

Sustainability Management

Corporate Philosophy and Policy

The Three Principles of the Mitsubishi Group

The Three Principles represent the spirit of Mitsubishi since its founding and embody the fundamental philosophy shared by all Mitsubishi Group companies.

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

We have formulated our corporate vision and mission to serve as common guiding principles for the people of the MITSUBISHI MOTORS Group as we look toward the future. The automobile industry is in a period of major change, and MITSUBISHI MOTORS' 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 alliances.

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.

The automobile industries have been creating numerous technologies and innovations including the powertrain diversification, intelligence and IoT (Internet of Things) into vehicles. The role of the automobile has been and will be transformed from a "car" as a type of hardware currently to "mobility" as a transportation system entirely. 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. Our Vision embraces our desire to encourage individuals to take on new challenges, promote economic activities, and contribute to the revitalization of society by improving the efficiency and optimizing movement of the people.

MITSUBISHI MOTORS' Philosophy System

The Three Principles, which guide corporate activities, embody the fundamental philosophy shared by Mitsubishi Group companies. MITSUBISHI MOTORS strives to carry out its Mission and realize its Vision through the MMC Way^{*1}, the minimum necessary preparation and behavior required of each MITSUBISHI MOTORS employee, and the Global Code of Conduct^{*2}, which is to be observed by all executives and employees.

We contribute to the sustainable development of society while deepening mutual understanding with diverse stakeholders through dialogue, and engaging in business activities in various countries and regions centered on automobiles, which are the products we see and use every day.



*1: Please see page 67 for details on the MMC Way.

*2: For details on the Global Code of Conduct, please see page 86.

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. Corporate initiatives have also placed a growing emphasis on these areas.

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.

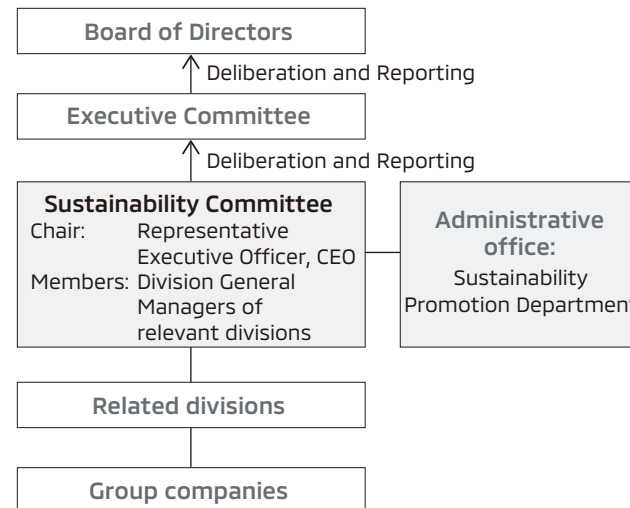
On the environmental front, climate change and energy problems are growing increasingly severe throughout the world. MITSUBISHI MOTORS is contributing to the sustainable development of society through responsible business management initiatives such as reducing greenhouse gases from its business activities. We are also striving to resolve social issues through our business activities in various countries and regions.



Framework for Promoting Sustainability

At MITSUBISHI MOTORS, the Sustainability Committee, chaired by the CEO, implements a plan-do-check-act (PDCA) cycle that involves setting activity targets corresponding to material issues and checking progress toward those targets. Structures are in place for promoting sustainability throughout the MITSUBISHI MOTORS Group, deliberating important matters and reporting them to the Board of Directors.

In April 2019, we established the Sustainability Promotion Department to reinforce internal and external communications. While strengthening communication with stakeholders, including Sustainability Committee members and other executives and employees, we will help to realize a sustainable society and enhance corporate value.



