

# Sustainability Management

## Corporate Philosophy and Policy

### Mitsubishi Group Three Principles

The "Three Principles," which is the spirit of Mitsubishi's founding, is positioned as a fundamental philosophy common to the Mitsubishi Group.

#### Shoki Hoko

##### = Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

#### Shoji Komei

##### = Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

#### Ritsugyo Boeki

##### = Global Understanding through Business

Expand business, based on an all-encompassing global perspective.

### Vision & Mission

MITSUBISHI MOTORS has formulated our corporate vision and mission to serve as common guiding principles for the employees of the MITSUBISHI MOTORS Group as we look toward the future. The automobile industry is in a period of major change, and our business environment is also undergoing substantial changes. Under these circumstances, the Vision (the society we want to create) and Mission (how to real-

ize the Vision) specify how we become more proactive to exert a positive influence on society.

#### VISION

Create vibrant society by realizing the potential of mobility

#### MISSION

1. Provide new experiences for our customers with creative products and service excellence.
2. Make positive contributions to the sustainable development of our society.
3. Act sincerely as a trusted company.
4. Enhance stakeholder value by leveraging the Alliance.

In the automobile industry, technological innovations are being born one after another due to the diversification of power trains, the intelligence of cars, and the shift to IoT, and the role of automobiles has changed from "cars" as hardware to "mobility" as a whole transportation system. Under such a major transition, we are committed to research and develop the potentialities of mobility broadly and to provide all people with possible opportunities to go wherever they want, to see whatever they want, and meet whomever they want, at any time. The "Vision" includes our desire to promote new challenges and economic activities of individuals and contribute to the revitalization of society as a whole by streamlining and optimizing the movement of people.

### MITSUBISHI MOTORS' Philosophy System

Our company's corporate activities are based on the "Three Principles," which are positioned as the basic principles common to the Mitsubishi Group. For each employee, aim to realize the "Vision" through carry out the "Mission" by practicing the "MMC WAY\*" that shows the minimum necessary attitude and behavior and the "Global Code of Conduct\*\*" that all executives and employees must comply with.

We contribute to the realization of a sustainable society while deepening mutual understanding through dialogue with various stakeholders through business activities in each country and region centered on familiar products such as cars.



\*1: Please see page 85 for details on the "MMC WAY."

\*2: Please see page 112 for details on the "Global Code of Conduct."

## Sustainability Management

### Approach to Sustainability

In recent years, interest toward realizing a sustainable environment, society and economy has grown, as is illustrated by such initiatives as the Sustainable Development Goals (SDGs) adopted by the United Nations, the Paris Agreement going into effect and growing ESG investment. Society places greater importance on corporate initiatives related to them.

In particular, the automotive industry is seeing changes on a scale said to occur only once in 100 years. These changes include new technologies, such as connectedness and autonomous driving, as well as car sharing and other new business models.

On the environmental front, climate change and energy problems are growing increasingly severe throughout the world. MITSUBISHI MOTORS contributes to the realization of a sustainable society by working on responsible business operations, including reducing greenhouse gases from products and business activities, and solving social issues through business activities in each country and region.

### SUSTAINABLE DEVELOPMENT GOALS



### Framework for Promoting Sustainability

We have established the Sustainability Committee, which is chaired by Executive Officer, president & CEO, to promote sustainability initiatives throughout the MITSUBISHI MOTORS Group. The Sustainability Committee deliberates and decides on the goals of efforts to deal with material issues, and implements a plan-do-check-act (PDCA) cycle by confirms the progress of corresponding. We have a structure in which important matters such as reviewing material issues are deliberated and reported by the Board of Directors.

#### Overview of Sustainability Committee Proceedings

On the environmental front, the Sustainability Committee discusses our efforts to achieve carbon neutrality, which is a global issue, and to enhance disclosure in line with the TCFD Recommendations. On the social front, we discuss initiatives involving human rights, which are an area companies are increasingly being called upon to address. The Sustainability Promotion Department identifies social issues (risks) that we perceive from a long-term perspective and the benefits (opportunities) that can be obtained as a result of addressing these issues. From a medium-term perspective, the department also identifies needs and expectations from the external environment and stakeholders. It deliberates these items with the people responsible for each material issue, clarifies direction for action and sets targets for each fiscal year with a view toward realizing a sustainable society and enhancing corporate value.

