

Environmental Plan Package

Structure of the Environmental Plan Package

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

Environmental Policy

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

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

Environmental Policy

We have 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 substantially less than 2°C above levels before the Industrial Revolution. From this basis, we

established initiatives to pursue from a long-term perspective, leading up to 2050. In 2018, the Intergovernmental Panel on Climate Change (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 pollution prevention.

Working to Become Carbon Neutral by 2050

Regarding "action to climate change," we have stated our commitment toward helping to shape a society resilient to the impact of climate change by achieving net-zero CO₂ emissions. In September 2022, we revised Environmental Vision 2050, incorporating the goal of achieving carbon neutrality.

Environmental Vision 2050

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

Action to Climate Change

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

Resource Circulation

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

Pollution Prevention

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

Environmental Targets 2030

MITSUBISHI MOTORS has formulated Environmental Targets 2030, which are items to be addressed over the next 10 years in line with the direction of society and initiatives to be pursued 30 years into the future, as set forth in our Environmental Vision 2050. In setting targets, we referred to scenarios published by the IEA*¹ and the IPCC, as well as international frameworks such as the SDGs and the Paris Agreement.

We revised the Environmental Targets 2030 in February 2023, setting even higher targets in our "action to climate change" to demonstrate our commitment to achieving carbon neutrality. For Scope 1*² and Scope 2*³, we raised our target for reducing CO₂ emissions from business activities to the SBT*⁴ target equivalent to a 1.5°C level. For Scope 3*⁵, in addition to an electrified vehicles sales ratio of "50% by FY2030," we added "100% by FY2035." We also added qualitative targets related to procurement and distribution. These revisions were approved by the Board of Directors.

*1 IEA: Internal Energy Agency

*2 Scope 1: A company's direct emissions (such as from burning fuel)

*3 Scope 2: Indirect emissions, resulting from electricity, heat or steam provided by another company

*4 SBT: Short for Science Based Targets, which are greenhouse gas emission reduction targets set by companies consistent with the Paris Agreement levels

*5 Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions from other companies and other sources related to the company's activities)

Environmental Targets 2030

Issues	Targets 2030	
Climate Change	Average CO ₂ emissions from new vehicles* ⁶	-40% (compared with FY2010)
	Electrified vehicles* ⁷ sales ratio	50% FY2035 100%
	CO ₂ emissions from business activities* ⁸	-50% (compared with FY2018)
	Promoting CO ₂ reduction activities with major suppliers	
	Promoting CO ₂ reduction activities in cooperation with logistics companies	
Resource Circulation	Providing energy management services utilizing electrified vehicles and used batteries	
	Implementing measures to adapt to climate change	
	Expanding adoption of non-fossil-based plastic	
Pollution Prevention	Achievement of zero direct landfill waste (less than 0.5%)	
	Reuse of batteries used in electrified vehicles	
Environmental Management	Conformance to regulations on use of substances of concern in products	
	Promotion of LCA* ⁹	
	Promotion of environmental management within the Group and at dealers	
	Enhancing disclosure of environmental information	
	Promotion of employee education and awareness activities	
	Collaboration with suppliers	
	Promotion of grass-roots community environmental preservation activities	

*6 CO₂ emissions per new vehicle while driving. Tank to Wheel

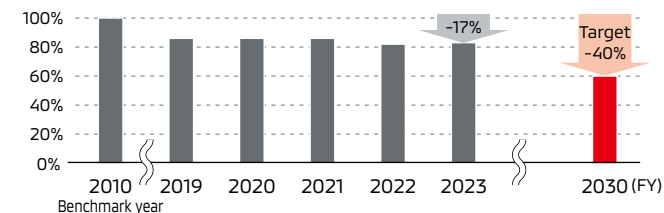
*7 Battery Electric vehicles, plug-in hybrid electric vehicles (PHEV), and hybrid electric vehicles

*8 Total of Scope 1 Scope 2

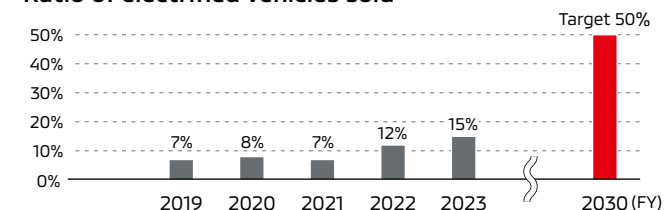
*9 LCA stands for life cycle assessment, which is a technique for calculating and evaluating the environmental impact of a product from manufacturing to disposal.

Principal Results for FY2023

Average CO₂ emissions from new vehicles

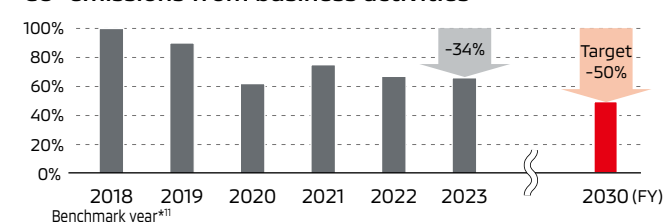


Ratio of electrified vehicles sold*⁹



*9 Based on number of wholesale units sold. MITSUBISHI MOTORS brand products only.

CO₂ emissions from business activities*¹⁰



*10 Scope 1 and Scope 2

*11 The officially reported emission volume of FY2018 (the benchmark year), was 588 thousand t-CO₂. This volume includes 43 thousand t-CO₂ emissions from some equity-method associates. For the purposes of target setting, we have revised our base figure to 545 thousand t-CO₂, as our current method of selecting environmental management target companies excludes these equity-method associates.

Structure for Consideration in Formulation

To clarify MITSUBISHI MOTORS' policies and plans in the environmental area and strengthen a series of initiatives, in 2018 we established a cross-company environmental working group to develop an environmental planning package.

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

<Structure for Consideration from 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*
- Subleader: Division general manager of the Development Management Division*
- Secretariat: Sustainability Promotion Department
- Members:
- Corporate departments**
 - Strategy management
 - Human resources
 - Public and investor relations
 - Product and business activities departments**
 - Technology strategy
 - Production
 - EV business
 - Development management
 - Materials technology
 - Asset management
 - Finance
 - Logistics
 - Procurement
 - Overseas sales
 - Domestic sales
 - After-sales service

<January–October 2020>

Board of Directors

Executive Committee

Small Circle

- Members:
- CEO*
 - Co-COO (in charge of engineering)
 - Director in charge of production
 - 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

* Positions as of March 2020

Steps to Formulation

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

Based on this analysis, we clearly spelled out the directions for initiatives indicated in the Environmental Policy and Environmental Vision 2050 and set numerical targets for the items in the Environmental Targets 2030. In this way, we formulated the New Environmental Plan Package, which provides an overall summary of our environmental strategies.

In the final process of formulation, we incorporate the perspectives of our stakeholders by conducting reviews by external experts.

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

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.
- **Data related to automobile production and MITSUBISHI MOTORS**
<Business>
Unit sales and number of vehicles owned, globally and by region
<Results of Environmental Initiatives>
CO₂ emissions (Scope 1, 2, 3), amount of waste generated, etc.

Analysis

- **Verify relationships between environmental issues and us**
Identify environmental issues to face head-on
- **Consider long-term outlook for environmental issues**
Gather external scenarios on CO₂ emissions, run our own simulations
- **Arrange initiatives to be taken, given our business characteristics (markets and products)**

Formulation

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

Review

- **Conduct review via outside experts**