 0.1        | ≤0.0080          |
|                                  | Drying furnace        | ppm                    | 0.2        | 0.0027           |
|                                  | Melting furnace       | ppm                    | 0.1        | 0.0096           |
|                                  | Metal heating furnace | ppm                    | 0.2        | 0.029            |
| SOx (sulfur in fuel regulations) |                       | wt%                    | 0.5        | 0                |
| Dioxin                           | Drying furnace        | ng-TEQ/Nm <sup>3</sup> | 1          | 0.041            |
|                                  | Melting furnace       | ng-TEQ/Nm <sup>3</sup> | 1          | 0.48             |

#### Kyoto Plant - Shiga

| Atmospheric pollutants | Equipment | Unit              | Regulation | Actual (maximum) |
|------------------------|-----------|-------------------|------------|------------------|
| NOx                    | Boiler    | ppm               | 150        | 63               |
| Soot dust              | Boiler    | g/Nm <sup>3</sup> | 0.1        | ≤0.0049          |

## Water pollutants

## Okazaki Plant

| Water pollutants                 | Unit                 | Regulation                         |      | Actual (Maximum) |         |         |
|----------------------------------|----------------------|------------------------------------|------|------------------|---------|---------|
|                                  |                      | Daily average shown in parentheses |      | Maximum          | Minimum | Average |
| pH                               | –                    | 5.8~8.6                            |      | 7.7              | 6.7     | 7.2     |
| BOD                              | mg/L                 | 25                                 | (20) | 7.3              | 1.9     | 4       |
| COD                              | mg/L                 | 25                                 | (20) | 3.1              | 0.7     | 1.6     |
| SS                               | mg/L                 | 30                                 | (20) | 6.0              | 1.0     | 1.2     |
| Oil                              | mg/L                 | 2                                  |      | <0.50            | <0.50   | <0.50   |
| Copper                           | mg/L                 | 0.5                                |      | <0.01            | <0.01   | <0.01   |
| Zinc                             | mg/L                 | 1                                  |      | 0.3              | 0.02    | 0.09    |
| Soluble iron                     | mg/L                 | 3                                  |      | <0.01            | <0.01   | <0.01   |
| Soluble manganese                | mg/L                 | 3                                  |      | <0.10            | <0.10   | <0.10   |
| Chromium                         | mg/L                 | 0.1                                |      | <0.02            | <0.02   | <0.02   |
| E-coli                           | Unit/cm <sup>3</sup> | 300                                |      | 550              | 30      | 49      |
| Total nitrogen                   | mg/L                 | 15                                 |      | 8.80             | 0.40    | 5.04    |
| Total phosphorus                 | mg/L                 | 2                                  |      | 0.42             | 0.06    | 0.19    |
| Fluorine                         | mg/L                 | 4.0                                |      | 0.58             | 0.1     | 0.28    |
| COD total amount                 | kg/day               | 61.6                               |      | 15.1             | 0.4     | 4.8     |
| Total amount of total nitrogen   | kg/day               | 71.5                               |      | 13.1             | 0.5     | 4.8     |
| Total amount of total phosphorus | kg/day               | 8.6                                |      | 13.6             | 0.5     | 7.0     |

• Other than the above, the following were all below lower limits (not detected): Cyan, hexavalent chromium, cadmium, organic phosphorus, lead, phenol, trichloroethylene, 1,1,1-trichloroethane, alkyl mercury, PCB, selenium, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, dichloromethane, cis-1,2-dichloroethylene, tetrachloroethylene, 1,1,2-trichloroethane, benzene, 1,3-dichloropropene, simazine, and thiram, thiobencarb.

## Mizushima Plant

| Water pollutants  | Unit   | Regulation                         |          | Actual (Maximum) |         |         |
|---|--------|------------------------------------|----------|------------------|---------|---------|
|   |        | Daily average shown in parentheses |          | Maximum          | Minimum | Average |
| pH  | Rivers | –                                  | 6~8      | 7.9              | 6.8     | 7.3     |
|   | Seas   | –                                  | 6~8      | 7.8              | 6.9     | 7.3     |
| BOD   | Rivers | mg/L                               | 30 (20)  | 27               | <0.5    | 1.8     |
| COD   | Rivers | mg/L                               | 30 (20)  | 20               | 1.6     | 6.6     |
|   | Seas   | mg/L                               | 20 (15)  | 6.7              | 0.8     | 2.9     |
| SS  | Rivers | mg/L                               | 40 (20)  | 3.0              | <1      | <1      |
|   | Seas   | mg/L                               | 40 (20)  | <2.5             | <1      | <1      |
| Oil   | Rivers | mg/L                               | 2 (1)    | 1.1              | <0.5    | <0.5    |
|   | Seas   | mg/L                               | 2 (1)    | <0.5             | <0.5    | <0.5    |
| Zinc  | Rivers | mg/L                               | 2        | 0.09             | <1      | 0.09    |
|   | Seas   | mg/L                               | 2        | 0.06             | <0.06   | 0.06    |
| Soluble iron  | Rivers | mg/L                               | 10       | <0.01            | <0.01   | <0.01   |
|   | Seas   | mg/L                               | 10       | <0.01            | <0.01   | <0.01   |
| Soluble manganese   | Rivers | mg/L                               | 10       | 0.20             | <0.2    | <0.2    |
|   | Seas   | mg/L                               | 10       | <0.01            | <0.01   | <0.01   |
| E-coli  | Rivers | Unit/cm <sup>3</sup>               | 3,000    | 22               | 22      | 22      |
|   | Seas   | Unit/cm <sup>3</sup>               | 3,000    | 11               | 11      | 11      |
| Total nitrogen  | Rivers | mg/L                               | 120 (60) | 14               | 1.2     | 7.6     |
|   | Seas   | mg/L                               | 120 (60) | 3.6              | 0.5     | 2       |
| Total phosphorus  | Rivers | mg/L                               | 16 (8)   | 5.3              | 0.1     | 1.6     |
|   | Seas   | mg/L                               | 16 (8)   | 0.1              | 0.1     | 0.1     |
| Boron   | Rivers | mg/L                               | 10       | <0.1             | <0.1    | <0.1    |
|   | Seas   | mg/L                               | 230      | <0.1             | <0.1    | <0.1    |
| Fluorine  | Rivers | mg/L                               | 8        | 2.3              | 0.3     | 1.3     |
|   | Seas   | mg/L                               | 15       | <0.2             | <0.2    | <0.2    |
| Ammonia, ammonium compounds, nitrites, and nitric compounds | Rivers | mg/L                               | 100      | 7.8              | 3.4     | 5.6     |
|   | Seas   | mg/L                               | 100      | 1.9              | 1       | 1.5     |
| COD Total amount  |        | kg/day                             | 294      | 121.9            | 2.6     | 23.5    |
| Total amount of total nitrogen                              |        | kg/day                             | 123      | 48.2             | 3.2     | 25.3    |
| Total amount of total phosphorus                            |        | kg/day                             | 47.8     | 22.4             | 0.2     | 5.4     |

• Other than the above, the following were all below lower limits (not detected): Copper, lead, cyan, total chromium, hexavalent chromium, cadmium, organic phosphorus, total mercury, arsenic, phenol, trichloroethylene, trichloroethane, alkyl mercury, PCB, selenium, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, dichloromethane, cis-1,2-dichloroethylene, tetrachloroethylene, 1,1,2-trichloroethane, benzene, 1,3-dichloropropene, simazine, thiram, and thiobencarb.

