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Delivering Products which Help Prevent Traffic Accidents



Medium- to Long-Term Vision for Material Issues

closure testing and assessment, such as NCAP

	RISKS	Opportunities	Direction of Responses
Long Term	 An increase in serious accidents as society ages A rise in accidents due to a surge in automobile ownership in emerging markets 	Maintain the brand and expand sales by introducing advanced technologies	 MITSUBISHI MOTORS' uniqueness: Environment x safety, security and comfort
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	 Laws and regulations related to traffic accidents, 	Stakeholders' Needs and Expectations Customers: Growing expectations for active safety technologies	Medium-Term Targets ■ Provide customers with safe, secure and comfortable means of mobility with the environment at the core

bility for all people

FY2020 Materiality Targets and Results

 \bigcirc : As planned \triangle : Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evaluation
Delivering products which help prevent traffic accidents	Formulate basic policies for individual safety technologies as planed	Formulation of policies	Formulated as planned	0

Basic Approach

MITSUBISHI MOTORS is aware of its responsibility towards traffic safety as an automaker, and we have set "Delivering products which help prevent traffic accidents" as a key part of our sustainability activities.

Approximately 1.35 million people are lost in traffic accidents worldwide every year* As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing the number of traffic accidents is an urgent matter glob-

ally. A new target was adopted for Target 3.6 of the Sustainable Development Goals (SDGs) at the 74th UN General Assembly in 2020. This target calls for halving the number of global deaths and injuries from road traffic accidents between 2021 and 2030.

We are upholding the safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing safety technologies and promoting traffic safety education.

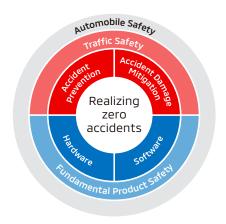
*2018 World Health Organization (WHO) survey

Management Structure

With regard to product development, the product safety committee has established guidelines and a strategy for safe development based on the MITSUB-ISHI MOTORS' safety philosophy. The committee also formulated an automobile safety framework as our approach to safety technology. We are conducting initiatives based on three points: 1. technology to help prevent traffic accidents (active safety), 2. technology to mitigate damage from traffic accidents (passive safety) and 3. Avoidance of dangers, both in hardware and software, assumed as industrial products (fundamental product safety).

We are also working to enhance the management structure by educating R&D personnel, promoting awareness of the safety philosophy and automobile safety framework.

Automobile Safety Framework



Development of Safety Technology

By reflecting a variety of safety technologies in our products, we aim to ensure our customers can drive in safety, security and comfort.

Active Safety Technology to Avoid Crashes

We are working to develop and install various active safety technologies to help to eliminate traffic accidents preemptively.

Active Safety Technologies

Using millimeter-wave radar and cameras, these technologies help to detect the risk of accidents and help prevent, avoid or mitigate damage.

Active safety functions

Function	Description
Forward Collision Mitigation Brake System	Detects vehicles and pedestri- ans ahead. If there is a risk of collision, the system alerts the driver or applies the brakes to help avoid a collision or mitigate collision damage.
Forward Collision Prediction Warning	Monitors two vehicles in front of the traveler. It detects a change in the situation ahead which is difficult to see from the driver, and alerts the driver with an alarm and a display.
Lane Departure Warn- ing System and Lane Departure Prevention Function	The warning system monitors the lane markers ahead of the vehicle and provides alarms and displays to alert the driver if the vehicle appears likely to drive out of the lane. In addition, the Lane Departure Prevention Function takes control of the brakes for a short period of time, helping to keep the vehicle in its lane.
Adaptive Cruise Control System	This system automatically follows the vehicle ahead by accelerating, decelerating or stopping. By helping to maintain a set distance between vehicles, the system reduces the burden on the driver.
Ultrasonic Misacceleration Mitigation System	When the driver drives forward or in reverse, the system helps to prevent acceleration caused by misoperation of the gear shift or accelerator pedal.
Automatic High Beam	Automatically switches between low beams and high beams by detecting whether there is an approaching vehicle or vehicle ahead, the ambient lighting conditions, and other factors, helping safer nighttime driving.







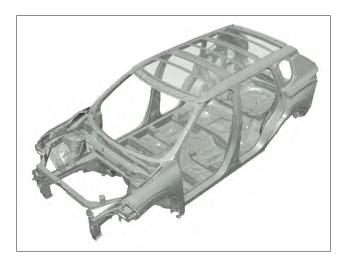
Body Structures that Protect People

In the event of a collision, it is crucial to have a vehicle body structure that mitigates the impact on passengers and provides adequate space. MITSUBISHI MOTORS has adopted the Reinforced Impact Safety Evolution (RISE) body, and enhance collision safety performance in all directions: front, rear, and sides.

For example, the new OUTLANDER, which launched in North America in April 2021, uses a front-to-rear straight frame structure that can efficiently absorb collision energy. The vehicle interior (cabin) uses high-strength steel plates, as in the past. In addition, hot-stamped ultrahigh-tensile-strength steel is used to achieve enhanced passenger safety while reducing weight.

We are also pursuing safety with regard to pedestrians, as well as drivers and passengers. For example, we have adopted energy-absorbing structures in the hood, cowl top, windshield wipers and other parts to

mitigate injury to pedestrians' heads. Energy- absorbing structures that help to protect pedestrians' legs are used in bumper faces and headlights, for example.



RISE Body used in the new OUTLANDER

Results of Major Third-Party Safety Evaluations

tesaits of Flajor Time a farty surety Evaluations				
Region	Third-Party Evaluation	Model	Rating	
United States	NCAP*	OUTLANDER PHEV ECLIPSE CROSS	Overall 5★	
ASEAN	ASEAN NCAP*	OUTLANDER	5★	
Australia	NCAP*	ECLIPSE CROSS PHEV	5★	

Period: May 2020 to June 2021

Avoidance of Dangers Assumed as Industrial Products

On the hardware (physical) side, we use flame-retardant materials, employ isolation structures on high-voltage components and use other technologies to enhance safety and security.

On the software side, we use firewalls on vehicle networks and employ encrypted communications to reduce the risk of cyber threats via electrical equipment mounted in vehicles.

^{*} Abbreviation of New Car Assessment Program. An automobile safety testing and assessment program implemented by a third-party organization in each country or region.



Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that support safe driving. It is a new automotive safety concept, as an effort to help prevent traffic accidents among senior drivers, being promoted in Japan through collaboration between the government and private sectors. Vehicles are classified into the following categories: "Safety Support Cars" or and "Safety Support Cars S" (Basic, Basic +, and Wide) depending on the features in each vehicle. MITSUBISHI MOTORS is expanding its lineup of safety support cars.

Safety Support Car Models (as of June 2021)

Safety Support car Flodels (as of Safe 2021)				
Safety Support Car S Wide Models				
ECLIPSE CROSS	OUTLANDER PHEV			
DELICA D:5	DELICA D:5 URBAN GEAR			
RVR				
eK WAGON	eK CROSS			
eK SPACE	eK CROSS SPACE			
DELICA D:2	DELICA D:2 CUSTOM			
MIRAGE	TOWN BOX			
MINICAB	MINICAB TRUCK			

In addition, our forward collision mitigation braking system and pedal misapplication prevention device have been certified as achieving a certain degree of performance under the Ministry of Land, Infrastructure, Transport and Tourism's "Advanced Safety Technology Performance Evaluation Certification System."

Certified Models (As of June 2021)

(Forward Vehicles) Forward Collision Mitigation Braking System (Pedestrians) Forward Collision Mitigation Braking System			
ECLIPSE CROSS	DELICA D:5		
eK WAGON	eK CROSS		
eK SPACE	eK CROSS SPACE		
DELICA D:2	TOWN BOX		
MINICAB	MINICAB TRUCK		

Pedal Misapplication Prevention Device		
ECLIPSE CROSS	DELICA D:5	
eK WAGON	eK CROSS	
eK SPACE	eK CROSS SPACE	
DELICA D:2	TOWN BOX	
MINICAB	MINICAB TRUCK	

Vehicles That Pedal Misapplication Prevention Device can be retrofitted

eK WAGON (2013–2019)
eK CUSTOM (2013–2019)
eK SPACE (2014–2020)
eK SPACE CUSTOM (2014–2020)
MIRAGE (from June 2012)
DELICA D:5 (from January 2007)

Traffic Safety Education and Promotion

The Company seeks to reduce the number of traffic accidents by conducting traffic safety education and promoting awareness. In these ways, we are working to raise safety awareness throughout society.

Dissemination of Traffic Safety Information

Automobile Safety Facts Guide Website

We disseminate information on the proper use of equipment and other topics that require drivers' special attention so that drivers will use automobiles more safely.



Automobile Safety Facts Guide
(WEB) https://www.mitsubishi-motors.co.jp/support/safety/popup/index.html
(This site is only available in Japanese.)







Commitment of Sustainability Management ESG Data Feature Environment Social Governance Top Management

Improvement of Product, Sales, and Service Quality

Medium- to Long-Term Vision for Material Issues

L	Risks	Opportunities	Direction of Responses
Long Term	 Quality problems that originate in product or service quality 	 Enhance loyalty and win new customers by providing high-quality products and services 	 Quality Policy*¹ *1 Please see 58 page for the details on the "Quality Policy"

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	 Increasingly diverse customer needs as vehicles become more advanced (electrification, intelligence) Increase in vehicle off-board functions (connected, link with smartphones) 	 Customer perspective: Sense of satisfaction in relation to quality through various contact points with products and MITSUBISHI MOTORS Business perspective: Maintain and enhance manage- ment to ensure against losing trust on the quality front 	sia, the Philippines, Vietnam and Malaysia)

FY2020 Materiality Targets and Results

O: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evalua- tion
Improving product quality	Ratio of defects identified within 3 months in service of new vehicle sale	Ratio of defects identified within 3 months in service of new vehicle sale	Achieved reduction target	0
Improving sales quality	Sales Satisfaction Index (SSI) Top 3 ranking in industry surveys in the ASEAN5*2	Sales Satisfaction Index (SSI)	Sales Satisfaction Index (SSI) Achieved target in three of the five ASEAN5 countries	Δ
Improving service quality	Customer Satisfaction Index (CSI) Top 3 ranking in industry surveys in the ASEAN5*2	Customer Satisfaction Index (CSI)	Customer Satisfaction Index (CSI) Achieved target in all five of the ASEAN5 countries	0

^{*2} Three countries of Indonesia, Philippians and Malaysia set internal target instead of industry survey because these countries were not conducted industry survey.

Basic Approach and Quality Policy

Based on Quality Policy revised on April 1, 2019,MIT-SUBISHI MOTORS are undertaking measures to improve quality in four categories: product quality,perceived quality, sales quality and service quality in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period,

Product quality includes the initial quality that customers experience immediately after purchasing a new car, and durability that customers experience throughout the entire period of use and so we sincerely listen to the opinions of customers and correct any

issues so that we can promptly make improvements.

In addition, we are working to improve perceived quality in terms of aspects such as the usability, comfort, and appearance that customers perceive when they observe, feel, and use our products.

With regard to sales quality and service quality demonstrated at sales companies that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction.

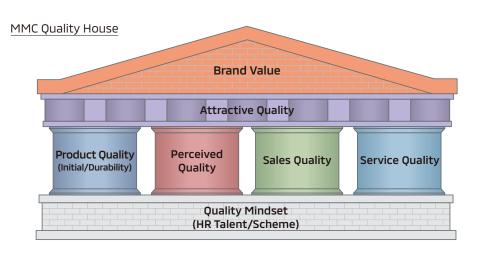
We strive to achieve the highest levels of quality from the customer's viewpoint so that we can achieve customer satisfaction during every point of contact with customers.

