

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.

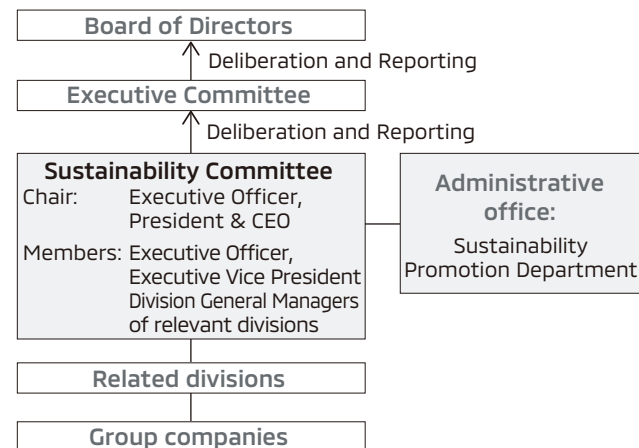
SUSTAINABLE DEVELOPMENT GOALS



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
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. 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	
Employees	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	
Local communities	Build good relations with local communities. 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	

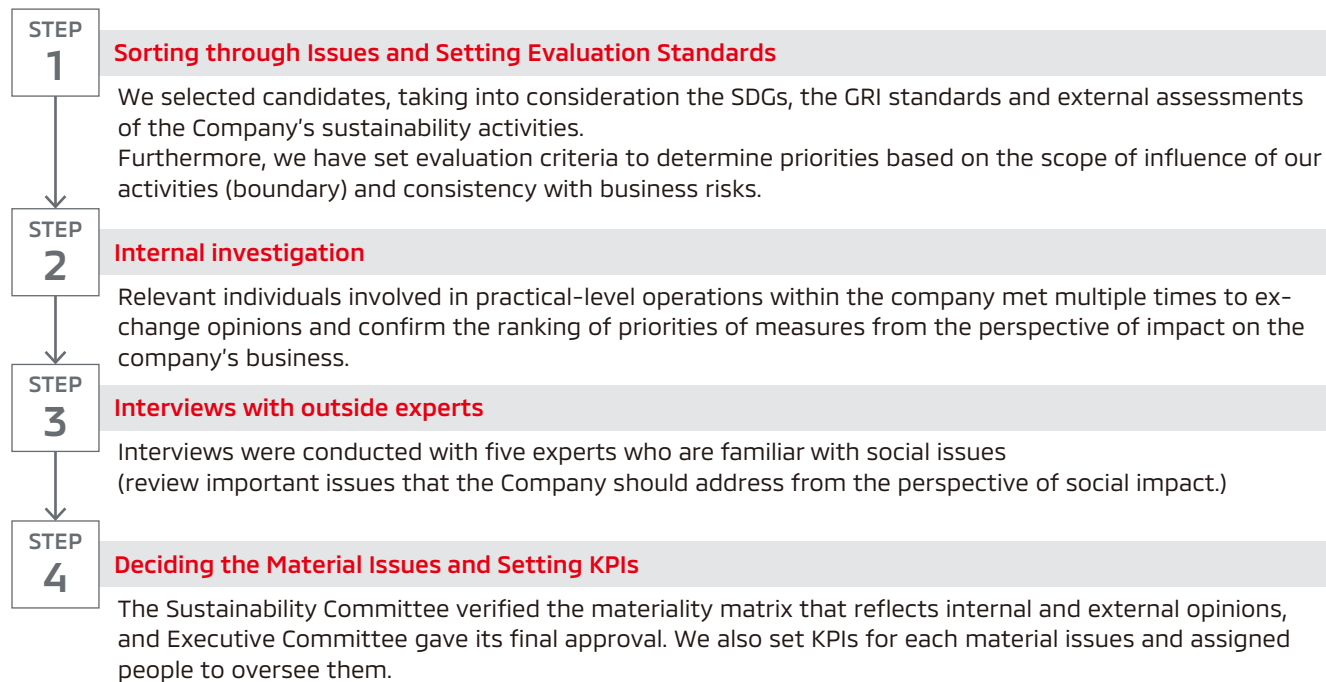
MITSUBISHI MOTORS' Materiality

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."