## Water pollutants

### Kyoto Plant - Kyoto

| Water pollutants  | Unit                      | Regulation | Actual (Maximum) |         |         |
|-------------------|---------------------------|------------|------------------|---------|---------|
|                   |                           |            | Maximum          | Minimum | Average |
| pH                | —                         | 5~9        | 6.8              | 6       | 6.4     |
| BOD               | mg/L                      | 600        | 230              | 8.1     | 76      |
| SS                | mg/L                      | 600        | 51               | 6       | 21      |
| Oil               | Mineral oil               | mg/L       | 5                | <1      | <1      |
| Oil               | Animal and vegetable oils | mg/L       | 30               | 12.6    | 1       |
| Soluble iron      | mg/L                      | 10         | 0.65             | 0.07    | 0.21    |
| Soluble manganese | mg/L                      | 10         | 0.71             | 0.22    | 0.42    |
| Total nitrogen    | mg/L                      | 240        | 54.4             | 1.05    | 22.7    |
| Total phosphorus  | mg/L                      | 32         | 0.9              | <0.1    | 0.2     |
| Arsenic           | mg/L                      | 0.1        | <0.05            | <0.05   | <0.05   |
| Dioxins           | pg-TEQ/L                  | 10         | <0.0005          | <0.0005 | <0.0005 |

• All drainage from processes is discharged to sewers, and the items for analysis have been determined in an agreement with the government of Kyoto City.

### Kyoto Plant - Shiga

| Water pollutants | Unit | Regulation | Actual (Maximum) |         |         |
|------------------|------|------------|------------------|---------|---------|
|                  |      |            | Maximum          | Minimum | Average |
| pH               | —    | 5~9        | 8.1              | 6.5     | 7.4     |
| BOD              | mg/L | 600        | 22               | <0.1    | 5.2     |
| SS               | mg/L | 600        | 11.5             | <5.0    | 5.3     |
| Oil              | mg/L | 5          | 1.5              | <1      | 1       |
| Total nitrogen   | mg/L | 60         | 7.9              | 0.3     | 3.5     |
| Total phosphorus | mg/L | 10         | 0.8              | <0.1    | 0.3     |

• All drainage from processes is discharged to sewers, and the items for analysis have been determined in an agreement with the government of Konan City.

## PRTR-designated pollutants

## Okazaki Plant

| NO.          | Substance name                           | Unit    | Amount handled | Emissions volume |               | Removal volume |       | Recycled volume | Consumed volume | Removal treatment volume |
|--------------|--|---------|----------------|------------------|---------------|----------------|-------|-----------------|-----------------|--------------------------|
|              |  |         |                | Atmosphere       | Public waters | Sewage line    | Waste |                 |                 |                          |
| 1            | Water-soluble zinc compounds             | kg/year | 6,592          | 0                | 45            | 0              | 1,648 | 0               | 4,899           | 0                        |
| 53           | Ethyl benzene                            | kg/year | 27,233         | 13,099           | 0             | 0              | 400   | 2,726           | 5,873           | 5,135                    |
| 71           | Ferric chloride                          | kg/year | 3,820          | 0                | 0             | 0              | 0     | 0               | 0               | 3,820                    |
| 80           | Xylene                                   | kg/year | 62,265         | 15,956           | 0             | 0              | 395   | 1,819           | 24,991          | 19,104                   |
| 239          | Organic tin compounds (Dibutyltin oxide) | kg/year | 1,475          | 0                | 0             | 0              | 221   | 0               | 1,254           | 0                        |
| 240          | Styrene                                  | kg/year | 0              | 0                | 0             | 0              | 0     | 0               | 0               | 0                        |
| 296          | 1,2,4-Trimethylbenzene                   | kg/year | 31,351         | 4,121            | 0             | 0              | 406   | 5               | 13,260          | 13,559                   |
| 297          | 1,3,5-Trimethylbenzene                   | kg/year | 4,103          | 1,054            | 0             | 0              | 117   | 2               | 20              | 2,910                    |
| 300          | Toluene                                  | kg/year | 175,424        | 26,584           | 0             | 0              | 1,102 | 35,595          | 42,461          | 69,682                   |
| 302          | Naphthalene                              | kg/year | 500            | 323              |               | 0              | 15    | 0               | 0               | 162                      |
| 309          | Nickel compounds                         | kg/year | 669            | 0                | 53            | 0              | 384   | 0               | 232             | 0                        |
| 392          | n-Hexane                                 | kg/year | 10,613         | 68               | 0             | 0              | 3     | 0               | 4,581           | 5,961                    |
| 400          | Benzene                                  | kg/year | 4,471          | 15               | 0             | 0              | 0     | 0               | 2,801           | 1,655                    |
| 411          | Formaldehyde                             | kg/year | 0              | 0                | 0             | 0              | 0     | 0               | 0               | 0                        |
| 412          | Manganese and its compounds              | kg/year | 1,934          | 0                | 115           | 0              | 665   | 0               | 1,154           | 0                        |
| <b>Total</b> |  | kg/year | 330,450        | 61,220           | 213           | 0              | 5,356 | 40,147          | 101,526         | 121,988                  |

- Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume
- Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product
- Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