We provide timely disclosure of the Sustainability

Committee's proceedings on our website. Please refer to the following.

**(WEB)** <https://www.mitsubishi-motors.com/en/sustainability/sustainabilitynews/2022/09/23.html>



## FY2021 Achievements of the Sustainability Committee

- Meetings convened: 3
- Principal matters for deliberation  
Review of FY2020 initiatives on the material issues and activity plans for FY2021, response to the TCFD Recommendations, human rights initiatives, the editorial policy for Sustainability Report 2021, results in FY2020 and plans for FY2021 involving internal awareness-raising activities related to sustainability

## Sustainability Committee members (As of June 2022)

Category	Position or Scope of Authority	
Chair	Executive Officer, President & CEO	
Vice-chair	Corporate Officer, Division General Manager, General Administration, Communication, Sustainability Division	
Committee members	Executive Officer, Executive Vice President (responsible for Monozukuri)	
	Executive Officer, Executive Vice President (responsible for Sales)	
	Executive Officer, Executive Vice President (CFO)	
	Senior Executive Officer (responsible for Corporate Governance)	
	Senior Executive Officer (responsible for Production)	
	Senior Executive Officer (responsible for Sales Strategy/Reformation)	
	Executive Officer, Division General Manager, Corporate Strategy Management Division	
	Executive Officer (responsible for Product Strategy), Division General Manager, Product Strategy Division	
	Corporate Officer, Division General Manager, Mobility Business Division	
	Division General Manager, PD* <sup>1</sup> Office	
	Person in Charge of Materiality Initiatives	Material Issue Targeted <small>*Indicates leaders of initiatives from multiple divisions</small>
	Corporate Officer, Division General Manager, Human Resources Division	Promotion of Work Style Reforms in Response to the New Normal (Diversity, Work-Life Balance) Stepping up Human Resource Development Promoting Occupational Health and Safety
	Corporate Officer, Division General Manager, General Administration, Communication, Sustainability Division	Responding to Climate Change and Energy Issues* Resource Recycling Initiatives* Prevention of Pollution* Promoting Social Contribution Activities
	Corporate Officer, Division General Manager, EV Power-train Engineering Development Division 1	Resource Recycling Initiatives
	Corporate Officer, (responsible for ASEAN & Oceania)	Contribution to Local Economy through Business Activities*
	General Manager, Vehicle Technology Development Division 1	Delivering Products which Help Prevent Traffic Accidents Resource Recycling Initiatives Prevention of Pollution
	Division General Manager, Production Engineering Division	Responding to Climate Change and Energy Issues Contribution to Local Economy through Business Activities Resource Recycling Initiatives
	General Manager, SCM* <sup>2</sup> Division	Responding to Climate Change and Energy Issues
	Division General Manager, Procurement Management Division	Achieving a Sustainable Supply Chain
	General Manager, Internal Control Promotion Office	Strengthening Governance and Ensuring Compliance
	Division General Manager, TCS* <sup>3</sup> Division	Improvement of Product, Sales, and Service Quality*
	Division General Manager, Global Sales Development Division	Improvement of Product, Sales, and Service Quality
	Division General Manager, Global After Sales Division	Improvement of Product, Sales, and Service Quality
	Division General Manager, Domestic Sales Division	Improvement of Product, Sales, and Service Quality
Observers	Members of the Board and the Audit Committee	
	General Manager, IR Office of Corporate Strategy Management Division	
	General Manager, General Administration, Communication, Sustainability Division	
	General Manager, Financial Planning Office	

\*1: Program Director

\*2: Supply Chain Management

\*3: Total Customer Satisfaction

## Instilling Sustainability Awareness within the Company

MITSUBISHI MOTORS conducts penetration activities throughout the year so that executives and employees can deepen their understanding of sustainability and practice sustainability initiatives through their daily work. At the end of each fiscal year, we conduct an employee awareness survey to confirm the degree of penetration. We use the survey results to strengthen and improve each measure and reflect them in activities in the following fiscal year.

