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
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 development 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.

VISION
The society we want to create

MISSION
How to realize the vision

MMC WAY
“Mindset” and “Actions” every one of us must put into practice

Global Code of Conduct
Standards that all executives and employees must comply with

*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.

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 confirming 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
  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, Development Management 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.

Dialogue with Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Policies on Dialogue</th>
<th>Opportunities for Dialogue</th>
<th>Frequency</th>
<th>Reflecting Input in Our Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers and customers</td>
<td>Promote activities that better reflect customer input in our products and services.</td>
<td>Customer Contact Center, sales companies, after-sales services</td>
<td>Ongoing</td>
<td>Promoting customer satisfaction activities</td>
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<tr>
<td></td>
<td></td>
<td>Website, social networks</td>
<td>Ongoing</td>
<td>Improving products and services</td>
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<tr>
<td></td>
<td></td>
<td>Customer satisfaction surveys</td>
<td>As necessary</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Events, TV/newspaper/magazine advertising, email magazine</td>
<td>As necessary</td>
<td></td>
</tr>
<tr>
<td>Business partners</td>
<td>Engage in communication aimed at coexistence and coprosperity based on mutual trust.</td>
<td>Contact for inquiries, Business Partner Helpline</td>
<td>Ongoing</td>
<td>Building relationships aimed at coexistence and coprosperity based on mutual trust</td>
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<td></td>
<td></td>
<td>Suppliers Meeting, presentations, specialized websites</td>
<td>As necessary</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Participation in industry organizations</td>
<td>As necessary</td>
<td></td>
</tr>
<tr>
<td>Shareholders and investors</td>
<td>Disclose business and financial information and results in an appropriate manner and time.</td>
<td>IR inquiry contacts</td>
<td>Ongoing</td>
<td>Promoting initiatives Targeting sustainable growth and enhanced corporate value</td>
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<tr>
<td></td>
<td>Conduct constructive dialogue aimed at sustainable growth and enhanced corporate value.</td>
<td>Interviews</td>
<td>As necessary</td>
<td></td>
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<td></td>
<td></td>
<td>Financial results briefings</td>
<td>Four times per year</td>
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<tr>
<td></td>
<td></td>
<td>Mid-term business plan briefings</td>
<td>As necessary</td>
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<td></td>
<td></td>
<td>Individual initiative briefings</td>
<td>As necessary</td>
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<td></td>
<td></td>
<td>Shareholders' Meeting</td>
<td>Once per year</td>
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<td></td>
<td></td>
<td>IR websites</td>
<td>Ongoing</td>
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<td></td>
<td></td>
<td>Events, email magazines</td>
<td>As necessary</td>
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<td></td>
<td></td>
<td>Integrated report</td>
<td>Once per year</td>
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<td>Employees</td>
<td>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.</td>
<td>Labor management discussions</td>
<td>As necessary</td>
<td>Creating a safe and rewarding working environment</td>
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<td></td>
<td></td>
<td>Consultation offices (Employee Consultation Office, Outside attorney consultation (Help-line), MITSUBISHI MOTORS Global Hotline)</td>
<td>Ongoing</td>
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<td></td>
<td></td>
<td>Town hall meetings with Executives</td>
<td>As necessary</td>
<td></td>
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<td></td>
<td></td>
<td>Internal websites</td>
<td>Ongoing</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Employee survey</td>
<td>Every two years</td>
<td></td>
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<tr>
<td>Local communities</td>
<td>Build good relations with local communities.</td>
<td>Local community consultation desks, websites</td>
<td>Ongoing</td>
<td>Promoting initiatives to resolve social and environmental issues</td>
</tr>
<tr>
<td></td>
<td>Engage in dialogue with diverse stakeholders to resolve social and environmental issues.</td>
<td>Collaborations with municipalities</td>
<td>As necessary</td>
<td></td>
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<td></td>
<td></td>
<td>Social contributions</td>
<td>As necessary</td>
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<td></td>
<td></td>
<td>Community events</td>
<td>As necessary</td>
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<td></td>
<td></td>
<td>Plant tours</td>
<td>Ongoing</td>
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</tbody>
</table>

Responding to customers at Customer Contact Center
MITSUBISHI MOTORS’ Materiality

Identifying and Reviewing Material Issues

MITSUBISHI MOTORS recognized the 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.

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.

We selected candidates, taking into consideration the SDGs, the GRI standards and external assessments of the Company’s sustainability activities. Furthermore, we have set evaluation criteria to determine priorities based on the scope of influence of our activities (boundary) and consistency with business risks.

Identification Process

1. Sorting through Issues and Setting Evaluation Standards
   - We selected candidates, taking into consideration the SDGs, the GRI standards and external assessments of the Company’s sustainability activities. Furthermore, we have set evaluation criteria to determine priorities based on the scope of influence of our activities (boundary) and consistency with business risks.

2. Internal investigation
   - Relevant individuals involved in practical-level operations within the company met multiple times to exchange opinions and confirm the ranking of priorities of measures from the perspective of impact on the company’s business.

3. Interviews with outside experts
   - Interviews were conducted with five experts who are familiar with social issues (review important issues that the Company should address from the perspective of social impact.)

4. Deciding the Material Issues and Setting KPIs
   - The Sustainability Committee verified the materiality matrix that reflects internal and external opinions, and Executive Committee gave its final approval. We also set KPIs for each material issues and assigned people to oversee them.

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.

### Stakeholder’s Concern

| E | Social Environment Feature Governance ESG Data Commitment of Top Management Sustainability Management |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | Achieving sustainable supply chain (P84) | Conservation of water resources (P46) | Responding to climate change and energy issues (P27) | Delivering products which help prevent traffic accidents (P53) | Improvement of product, sales, and service quality (P57) | Contribution to local economy through business activities (P64) |
|   | Preservation of biodiversity (P49) | Promoting occupational health and safety (P77) | Resource recycling initiative (P38) | Prevention of pollution (P41) | Strengthening human resource development (P73) | Promoting work style reform in response to new normal conditions (Diversity, Work-life balance) (P67) |
|   | Promoting social contribution activities (P88) | Conservation of water resources (P46) | Responding to climate change and energy issues (P27) | Delivering products which help prevent traffic accidents (P53) | Improvement of product, sales, and service quality (P57) | Contribution to local economy through business activities (P64) |
|   | Support for the sustainability of local areas (P95) | Preserving biodiversity (P49) | Achieving sustainable supply chain (P84) | Conservation of water resources (P46) | Responding to climate change and energy issues (P27) | Delivering products which help prevent traffic accidents (P53) |
|   | Sustainability management (P95) | High | Very high | High | Very high | High |

**Impact on MITSUBISHI MOTORS**

- E: Environment
- S: Social
- G: Governance

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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 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.