## PRTR-designated pollutants

## Mizushima Plant

| NO.          | Substance name               | Unit    | Amount handled | Emissions volume |               | Removal volume |        | Recycled volume | Consumed volume | Removal treatment volume |
|--------------|------------------------------|---------|----------------|------------------|---------------|----------------|--------|-----------------|-----------------|--------------------------|
|              |                              |         |                | Atmosphere       | Public waters | Sewage line    | Waste  |                 |                 |                          |
| 1            | Water-soluble zinc compounds | kg/year | 15,356         | 0                | 599           | 0              | 4,273  | 0               | 10,483          | 0                        |
| 53           | Ethyl benzene                | kg/year | 7,284          | 2,721            | 0             | 0              | 206    | 4,163           | 47              | 147                      |
| 80           | Xylene                       | kg/year | 42,119         | 3,196            | 0             | 0              | 230    | 4,510           | 34,020          | 164                      |
| 188          | N, N-Dicyclohexylamine       | kg/year | 1,348          | 0                | 0             | 0              | 1,348  | 0               | 0               | 0                        |
| 239          | Organic tin compounds        | kg/year | 4,122          | 0                | 0             | 0              | 206    | 0               | 3,916           | 0                        |
| 296          | 1,2,4- Trimethylbenzene      | kg/year | 39,553         | 14,395           | 0             | 0              | 866    | 0               | 22,295          | 1,997                    |
| 297          | 1,3,5- Trimethylbenzene      | kg/year | 5,056          | 4,164            | 0             | 0              | 253    | 0               | 56              | 583                      |
| 300          | Toluene                      | kg/year | 85,604         | 359              | 0             | 0              | 0      | 10,061          | 75,184          | 0                        |
| 309          | Nickel compounds             | kg/year | 3,139          | 0                | 346           | 0              | 1,646  | 0               | 1,147           | 0                        |
| 392          | n-Hexane                     | kg/year | 32,149         | 180              | 0             | 0              | 0      | 0               | 31,968          | 0                        |
| 400          | Benzene                      | kg/year | 5,509          | 17               | 0             | 0              | 0      | 0               | 5,492           | 0                        |
| 407          | Polyoxyethylene alkyl ether  | kg/year | 9,704          | 0                | 97            | 0              | 9,607  | 0               | 0               | 0                        |
| 411          | Formaldehyde                 | kg/year | 2,079          | 1,853            | 0             | 0              | 0      | 0               | 0               | 226                      |
| 412          | Manganese and its compounds  | kg/year | 3,137          | 0                | 166           | 0              | 1,190  | 0               | 1,767           | 14                       |
| 438          | Methylnaphthalene            | kg/year | 3,926          | 217              | 0             | 0              | 0      | 0               | 3,709           | 0                        |
| <b>Total</b> |                              | kg/year | 260,083        | 27,101           | 1,208         | 0              | 19,824 | 18,734          | 190,084         | 3,132                    |

- Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume
- Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product
- Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

## PRTR-designated pollutants

## Kyoto Plant

| NO.   | Substance name         | Unit        | Amount handled | Emissions volume |               | Removal volume |       | Recycled volume | Consumed volume | Removal treatment volume |
|-------|------------------------|-------------|----------------|------------------|---------------|----------------|-------|-----------------|-----------------|--------------------------|
|       |                        |             |                | Atmosphere       | Public waters | Sewage line    | Waste |                 |                 |                          |
| 37    | Bisphenol A            | kg/year     | 2,993          | 0                | 0             | 0              | 0     | 0               | 2,984           | 9                        |
| 53    | Ethyl benzene          | kg/year     | 4,008          | 1                | 0             | 0              | 0     | 0               | 4,007           | 0                        |
| 80    | Xylene                 | kg/year     | 18,431         | 6                | 0             | 0              | 0     | 0               | 18,425          | 0                        |
| 258   | Hexamethylenetetramine | kg/year     | 22,176         | 0                | 0             | 0              | 0     | 0               | 15,523          | 6,653                    |
| 296   | 1.2.4-Trimethylbenzene | kg/year     | 21,497         | 6                | 0             | 0              | 0     | 0               | 21,490          | 0                        |
| 297   | 1.3.5-Trimethylbenzene | kg/year     | 3,943          | 1                | 0             | 0              | 0     | 0               | 3,942           | 0                        |
| 300   | Toluene                | kg/year     | 82,726         | 25               | 0             | 0              | 0     | 0               | 82,701          | 0                        |
| 349   | Phenol                 | kg/year     | 2,130          | 0                | 0             | 0              | 0     | 0               | 1,704           | 426                      |
| 392   | n-Hexane               | kg/year     | 4,998          | 2                | 0             | 0              | 0     | 0               | 4,997           | 0                        |
| 400   | Benzene                | kg/year     | 2,244          | 0                | 0             | 0              | 0     | 0               | 2,243           | 0                        |
| Total |                        | kg/year     | 165,145        | 41               | 0             | 0              | 0     | 0               | 158,016         | 7,088                    |
| 243   | Dioxins                | mg-TEQ/year |                | 11,100           |               |                |       |                 |                 |                          |

## Biodiversity Data

### Condition of Protected or Restored Habitats (Achievements by FY2020)

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

### Habitat Status of Rare Species (Red List of Japanese Ministry of the Environment) in and around the Plants (Status up to FY2019)

#### Kyoto Plant-Shiga (period of survey: 2013 - 2014)

| Category             | Number of Species | Discovered Species  |
|----------------------|-------------------|---|
| VU (Vulnerable)      | 3                 | Clouded salamander, Whirligig Beetle and Oryzias latipes  |
| NT (Near Threatened) | 7                 | White egret flower, Agrostis valvata, Eurasian Sparrowhawk, Japanese pond turtle, Blackspotted Pond Frog, Tricomphus citimus and Tricomphus interruptus |
| EN (Endangered)      | 1                 | Species of insects not to be disclosed  |

#### Okazaki Plant and Research & Development Center (period of survey: 2016)

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

#### Mizushima Plant (period of survey: 2017)

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

#### Tokachi Research & Development Center (period of survey: 2018)

| Category             | Number of Species | Discovered Species   |
|----------------------|-------------------|--|
| VU (Vulnerable)      | 7                 | White tailed eagle, Black woodpecker, Far eastern brook lamprey, Japanese crayfish, Corydalis, Rhododendron dauricum, Ajuga ciliata var. villosior   |
| NT (Near Threatened) | 12                | Japanese sable, Grey nightjar, Latham's snipe, Northern goshawk, Lasius teranishi, Brenthis daphne (subspecies of Hokkaido/North Honshu), Glaucopteryx, Japanese big-ear radix, Hyphydrus japonicus Sharp, Ilybius apicalis, Water scavenger beetles, Potamogeton pusillus |
| EN (Endangered)      | 2                 | Margaritiferidae, Carex uda  |
| DD (Data Deficient)  | 4                 | Tamias sibiricus, Hazel grouse, Ezo salamander, Coenomyia basalis  |