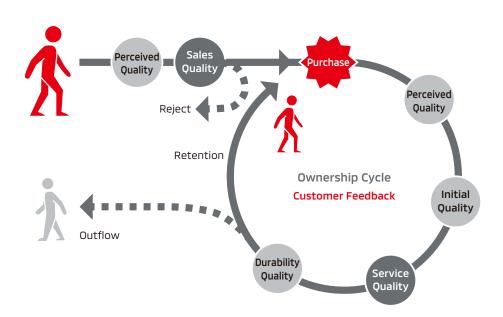
Quality Policy

Quality is the fundamental requirement to support our business.

- 1. Commit to excellence in Product, Sales, and Service Quality exceeding customer expectations
- 2. Focus on Quality of Management to continuously improve overall company performance.
- 3. Comply with laws and global regulations to gain trust on MMC quality.

The Four Quality Pillars Support Brand Image





Improving Product Quality

Dealing responsibly not only with defects related to safety but also with regard to points raised and complaints about products is essential to improving customer satisfaction.

Regarding vehicles that have already been sold, MITSUBISHI MOTORS is taking measures to reduce initial quality issues with a focus on defect incidents that occurred within three months to twelve months after sale. We have accelerated the speed of resolution through collaboration between the quality and development and production divisions, helping to reduce customer complaints.

Furthermore, to improve the initial quality of its new vehicles, we hold cross-functional "oobeya (large room) activities," where employees from various divisions (including development, production, service, quality control and procurement) meet in one room from the point at which shipment starts to consider countermeasures to address any problems that may occur. This approach allows initial quality to be improved more quickly.

Also, addressing issues that are not defects but that can cause customer dissatisfaction helps to improve processes during the development stage so new vehicles can be improved.

Vehicle Quality Evaluations and Guarantees Based on a Customer Perspective

We are implementing a quality evaluation standard based on a customer perspective customer's point of view called AVES* to ensure full quality assessments evaluation on prototype vehicles under development, vehicles undergoing quality verification and production vehicles sold to customers.

Assessments AVES evaluations includes static evaluations (interior and exterior appearances) and dynamic evaluations (when driving drivability). Dynamic evaluations check such aspects as noise, vibration, steering stability and various in-vehicle equipped functions. AVES assessors evaluators (specially qualified Company personnel) perform assessments evaluations in the customer's stead and checking achievement of various criteria against quality standards.

AVES plays an important role in deciding whether to produce or start production of new models, as well as in maintaining quality guarantees on production vehicles. Accordingly, these assessments are evaluations are performed rigorously according to a rigorous customer perspective the customer's point of view.

* AVES is a quality evaluation system used across the Renault-Nissan-Mitsubishi alliance, in which specially trained experts assess evaluates vehicles using more than 300 quality assessment evaluation criteria established from the customer's perspective customer's point of view.

Improving Perceived Quality

We are taking measures from the development stage to improve quality with an emphasis on customer perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the life of a vehicle after purchase.



Improving Sales Quality

We aim for top-level quality from a customer viewpoint and act in concert with sales companies to improve the quality of sales and become a brand that customers support and identify with.

Cooperation with Domestic Sales Companies

One of the measures that domestic sales companies are taking is the provision of proposals and a new sales pitch experience tailored to customer needs by promoting sales pitch styles using IT. For example, sales companies introduced tablet PCs to provide visual and easy to understand product explanations





and have customers that come to the sales outlets use the tablets to respond to questionnaires regarding the quality of service in order to make timely improvement. Further improvements in customer satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction.

Cooperation with Overseas Sales Companies

Cooperation with sales companies in each country and region is essential for achieving high customer satisfaction overseas. MITSUBISHI MOTORS provides product information to sales companies on a daily basis and strives to gather comments and opinions from local customers. In addition, we obtain market information from sales companies and gather product requests through interviews. In these ways, we strive to gather input from local customers.

In FY2020, sales companies in various countries and regions concentrated on sales activities under the "new normal" conditions. For example, Within our core market ASEAN region*, we held online meetings among sales companies to share and discuss on issues and solutions. We highlighted good examples of sales companies' efforts to enhance service quality and distributed this information among the countries and regions. In these ways, we supported sales companies' efforts to augment customer satisfaction.

* Thailand, Indonesia, the Philippines, Vietnam and Malaysia

Appropriate Product and Service Information Disclosure

In compliance with the laws and regulations of each country and region, we strive to provide product and service information and labeling displays.

Improving Service Quality

It is crucial to keep providing customer-oriented "superior service quality" from the customers' first experience of purchasing a vehicle at dealers where customers and our meet.

We, hand in hand with partners in Japan and global dealers, are improving our capabilities of customer services, such as communication and technical skills, to deliver more satisfaction than customers expectation.

Transferring Skills, in Japan

We have established its unique certification program for dealer staff. And it is offering an appropriate training for each staff member according to their skills. It is, after all, enhancing their capabilities of actual customer services.

We have 7 Technical Centers across Japan and organizes technical meet-ups, seminars and technical expert visits, supporting dealers from various perspectives including highly technical advice. It ends up swift response to customers.

Transferring Skills, Global

To ensure the same and high-quality customer services around the world, We have been introducing its global-common-standard training and certification program for automobile technicians aiming to advanced customer services.

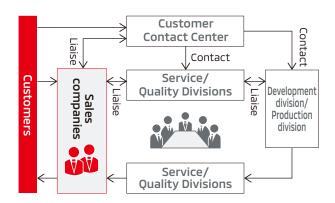
On-line trainings are also available via internet. It delivers ceaseless opportunity for dealer staff to sophisticate their competence in spite of the COVID-19 pandemic. Supporting from our technical experts are, of course, available at global dealerships regarding such as highly technical advice.

Use of Customer Voice

One of our Group's missions is to provide rich experiences for customers by offering them attractive products and excellent service, ensuring satisfaction throughout the ownership cycle. For that reason, we gather and analyze valuable customer comments and opinions received by domestic and overseas sales companies and by our Customer Contact Center. Our quality control, development, production, sales, and service divisions work together to actively improve quality.

Improving Quality through Customer Voice

Sales companies hold specific interviews with customers on defects and related conditions. The quality





sections have a system in place for sharing information received from sales companies with relevant divisions.

Also, by using a newly introduced system to analyze issues found in specific models, indications of defects from customers (quality information) and repair records, we can identify defect information and take countermeasures at an early stage to improve quality.

Major Activities of the Customer Contact Center

MITSUBISHI MOTORS' Customer Contact Center accepts inquiries every day including weekends and holidays. The various comments and information from customers are managed in a database. Of the points raised, matters regarding defects are addressed in order to resolve customer problems in collaboration with sales companies and are used for further quality enhancements. In addition, feedbacks as well as 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. Rather than outsourcing operations, our own personnel staff the Customer Contact Center. Enabling our customers to communicate directly with customers helps maintain high-quality customer response and facilitates smooth interaction among internal departments. This approach ensures that customer feedback is used appropriately to improve products and services.

Customer Support for Recalls and Other **Market Responses**

We have systems in place to provide information to customers in a timely manner in the case of market responses such as recalls as a result of defects that involve safety. We send direct mail to users of the affected vehicles and provide information on obtaining free inspections and repairs to be performed at a sales company at an early time. We also post information on our website so that customers can check whether their vehicles are subject to a recall and the status of repair implementation.

Refer to the site below for information on recalls.

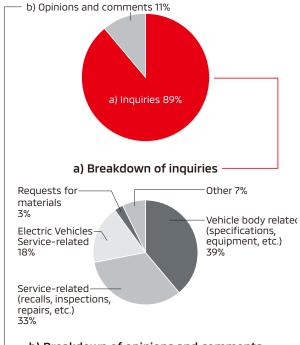
(WEB) http://www.mitsubishi-motors.co.jp/support/recall/ This site contains the Japanese market information (only in Japanese).

Domestic Cases and Number of Vehicles Involved in Recalls, Improvement Measures, and Service Campaigns

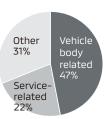
	No. of cases	No. of units
FY2016	26 cases	Approx. 1,938,000 units
FY2017	27 cases	Approx. 629,000 units
FY2018	13 cases	Approx. 298,000 units
FY2019	15 cases	Approx. 590,000 units
FY2020	19 cases	Approx. 655,000 units

Contacts Received at the Customer Contact Center in Fiscal 2020

Number of contacts: approx. 33,700



b) Breakdown of opinions and comments



Next

Management Structure

MITSUBISHI MOTORS analyzes quality information in order to realize "Top level quality from customer viewpoint" and we set specific objectives for which we investigate and implement policies toward realization while regularly following-up on the status of improvements.

Also, regarding information from customers about vehicle defects provided by sales companies, we have established systems for immediate policy consultation, establishment and enactment by regularly gathering and sharing information.

Organization	Meeting Frequency	Chair	Members	Objective	
Quality Strategy Committee (QSC)	Quarterly	Division general man- ager of TCS*1 Division	Directors in charge of development and production, division general managers related to sales, service and product quality	Deliberation and decision of stra- tegic topics in quality relating to sales, service and products	
Quality of Manage- ment Committee (QMC)	Quarterly	Top management of QMS*2	Division and plant general managers, responsible per- son of direct departments	Sharing of best practices related to enhancing companywide management quality, responding to external examinations, reporting on items requiring correction and lateral deployment	
Quality Manage- ment Meeting (QMM)	Monthly	Division general man- ager of TCS Division	Division general managers and supervisors in special- ist positions (section head or higher) of divisions relat- ed to product quality	Confirmation of progress toward product quality targets, consideration and deliberation concerning effectiveness of improvement measures, provision of a forum for resolution in the event of defects	

^{*1} Total customer satisfaction

OMS*3 ISO 9001 Initiatives

We believe that ongoing improvements in companywide management quality are essential to achieving excellence in product, sales, and service quality exceeding customer expectations. Accordingly, all departments across the Company are earning ISO 9001 certification, not only those involved directly in product quality or sales and service quality.

Ongoing improvements in management quality means the following.

- 1) Prepare and implement annual plans with quantitative targets
- 2) Confirm progress at first-half and full-year management reviews
- 3) Share opportunities for improvement through internal audits
- 4) Use certification bodies to conduct examinations (surveillance, recertification)

Overseas production bases are obtaining ISO 9001 certification in the same way. We will continue this initiative to ensure that the products we produce and sell around the world exceed customers' expectations for product quality, as well as sales and service quality.

^{*2} The Executive Officer, President & CEO or an executive designated by the Executive Officer, President & CEO

^{*3} Quality Management System

Developing a Quality-Oriented Mindset

Since FY2014, MITSUBISHI MOTORS has been holding Quality Forums in all domestic business locations in connection to activities that lead to increased quality in products, people and the Company as each employee individually reassesses and improves the quality of their work.

We also introduced Quality Forums in FY2018 at two overseas business locations: Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and Mitsubishi Motors Krama Yudha Indonesia (MMKI). We plan to expand this activity going forward.

Due to the limitations imposed by the COVID-19 pandemic, we launched a dedicated website, allowing the activities to be continued online.

Number of Participants in Quality Forums

	Domestic forums	Overseas forums
FY2017	2,810	_
FY2018	4,550	1,880
FY2019	6,200	800*1
FY2020	6,200*2	2,310*2

^{*1} Due to COVID-19, held only in Indonesia

Assessing the Needs of Customers

By listening to the actual comments and opinions of customers, we are helping employees to consider customer needs.