Fiscal 2019 Achievements of the Sustainability Committee

- Meetings convened: 3
 - Principal matters for deliberation
 - Review of initiatives targeting material issues in fiscal 2018, plans for initiatives in fiscal 2019, MITSUBISHI MOTORS' human rights policies, the editorial policy for Sustainability Report 2019, the New Environmental Plan Package, etc.
 - Committee members (As of April 2020)
 - Chair: Representative Executive Officer, CEO
 - Vice-chair: Corporate officer (General Administration/Communication, Sustainability)
 - Committee members: Representative Executive Officer, Co-COO and responsible for Engineering
 - Representative Executive Officer, Co-COO and responsible for ASEAN and Oceania and Division General Manager of the Global Sales Development Division
 - Senior Executive Officer (Corporate Governance)
 - Senior Executive Officer (Production)
 - General Manager, Corporate Strategy Management Office
 - Division General Manager of TCS* Division
 - Division General Manager of Product Strategy Division
 - Division General Manager of Human Resources Division
 - General Manager of Finance Planning Office
 - Division General Manager of Mobility Business Division
 - Division General Manager of Procurement Management Division
 - Division General Manager of Corporate Affairs Division
 - Division General Manager of Production Engineering Division
 - Division General Manager of Global After Sales Division
 - Division General Manager of Domestic Sales Division
 - Division General Manager of Development Management Division
 - General Manager of Public Relations Department
 - General Manager of the IR Office
 - Observer: Member of the Board (Audit Committee member)
- *TCS: Total Customer Satisfaction

Instilling Internal Awareness of Sustainability

Throughout the year, MITSUBISHI MOTORS conducts awareness activities to enhancing the understanding of sustainability among executives and employees and promote sustainability initiatives in routine operations. We check this level of awareness through surveys of employee attitudes. Survey results are incorporated into activities for the next fiscal year.

Examples of Activities

- E-learning related to overall sustainability
8,724 participants
- Training on overall sustainability tailored to each job rank
833 participants
(Entry-level employees, mid-career employees, newly appointed M2 employees <Managers>, M1 employees <General Managers>)
- Monthly newsletter on sustainability



Training tailored to each job rank
(M1 employees <General Managers>)

Participation in the United Nations Global Compact

In May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC) that provides 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 former UN Secretary-General Kofi Annan at the 1999 World Economic Forum (Davos Conference).

Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

WE SUPPORT



Participation in External Organizations

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

External Initiatives Supported or Referred to

- United Nations' Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC)
- Core Labor Standards of the International Labour Organization (ILO)
- Organisation for Economic Cooperation 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. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.

By strengthening dialogue with stakeholders, we strive to sincerely address society's expectations and face any issues, reflecting this input in our future initiatives.



Responding to customers at a call center



Customer Voice Seminar in the Okazaki area

Dialogue with Stakeholders

Stakeholders	Policies on Dialogue	Opportunities for Dialogue	Frequency	Reflecting Input in Our Business
Consumers and customers	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	
Business partners	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	
Shareholders and investors	Disclose business and financial information and results in an appropriate manner and time.	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	
	Conduct constructive dialogue aimed at sustainable growth and enhanced corporate value.	Shareholders' Meeting	Once per year	
		IR websites	Ongoing	
		Events, email magazines	As necessary	
		Integrated report	Once per year	
		Employees	Engage in bilateral communication to cultivate a sense of teamwork and unity based on relationships of mutual trust between labor and management and a sense of mutual responsibility.	
Consultation offices (Employee Consultation Office, MMC Hotline, MITSUBISHI MOTORS Global Internal Reporting Office)	Ongoing			
Town hall meetings with senior management	As necessary			
Internal websites	Ongoing			
Employee surveys	Every two years			
Local communities	Build good relations with local communities.			Local community consultation desks, websites
		Collaborations with local government bodies	As necessary	
	Engage in dialogue with diverse stakeholders to resolve social and environmental issues.	Social contributions (support for the next generation, traffic safety, environment preservation, participation in local communities, disaster assistance)	As necessary	
		Community events	As necessary	
		Plant tours	Ongoing	