#### Kyoto Plant- Kyoto (period of survey: 2019)

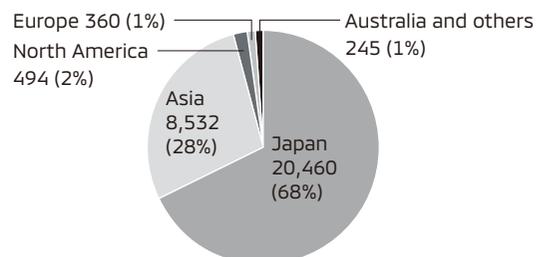
| Category            | Number of Species | Discovered Species  |
|---------------------|-------------------|---------------------|
| DD (Data Deficient) | 1                 | Grey-headed lapwing |

## Human Resource-Related Data

### Number of Employees

|   |        | FY 2016        | FY 2017        | FY 2018        | FY 2019        | FY 2020        |
|---|--------|----------------|----------------|----------------|----------------|----------------|
| Number of employees (nonconsolidated)   | Total  | 13,222         | 13,693         | 14,171         | 14,407         | 13,951         |
|   | Male   | 11,932         | 12,336         | 12,695         | 12,848         | 12,403         |
|   | Female | 1,290          | 1,357          | 1,476          | 1,559          | 1,548          |
| Number of employees (consolidated)  |        | 29,604         | 30,507         | 31,314         | 32,171         | 30,091         |
| Number of temporary workers (consolidated)<br>(Percentage of temporary workers on a consolidated basis) |        | 3,892<br>(13%) | 7,122<br>(23%) | 8,682<br>(28%) | 7,558<br>(23%) | 6,434<br>(21%) |

### Number of Employees by Region: 30,091 (consolidated)



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

|                                |         |       |
|--------------------------------|---------|-------|
| Number of managerial employees | Persons | 1,018 |
|                                | Ratio   | 10.6% |
| Number of employees            |         | 9,631 |

(As of March 2021)

### Status of Female Management Promotions

|                               |                          | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------|--------------------------|---------|---------|---------|---------|---------|
| Number of female managers*1   | Persons                  | 49      | 58      | 68      | 74      | 80      |
|                               | Ratio                    | 2.9%    | 3.5%    | 3.9%    | 3.5%    | 4.1%    |
|                               | General manager or above | 6       | 11      | 13      | 14      | 13      |
| Number of female executives*2 | Persons                  | 2       | 3       | 5       | 5       | 3       |
|                               | Ratio                    | 5.1%    | 7.7%    | 12.5%   | 12.5%   | 8.8%    |

\*1 Including dispatched personnel on leave and secondees, excluding medical workers

\*2 Number of female executives includes outside directors

### Employee Makeup (non-consolidated)

|   |        | FY 2016      | FY 2017      | FY 2018      | FY 2019      | FY 2020      |
|---|--------|--------------|--------------|--------------|--------------|--------------|
| Average age   | Male   | 41.1         | 41.9         | 41.6         | 41.4         | 41.1         |
|   | Female | 38.3         | 39.2         | 38.5         | 38.1         | 37.5         |
| Average years of service                                  | Male   | 16.7         | 16.6         | 16.7         | 16.2         | 15.8         |
|   | Female | 12.3         | 12.8         | 12.4         | 11.6         | 11.1         |
| Number of employees who have left the company (total)     |        | 665          | 539          | 533          | 735          | 1,002        |
| Retirement  |        | 221          | 248          | 272          | 381          | 203          |
| Voluntary retirement (Percentage of voluntary retirement) |        | 421<br>(63%) | 249<br>(46%) | 240<br>(45%) | 303<br>(41%) | 305<br>(30%) |
| Involuntary retirement                                    |        | 8            | 2            | 7            | 14           | 11           |
| Work transfer, other                                      |        | 15           | 40           | 14           | 37           | 483          |

### Number of New Graduates Hired

|  |        | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|--|--------|---------|---------|---------|---------|---------|
| Total  | Male   | 298     | 220     | 314     | 368     | 386     |
|  | Female | 40      | 31      | 54      | 92      | 85      |
| University graduate/Master's degree or above | Male   | 196     | 133     | 226     | 229     | 204     |
|  | Female | 34      | 27      | 47      | 76      | 76      |
| Junior college/vocational school graduates   | Male   | 2       | 1       | 5       | 1       | 0       |
|  | Female | 0       | 0       | 0       | 0       | 0       |
| High school graduates/other                  | Male   | 100     | 86      | 83      | 138     | 182     |
|  | Female | 6       | 4       | 7       | 16      | 9       |

### Working Hours and Ratio of Paid Leave Taken

|   | FY 2016       | FY 2017       | FY 2018       | FY 2019       | FY 2020       |
|---|---------------|---------------|---------------|---------------|---------------|
| Total working hours per person/per year | 2,092.9 hours | 2,115.5 hours | 2,131.2 hours | 2,013.6 hours | 1,880.8 hours |
| Overtime worked per person              | 328.3 hours   | 329.5 hours   | 372.3 hours   | 288.6 hours   | 221.4 hours   |
| Ratio of annual paid leave taken*3      | 81.6%         | 82.6%         | 86.6%         | 100.6%        | 99.2%         |

\*3 Days of annual paid leave taken during the year (days carried forward from the previous year + days granted for the current year)

Days of annual paid leave available for the year ×100

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

|  |        | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|--|--------|---------|---------|---------|---------|---------|
| Number of persons taking childcare leave | Total  | 86      | 127     | 131     | 194     | 81      |
|  | Male   | 3       | 6       | 10      | 49      | 35      |
|  | Female | 83      | 121     | 121     | 145     | 46      |
| Retention rate of returnees*1            |        | 91.9%   | 92.3%   | 100%    | 97.7%   | 96%     |

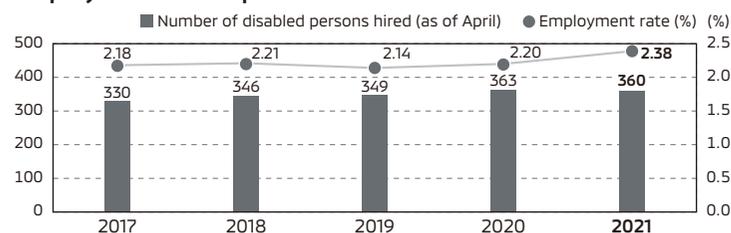
\*1 Total number of employees still employed 12 months after returning to work from childcare leave / Total number of employees whose childcare leave ended during the previous reporting period ×100