We incorporate this approach into the new employee training curriculum for new graduates and mid-career hires. We also provide numerous opportunities to take on customer perspectives, including through training for promoted personnel and voluntary training courses.

At the same time, we conduct and regularly update the video site for our Customer Voice Seminar on the employee intranet. With this system, people working from home or taking breaks from other tasks can view the content at any time.

Improvement of Customer Focus

For desired employees,, we are supporting the acquisition of Consumer Affairs Advisor qualification, which is a business qualification from the Prime Minister and Minister of Economy, Trade and Industry, with the objective of considering needs from the perspective of consumers and improving the quality of products and services.

As of April 1, 2021, 65 qualification holders have enrolled, making MITSUBISHI MOTORS 11th in the list of companies with the largest number of qualification holders.*³ Around 70% of these people are from manufacturing and quality-related departments, demonstrating a wide-ranging interest in and awareness of automaking from a customer perspective.

*3 According to research by Japan Industrial Association

Consumer Affairs Advisor qualification holders



^{*2} Due to COVID-19, held online

Commitment of Top Management

Contribution to Local Economy through Business Activities







Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Lon	ages and rising personnel costs	resources. Ongoing capital expenditure could improve the working	We will develop our business in pace with the region. We aim to grow along with the region through develop- ment and by resolving issues.
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medii Terr	Individual countries are promoting electrification poli-	 Regional development through employment, human resource development, investment, technology transfer, exports, the environment and social contribution 	 Conducting business with an emphasis on contributing to all stakeholders and society Concentration of management resources with a business focus on the ASEAN region

FY2020 Materiality Targets and Results

O: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evaluation
Employment	Continuous creation of local employment	Actual employment	Created local employment for 11,000 people in Thailand, Indonesia, the Philippines and Vietnam (including non-full-time employees)	_
Human resource development	Support for the development of personnel responsible for the development of the local economy	Number of training sessions, number of participants	Representative examples of training Sales and service training for dealer staff, business-level-enhancement seminars for local employ- ees, "manufacturing training" to enhance technical skills, internal control and compliance training	0
Investment	Continuous implementation of capital investment that supports the growth of the local economy	Rate of progress on investment plan	Principal investment plans Upgraded a paint plant and installed a rooftop solar power system in Thailand, prepared to export commercial vehicles to the Philippines and ASEAN countries, considered a new plant in Vietnam	0
Technology transfer	By continuing with local production, support advances in the local manufacturing industry	Progress on projects	Major projects Commenced local production of the XPANDER in Vietnam and Malaysia; in Thailand, Indonesia, the Philippines and Vietnam, provided scholarships to vocational training schools and technical universities, provided training vehicles, and conducted traveling courses	0
	Localized production of engines	Business viability KPI targets	Achieve business viability, reach KPI targets, and begin mass production of engines in Indonesia	0
Export	Supporting growth of the local economy through the acquisition of foreign currency by means of export	Number of vehicles exported	Exported 202,000 vehicles from Thailand and 39,000 from Indonesia	0
Environmental and social contribution	Leverage our technologies and services to help resolve local social issues	Level of contribution	Engaged in initiatives using the OUTLANDER PHEV Began producing the OUTLANDER PHEV in Thailand; in Indonesia, donated OUTLANDER PHEV vehicles to the Red Cross to assist in efforts to halt the COVID-19 pandemic	0













Basic Approach

MITSUBISHI MOTORS has been developing business in the ASEAN region since prior to the rise of motorization, and we have grown up alongside these countries while developing close ties with the region based on the idea that "regional development" is "MITSUBISHI MOTORS development."

In this region, where we have undertaken business activities for many years, we are working proactively to address local social issues. We aim to grow together, invigorate the region, cultivate the market, understand consumers' needs and reinforce our own brand. We believe these efforts will allow us to simultaneously achieve social value and our own corporate value. Our current mid-term business plan, "Small but Beautiful," calls for the concentration of management resources, identifying the ASEAN region as a core business area. We aim to achieve further growth by providing customers with the products they require. One of our material issues is "contribution to the local economy through business activities." In accordance with this aim, by developing our business in the ASE-AN region, we will contribute to the local economy through employment, human resource development, investment, technology transfer and exports.*1

In addition, by responding to social needs specific to the ASEAN region, we will engage in initiatives that leverage our technologies and services in the areas of the environment and social contribution, as well.*²

Management Structure

Local subsidiaries take charge of planning and implementing activities in line with initiatives that target material issues in the ASEAN region. Our sales division, which maintains administrative and supervisory functions, is responsible for promoting these initiatives. In the four countries where our production bases are located (Thailand, Indonesia, the Philippines and Vietnam), every six months we check with local subsidiaries on the rate of progress and results of initiatives, reporting to the management team via the Sustainability Committee.

Employment

Markets in the ASEAN region have been affected by the COVID-19 pandemic. To help reinvigorate the economy and facilitate growth, we believe it is our mission to continue to create employment in the region. We employ approximately 11,000 people in the four countries where we have production bases: Thailand, Indonesia, the Philippines and Vietnam. In fiscal 2021, we plan to create employment in line with our business plans.

Human Resource Development

In the ASEAN region, which is working to become more industrially advanced, we help by providing experience in automobile manufacturing, sales and service. In addition to cultivating specialized expertise and skills, we cultivate people who are involved in manufacturing and foster local economic growth. In fiscal 2020, we maintained strict COVID-19 precautions, conducting some training online and providing OJT in other areas, depending on the individual companies' circumstances. In Thailand, we conducted sales and service training for around 20,000 employees and dealer staff. In Indonesia, we conducted online training for local employees according to their business level. In the Philippines, more than 200 employees received manufacturing training in the aim of enhancing the production division's capabilities, boosting their level of specialization. In fiscal 2021, we plan to continue providing training courses and OJT according to conditions in each country.

Investment

We continue to make capital investments in plants, which support local economic growth. In Thailand, where our largest overseas production base is located, we are building a new paint plant and installing a rooftop solar power system. Through these efforts, we are reconfiguring our manufacturing structure to reduce environmental impact. In the Philippines, we are setting up production facilities for the L300, a commercial vehicle model for export. In Vietnam, we are considering the construction of a new plant.





^{*1} Please see page 11 for details on identifying material issues

^{*2} See pages 89-92 for specific examples.







Technology Transfer

In terms of technology transfer by production sites in the ASEAN region, by continuing with local production we are supporting the advancement of the local manufacturing sector. MITSUBISHI MOTORS is also working to make our factories more competitive by transforming the value chain, such as by raising quality and lowering costs. In fiscal 2020, we commenced local production in Malaysia of the XPANDER, a compact MPV. We established a new engine assembly plant for the XPANDER in Indonesia. In addition to generating new employment, the plant will encourage technology transfer from Japan and promote local parts procurement. Mass production began at the plant in fiscal 2020. The COVID-19 pandemic limited the number of engineers we were able to dispatch from overseas. However, we provided local support remotely, and as a result production was able to commence generally according to plan. Boosting engine production at another location in the ASEAN region in addition to Thailand has reinforced our competitiveness.

In fiscal 2020, we offered scholarships to technical universities and vocational training schools in Indonesia, the Philippines and Vietnam. We also provided training vehicles, conducted traveling courses, and provided instructors for online seminars, supporting vocational training with an eye to technology transfer.

Export

Exports generate foreign currency, which supports the continuous growth of the local economy. Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) is our largest overseas production base. Leveraging this strategic location, we export key models (including pickup trucks and SUVs) to ASEAN countries and globally. In fiscal 2020, the COVID-19 pandemic made market conditions extremely problematic. Even so, we exported 200,000 vehicles from Thailand. From Indonesia, we shipped approximately 40,000 units of the XPANDER, a compact MPV. We will continue to enhance a mutually comprehensive structure for production within the ASEAN region, as well as maintaining exports to other ASEAN countries and the rest of the world.

Environmental and Social Contribution

Responding to environmental regulation is becoming a more serious issue than ever before. Amid growing mobility and worldwide advances in electrification, electric vehicles are swiftly being adopted in the ASEAN region, as well. Leveraging our strengths in EV technologies and expertise, we are helping various countries popularize EVs and resolve local social problems. In fiscal 2020, we commenced local production and sales in Thailand of a plug-in hybrid electric vehicle, the OUTLANDER PHEV, as well as launching in the Philippines. In Indonesia, we donated OUTLANDER PHEV models to the Red Cross, which used them to supply power in efforts to fight the COVID-19 pandemic. Going forward, we will continue to provide technologies and expertise related to electric vehicles and FV infrastructure.

Back

Next

Commitment of Top Management

Promotion of Work Style Reforms in Response to the New Normal (Diversity, Work-Life Balance)









Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long	 Human resources could become concentrated at companies that are progressive on diversity and work style reforms. 	 The potential to secure excellent human resources, product development from a diverse perspective 	 Create an environment where diverse human re- sources can leverage their capabilities
Term		Higher productivity	 Reform work style to heighten productivity

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term		Provision of working environments that suit individual	 Creating workplaces where women and people with disabilities can leverage their capabilities Establishing flexible working styles that enhance productivity

FY2020 Materiality Targets and Results

O: As planned △: Delayed

			O: As planned	△: Delayed
Details of Main Initiatives FY2020 Targets		Indicators	FY2020 Results	Self- Evaluation
Promotion of work style reforms	Ongoing implementation of work style reform measures	Overtime hours (administrative and engineering staff)*1	18.7 hours/month	Δ
		Paid leave taken (administrative and engineering staff, manufacturing workers*2, medical workers*3)	19.3 days/year	0
		Telecommuting ratio (Tamachi area)	77% (average for the fiscal year)	0
Promotion of women's participation and advancement in the workplace	Implementation of ongoing measures to promote women's participation and advancement in the workplace	Number of female managers	79 (As of April 2021)	Δ
Promotion of employment of people with disabilities	Ongoing promotion of employment of people with disabilities	Percentage of employees with disabilities	2.36% (As of March 2021)	0

^{*1} Administrative and engineering staff: Employees who work in corporate planning, adjustment, research, auditing, and other professional and engineering categories

^{*2} Manufacturing workers: Employees engaged directly in manufacturing work or parts supply, equipment maintenance, testing or other supplementary work; also, employees who engage in supervision or instruction, technical instruction, or on-site support

^{*3} Medical workers: Employees who engage in medical and health-related work, such as doctors, pharmacologists and nurses





Basic Approach

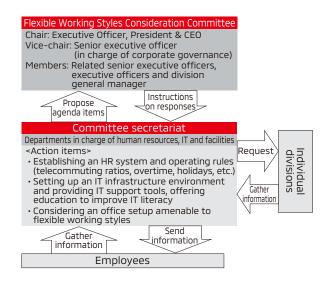
MITSUBISHI MOTORS views the key to creating sustainable growth and improving corporate value in an everchanging operating environment is people. We therefore believe that realizing an environment is important where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

Before COVID-19, it was usually assumed that employees would go to the workplace, but the pandemic is changing this assumption. We have now shifted to a flexible working style that is less dependent on specific times and locations. To create value by leveraging diverse human resources, we are creating an environment that embraces working styles that help individuals achieve a work-life balance and make the most of their capabilities. At the same time, we aim to enhance work productivity and the quality of life.

Management Organization

We have been promoting telecommuting and flextime systems in our effort to develop an environment where diverse employees can maximize their abilities. To realize more flexible working styles through remote working, we recognized the need to consider the situation from a medium- to long-term perspective. Accordingly, in July 2020 we established the Flexible Working Styles Consideration Committee, which is chaired by the Executive Officer, President & CEO. This committee is deliberating and promoting initiatives.