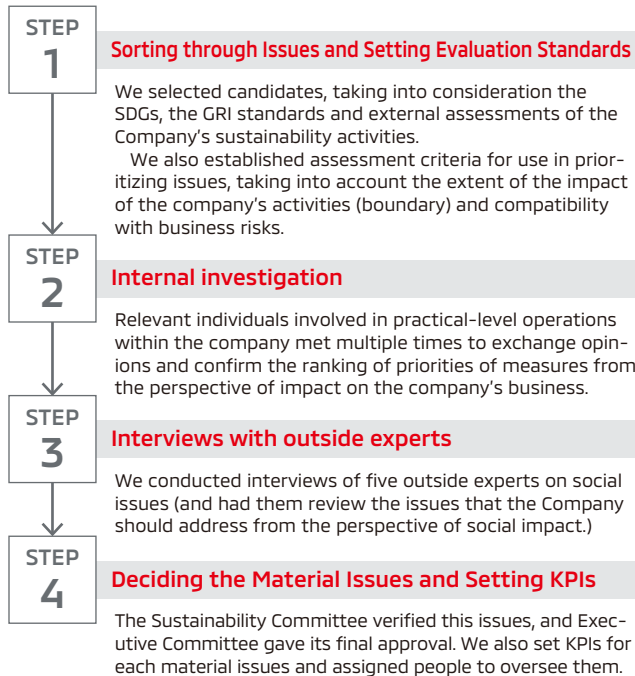
MITSUBISHI MOTORS' Materiality

Identifying Material Issues

MITSUBISHI MOTORS recognized importance of the United Nations Sustainable Development Goals (SDGs) and identified 15 material issues as the important issue that we should wrestle from various problems of each environment, society, governance field in 2018.

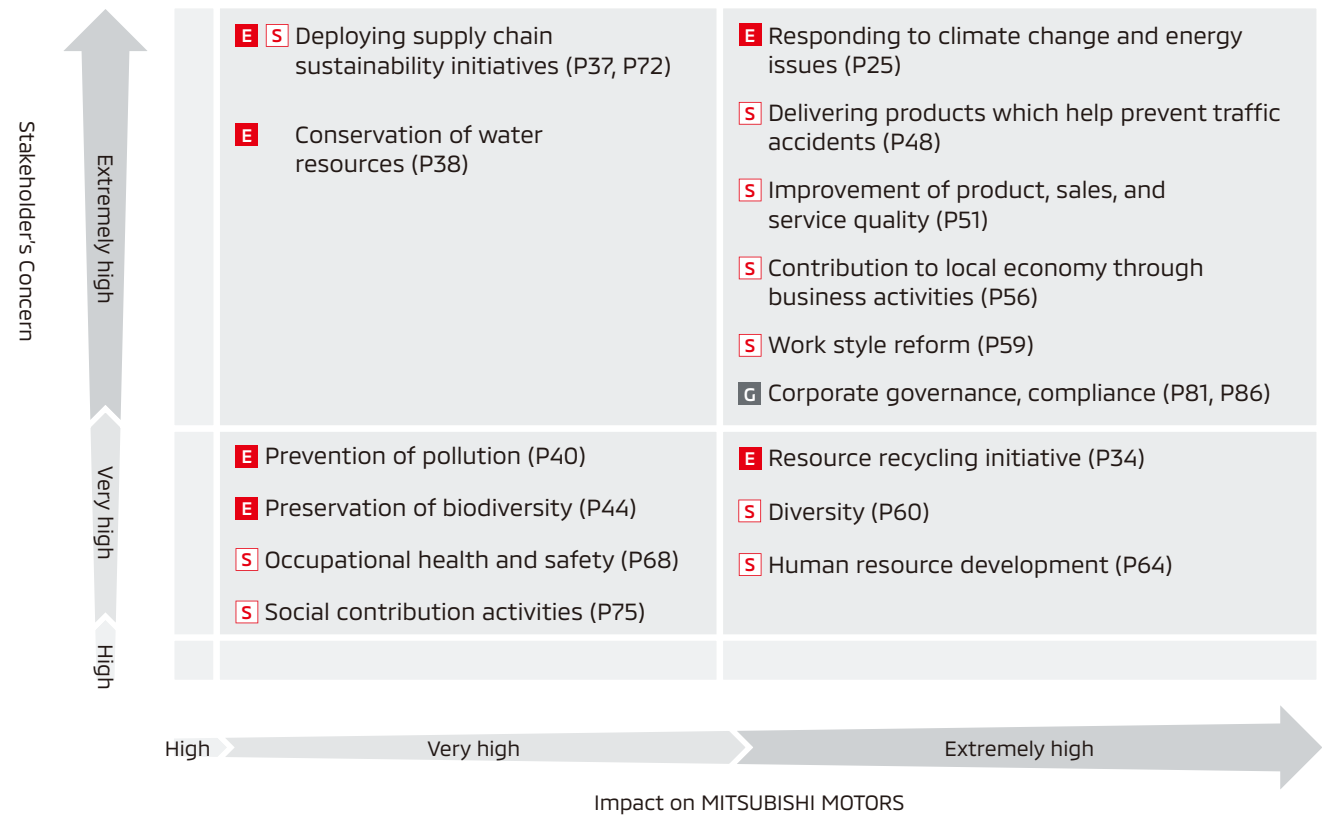
During the identification process, we considered the level of importance to stakeholders and from the perspective of the degree of impact on the Company, and held hearings with experts. The Sustainability Committee then deliberated the issues, which were decided by the Executive Committee.

