Environmental Management

Basic Approach

In order to promote environmental initiatives reliably and efficiently, MITSUBISHI MOTORS has constructed a framework for environmental management. 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.

Management Structure

Since 1993, we have been holding an Environmental Council, which is attended by the CEO and officers from each division. The Sustainability Committee, chaired by the CEO, has met since fiscal 2017, 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 Environment Initiative Program. Items of particular importance are reported to the Board of Directors.

Management Target Companies (21 Companies)

Production Affiliates

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

Non-Production Affiliates

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

Environment Initiative Program 2019

In March 2018, MITSUBISHI MOTORS formulated the Environment Initiative Program 2019, an environmental action plan through fiscal 2019. The program had two pillars: enhancing environmental management and initiatives to address environmental issues. From fiscal 2020, we have been promoting activities toward the realization of our newly formulated New Environmental Plan Package.

Overview of Results for the Environment Initiative Program 2019

1. Enhancing Environmental Management

○: As planned △: Delayed

Field	Initiative	Implementation Items (Target Year: FY2019)	FY2019 Results	Evaluation
Environmental management	**Promote the use of renewable energy**	Use renewable energy considering local characteristics	Began operating renewable energy facility (solar power generation) at the Okazaki Plant	○
	Conserve water resources	Manage water risks at each production facility	Assessed amounts of water used at production facilities in Japan	○
	Environmental activities in purchasing	Deploy Green Procurement Guidelines to business partners of overseas plants	Deployed Green Procurement Guidelines to business partners of overseas plants	○
		Assess environmental management conditions and CO_2 emissions of business partners	Assessed environmental management conditions and CO_2 emissions of business partners by means of CDP supply chain program (climate change)	○
	Environmental activities in sales	Promote the acquisition of Eco-Action 21 certification to our dealers	Four companies have newly acquired and are maintaining certification	△
		Emphasize and publicize value of EV/PHEVs to widely expand their use	New deployment and ongoing operation of DENDO DRIVE STATION at 19 dealers	△
	Environmental data management	Renew environmental data management system	Commenced operation of new environmental data system	○
		Implementation of LCA*1 for new vehicle models and improve reliability of evaluation methods for GHG*2 emissions LCA	Considering assessment of production process data	△

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

*2 Abbreviation of greenhouse gas

2. Initiatives to Address Environmental Issues

Field	Initiative	Implementation Items (Target Year: FY2019)	FY2019 Results	Evaluation
Responding to climate change and energy issues	**Reduce CO_2 emissions while driving**	CO_2 emissions per new vehicle while driving: 8% reduction compared to FY2010	-14%	○
	Develop technologies for next-generation environmentally friendly vehicles	Promote development of motor efficiency improvement methods	Promoted the development as planned	○
	Reduce amount of CO_2 emitted by production activities	CO_2 emissions at production facilities per production vehicle: 37% reduction compared to FY2005	-41%	○
	Reduce amount of CO_2 emitted by non-production activities	Unit CO_2 emissions in non-production facilities: 1% reduction compared to FY2018	-8.1%	○
	Reduce amount of CO_2 emitted by logistics activities	CO_2 emissions per unit of transportation in Japan: 9% reduction compared to FY2010	-9.3%	○
Resource recycling	**Commercialize and expand usage of resource-conserving materials**	Application of technology for reduction in component waste production and expanded use of recycled component materials	Promoting development of components using recycling materials	△
	Reduce volume of disposal	Externally disposed waste of production activities per production vehicle: 52% reduction compared to FY2005	-53%	○
Prevention of pollution	**Improve risk management system for hazardous substances in products**	Thorough management of hazardous substances	Continued appropriate management, including response to legal trends	○
	Reduce use of hazardous substances	35g/m² or less of VOC*3 emissions per painting area in production activities	36.5g/m²	△
Environmental preservation	**Promote preservation of biodiversity**	Conduct biological surveys and implement conservation activities at sites in Japan	Conducted ecosystem survey at the Kyoto Plant	○
		Plant and grow trees at Pajero Forest	Conducted activities twice a year	○
		Plant trees at overseas business sites	Planned tree-planting activities in the Philippines	○

*3 VOC stands for volatile organic compounds

Environmental Management System

In fiscal 2010, MITSUBISHI MOTORS acquired company-wide integrated ISO 14001 certification. Major affiliates in Japan and overseas have also acquired ISO 14001 and Eco-Action 21* certification. As of fiscal 2019, approximately 55% of companies targeted for environmental management (including MITSUBISHI MOTORS) had received certification for their environmental management systems.

As of fiscal 2019, 23 dealers in Japan had received Eco-Action 21 certification.

*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.

See page 32 for a list of the dealers that have received Eco-Action 21 certification.

Status of ISO 14001 Certification (As of June 30, 2020)

Development
Mitsubishi Automotive Engineering Co., Ltd.
Production
Pajero Manufacturing Co., Ltd.
Suiryo Plastics Co., Ltd.
Mitsubishi Motors Philippines Corporation (MMPC)
Asian Transmission Corporation (ATC)
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)
MMTh Engine Co., Ltd. (MEC)
Mitsubishi Motors Krama Yudha Indonesia (MMKI)
Distribution and After-Sales Service
Mitsubishi Automotive Logistics Technology Co., Ltd.

Environmental Education and Awareness

The Company 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 fiscal 2019, 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.

External Environmental Communication

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 fiscal 2019, 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, our CO_2 emissions and electric vehicles, among other topics.

Environmental Risk Management

Having learned from past cases of failing to comply with environmental regulations such as those aimed at preventing pollution, MITSUBISHI MOTORS makes 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 fiscal 2019, we were subject to no fines or administrative orders stemming from violations of environmental laws and regulations*. However, the plant twice exceeded statutory values provided under the Water Pollution Prevention Act, and we received two complaints related to odors and sound.

Other than those cases mentioned above, voluntary internal checks and monitoring activities uncovered 10 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.

Life Cycle Assessment (LCA)

We perform life cycle assessment (LCA) to determine the environmental impact across a product's life cycle. We evaluate total emissions, mainly of CO_2, 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_2 emissions with those of conventional parts and vehicles. Recent examples have involved the ECLIPSE CROSS and the TRITON. Results are indicated in our sustainability report.

We recognize that 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.

Examples of LCA Implementation

	Examples of LCA Implementation	Objectives
Components and technologies	Body parts employing plastics	・Verifying the effect of weight reduction
Vehicles	OUTLANDER PHEV	・Assessing the effect of improvement from the gasoline engine model ・Assessing the impact of components
	ECLIPSE CROSS, TRITON	・Comparing the effects of improvement from the previous model and other vehicles in the same class