Organization of the Flexible Working Styles **Consideration Committee**



Examples of Work Style Reform Initiatives

Measures related to working hours

- · Setting the third Friday or the Friday closest to the 20th day of each month as "Premium Friday" when employees are encouraged to leave work by 3 p.m.
- Encouraging employees to use our half-day leave system and flextime system, which we recently revised to remove the core time requirements
- Encouraging employees to take paid leave around public holidays and consecutive holidays in order to make a longer weekend

Measures related to places of work

Promoting the use of telecommuting

Measures for raising awareness about work style reforms

- Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division
- ▶Data (pp.120-121): Working hours, ratio of paid leave taken, number of employees using telecommuting/flextime systems

Employee Surveys

Since FY2013, we have conducted employee surveys to identify issues affecting the Company, organizations, and individual employees. The survey results are used to improve awareness and operations at each workplace.

In FY2019, we conducted a global survey targeting affiliated companies in Japan and overseas. In FY2020, we provided feedback to individual corporate organizations.









Promoting Diversity

MITSUBISHI MOTORS aims to grow sustainably while responding to the significant changes in the business and market environment resulting from diversifying customer needs and technological innovation. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value. With respect for employee diversity including race, nationality, ethnicity, gender, sexual orientation, gender identity, age, ability or religion, we are making efforts to create environment where each person can energetically work without difficulty.

To promote and achieve diversity, we are pursuing Di@MoND activities by the Diversity Promotion Office

based on the Diversity Promotion Policy we established in July 2014. By embracing diversity, our aim is to leverage employees' diverse characteristics in a manner that will contribute to the mutual growth of the Company and each individual employee. Initially, Di@MoND activities prioritized women's participation and advancement in the workplace. Now, we are also working to provide working environments that are comfortable for all.

▶Data (p. 120): Number of employees, number of employees by region, number of locally hired managerial employees at overseas subsidiaries, status of female management promotions, employee makeup, number of new graduates hired

Diversity Promotion Policy

We aim to respond to change and heighten organizational capabilities by incorporating diverse viewpoints and approaches through the different abilities and characteristics of each employee. In this way, we will create vehicles offering new levels of attractiveness and value. We are promoting Di@MoND (Diversity @MITSUBISHI MOTORS New Drive) activities to create an environment where employees can maximize their individual abilities and play an active role.



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Promoting Women's Participation and Advancement in the Workplace

We promote women's participation and advancement in the workplace as a priority issue. Since 2014, we have been selecting female managers and manager candidates to join Working Women's Empowerment Forum, led by the Japan Institute for Women's Empowerment & Diversity Management.

As of July 2021, 8.8% (three) of the Company's executives were women, and we had 80 female managers, of whom 13 were division general managers. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in April 2021 we formulated an action plan to promote women's advancement, setting 15% as our target ratio for female manager candidates, which we are working to achieve by March 2024.

▶Data (p. 120): Status of female management promotions

TOPICS

MITSUBISHI MOTORS Selected as Constituent of MSCI Japan Empowering Women Index

We have been selected as a constituent member of the MSCI Japan Empowering Women Index (WIN) for the fourth year in a row, beginning in 2018. WIN is an index developed by MSCI Japan Inc. for supporting investment in the environment, society, and governance (ESG).

MSCI selects companies that lead their industries in promoting the hiring, continued employment, and advancement of women and diversity. MSCI makes its determinations based on data relating to the employment of women disclosed pursuant to the ACT on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by companies for example.











Promoting a Work-Life Balance

MITSUBISHI MOTORS is enhancing our work-life balance assistance programs to accommodate the diverse work styles of our employees. In FY2017, we introduced the telecommuting and accompanying leave systems to accommodate diverse work styles and life events. In FY2018, we established the Work-life Balance Support Concierge within the Company, from which employees can seek advice on the programs suitable for their individual childcare and nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system. In August 2021, we revised the telecommuting system in an effort to create an environment that fosters more productive and highly flexible working styles.

PDF Women's Participation and Advancement in Workplace Action Plan (Japanese only)

Data (pp. 120-121): Status of female management promotions, number of persons taking childcare leave and retention of returnees, people utilizing major programs to promote work-life balance

List of work-life balance assistance programs

	Programs	Overview
Childcare	Pregnancy leave	Can be taken for the designated period of time applied for in advance, between becoming preg- nant and the day prior to maternity leave (may be taken multiple times)
	Maternity leave	Six weeks prior to birth and eight weeks after birth
	Childcare leave	Can be taken up to the end of April of the following fiscal year after the child's third birthday
	Child nursing leave	Can be taken until the end of the fiscal year of the child's 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases)
	Reduced working hours for childcare	Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child's 12th birthday (combined use with the flextime system is also available)
Nursing	Nursing care leave	Aggregate total of three years can be taken per person receiving nursing care
care	Short-term nursing care leave	If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases)
	Reduced working hours for nursing care	Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven-hours per day, and are also eligible for flextime work.
Miscella- neous	Life plan leave	Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work-related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies
	Accumulation of unused paid leave	Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work-related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment)
	Flextime system	System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days
	Telecommuting system (Revised in August 2021)	System that allows employees to work from a location other than their own or family home, as long as certain conditions are met, and to pay an allowance
	Reemployment system	Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reasons recognized by the Company, with an applicable period within five years after resignation
	Accompanying leave	Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years

Helping Employees to Balance Work and Childcare

We actively support employees who seek to balance work and childcare.

This support also extends to facilities, with two on-site daycare centers having been established. Dia•Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia•Kids Tamachi at our head office building in February 2019.

In FY2020, some daycare centers were closed or employees voluntarily restrained from taking their children to daycare centers. The Company intervened by offering an interim baby sitter dispatch service. With elementary and other schools temporarily closed and government authorities requesting that people refrain from attending after-school children's clubs and the like, some employees were compelled to take time off to care for their children. We addressed this issue with a system of special paid leave. This leave was provided in addition to annual paid leave and offered to help employees balance work and home life during the emergency.



Dia•Kids Tamachi, a day-care center for employees











Helping Employees to Balance Work and **Nursing Care**

As birth rates decline and society ages, we believe it is important to help employees balance work and nursing care.

MITSUBISHI MOTORS has set up contact points where employees can consult with nursing care specialists as required via email or on the phone. We also organize on-site individual nursing care consultations with nursing care specialists. Furthermore, we organize nursing care seminars delivered by outside instructors to provide basic information about how they can balance their work and nursing care. In FY2020, we held the seminars simultaneously in four regions (head office, Okazaki, Kyoto and Mizushima) online. They were attended by about 300 employees, primarily managers.

Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a talented workforce that makes the most of its knowledge and experience, we operate a program to reemploy senior workers after their retirement. As of March 2021, there were 714 reemployed workers, engaged in handing down techniques and training the next generation.

Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide range of occupations. The percentage of employees with disabilities at the Company was 2.38%.* We will continue to promote additional employment while improving the work environment.

At the parent company, we employ 180 people* with physical and mental disabilities. At our head office, we have installed wheelchair- and ostomatecompatible toilet facilities, creating a working environment amenable to employees with disabilities.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007. This company employed 62 workers* with intellectual disabilities at the Okazaki and Mizushima plants. In the 14 years that have passed since its establishment, MMC WING has received many inquiries about employment from "Hello Work" Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, we do not stop at just providing employment within our company when doing our part for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities opportunities to experience group activities and work processes.

Global Action

As part of the support offered to our workforce of non- Japanese employees, which is increasing year by year, we have established prayer rooms at our head office and Okazaki sites which are available to people of all religions and denominations. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.

In FY2020, we began offering elective training in Japanese business etiquette to non-Japanese employees as part of entry-level employee training. This five-hour course, which centered on written and spoken output, included such topics as using polite language, participating in a customer visit role play and learning about business email.

▶Data (p. 120): Number of employees by region, number of locally hired managerial employees at overseas subsidiaries



Prayer room in our head Prayer room in the Okazaki area office building











^{*} As of April 2021

[▶]Data (p. 121): Number of hired people with disabilities







Promoting LGBT Awareness

The MITSUBISHI MOTORS Global Code of Conduct expressly includes respect for LGBT individuals under "Respect Human Rights and Diversity and Provide Equal Opportunity." In FY2018, we began holding an LGBT seminar with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as "Allies." Around 480 employees attended the seminar in FY2020. FY2020 was the second year for our e-learning course, "Understanding the Basics of LGBT," which was taken by around 7,400 employees.

In September 2019, we partially revised our rules of employment so that the definition of marriage extends to same-sex partners and applies when taking wedding vacations or life planning leave.

TOPICS

Awarded PRIDE Index Gold Rating

Developed by "work with Pride," a voluntary organization in Japan, PRIDE Index is an indicator for rating workplace initiatives for sexual minorities, including

LGBT. For three consecutive years, since 2018, we have been awarded the highest "gold" rating. We will continue to create workplace environments that are friendly for all employees.



Participating in Initiatives Outside the Company

The Company is a member of the "policy advocacy team" of the Japan Automobile Manufacturers Association, Inc. This team, which is made up of people in charge of human resources at individual companies, participates in efforts to propose legal amendments and policies on new working styles. The team is compiling recommendations and requests regarding the five days of mandatory paid leave stipulated in the Labor Standards Act.







Social

Stepping up Human Resource Development









Medium- to Long-Term Vision for Material Issues

	KISKS	Opportunities	Direction of Responses
Long Term	 Remote working could lead to a decrease in operational or HR management, causing productivity to fall and weakening the organization. A delayed response to social or environmental changes could reduce competitiveness. 	 Higher productivity, a more resilient organization Enhanced competitiveness due to an increase in highly specialized personnel 	 Enact measures to enhance managers' ability to manage Augment the skills needed to respond flexibly to changes in the environment
	External Environment	Stakeholdere' Needs and Evpostations	Modium Torm Targets
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	External Environment Remote working leading to a lack of communication and growing sense of isolation A rapidly changing environment surrounding the auto	Stakeholders' Needs and Expectations Secure personnel who have strong management capabilities Provide training that matches the environment	Medium-Term Targets Increase managers' management and HR development skills Improve training methods to match the environment and the times

FY2020 Materiality Targets and Results

O: As planned △: Delayed

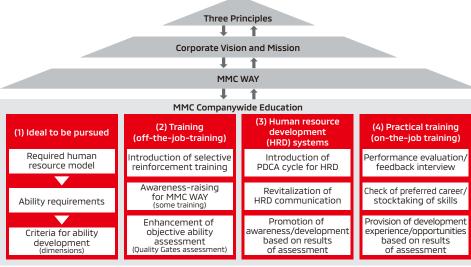
Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evaluation
_	Ensure that all training for administrative and engineering staff can be done online		The COVI-19 pandemic made it difficult to conduct face-to-face training, so all training for administrative and engineering staff was moved online.	

Basic Approach

MITSUBISHI MOTORS' educational system is supported by three pillars: the Three Principles, a statement of the Mitsubishi Group's management principles; our Corporate Vision and Mission; and the MMC WAY, guidelines for daily behavior. We have clarified the abilities and skills necessary to put these principles or behavior into practice. We also specified the ideal model for each job classification and introduced respective curricula based on both.

Employees also discuss their personal vision for the future during annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to achievement of human resource development with deeper understanding.