### Major Programs to Promote Work-Life Balance

| FY 2020 Results |  | Male  | Female | Total |
|-----------------|--|-------|--------|-------|
| Childcare       | Pregnancy leave  | 0     | 7      | 7     |
|                 | Maternity leave  | 0     | 59     | 59    |
|                 | Childcare leave  | 35    | 46     | 81    |
|                 | Child nursing leave  | 248   | 151    | 399   |
|                 | Reduced working hours for childcare  | 3     | 159    | 162   |
| Nursing care    | Nursing care leave   | 3     | 1      | 4     |
|                 | Short-term nursing care leave  | 146   | 44     | 190   |
|                 | Reduced working hours for nursing care   | 1     | 4      | 5     |
| Miscellaneous   | Life plan leave  | 68    | 26     | 94    |
|                 | Accumulation of unused paid leave  | 194   | 9      | 203   |
|                 | Flextime system (including managerial employees)*2   | 7,006 | 1,221  | 8,227 |
|                 | Reemployment system<br>Number of employees registered as candidates for re-hiring under the reemployment system (in FY2020, one employee was rehired under this program) | 16    | 6      | 22    |
|                 | Accompanying leave (two returnees in FY2020)   | 0     | 8      | 8     |

\*2 With regard to the flextime system, the number of employees eligible to use the system (as of April 1, 2021)

### Employment of People with Disabilities\*3



\*3 In accordance with the Act for Promotion of Employment of Persons with Disabilities, one severely disabled person is recognized as two people

### FY2020 Training Results

|  |                      |
|--|----------------------|
| Number of employees who took courses during the year (total) | 12,834               |
| Total number of hours attended                               | 240,359 hours        |
| Number of course hours/days per employee                     | 17.2 hours /2.1 days |
| Training expenses per employee                               | ¥5,296               |

### Wage Levels

|   |   |                                       |
|---|---|---------------------------------------|
| Starting pay  | High school graduate Administrative and Engineering staff | ¥166,900                              |
|   | High school graduate Manufacturing Worker                 | ¥172,900                              |
|   | Technical college graduate                                | ¥186,600                              |
|   | Junior college graduate                                   | ¥171,400                              |
|   | University graduate                                       | ¥210,400                              |
|   | Master's degree   | ¥232,400                              |
|   | Doctor of Philosophy                                      | ¥266,400                              |
| Average salary of all employees (annual)                  | ¥6,519,000  |                                       |
| Percentage of women's salaries to men's salaries (annual) | 78%   |                                       |
| Ratio of Valuable Compensation                            | General Manager   | Maximum of 35% of annual basic salary |
|   | General Manager (responsible for specific duties)         | Maximum of 25% of annual basic salary |
|   | Manager   | Maximum of 20% of annual basic salary |

### Accident Rate (Accident Frequency)

|                                       | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------------------------------|---------|---------|---------|---------|---------|
| Overall accident rate*4               | 0.54    | 0.60    | 0.41    | 0.42    | 0.30    |
| Accident rate with loss of workdays*5 | 0.06    | 0.09    | 0.10    | 0.10    | 0.00    |

\*4 Number of accidents with or without loss of workdays per 1 million working hours

\*5 Number of accidents with loss of workdays per 1 million working hours

### Employee Shareholding Association

| As of March 2021   |           |
|--|-----------|
| Number of members of the employee shareholding association | 1,038     |
| Membership rate  | 6.0%      |
| Shares owned   | 2,014,580 |

## Governance-Related Data

### Overview of Corporate Governance in FY2020

|   |   |
|---|---|
| <b>Organizational form</b>                                | Company with three committees   |
| <b>Board of Directors members</b>                         | 14  |
| <b>Outside directors</b>                                  | 12  |
| <b>Of whom, independent directors</b>                     | 6   |
| <b>Number of Board of Directors meetings</b>              | 16  |
| <b>Ratio of attendance at Board of Directors meetings</b> | 96.3%   |
| <b>Of which, ratio of attendance by outside directors</b> | 95.6%   |
| <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 4 outside directors)<br>Chairperson: Outside director (independent director) |
| <b>Compensation Committee</b>                             | 5 (including 4 outside directors)<br>Chairperson: Outside director                        |
| <b>Auditor Committee</b>                                  | 5 (including 4 outside directors)<br>Chairperson: Outside director (independent director) |

\* The director, Executive Officer, President & CEO takes on the chairperson's responsibilities.

### Total Compensation in FY2020

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     | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|--|-----------|---------|---------|---------|---------|---------|
| <b>Number of reports to or consultations with the internal Employee Consultation Office (helpline)</b> | Instances | 153     | 170     | 194     | 166     | 112     |
| <b>Number of reports to or consultations with the outside attorney consultation office (helpline)</b>  | Instances | 2       | 4       | 13      | 4       | 2       |
| <b>Number of reports to or consultations with the MITSUBISHI MOTORSs Global Hotline</b>                | Instances | –       | –       | 14      | 25      | 14      |
| <b>Number of reports to or consultations with the Business Partner Hotline</b>                         | Instances | 0       | 0       | 0       | 3       | 4       |

# 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<br>b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets  | Corporate Overview<br>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<br>Securities Report (P4-9) Description of business, Status of subsidiaries and associates   |
| 102-5                             | a. Nature of ownership and legal form  | Corporate Overview<br>Securities Report (P39-50) Information about shares, etc.   |
| 102-6                             | a. Markets served  | Corporate Overview<br>Securities Report (P4-9) Description of business, Status of subsidiaries and associates   |
| 102-7                             | a. Scale of the organization   | Corporate Overview<br>ESG Data > Human Resource-Related Data<br>Securities Report (P11) Employees, (P19-23) 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<br>b. Total number of employees by employment contract (permanent and temporary), by region<br>c. Total number of employees by employment type (full-time and part-time), by gender<br>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<br>ESG Data > Human Resource-Related Data<br>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<br>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<br>Governance > Risk Management<br>Securities Report (P14-18) 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<br>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<br>Social > Respect for Human Rights > Management System                                |