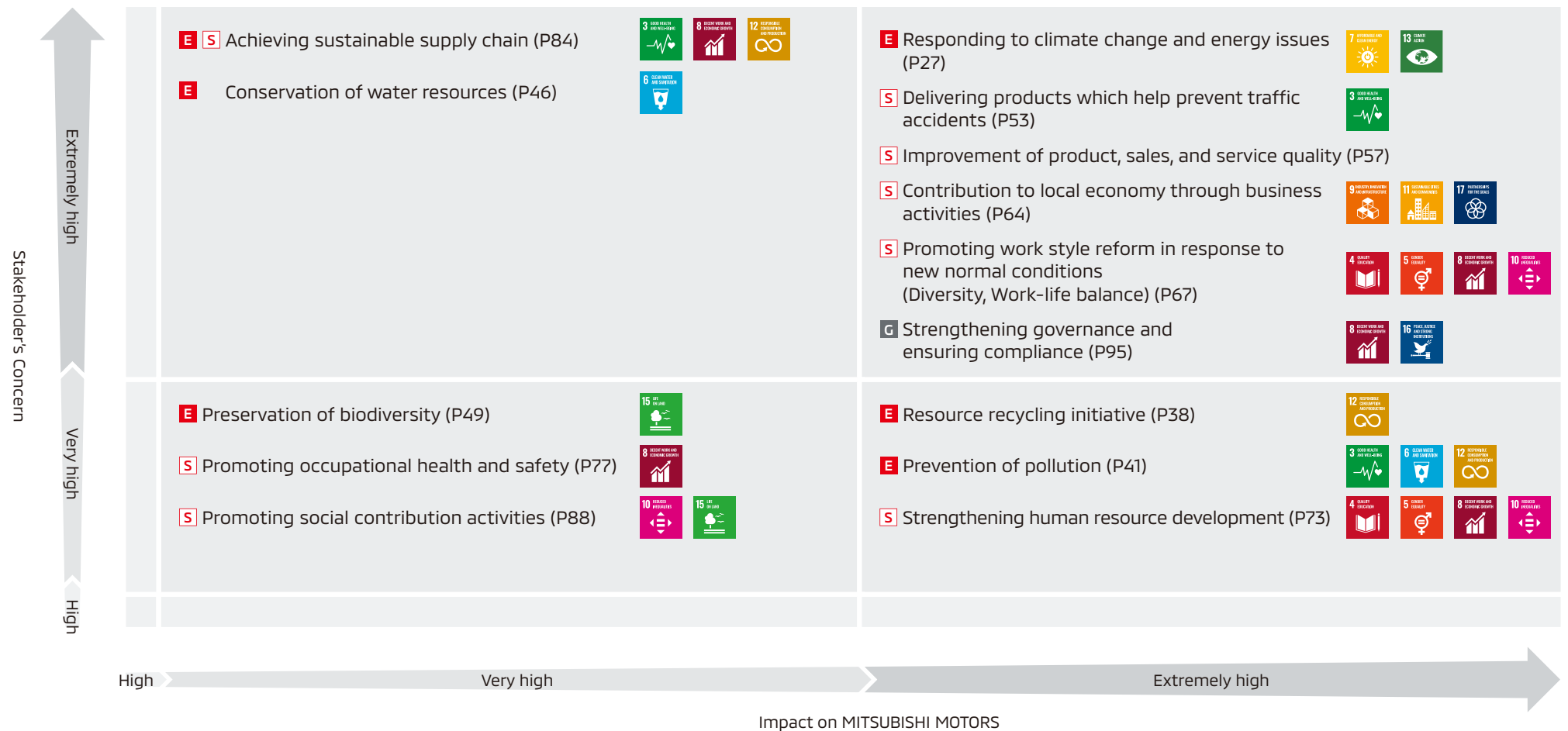
2. Materiality on "People"

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.