Education Pillars of MITSUBISHI MOTORS



MITSUBISHI MOTORS CORPORATION Sustainability Report 2021















Management Organization

Based on the education pillars, sections in charge of education with the Human Resources Division have put in place a training program for the systematic development of human resources, from entry-level employees to general managers.

In addition to training curricula tailored to employee job classifications, MITSUBISHI MOTORS has mapped out an introduced various other training programs for employees, including e-learning training for all employees and selective training that allows employees to select the programs they want to participate in.

MITSUBISHI MOTORS' Organizational Framework for Education

		Training for (each job rank					Global
Job Classification (required human resource model)	Training for newly promoted employees	Reinforcement training	Training for candidates for promotion	Institutional training	Trair across ran	all job	Mindset/ Skills	English
General managers (M1) (innovation leader)	Training for newly Promot- ed M1	Selective reinforce- ment raining (e-Learning)		Follow-up commitment MMC			Training	TOE
Section managers (M2) (management professional)	Training for newly promoted M2	Leadership training for organizational transformation Selective reinforce- ment training (e-Learning)	Training for M1 candidates (assessment)	Follow-up training on commitment and target & MMC WAY Feedback interview training	=	1	for expats to be foreign affiliat elective training	score range
Assistant Manager (a leader of practical work)	Training for newly promot- ed Assistant Manager	Training for M2 candidates (pre- paratory training for assessment)	Training for M2 candidates (assessment)				dispatched to tes (GCDP*3 progra	000 to 695
Main Staff (a key player in the execution of work)	Training for newly promot- ed Main Staff	Training for Assistant Man- ager candi- dates (advance training) Good com- municator development training			Training for mentors of new	Engineer training	program, etc.)	Measures for impr
Staff (a professional in the operational work)	Entry-level employee training	Third year training*1 Second year training			ew graduates		Global mindse training*2	g TOEIC
Clerical Staff (efficiently carries out operations)	Entry-level employee training	Third year training*1 Second year training			is		Global mindse training*2	et SCOOR

^{*1} Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training.



^{*2} To be conducted within third year training and entry-level employee training program, respectively.

^{*3} GCDP: Global Career Development Program





Training and Education

Conducting Training Online and Ensuring Online Training Gains a Foothold

To respond to the changing environment and boost its organizational capabilities, MITSUBISHI MOTORS has put in place a training system that cultivates personnel in a systematic manner, from entry-level employees to general managers.

In FY2020, the COVID-19 pandemic made it difficult to create opportunities for in-person group education at training centers. With many employees moving to a remote working environment, we set up an environment that also allowed employees to undergo training online and provided learning opportunities during remote working. We will continue to enhance our training system in the aim of cultivating personnel who can respond flexibly and autonomously to a changing environment.

The future is currently difficult to predict, and each person's strength will be tested. We will continue to consider and implement measures that foster employees' abilities to respond to a changing environment and create an organization that supports individual growth.

▶ Data (p. P121): FY2020 training results

Fostering Global-Minded Human Resources

In line with increases in both overseas production and sales volumes, we are placing emphasis on developing human resources who are capable of adopting a

global perspective and performing in the global business field.

English language skills are essential when working with people outside Japan, so we offer employees training designed to systematically improve their English skills, including beginner and intermediate courses aimed at improving basic skills. We also offer local language courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we run a program in which younger employees are dispatched to non-English-speaking emerging countries for three years (one year of language training + two years of work experience at a local affiliate). Plans are also in place for training programs at overseas subsidiaries.

Supporting Lifelong Education

In keeping with the Revised Act for Stabilization of Employment of Older Persons, we are encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques, knowledge and experience of skilled workers.

We are also working to support the lifelong career development of our employees. For instance, we regularly hold Good Life Seminars, a joint undertaking with the labor union geared toward employees aged 50 and over, where we give post-retirement life planning advice.

FY2020 Seminars for Future Good Life

Number of seminars	2 in total across the company
The number of participants	58

Career formation and evaluation

Personnel System

Regarding career formation, we have put in place a system which enables employees to proactively set their own goals based on their achievements, capabilities, and life plans, while elevating their capacity to achieve these goals.

As a specific career development method, employees participate in interviews with their superiors every year. The interviews are held based on their Career Development Plans in which employees describe a future career course they hope to take and their medium- to long-term career design by reflecting on their past career. The aim of this process is to have employees build an objective picture of their challenges and then proceed along a career path they have formed for themselves with conviction and a high degree of motivation.

We have introduced management-enhancing tools aimed at section managers and general managers with the objective of revitalizing the organization. In doing so, we aim to: (1) Share organizational objectives and foster a sense of responsibility for achieving these objectives, (2) Enhance incentives for achieving objectives, (3) Enforce mindset and behavior expected from employees, and (4) Make appointments and promotions according to merit.

For non-management personnel, our aims are (1) Sharing organizational objectives and instilling a sense of responsibility for achieving them, (2) Raising trans-







parency and employee approval of evaluations and employee treatment, and (3) Promoting the establishment of shared values.

Evaluation Standards: MMC WAY

MITSUBISHI MOTORS has created six, simple keywords that capture the minimum necessary preparation and behavior required as MITSUBISHI MOTORS employees.

MMC WAY		
Mindset	Actions	
	♦ Commit	
Work beyond organiza- tional boundaries	Achieve quantifiable goals	
♦Transparent	♦Challenge	
Candid and accountable	Take proactive action for value creation	
◇Look outward		
Go out and learn	◇Perform	

Results with sense of

speed

Fair Compensation System

We introduced a remuneration system that allows for appropriate compensation based on the roles, degree of contribution, and weight of the roles and responsibilities of each employee. We provide the system to enhance each employee's career and motivation. In conjunction with raises given annually based on individual performance, raises are also given according to advances in career.

We comply with local laws and regulations regarding wage levels and set wage levels according to job classifications, taking into consideration industry levels. There are no discrepancies in wages based on race, nationality, sex, or other such reasons.

▶Data (p. 121): Wage levels

Next

Commitment of Top Management

Promoting Occupational Health and Safety



Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long Term	 Workplace accidents, increases in the number of people with lifestyle diseases or mental health dis- orders, or damage to the physical and mental health of employees could adversely affect our corporate image and obstruct our business continuity. Infectious diseases could affect our employees and business activities. 	 Protect employee health and work through mea- sures to halt infectious disease 	 Create an environment where employees can work safely and be physically and mentally healthy

		External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
	1edium Term	 A growing number of people with mental health disorders and lifestyle diseases 	 Help employees respond to environmental, age and lifestyle changes 	 Prevent mental health disorders stemming from environmental changes, and maintain employees' physical and mental health
Threats from infect		 Threats from infectious diseases on a global scale 	Ensure thorough measures to halt infections	 Promote health and safety management systems and ensure
			Calls for business continuity	compliance with safety-related laws and regulations

FY2020 Materiality Targets and Results

O: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evaluation
Creation of safe workplaces	Ongoing measures for the creation of safe workplaces	Overall accident rate*	0.30	Δ

^{*}Number of accidents with or without loss of workdays per 1 million working hours





Basic Approach

MITSUBISHI MOTORS believes ensuring the health and safety of employees is the foundation of corporate activities. Accordingly, we have established a Health and Safety Management Policy and are undertaking related measures on an ongoing basis, including through offices for on-site cooperation.

Basic Policy

- 1. We will undertake companywide activities with emphasis on each process of the PDCA cycle to eliminate workplace risks and hazards with safety taking priority over all else. Within each activity, confirmation, follow-up, and improvement will be carried out successively and continuously.
- 2. Workplace supervisors from senior management down will implement comprehensive health and safety management measures under their own responsibility with an awareness that ensuring health and safety is the foundation of management. They will strive to create a workplace culture of discipline with consideration for others and a strict attitude of not engaging in, not allowing others to engage in, and not overlooking unsafe conduct. All workplace supervisors will also work to create a workplace culture that fosters open communication where subordinate personnel feel that they can say anything through honest dialogue at any time and to raise awareness of health and safety.
- 3. Each employee shall observe basic rules and conduct guidelines relating to safety to protect their own safety and endeavor to create healthy workplaces with no accidents by conducting on health and safety activities in cooperation with all MITSUBISHI MOTORS personnel with a strong commitment to complying with decisions that they have made and decisions that have been made by others.
- 4. Companywide efforts shall be made to create clean and comfortable work environments, prevent disease, and promote the health and physical well-being of each employee.
- 5. Health and safety management shall be implemented in accordance with the MITSUBISHI MOTORS Health and Safety Management System.

Management Organization

The Central Production Committee comprises the lead officer, heads of production sites, and labor union representatives. The committee meets annually to assess the status of measures taken over the year to address such issues as occupational safety, traffic safety, natural disaster preparedness and health management and sets quantitative targets for health and safety in the coming year, determines priority measures and takes action to achieve the targets.

Each time a workplace accident occurs, the situation is reported to the Executive Officer, President and CEO and other members of senior management, and the Company responds according to their instructions.

Initiatives to Ensure Workplace Safety

We work to create safe and secure workplaces where all employees can dedicate themselves to their work with a feeling of reassurance. In particular, we strive to prevent accidents in production sites, which account for around 80% of workplace accidents. In order to prevent these, we identify unsafe conditions or employee behaviors in all work situations and make improvements. Additionally, we create safe workplaces by carrying out mutual safety checks at production sites by senior officials and workplace supervisors to identify commonly overlooked hazards. Other measures include adopting improvement proposals and requests raised by employees. We also established "safety training schools" at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience firsthand such hazardous situations as pinching, being caught up in equipment, becoming wounded and falling. In FY2020, 1,550 people took part in this training.





To prevent falls, we have introduced non-slip shoes for some senior workers, improved steps, held courses, distributed materials and taken other efforts to heighten awareness.

In FY2020, there were no workplace accidents involving the loss of one or more workdays. However, the accident rate was 0.30. Although lower than the automobile industry average of 0.46, this figure was above our target of 0.26. As previously unsafe conditions are the cause of most accidents, in FY2021 we will seek to analyze why accident potential had not been determined as we work to create countermeasures. We will again work to enhance the ability to predict danger and take synchronized, companywide, in-depth efforts to eradicate unsafe conditions by identifying potential accidents and ensuring that facilities are intrinsically safe.

As for assessing our compliance with safety-related laws and regulations, we use checklists to conduct self-checks of each workplace and to conduct reciprocal checks on other workplaces to ensure thorough compliance. In FY2020, we began conducting checks at technical centers and parts centers as well. At our overseas plants, compliance assessments were performed at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), Mitsubishi Motors Philippines Corp. (MMPC) and P.T. Mitsubishi Motors Krama Yudha Indonesia (MMKI). We plan to increase the number of bases going forward. ▶Data (p. 121): Accident rate

Mental and Physical Health Initiatives

For the purpose of maintaining and improving the mental and physical health of our employees, MIT-SUBISHI MOTORS prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Given that mental health issues account for more than half of absences due to illness, we have positioned mental health measures as a company-wide priority issue and have introduced an outside Employee Assistance Program* (EAP), a type of mental health program. We also offer consultation on individual issues, provide mental health education and offer support programs to improve the workplace.

The number of employees who were absent from work due to the onset of mental health issued decreased by 27% compared to the previous FY. However, given that work-related concerns account for approximately 80% of all cases, we continue to prioritize prevention with the aim of providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments.

We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. We have made an appeal for employees to actively attend sessions with industrial physicians, explaining the purpose of the sessions and about how confidentiality is assured. This effort is helping with the early detection and response to mental health issues. We also assess stress levels at each workplace, conduct training to improve workplace communications, and conduct a program delivered by outside counselors to improve workplace environments.