| 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<br>Sustainability Management > MITSUBISHI MOTORS' Materiality Each Materiality > Medium- to Long-Term Vision for Material Issues (P27, 38, 41, 46, 49, 53, 57, 64, 67, 73, 77, 84, 88, 95)<br>Environment > Responding to Climate Change and Energy Issues > Responding to the TCFD Recommendations<br>Securities Report (P14-18) 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<br>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<br>Environment > Environmental Management > Environmental Risk Management<br>Social > Achieving a Sustainable Supply Chain > Establishing a Business Partner Helpline   |
| <b>Governance</b>           |   |   |
| 102-18                      | a. Governance structure of the organization, including committees of the highest governance body<br>b. Committees responsible for decision-making on economic, environmental, and social topics   | Sustainability Management > Sustainability Management > Framework for Promoting Sustainability<br>Governance > Internal Control<br>Corporate Governance Report (P29) Diagram of Governance Framework including Outline of Internal Control System   |
| 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<br>b. Whether post holders report directly to the highest governance body   | Sustainability Management > Sustainability Management > Framework for Promoting Sustainability<br>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<br>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<br>General Shareholders Meetings Website<br>Corporate Governance Report (P4) Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information > 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<br>Corporate Governance Report (P6-22) 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<br>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<br>b. Criteria used for nominating and selecting highest governance body members   | Corporate Governance Report (P1-22), 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<br>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:  | Corporate Governance Report (P1-6) 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 (P1-6) 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<br>b. Whether such evaluation is independent or not, and its frequency<br>c. Whether such evaluation is a self-assessment<br>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>System of Corporate Governance<br>Corporate Governance Report (P1-6) 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<br>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 (P14-18) 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<br>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<br>b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics                                  | Corporate Governance Report (P14-15) Incentives<br>Securities Report (P53-94) Information about corporate governance, etc. |
| 102-36                        | a. Process for determining remuneration<br>b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management<br>c. Any other relationships which the remuneration consultants have with the organization                                 | Corporate Governance Report (P14-15) Incentives<br>Securities Report (P53-94) Information about corporate governance, etc. |
| 102-37                        | a. How stakeholders' views are sought and taken into account regarding remuneration<br>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:<br>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<br>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<br>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.<br>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<br>b. If the report has been externally assured:  | –  |
| GRI103 Management approach 2016   |   |  |
| 103-1                             | Following information related to each material topic<br>a. An explanation of why the topic is material<br>b. The Boundary for the material topic<br>c. Any specific limitation regarding the topic Boundary   | Sustainability Management > MITSUBISHI MOTORS' Materiality   |
| 103-2                             | Following information related to each material topic<br>a. An explanation of how the organization manages the topic<br>b. A statement of the purpose of the management approach<br>c. A description of the following, if the management approach includes that component  | Sustainability Management > Sustainability Management > Framework for Promoting Sustainability<br>Sustainability Management > MITSUBISHI MOTORS' Materiality > Identifying and Reviewing Material Issues<br>FY2020 Materiality Targets and Results |
| 103-3                             | Following information related to each material topic<br>a. An explanation of how the organization evaluates the management approach   | Sustainability Management > MITSUBISHI MOTORS' Materiality > Identifying and Reviewing Material Issues<br>FY2020 Materiality Targets and Results   |
| Economic                          |   |  |
| GRI201: Economic performance 2016 |   |  |
| 201-1                             | a. Direct economic value generated and distributed<br>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   | Securities Report (14-18) 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<br>b. If a separate fund exists to pay the plan's pension liabilities, its explain<br>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<br>d. Percentage of salary contributed by employee or employer<br>e. Level of participation in retirement plans | Securities Report (P132-134) 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<br>b. The information in 201-4-a by country<br>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   | –   |
| 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  |
| 303-4                             | Water discharge   | ESG Data > Environmental Data Related to Products and Business Activities<br>ESG Data > Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data<br>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                                | ESG Data > Biodiversity Data   |
| GRI305: Emissions 2016            |   |  |
| 305-1                             | Direct GHG emissions (Scope 1)  | ESG Data > Environmental Data Related to Products and Business Activities<br>Responding to Climate Change and Energy Issues > Responding to Greenhouse Gases (GHGs) Across the Supply Chain            |
| 305-2                             | Energy indirect GHG emissions (Scope 2)   | ESG Data > Environmental Data Related to Products and Business Activities<br>Responding to Climate Change and Energy Issues > Responding to Greenhouse Gases (GHGs) Across the Supply Chain            |
| 305-3                             | Other indirect GHG emissions (Scope 3)  | ESG Data > Environmental Data Related to Products and Business Activities<br>Responding to Climate Change and Energy Issues > Responding to Greenhouse Gases (GHGs) 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<br>Identifying Material Issues<br>Environment > Policy Directions > 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                               | ESG Data > Environmental Data Related to Products and Business Activities<br>ESG Data > Atmosphere/Wastewater Quality/PRTR-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<br>Environment > Resource Recycling Initiatives                             |
| 306-4   | Waste diverted from disposal  | ESG Data > Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data  |
| 306-5   | Waste directed to disposal  | ESG Data > Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data  |
| GRI 307: Environmental Compliance 2016          |   |   |
| 307-1   | Non-compliance with environmental laws and regulations  | 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<br>Securities Report (P132-134) 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<br>ESG Data > Human Resource-Related Data |
| 403-10  | Work-related ill health  | –   |
| 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<br>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 Policies                |
| 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 Human Rights Policies                |

| 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   |

# FY2020 Materiality Targets and Results

○: As planned △: Delayed

| Category                                     | Material Issues  | Details of Main Initiatives   | FY2020 Targets   | Indicators                | FY2020 Results  | Self-Evaluation | Page Described | Contribution to the SDGs  |
|--|--|---|--|---------------------------|---|-----------------|----------------|---|
| E: Environment                               | Responding to Climate Change and Energy Issues                                     | By 2030, reduce CO <sub>2</sub> emissions from new vehicles by 40% (compared with fiscal 2010)        | 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. | Progress of initiative    | Identified CO <sub>2</sub> emissions from new vehicles based on new business plan, reflected in product plans for next fiscal year.   | ○               | P27            | <br>  |
|  |  | –   | –  | CO <sub>2</sub> emissions | -14%  | –               |                |   |
|  |  | Achieve an electric vehicle (EV) sales ratio of 50% by 2030   | Identify ratio of EV 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.                           | Progress of initiative    | Identified ratio of EV sales based on new business plan, reflected in product plans for next fiscal year.   | ○               |                |   |
|  |  | –   | –  | Ratio of EV sales         | 8%  | –               |                |   |
|  |  | By 2030, reduce CO <sub>2</sub> emissions from business activities by 40% (compared with fiscal 2014) | Identify and assess CO <sub>2</sub> emissions targets at each location.  | Progress of initiative    | After confirming targets and results for each location, identify and assess status of initiatives companywide.  | ○               |                |   |
| Enact measures in response to climate change | Promote disaster countermeasures, such as electricity supply systems that use EVs. | Progress of initiative  | Introduced various measures, including the DENDO DRIVE STATION/HOUSE, DENDO Community Support Program and V2X demonstration project.   | ○                         |   |                 |                |   |
| Resource Recycling Initiatives               | Expanding adoption of plastic materials not derived from oil                       | Expanding adoption of plastic materials not derived from oil  | Create a roadmap for expanding the percentage of plastic materials not derived from oil used in vehicles   | Progress of initiative    | Clarified the types of vehicles and components to consider expanding the use of plastic materials not derived from oil; created a roadmap clarifying fiscal 2025 targets and measures | ○               | P38            |    |
|  |  | Achievement of zero direct landfill waste (less than 0.5%) by fiscal 2030                             | <ul style="list-style-type: none"> <li>Plants in Japan: Achieve zero direct landfill waste (less than 0.5%)</li> <li>Overseas plants: Have begun gathering data</li> </ul>                               | Progress of initiative    | Plants in Japan: Achieved<br>Overseas plants: Have begun managed operations of data on waste using an environmental performance management system                                     | ○               |                |   |
|  |  | Reuse of batteries used in EVs  | Install an energy storage system (BESS <sup>*1</sup> ) at the Okazaki Plant and begin considering issues related to utilizing reused batteries   | Progress of initiative    | Installed equipment for verification testing of BESS, and are implementing a VPP <sup>*2</sup> verification test  | ○               |                |   |
| Prevention of Pollution                      | Properly manage hazardous substances in products                                   | Properly manage hazardous substances  | Properly manage hazardous substances   | Progress of initiative    | We are obtaining information on regulated substances, upgrading our internal management system and conducting content surveys on newly regulated substances                           | ○               | P41            |     |

