

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
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 (As of March 31, 2021)

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)

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.

(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.

(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)

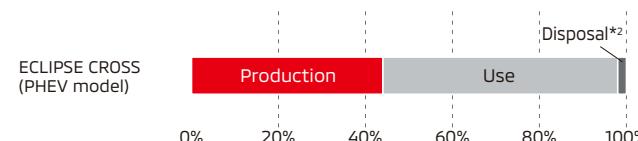
We perform LCA to determine the environmental impact across a product's life cycle. We evaluate total emissions, mainly of CO₂, from such processes as extracting the resources used in parts and materials, producing materials, manufacturing parts, assembling vehicles, producing fuel, driving and disposing of disused automobiles.

We use LCA to develop environment-friendly parts, electric vehicles and new-model vehicles, and compare their life cycle CO₂ 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"> Assessing the effect of improvement from the gasoline model Assessing the impact of components
	New DELICA D:5 (Japan model)	<ul style="list-style-type: none"> Comparing the effects of improvement against other vehicles in the same class

LCA Results for the ECLIPSE CROSS (PHEV model) (CO₂ 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 CO₂ 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.