In our efforts to create an environment that facilitates consultation, we facilitate individual consultations with outside counselors. We have also established a helpdesk where employees can consult with attorneys and other specialists.

* This employee support program seeks to improve individual and workplace health by implementing organizational mental health measures, offering health consultations on individual physical or mental health issues, and addressing compliance and other issues.

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Responses to COVID-19

MITSUBISHI MOTORS has been affected by the COVID-19 pandemic in a variety of ways. Under these circumstances, we have given topmost priority to business continuity and the health of our employees as we introduced measures through a structure cutting across the organization.

In February 2020, we established the COVID-19 Countermeasures Council to facilitate the timely sharing of information and swift decision-making. The council, composed of the Executive Officer, President and CEO, directors and division general managers, and leaders at key locations in Japan and overseas. The council gathered up-to-date information from individual departments and reported on and discussed

Specific Initiatives

- · Daily disinfection of common areas
- · Installation of shielding cur tains on production lines
- Temperature checks of employees and visitors
- Preparation of face guards
- · Erection of shields in the cafeteria, and other measures



Shields in the cafeteria (Mizushima Plant)





Seats in the dining area are numbered, making it easier to maintain a seating record (Okazaki Plant).

matters across the organization, such as the impact of the pandemic on production, procurement (including suppliers) and sales, the status of associates and measures being taken to protect the health of employees. We strive to remain abreast of movements in Japan and overseas, including government trends, and implement measures swiftly.

Preventing and Containing Infection

To protect the health of our employees, we have notified all employees about efforts to prevent and contain infection.

- A call for attention to efforts to prevent and contain infection and instructions for how to respond if feeling ill or if infected or in close contact with those who are
- Consistent rules to apply when working at all sites, such as social distancing at business sites and offices, temperature checks and cafeteria measures
- Details about the Ministry of Health, Labour and Welfare's enhanced quarantine measures in relation to employee business travel to and from overseas locations, danger levels for infection around the world and other precautions

Implementation of Telecommuting to Prevent the Spread of Infection

In late February 2020, we notified all employees of our basic policy on telecommuting.

• We relaxed rules on telecommuting, raising the maximum number of hours per month from 80 to 160.

• We recommended teleworking for employees concerned about the high risk of infection from using public transport, as well as employees with existing illnesses that placed them at increased risk from the disease.

We monitor conditions at headquarters (Tokyo) and in other prefectures, maintaining the ratio of people telecommuting in each area at a certain level.

The company has also swiftly put in place an IT environment in place to enable efficient teleworking.

Labor-Management Relations

MITSUBISHI MOTORS supports the basic principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact, and guarantees fundamental labor rights to employees. Our labor agreement stipulates that the labor union has the three rights of labor (the right to organize, the right to collective bargaining, and the right to collective action).

As of April 2021, our labor union had 12,718 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues.

In FY2020, 57 discussions were held between the Company headquarters and union headquarters, and many discussions were also held between offices and union branches in each business site.

For important topics such as major changes in working conditions, we organize a labor-management expert committee and make decisions after careful consideration and discussions and management.

We are also working to build good relationships with labor unions at overseas affiliates in accordance with the labor laws and regulations of each country.







Respect for Human Rights



Basic Approach and Human Rights Policies

Based on the idea that respect for human rights is the foundation of our business activities, in May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC)* in which the United Nations advocates the ten principles in the four categories of human rights, labor, environment, and anticorruption. As a participating company, we support and respect international standards and norms such as "the International Bill of Human Rights," "the ILO's Declaration on Fundamental Principles and Rights at Work," and "the United Nations Guiding Principles on Business and Human Rights." Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

As a global company, we believe that respect for human rights and anti-corruption initiatives are very important.

Based on that idea, in order to further specify initiatives for the respect of human rights and anticorruption, in May 2019, a partial revision was made to the MITSUBISHI MOTORS Global Code of Conduct. "Respect Human Rights and Diversity, Provide Equal Opportunity" in the Global Code of Conduct specifies that discrimination, retaliation and harassment are not permitted in any form or to any extent, and that the diversity of suppliers, customers, executives, employees and local communities shall be respected in addition to respecting human rights.

In June 19, we enacted a Human Rights Policy, following approval by the Executive Committee. The policy defines specific initiatives, including support and respect for international standards and norms regarding human rights, matters for compliance, and the implementation of human rights risk assessment and executive/employee training. The policy has been translated into English and is available on our website for viewing by all employees in Japan and other countries.

*See page 9 for details on our support of the UN Global Compact. PDF Human Rights Policy

Management System

The Company's efforts addressing respect for human rights are mainly focused on the sustainability, human resources and procurement departments. Three times each year, the executive in charge of sustainability, acting as the person in charge of promoting human rights initiatives, reports the status of human rights risk assessment and related measures to the Sustainability Committee, which is held three times a year. Members of the Sustainability Committee share the details of these reports with their departments, promoting companywide efforts to respect human rights.

The Company uses a human rights due diligence framework to identify the negative impact its business activities could have on human rights and takes steps to minimize or eliminate such circumstances. In FY2021, we plan to conduct human rights audits at our production bases in Japan.

Our internal system for promoting an awareness of human rights starts with awareness training, which is headed by the executive in charge of human resources. Personnel in charge of education stationed at our business sites are working to raise human rights awareness among employees by conducting lectures using shared educational materials. We also participate in events held by the Industrial Federation for Human Rights, Tokyo, of which we have been a member for some time, and the MITSUBISHI MOTORS Human Rights Enlightenment Committee and attend conferences, research meetings, and so on held by other external organizations, gather information, and take measures to improve understanding. In FY2020, we spent approximately 41 days in such meetings, although some of them were cancelled due to COVID-19. The insights gained from these opportunities have been reflected in internal training and other purposes.



Next

Complying with the Human Rights Policy

Prohibiting Discrimination

MITSUBISHI MOTORS requires executives and employees to respect diversity and to create equal opportunities with no allowance for unfair discrimination or harassment on bases such as race, skin color, nationality, ethnicity, family origin, sex, sexual orientation, gender identity, age, disability, language or religion.

Also, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with respect for diverse values.

Eliminating Unjustifiable Labor Practices

The Company does not tolerate slavery labor, including human trafficking, child labor, forced labor or other unjustifiable labor practices, and strives to eliminate such practices.

To ensure against such practices, we verify potential employees' ages to ensure statutory requirements are met when entering into labor agreements. Pay slips clearly state any legal deductions; we do not make unfair deductions, but regularly pay employees their full dues. We do not retain employees' passports or ID cards or prevent them from movement.

Freedom of Association and Labor-Management Dialogue

The Company respects its employees' right to associate, and we engage in sincere dialogue with employees to resolve various types of issues. Regarding collective agreements with labor unions, we recognize employees' freedom to engage in legitimate union activity, including collective bargaining. We clearly state that employees who engage in such activities will not be subject to disadvantageous working conditions or other sanctions.

Ensuring Access to Decent (Rewarding and Humane) Work

To ensure decent work, in addition to complying with individual countries' laws and regulations, we conduct activities focused on respect for human rights, based on international norms (such as the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work). Specifically, we ascertain the living wage and ensure that we pay salaries that satisfy this requirement. In addition, in our production processes we take gender and age into consideration when devising work content.

▶Data (p. 121): Wage levels

Community Involvement

In our efforts to maintain harmony with the local community, we contribute to society by utilizing each and every employee's skills and know-how as well as our technologies and products.

Consideration for Human Rights in Work and Investment

As we believe that positive relationships based on mutual understanding between employees and everyone in the community are essential to the sustain-

ability of our business, when establishing business sites or related facilities, we give consideration to the cultural values of the country and region including customs and religions.

In-House Education and Training

In order to encourage all employees to cultivate their respect for human rights, the Company is offering courses that deepen understanding toward human rights within its training programs tailored to each job rank, beginning with entry-level employee training. In FY2020, we conducted a total of 940 hours of human rights training for 980 employees, including entry-level employees, mid-career employees and newly promoted managers (section managers and division general managers). Details of the training are described below.

	·
Newly pro- moted General managers	Provision of expertise needed as work- place managers, etc.
Newly promot- ed managers	Recent topics regarding human rights, prevention of harassment, roles of managers, etc.
Mid-career employees	Recent topics regarding human rights, the relation between our business and human rights, etc.
Entry-level employees	The significance of corporate initiatives regarding human rights, fundamental knowledge regarding human rights, etc.

In addition to training, we regularly distribute information on human rights-related topics to all divisions within the Company with the aim of raising

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awareness of human rights. One such initiative is the dissemination of a message from our Executive Officer, President & CEO, coinciding with Human Rights Day on December 10.

To promote LGBT awareness among employees, we held seminars at various sites. We also rolled out an internal e-learning course covering basic knowledge of LGBT issues.

Training Programs by Type	Number of Participants	Attendance Rate
Entry-level employee training	466	100%
Mid-career employee training (newly promoted)	377	100%
Newly promoted manager training	141	100%
Seminars to raise under- standing of LGBT issues	478	_*1
LGBT e-learning course	7,629	_*1

^{*1} Attendance ratio not disclosed for voluntary attendance

Requests to Suppliers

In addition to internal efforts targeting human rights internally, MITSUBISHI MOTORS places great importance on initiatives that address human rights among suppliers. In the Supplier CSR Guidelines, we specify matters involving respect for human rights, including the complete elimination of discrimination and the prohibition of child labor and forced labor. We confirm that suppliers agree to consider human rights based on these guidelines by having them sign Supplier Commitment agreements.

Requests to Sales Companies

At sales companies, we carry out initiatives to provide a work environment with consideration for the health and safety of employees and we prohibit acts that infringe on human rights.

Access to Assistance

In order to make timely responses in cases where a human rights related issue occurs within the company, we have established internal and external consultation offices (helplines) *2 for whistle blowing and consultation for employees.

Also, having established a Business Partner Helpline*3 for suppliers, and a Customer Contact Center*4 as a consultation office for customers, we are receiving reports and request of consultations regarding human rights issues.

Confidentiality and user anonymity is guaranteed at all of these consultation offices. We ensure that people who seek consultation are not treated unfairly.

- *2 Establishment of Internal and External Consultation Offices (Helplines) P103
- *3 For further information regarding the Business Partner Helpline, please go to P86
- *4 For further information regarding the Customer Contact Center, please go to P61

Next

Achieving a Sustainable Supply Chain







Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long	man rights in our procurement of raw materials and parts.	 Maintain social credibility through responsible behavior in the supply chain 	• CSR procurement (consideration on the ethics front)
Terri	 We could be complicit in infringement on human rights or environmental destruction 		
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Mediun Term	 Growing awareness of human rights in international society 	Expectations of business continuity and enhanced trust	Collaboration and communication with business partners

FY2020 Materiality Targets and Results

O: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evaluation
Reinforcement of CSR in the supply chain	 Expansion of Supplier CSR Guidelines to MITSUBI- SHI MOTORS overseas production bases Support for supplier CSR evaluations by third-party organization 	 Promoting the purpose of Supplier CSR Guidelines Recommendation of supplier on CSR evaluations by third party organization 	 Rolled out Supplier CSR Guidelines via production bases in Thailand, Indonesia and the Philippines to their business partners Explained the purpose of third-party evaluations to business partners and commenced evaluations 	0

Basic Approach

In April 2018, MITSUBISHI MOTORS, Renault and Nissan established the APO (Alliance Purchasing Organization), a joint purchasing organization that integrates the three companies' purchasing functions. This organization carries out its activities with the three shared pillars of trust, respect, and transparency as its basic principles. The alliance members are exchanging information on CSR activities in the supply chain, as well, and moving forward with these activities.