\*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.

○: As planned △: Delayed

| Category       | Material Issues   | Details of Main Initiatives  | FY2020 Targets  | Indicators   | FY2020 Results   | Self-Evaluation | Page Described | Contribution to the SDGs  |
|----------------|---|--|---|--|--|-----------------|----------------|---|
| E: Environment | Conservation of Water Resources                           | Manage water risks at each production facility   | Increase the number of locations where we understand the amount of water used   | Number of locations where we understand the amount of water used   | Understand the amount of water used at overseas locations  | ○               | P46            |    |
|                | Preservation of Biodiversity                              | Promote preservation activities that leverage the results of ecosystem surveys at locations in Japan | <ul style="list-style-type: none"> <li>Nurture and protect indigenous species at business sites in Japan</li> <li>Conduct tree-planting and cultivation activities in Japan and overseas</li> </ul> | Initiatives Conducted  | <ul style="list-style-type: none"> <li>Created a biotope*1 at the Kyoto Plant</li> <li>Planted and cultivated trees at Pajero Forest (Yamanashi Prefecture)</li> <li>Launched an afforestation project in Thailand</li> </ul>            | ○               | P49            |    |
| S: Social      | Delivering Products which Help Prevent Traffic Accidents  | Delivering products which help prevent traffic accidents   | Formulate basic policies for individual safety technologies as planned  | Formulation of policies  | Formulated as planned  | ○               | P53            |    |
|                | Improvement of Product, Sales, and Service Quality        | Improving product quality  | Ratio of defects identified within 3 months in service of new vehicle sale  | Ratio of defects identified within 3 months in service of new vehicle sale   | Achieved reduction target  | ○               | P57            | -   |
|                |   | Improving sales quality  | Sales Satisfaction Index (SSI) Top-3 ranking in industry surveys in the ASEAN5*2  | Sales Satisfaction Index (SSI)   | Sales Satisfaction Index (SSI) Achieved target in three of the five ASEAN5 countries   | △               |                |   |
|                |   | Improving service quality  | Customer Satisfaction Index (CSI) Top-3 ranking in industry surveys in the ASEAN5*2   | Customer Satisfaction Index (CSI)  | Customer Satisfaction Index (CSI) Achieved target in all five of the ASEAN5 countries  | ○               |                |   |
|                | Contribution to Local Economy through Business Activities | Employment   | Continuous creation of local employment   | Actual employment  | Created local employment for 11,000 people in Thailand, Indonesia, the Philippines and Vietnam (including non-full-time employees)   | -               | P64            |    |
|                |   | Human resource development   | Support for the development of personnel responsible for the development of the local economy   | Number of training sessions, number of participants  | Representative examples of training Sales and service training for dealer staff, business-level-enhancement seminars for local employees, "manufacturing training" to enhance technical skills, internal control and compliance training | ○               |                |   |
| Investment     |   | Continuous implementation of capital investment that supports the growth of the local economy        | Rate of progress on investment plan   | Principal investment plans Upgrade a paint plant and install a rooftop solar power system in Thailand, prepare to export commercial vehicles to the Philippines and ASEAN countries, consider a new plant in Vietnam | ○  |                 |                |   |

\*1 A biotope is a space where organisms can live in natural surroundings.

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

○: As planned △: Delayed

| Category   | Material Issues   | Details of Main Initiatives  | FY2020 Targets  | Indicators  | FY2020 Results   | Self-Evaluation | Page Described   | Contribution to the SDGs  |
|--|---|--|---|---|--|-----------------|--|---|
| S: Social  | Contribution to Local Economy through Business Activities           | Technology transfer  | By continuing with local production, support advances in the local manufacturing industry             | Progress on projects  | Major projects<br>Commenced local production of the XPANDER in Vietnam and Malaysia; in Thailand, Indonesia, the Philippines and Vietnam, provided scholarships to vocational training schools and technical universities, provided training vehicles, and conducted traveling courses | ○               | P64  | <br><br>   |
|  |   | Localized production of engines  |   | Business viability KPI targets  | Achieve business viability, reach KPI targets, and begin mass production of engines in Indonesia   | ○               |  |   |
|  |   | Export   | Supporting growth of the local economy through the acquisition of foreign currency by means of export | Number of vehicles exported   | Exported 202,000 vehicles from Thailand and 39,000 from Indonesia  | ○               |  |   |
|  |   | Environmental and social contribution  | Leverage our technologies and services to help resolve local social issues                            | Level of contribution   | Engaged in initiatives using the OUTLANDER PHEV<br>Began producing the OUTLANDER PHEV in Thailand; in Indonesia, donated OUTLANDER PHEV vehicles to the Red Cross to assist in efforts to halt the COVID-19 pandemic   | ○               |  |   |
| Promotion of Work Style Reforms in Response to the New Normal (Diversity, Work-Life Balance) | Promotion of work style reforms                                     | Ongoing implementation of work style reform measures   | Ongoing implementation of work style reform measures  | Overtime hours (administrative and engineering staff)*1   | 18.7 hours/month   | △               | P67  | <br><br><br> |
|  |   |  |   | Paid leave taken (administrative and engineering staff, manufacturing workers*2, medical workers*3)   | 19.3 days/year   | ○               |  |   |
|  |   |  |   | Telecommuting ratio (Tamachi area)  | 77% (average for the fiscal year)  | ○               |  |   |
|  | Promotion of women's participation and advancement in the workplace | Implementation of ongoing measures to promote women's participation and advancement in the workplace | Number of female managers   | 79 (As of April 2021)   | △  |                 |  |   |
|  | Promotion of employment of people with disabilities                 | Ongoing promotion of employment of people with disabilities  | Percentage of employees with disabilities   | 2.36% (As of March 2021)  | ○  |                 |  |   |
| Stepping up Human Resource Development   | Conduct training online and ensure online training gains a foothold | Ensure that all training for administrative and engineering staff can be done online                 | Education program   | The COVID-19 pandemic made it difficult to conduct group training, so all training for administrative and engineering staff was moved online. | ○  | P73             | <br><br><br> |   |