Identification Process



The Material Issues We Identified










In fiscal 2018, we identified 15 material issues to be addressed in relation to the environment, society, and governance. In fiscal 2020, we will review the material issues, considering our responses to increasingly severe environmental problems and the changing social situation due to the COVID-19 pandemic.



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

Risks and Opportunities Associated with Particularly Important Material Issues

When identifying material issues, MITSUBISHI MOTORS sorted them according to risks (social problems we recognized) and opportunities (Issues that we should tackle based on risks).

Material Issues	Risks	Opportunities	Contribution to the SDGs
Responding to climate change and energy issues	<ul style="list-style-type: none"> Growing corporate responsibility for responding to global warming Increasing consumer desire to purchase eco-products Rising number of global meteorological disasters having a major impact on people's lives and the economy 	<ul style="list-style-type: none"> Increase sales through a stronger lineup of products featuring reduced CO₂ emissions Contribute to the environment by lowering CO₂ emissions across the procurement, manufacturing and sales processes, such as by proactively introducing renewable energy Expand sales of electric vehicles, which can help supply electricity in times of meteorological disaster 	 
Delivering products which help prevent traffic accidents	<ul style="list-style-type: none"> The emerging problem of traffic accidents caused by senior drivers An increasing number of fatal accidents due to a surge in automobile ownership in emerging economies 	<ul style="list-style-type: none"> Boost sales through the development and popularization of preventive safety technologies Enhanced competitiveness through collision safety functions (drivers/passengers and pedestrians) 	
Improvement of product, sales, and service quality	<ul style="list-style-type: none"> Growing consumer preference to buy products that are safe and provide peace of mind Increasingly diverse customer needs throughout the automobile life cycle 	<ul style="list-style-type: none"> Boost customer satisfaction by providing high-quality products Earn trust by responding swiftly when defects occur Enhance loyalty by enhancing the customer response skills of dealers' employees 	
Contribution to local economy through business activities	<ul style="list-style-type: none"> Rising competition between companies from developed countries moving into emerging economies 	<ul style="list-style-type: none"> Foster prosperity in local communities by reinforcing business in the ASEAN region Expand business opportunities through initiatives to raise trust among stakeholders in the ASEAN regions 	  
Work style reform	<ul style="list-style-type: none"> The increasing social issues of physical and mental illnesses due to overwork Shrinking population due to a falling birthrate and aging population and difficulties in recruiting excellent human resources 	<ul style="list-style-type: none"> Boost labor productivity and shorten total working hours through working environment innovations Reduce turnover owing to such reasons as childcare, nursing care, and outpatient treatment Recruit excellent human resources by offering diverse working styles 	  
Corporate governance, compliance	<ul style="list-style-type: none"> Corporate scandals becoming an increasing social problem Increasing number of cyberattacks and other issues related to information leaks, as well as their increasing severity 	<ul style="list-style-type: none"> Ensure soundness and transparency by establishing a robust governance system Earn society's trust by augmenting the compliance system and strengthening employee education Ensure operational safety through enhanced risk management 	