The Company and its overseas production bases

conduct business directly with around 800 companies, including suppliers of raw materials and parts and business partners providing services, advertising and logistics. We recognize that the Company's business activities have a significant impact on these companies, as well as on Tier 2 and other suppliers. All processes, from the procurement of raw materials to the manufacture of parts and products to the end delivery require responsible behavior that takes such factors as the environment and human rights into account.

To achieve sustainable growth throughout the

supply chain, we work to remain at the industry lead in terms of quality, reinforce our cost competitiveness and promote local procurement. We also issue Supplier CSR Guidelines and work together with all our business partners on CSR initiatives.

To address one aspect of our CSR activities, the environment, we issue Green Procurement Guidelines and request that business partners comply with them. These two sets of guidelines are posted on Supplier Portal, which they can readily access. Company executives also address suppliers at Supplier Meeting and other times.







Management System

MITSUBISHI MOTORS asks business partners to conform with its Supplier CSR Guidelines and Green Procurement Guidelines. To ensure steady implementation, we ask suppliers to submit Supplier Commitment and Declaration of Conformity to Regulations on Substances of Concern. We ask new business partners to submit these documents before commencing business with them. We also continue to confirm compliance once we have begun working together to ensure the quidelines' effectiveness.

Supplier CSR evaluations by third-party organizations, which are described in the Supplier CSR Guidelines, are raised as themes in Supplier Meeting. Responsible persons for CSR also engage in any inquiries from suppliers to discuss the topic.

Rollout of Supplier CSR Guidelines

Aiming for collaborative initiatives with suppliers, we formulated its Supplier CSR Guidelines in 2010. Through these guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and their quality, while also including labor practices, environment management, and compliance.

Also, having reestablished these guidelines in February 2019, we have specified the implementation of supplier CSR initiative evaluations by third party agencies and measures to be taken when compliance violations are discovered. We have also received Supplier Commitment. In FY2020, our overseas bases—Mitsubishi Motors Thailand (MMTh), Mitsubishi Motors Krama Yudha Indonesia (MMKI) and Mitsubishi Motors Philippines Corporation (MMPC) also conducted these activities, ensuring that suppliers of overseas production bases are also submitting Supplier Commitment.

PDF Supplier CSR Guidelines

Rollout of Green Procurement Guidelines

In its Green Procurement Guidelines, we ask business partners to acquire and renew external certifications of environment management systems, as well as to manage hazardous substances, promote the 3Rs (reduce, reuse and recycle), submit LCA data to allow us to understand the lifecycle environmental impact, reduce environmental impact in business activities, and reduce their environmental impact related to logistics.

In addition to Japan, we have introduced the Green Procurement Guidelines at overseas production bases, adjusting the guidelines to account for actual conditions in each country and operational details at each location. These companies are also applying the guidelines to their business partners.

We are considering revisions to the Green Procurement Guidelines in keeping with the Environmental Plan Package we formulated in October 2020.

PDF Green Procurement Guidelines

Collection of Materials and Hazardous Substance Data through IMDS

Applying the International Material Data System (IMDS), we ask business partners to disclose hazardous substance data, etc. regarding materials and parts based on the Green Procurement Guidelines. We also have our business partners construct their own internal management systems for hazardous substances.

Through these processes, we confirm compliance with use regulations regarding hazardous substances used in new vehicles and vehicles in ongoing production, and we confirm that their usage decreases.









Policies on Conflict Minerals

The "conflict minerals" (tin, tantalum, tungsten and gold) and cobalt produced in the Democratic Republic of the Congo and neighboring countries have become a source of funding for armed groups, resulting in serious violations of human rights.

In order to ensure that it is not complicit in human rights abuses through the procurement of these conflict minerals, our Supplier CSR Guidelines clearly state our policy of not using conflict minerals as raw materials, and we promote responsible procurement.

Establishing a Business Partner Helpline

As part of our efforts to adhere to the METI guidelines, we have established a Business Partner Helpline for the suppliers of our procurement division.

The helpline receives opinions and comments from business partners, quickly identifies compliance issues or concerns, such as legal or regulatory infractions or unfair practices in our procurement activities, and promptly rectifies them, striving to achieve even fairer business transactions.

Promoting Supply Chain Management

Enhancing CSR Activities in the Supply Chain through Third-Party Evaluations

In order to mutually confirm and promote CSR activities with suppliers, we will request statements of agreement for the Supplier CSR Guidelines, and, as an APO, regarding the evaluation of supplier CSR activities, we will start to use the same third-party evaluations as Renault-Nissan. In FY2020, we communicated with numerous business partners and had them undergo third-party evaluations. In fiscal 2019 and 2020, around 40% of business partners underwent third-party evaluations (on a purchase amount basis). We plan to increase this percentage in FY2021.

Based on the aforementioned evaluations, we promote improvements and ask business partners to undergo evaluations periodically. For business partners with low evaluation scores, we ask to formulate and implement improvement plans, and undergo periodic re-evaluation.

Working with Suppliers to Improve Quality

MITSUBISHI MOTORS regularly conducts quality audits and quality self-check guidance with its suppliers to improve quality along the entire supply chain.

In FY2020, we conducted process audits for 90 suppliers at 140 plants. Some of these audits

were performed on a document-only basis, due to COVID-19. Improvements to issues pointed out during these audits were generally implemented by suppliers in three months or less. Quality self-checks were also conducted at 432 supplier plants. We will continue to improve communication and quality across the supply chain through these activities.

We periodically issue Supplier Score Card, which numerically represent suppliers' quality results. We encourage suppliers to make improvements themselves and work with them on on-site improvements. Responsible procurement engineers conduct on-site visits of business partners with particularly low scores, jointly analyzing past defects, suggesting improvements and conducting activities in collaboration with suppliers. We cooperate on preventative activities to keep defective parts from being delivered and ensure we are able to provide new models with confidence.

Ensuring Knowledge of the Guidelines within the Company

As part of managing the Supplier CSR Guidelines, we take efforts to ensure that the guidelines are wellknown within the company. As part of MITSUBISHI MOTORS procurement training, we conduct training for new employees (both entry-level employees and new midcareer employees), as well as training when employees are transferred.







Communicating with Suppliers

Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. At the end of every fiscal year, MITSUBISHI MOTORS holds Suppliers Meeting to make our policy for the next fiscal year well-known. In Japan, we help the MITSUBISHI MOTORS Cooperation Council, a voluntary organization of around 200 supplier companies, hold lectures and conduct research activities each year. Doing our best to maintain communications, in FY2020 these lectures were held online due to COVID-19.



Takao Kato, Executive Officer, President & CEO, providing an online briefing

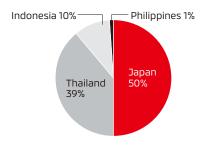
Promotion of Localization

To optimize costs at overseas production bases, our basic policy is to source from local suppliers where possible, as long as such procurement is effective and the necessary technologies are in place.

For parts which are already locally procured, we also promote the local procurement of the components used within these parts, etc., to optimize costs.

We conduct advance audits of the systems and structures of new business partners, evaluating items such as their development capabilities, production capabilities, and quality management capabilities and issuing improvement instructions if necessary. We also provide support to local business partners by serving as a go-between with Japanese business partners, joint ventures with local business partners, technical partnerships, and the like. We work to contribute to local regions by creating local jobs and improving local technical capabilities.

Parts Procurement Ratios by Production Base (FY2020)



Initiatives for Business Continuity Plans in the Supply Chain

To reduce the risk of suspended manufacturing operations due to a shortage of parts during a large-scale natural disaster or a major outbreak of infectious disease, we formulate business continuity plans (BCPs) in the supply chain and takes measures that include finding alternative production for each supplier and part. In addition, we ask that our suppliers be registered in the damage status confirmation system, so that in the event of a natural disaster, the damage status of plants will be reported to us immediately.

We have created a special supplier map that enables us to better understand the status of damage and risk with regard to not only Tier 1 but also Tier 2 and other suppliers.

Promoting Social Contribution Activities





Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long Term	 An increase in large-scale disasters due to climate change Disparities in economic development and inequality 	 Provide reassurance and support safety through further expansion of disaster cooperation agreements and by quickly putting support systems in place in times of disaster Contribute to communities' social development through ongoing activities that meet regional needs 	 Create structures to provide electrified vehicles swiftly in times of disaster Leverage individual employees' skills and know-how as well as our products for continuous development of the community
	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	 Around the world, subsequent disasters stemming from extreme weather, such as heat waves, droughts and flooding due to heavy rains 		 Promote the conclusion of disaster cooperation agreements In STEP fields, leverage individual employees' skills and knowhow as well as our products to continue engagement in social contribution activities

FY2020 Materiality Targets and Results

O: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self- Evaluation
Promote ongoing activities that address social issues and regional needs	 Revise our Social Contribution Activities Policy Step up the dissemination of information utilizing our logo mark 	_	 Formulated a new Social Contribution Activities Policy and announced it outside the company Disseminated information globally, utilizing our logo mark 	0

Basic Approach and Policies

In April 2020, we formulated a new Social Contribution Activities Policy based on MITSUBISHI MOTORS' Vision and Mission. We promote activities in line with this policy, such as entering into disaster cooperation agreements that leverage the features of our plug-in hybrid electric vehicles (PHEVs).

To generate broader awareness of these activities, we disseminated information globally, making use of our logo mark.

Social Contribution Activities Policy

To address diversifying social issues, MITSUBISHI MO-TORS carries out its STEP social contribution activities, focused on four main themes, standing for the first letters of Society, Traffic safety, Environment and People. Based on this policy, we will continue to contribute to society by utilizing each and every employee's skills and know-how as well as our technologies and products, aiming to create a better society where people can hope for a better future.



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Logo Mark for Social Contribution Activities

The figure shows how our circle of activity in STEP areas expands outward from the center.



Breakdown of Social Contribution Expenditures in

Fiscal 2020*1	(¥ million)
Society	17
Traffic safety	6
Environment	5
People	175
Support for disaster-stricken areas, support measures to address COVID-19	57
Total expenditure	259

^{*1} Social contribution expenditures including donations as well as in-kind benefits and free use of company facilities converted into monetary equivalents.

Number of Participants in Social Contribution Activities and Activity Time in Fiscal 2020*2

Number of employees participating	Cumulative total of 9,426
Time employees spent on activities	6,330 hours

^{*2} Activities during working hours

Society

DENDO Community Support Program

By entering into disaster cooperation agreements with municipalities and loaning them roving COVID-19 vaccine vehicles, MITSUBISHI MOTORS is helping municipalities with its PHEVs, which can generate power and be tapped as sources of electricity.

By combining the power of PHEVs to provide transportation and the power of electricity, we are making people's lives safer and more secure. For details, see the feature on page 19.

Activities to Support the Employment of **People with Disabilities**

Four times each year since 2012, we have contracted with welfare facilities for people with disabilities to mow the greenery around our plants. We also encourage people with disabilities to gain employment skills. For example, we periodically offer bread and other items they have made for sale in our offices.

We provide them with PET bottle caps collected at our plants to social welfare corporations that employ people with disabilities and collect and crush plastic products and shred used papers as part of an effort to support employment.



People with disabilities mowing around plants



PET bottle caps are being crushed for recycling

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MMC and MLIT Sign Agreement to Collaborate on Verification Test

We are participating in a verification test for the Ministry of Land, Infrastructure, Transport and Tourism involving the use of diesel engines mass-produced for our DELICA D:5 to power pumps used at drainage facilities.