### Examples of Activities

- Online training related to sustainability in general  
7,804 participants
- Training on overall sustainability tailored to each job rank  
Conducted 19 times  
(Entry-level employees, mid-career employees, manufacturing worker candidates, newly appointed M2 employees <Managers>, newly appointed M1 employees <General Managers>)
- Distribution of a message from management related to sustainability
- Distribution of a newsletter related to sustainability

## Participation in the United Nations Global Compact

In May 2019, MITSUBISHI MOTORS announced its support for the United Nations Global Compact (UNGC), the universal principle regarding human rights, labor, the environment and anti-corruption advocated by the United Nations. The UNGC are voluntary behavioral principles for companies that were proposed by then-Secretary-General Kofi Annan at the World Economic Forum (Davos Conference) in 1999. As a global company, we believe that respect for human rights and anti-corruption initiatives are very important. Accordingly, that same year we partially revised the MITSUBISHI MOTORS Global Code of Conduct, clarifying our efforts related to respect for human rights and anti-corruption. In addition, we have established a Human Rights Policy that commits us to promoting business activities that emphasize human rights.

Based on the 10 principles of the UNGC, as a good corporate citizen we will continue our activities toward the realization of the sustainable growth of society.

Please see the following for specific activities in the four areas stipulated in the Global Compact.

Human rights : P90-93  
Labor : P90-93  
The environment: P23-60  
Anti-corruption : P115

**WE SUPPORT**



## Participation in External Organizations

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

## External Initiatives Supported or Referred to

- United Nations' Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC)
- Core Labor Standards of the International Labour Organization (ILO)
- Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- ISO 26000 Guidance to Social Responsibility
- Keidanren Charter of Corporate Behavior

## Stakeholder Engagement

### Basic Approach

MITSUBISHI MOTORS believes that dialogue with stakeholders is important for the sustainable growth of the Company. Through communication, the MITSUBISHI MOTORS Group clarifies its responsibilities and issues, and strives for improvement in its daily operations.

By further enhancing our dialogue with our stakeholders, we will continue to sincerely address society's expectations and issues and apply them to our business.

### Dialogue with Stakeholders

(For details on stakeholder initiatives, refer to the pages enclosed in < >.)

Stakeholders	Policies on Dialogue	Opportunities for Dialogue	Frequency	Reflecting Input in Our Business
<b>Consumers and customers</b>	Promote activities that better reflect customer input in our products and services.	Customer Contact Center <P70>, sales companies <P68>, after-sales services <P69>	Ongoing	Promoting customer satisfaction activities
		Website, social networks	Ongoing	Improving products and services
		Customer satisfaction surveys <P68>	As necessary	
		Events, TV/newspaper/magazine advertising, email magazine	As necessary	
<b>Business partners</b>	Engage in communication aimed at coexistence and coprosperity based on mutual trust.	Contact for inquiries, Business Partner Helpline <P95>	Ongoing	Building relationships aimed at coexistence and coprosperity based on mutual trust
		Suppliers Meeting, presentations, events, specialized websites	As necessary	
		Participation in industry organizations	As necessary	
<b>Shareholders and investors</b>	Disclose business and financial information and results in an appropriate manner and time.  Conduct constructive dialogue aimed at sustainable growth and enhanced corporate value.	IR inquiry contacts	Ongoing	Promoting initiatives Targeting sustainable growth and enhanced corporate value
		Interviews	As necessary	
		Financial results briefings	Four times per year	
		Mid-term business plan briefings	As necessary	
		Individual initiative briefings	As necessary	
		Shareholders' Meeting	Once per year	
		IR websites	Ongoing	
		Events, email magazines	As necessary	
		Integrated report	Once per year	
<b>Employees</b>	Two-way communication for fostering teamwork and a sense of unity based on the principle of mutual trust and mutual responsibility between labor and management.	Labor management discussions <P89>	As necessary	Creating a safe and rewarding working environment
		Consultation offices (Employee Consultation Office, Outside attorney consultation (Helpline), MITSUBISHI MOTORS Global Hotline) <P114>	Ongoing	
		Town hall meetings with Executives	As necessary	
		Internal websites	Ongoing	
		Engagement survey <P77>	Once per year	
<b>Local communities</b>	Build good relations with local communities.  Engage in dialogue with diverse stakeholders to resolve social and environmental issues.	Local community consultation desks <P99>, websites	Ongoing	Promoting initiatives to resolve social and environmental issues
		Collaborations with municipalities <P98>	As necessary	
		Social contributions <P98>	As necessary	
		Community events	As necessary	
		Plant tours	Ongoing	

## Examples of Stakeholder Dialogues

### Consumers and customers

If a customer points out issues related to quality or defects, we seek to resolve this customer issue in collaboration with sales companies and drive further quality enhancements. In addition, feedback and opinions about product functionality, or opinions about specifications, are shared with relevant divisions and used to improve product capabilities even further. We also distribute videos of this feedback with images and explanations of relevant points on the intranet so that employees can access to firsthand customer's opinions. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.