\*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

○: As planned △: Delayed

| Category      | Material Issues                                  | Details of Main Initiatives  | FY2020 Targets  | Indicators  | FY2020 Results   | Self-Evaluation | Page Described | Contribution to the SDGs  |
|---------------|--|--|---|---|--|-----------------|----------------|---|
| S: Social     | Promoting Occupational Health and Safety         | Creation of safe workplaces  | Ongoing measures for the creation of safe workplaces  | Overall accident rate*  | 0.30   | △               | P77            |    |
|               | Achieving a Sustainable Supply Chain             | Reinforcement of CSR in the supply chain                                 | <ul style="list-style-type: none"> <li>Expansion of Supplier CSR Guidelines to MITSUBISHI MOTORS overseas production bases</li> <li>Support for supplier CSR evaluations by third-party organization</li> </ul> | <ul style="list-style-type: none"> <li>Promoting the purpose of Supplier CSR Guidelines</li> <li>Recommendation of supplier on CSR evaluations by third party organization</li> </ul> | <ul style="list-style-type: none"> <li>Rolled out Supplier CSR Guidelines via production bases in Thailand, Indonesia and the Philippines to their business partners</li> <li>Explained the purpose of third-party evaluations to business partners and commenced evaluations</li> </ul> | ○               | P84            |    |
|               | Promoting Social Contribution Activities         | Promote ongoing activities that address social issues and regional needs | <ul style="list-style-type: none"> <li>Revise our Social Contribution Activities Policy</li> <li>Step up the dissemination of information utilizing our logo mark</li> </ul>                                    | —   | <ul style="list-style-type: none"> <li>Formulated a new Social Contribution Activities Policy and announced it outside the company</li> <li>Disseminated information globally, utilizing our logo mark</li> </ul>  | ○               | P88            |     |
| G: Governance | Strengthening Governance and Ensuring Compliance | Operate internal control committees                                      | Meet twice during the year, report the status and evaluation of internal control to the Executive Officer, President & CEO  | Internal Control Committee  | Meetings convened in April and November  | ○               | P95            |     |
|               |  | Prevent serious incidents  | Enact thorough effective internal control to prevent serious incidents  | Serious incidents   | None occurred  | ○               |                |   |

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

## Third-Party Opinion



Mr. Keisuke  
Takegahara

Executive Fellow  
Research Institute of  
Capital Formation  
Development Bank of  
Japan Inc.

The Sustainability Report 2021 follows the two-part structure, with the first part introducing corporate philosophy and strategies, and the second part reporting broadly on ESG activities, although in terms of content, several changes are observed. The following three points particularly impressive.

First of all, I observe in many places MMC's efforts to clarify "MITSUBISHI MOTORS-ness" and communicate to readers the direction the Company is aiming for. Notably, the "Commitment of Top Management" section elaborates on the concept of "selection and concentration," a basic policy under the current mid-term business plan. This section outlines the Company's focuses on elements that support its strategies: a business structure centered on the ASEAN region, electric vehicle technologies concentrated on PHEVs, and response to innovation by leveraging the alliance. The message clearly and fully expresses how the Company is leveraging these aspects to provide value to customers, that is "MITSUBISHI MOTORS-ness." In a way that embodies this, I think it is also effective in deepening the reader's understanding that the feature article covered various challenges in pursuing new mobility with focus on PHEV. The product superi-

ority in terms of life cycle CO<sub>2</sub> is also summarized in a very easy-to-understand manner.

Second, the medium- to long-term timeline has been strengthened. As shown in the conceptual diagram of "Reflecting Medium- to Long-term Perspectives when Setting Annual Targets Related to Material Issues," the Environmental Vision 2050 has been newly incorporated into the timeline for 2030 set in view of the targeted year of SDGs, thus establishing a new long-term timeline. There are some cases where there are too many visions added after the fact and the whole picture becomes unclear, but MITSUBISHI MOTORS' approach that allows "long-term" to become ambiguous according to social issues, and prioritizes integration. I think that allows the definition of "long-term" to become flexible to accommodate changes in social changes and prioritize integration is easy to understand and can be highly appreciated, although I presume that it was difficult to reach consensus internally. Furthermore, for each and every Materiality, this report adopts an across-the-board perspective on mid- to long-term risks and opportunities and is organized to show long-term risks, opportunities, response policies, medium-term targets and their background external environment and stakeholder expectations by theme. This style demonstrates that response to the TCFD framework is already being rolled out across the Company.

Finally, MITSUBISHI MOTORS clarifies flexible stance toward reviewing its material issues in response to changes in the external environment. In this year's report, in light of the aggravation of environmental problems and the spread of the COVID-19, the impact on the company of "Prevention of pollution" has been raised, and "Work style reform" and "Diversity" have been merged. It can be said to be a presentation of a model for the debate over the review of the material issues in response to changes in the external environment.

In this way, I feel that the differentiating factors of your report have become clearer in this issue, in terms of such factors as identity, medium- to long-term perspective, and dynamic materiality. Going forward, it is expected that the story will be strengthened and pursued by taking advantage of these. It is necessary to devise ways to bring out long-term growth strategies through "your company's uniqueness," such as the advantages in the ASEAN market, leading electric technology centered on PHEV, and the potential of Alliance. For example, raising the impact of "Prevention of pollution" on the company" by reviewing the material issues can be evaluated as an indication of the stance of emphasizing the minimization of negative impact, but I think it was because the Company was conscious of the ASEAN market. In order to make the flexible Materiality structure a strength, it is desirable to describe the background of the review in conjunction with growth strategies.

Improvements are being made to the ESG activity report in the second half of this report, such as adding a medium- to long-term perspective as described above. But as a reader, I would like to ask to prioritize, such as changing the weighting in the form of linking to the first half of this report. Regarding E, while the progress of TCFD etc. can be appreciated, there seems to be room for improvement in the connection with the first half of this report, especially the consistency with the long-term direction indicated by the Environmental Plan Package. As for S, I think it is also effective to promote the uniqueness of your company by communicating more information on technology and quality related to safety and security such as ADAS as a differentiating factor including Alliance. Regarding "people," I would also like to expect Mitsubishi Motors' approach to be strengthened from the perspective of continuing to enhance human capital as an intangible asset. I look forward to seeing how the report progresses further.