Throughout Japan, drainage facilities are growing dilapidated and are expected to require upgrades almost at the same time. An increase in flood damage in recent years has prompted calls to further upgrade and augment drainage facilities, but reducing the costs of doing so has

been an issue. The current project seeks to keep costs down by using mass-produced engines. We are studying methods and developing technologies to upgrade drainage facilities efficiently, ultimately leading to safety and security for citizens.



Signing ceremony to denote collaboration on verification testing

Traffic safety

Traffic safety around business sites

Employees serve as traffic safety sentries on the roads around our business sites, helping to ensure safe commutes to and from school and work. We also conduct patrols in collaboration with local traffic safety associations and police. In addition to heightening awareness of traffic safety through patrols, marked company cars patrol local areas, check locations that are susceptible to accidents, and inspect traffic safety facilities and install footprint stickers to call attention to pedestrian stops.

In fiscal 2020, cumulative total of 283 employees took part in 20 such activities across our business sites.







Calling out for traffic safety at a pedestrian crossing (Okazaki)

Installing footprint stickers (Shiga)

Traffic Safety Awareness for Children

Website for Children "Do You Know the Answer? Traffic Safety Quiz"

On the "Why? Why? Car Development Research Group" website that was designed to provide information on the automobile industry to elementary school age children, there is a webpage about traffic safety using a guiz format to introduce traffic rules and manners they should follow when walking or riding a bicycle in their day-to-day activities.



"Do You Know the Answer? Traffic Safety Quiz" (WEB) https://www.mitsubishi-motors.com/jp/sustainability/ contribution/people/kids/anzen/ (This site is only available in Japanese.)

Environment

Forest Preservation Activities

MITSUBISHI MOTORS is collaborating with OISCA to preserve forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer activities. These activities aim to protect metropolitan water sources and spread awareness of the environment among our employees.

In fiscal 2020, we halted employee volunteer activities to prevent the spread of COVID-19, but we did mow areas where this work was needed to nurture saplings.



Trimming undergrowth in planted areas

Powering Illumination with a Plug-in Hybrid **Electric Vehicle (PHEV)**

In December 2020, we provided an OUTLANDER PHEV, which was used to light up an illumination event held by Heian Jogakuin (St. Agnes) University, called Agnes Illumination 2020.

The event was conceptualized as one in which all illumination would be provided by electricity gen-

erated from renewable sources. To achieve this. solar power was used to charge the OUTLANDER PHEV, which then supplied the electricity to power all the illumination.



Illumination powered by a PHEV

People

Supporting the Education of Elementary, **Junior and Senior High School Students**

We support the education of the children who will take responsibility for the next generation through a hands-on lesson program, in which employees visit elementary schools to conduct lessons. We also host career counselling studies to encourage junior and senior high school students to think about the future and broaden their horizons.

In fiscal 2020, we began conducting these activities remotely due to COVID-19. The activities were attended by 3,053 children from 39 schools.



Student showing his work remotely



Student learning to tighten a screw with an impact screwdriver

Educational Support in Asia

Through our local associates, we take part in various efforts to help prevent children from being denied access to education for economic reasons. We provide scholarships to junior high school, high school and university students; donate learning tools to orphanages; donate teaching vehicles that can help cultivate high-quality human resources for the automotive industry; and host interns.



Donating Teaching Vehicles to Eight Universities in Vietnam

In October 2020, Mitsubishi Motors Vietnam Co., Ltd. (MMV) announced that it had donated prototype vehicles to eight universities in Vietnam's Ho Chi Minh City and Binh Duong Province. MMV's aims are to help educate the students that will take responsibility for the next generation, as well as to further strengthen university-business ties to encourage job-seeking university students and support recruiting efforts by companies looking for experienced employees. In addition to serving as teaching aids to help students learn about automotive technologies and driving skills, the prototype vehicles also help students with vehicle assembly and other practical exercises.



Prototypes donated as teaching vehicles

Donating to a Soccer Club That Takes Part in Welfare **Activities in Malaysia**

In November 2020, Mitsubishi Motors Malaysia (MMM) donated some 35,000 ringgit (around ¥920,000) to the 1st International Soccer Academy (FISA). FISA engages in welfare activities targeting children from low-income households, aiming to keep them from becoming embroiled in drugs and crime and to live active lives.



Soccer club that engages in welfare activities (FISA)

MITSUBISHI MOTORS STEP Funds and Matching Gift Program

The MITSUBISHI MOTORS STEP Funds, introduced in April 2009, is a structure through which employees can continuously participate in social contribution activities by voluntarily donating fixed sums to the funds. These funds are then used for to support activities in developing countries and areas struck by the Great East Japan Earthquake, in line with the purposes of MITSUBISHI MOTORS social contribution activities. The company also matches donations made by the MITSUBISHI MOTORS STEP Funds.

Support Recipient

- World Vision Japan
- OISCA International (The Organization for Industrial, Spiritual and Cultural Advancement-International)
- The MICHINOKU Future Fund
- Kindergartens, Nursery schools, elementary schools, etc., near our workplaces

"Forest Wooden Building Block Project" for children

The concept of this project is to present nurseries and kindergartens with cozy wooden building blocks for enhancing the children's creativity through block play, which are made of Japanese cypress comes from forestry thinning operations mainly in Hayakawa-cho, located in the prefecture of Yamanashi, where we carry out our forest conservation activities.

In addition, we have been engaging in "Employee Presenter Program" through which our employees hand out a set of forest wooden building blocks to nurseries and kindergartens of their choice (usually choice from their childhood memories) through our internal donation funds.

In fiscal 2020, we presented blocks to 60 kindergartens and nursery schools. The blocks have been donated to 405 kindergartens since 2010.



Building blocks made from thinned cypress







Support for Disaster-Stricken Areas

Support in Asia

In January 2021, different parts of Indonesia were hit with a series of natural disasters, including earthquakes, flooding and landslides due to heavy rains.

Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) provided the OUTLANDER PHEV to supply electricity power lighting in disaster-stricken areas. MMKSI also provided the TRITON to help evacuate people and cooperated with local support organizations in other ways.



Leveraging a PHEV's ability to supply electricity



TRITON conducting rescue in a disaster-stricken area

Support in Japan

Immediately after the Great East Japan Earthquake, MITSUBISHI MOTORS carefully listened to the needs of the disaster-stricken areas, created a mechanism to support them through our business and in our employees' daily lives, and have been continuously providing support under the theme of "Don't Forget/Stay Connected." Every effort is made to provide a wide range of support in response to emergency situations such as natural disasters. This includes contributions through donations, free loan of vehicles, and volunteer work by employees.

Based on a disaster cooperation agreement, in fiscal 2020 we loaned OUTLANDER PHEV and ECLIPSE CROSS PHEV models to evacuation centers in Akita City, which suffered a large-scale power outage due to heavy snowfall. The vehicles were used to power electric appliances, such as televisions, lights and stoves. Going forwards, we aim to continue conducting rapid support activity in times of disaster.





Plug-in hybrid electric vehicles (PHEVs) supplying electricity to an evacuation center

Supporting Measures to Address COVID-19

The Company's business sites produced face shields, which we donated to local governments and medical institutions. We also joined the Open COVID-19 Declaration. Based on this declaration, we will neither seek compensation nor assert any patents, utility models, designs or copyrights against any activities, which purpose to stop the epidemic, until the World Health Organization (WHO) declares the end of the COVID-19 outbreak.

Overseas, associates set up hand-washing stations at public facilities, provided orphanages with online tools for learning about COVID-19 (such as donating PCs and peripheral equipment) and offered support, such as helping to transport food to families impoverished by COVID-19. They continue to support efforts to halt COVID-19.

See the feature on page 19 for details on COVID-19 vaccine support vehicles



Providing a bundled PC and Internet environment (Indonesia)



Setting up a hand-washing station (Indonesia)

◆Measures to help prevent the spread of COVID-19 https://www.mitsubishi-motors.com/en/sustainability/contribution/society/relief/covid-19/







Main Support in Fiscal 2020 (Measures to Address Natural Disasters and COVID-19)

		Support	Support Recipient
February	COVID-19	Donated 10 notebook PCs for online learning	Pertubuhan Kebajikan Yesuwin Mahligai Selangor (PKYMS)
2021	Flooding in Indonesia	Cooperated with the Aksi Cepat Tanggap (ACT) team and loaned one TRITON	Majene Regency, West Sulawesi
January 2021	Monsoon in northeast Malaysia	Donated 23,000 ringgit	Triton Tuners Club Malaysia
	Heavy snowfall	Loaned one OUTLANDER PHEV and one ECLIPSE CROSS PHEV	Akita city, Akita Prefecture
	Earthquake on the Indonesian island of Sulawesi	Cooperated with the Indonesian Red Cross Society and Ioaned one OUTLANDER PHEV	Mamuju and Majene Regencies, West Sulawesi
	Landslides due to heavy rains in Indonesia	Cooperated with the United Volunteer Otomotif (UVO) Peduli and loaned one TRITON	Puncak/Gunung Mas Regency, western Java
December 2020	COVID-19	 Donated 30 sets of PCs, printers, projectors, one-year Internet data plans and other online learning tools Donated masks, clothing, books and toys 	Ten orphanages in area around Jakarta, Indonesia
		Loaned an L200 to support food transportation by Comedor Santa Maria, an NPO	States of Coahuila, Nueovo Leon, Oaxaca, Yucatan and Guanajuato, Mexico
November 2020	The disaster caused in Mexico by Hurricane ETA	Loaned one L200 Provided support for food and other supplies	State of Tabasco, Mexico
September 2020	COVID-19	Erected 10 portable hand-washing stations	Hospitals and parks in the Special Capital Region of Jakarta, Indonesia
		Donated 5,000 masksDonated 100 sets of food (rice, cooking oil, canned foods)	Orphanages in the Special Capital Region of Jakarta, Indonesia
		Donated personal protective equipment (PPE) to faculty and staff	Community resource center in the state of Tennessee, U.S.
July 2020	Heavy rainfall	Donated ¥3 million	Japanese Red Cross Society
		Loaned five OUTLANDER PHEV and five eK SPACE	Village of Kuma in Hitoyoshi, Kumamoto Prefecture
June 2020	COVID-19	Loaned a total of eight PAJERO SPORT and TRITON	States of New South Wales, Victoria and Queensland and the city of Canberra, Australia
May 2020	COVID-19	Loaned one eK CROSS SPACE	Soja City, Okayama Prefecture
		Joined the Open COVID-19 Declaration	_
		Loaned one OUTLANDER PHEV Donated N95 medical masks	Indonesian Red Cross Society
		Donated 50 benches for resting, 200 water tanks and 400 face shields	City of Santa Rosa, Laguna Province, Philippines
April 2020	COVID-19	Donated face shields we had made	Okazaki City, Aichi Prefecture; Sakahogi Cho, Gifu Prefecture; Kyoto Prefecture; Okayama Prefecture; nearby medical facilities
		In collaboration with Nitto Denko Philippines Corporation, the local arm of Nitto Denko Corporation, donated 500 meters of filter materials used in making masks	Philippines Department of Trade and Industry
		Loaned four L300	Philippines Department of Transportation, City of Santa Rosa, Laguna Province, Philippines
		Donated 3 billion dong	Central Committee, Vietnam Fatherland Front
		Donated five L300	Indonesian Red Cross Society
		Donated one OUTLANDER PHEV	Community resource center in the state of Tennessee, U.S.
		Donated artificial respirators, protective clothing and masks	Medical institutions in Thailand