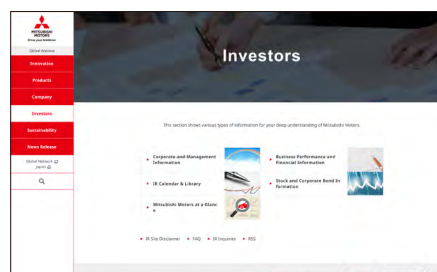
Responding to customers at Customer Contact Center

### Shareholders and investors

We proactively disclose information to shareholders and investors, and strive to ensure transparency and credibility through constructive dialogue.

Specifically, to enhance understanding of MITSUBISHI MOTORS, we disclose various information through our website, issue publications, and hold briefings on our mid-term business plan and financial results. In addition, we exchange views with investors on non-financial information, including environmental information. In FY2021, we held dialogues with institutional investors in charge of stewardship in Japan and overseas, and heard various opinions on the risks and opportunities of climate change, our response to the TCFD recommendations, our CO<sub>2</sub> emissions, etc.

Please see page 28 for details.



Website: "Investors"

(WEB) <https://www.mitsubishi-motors.com/en/investors/>

### Local communities

We contribute to the realization of resilient communities through activities that meet local needs. As examples of activities that take advantage of our products' distinctive characteristics, we support municipalities by entering into disaster cooperation agreements and loaning roving COVID-19 vaccine vehicles etc., by utilizing "Mitsubishi's PHEV," which can store and supply electricity. We will support the safety and security of the lives of local people with "the Power of PHEV Driving and the Power of Electricity."

For details, please see the feature on page 21, as well as our website.



Conclusion of a disaster cooperation agreement  
(WEB) <https://www.mitsubishi-motors.co.jp/carlife/phev/dcsp/>  
(Japanese only)



## MITSUBISHI MOTORS' Materiality

### Identifying and Reviewing Material Issues

MITSUBISHI MOTORS recognized importance of the United Nations Sustainable Development Goals (SDGs) and identified material issues as the important issue that we should wrestle from various problems in the fields of each environment, society, governance in FY2018.

During the identification process, we conducted repeated examinations from the perspective of the degree of interest of stakeholders and the degree of impact on the Company, and held hearings with experts. After that, we repeated discussions about our material issues at the Sustainability Committee, and

the decision was made at the Executive Committee.

In recent years, social trends related to sustainability have changed substantially and rapidly. We would like to meet the needs and expectations of stakeholders by assessing the impact of such changes on stakeholders and our company, and flexibly reviewing and working on material issues as necessary.

### Reviewing Based on Social Conditions and Awareness of Issues

In FY2020, in light of changes in social conditions due to the aggravation of environmental problems and the COVID-19 pandemic, MITSUBISHI MOTORS' materiality was reviewed after discussions at the Sustainability Committee and resolved by the Board of Directors.

The review is outlined below.

#### 1. Materiality on "Environment"

In recent years, climate change, resource depletion, environmental pollution and other environmental problems have grown apparent and become more serious. Adoption of the international targets and rules to address social issues has accelerated. Those include the SDGs, the Paris Agreement (an international accord on climate change), and the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

We have formulated the "Environmental Plan Package" and announced it in November 2020, recognizing that it is necessary to set the direction of medium- to long-term efforts based on these social trends in order to keep the business alive.

The Environmental Plan Package positions "Pollution Prevention" as a priority environmental issue along with "Action to Climate Change" and "Resource Circulation." Therefore, in terms of MITSUBISHI MOTORS' materiality, we have raised the impact on our company of "Prevention of pollution" (on the horizontal axis of the figure) from "very high" to "extremely high."

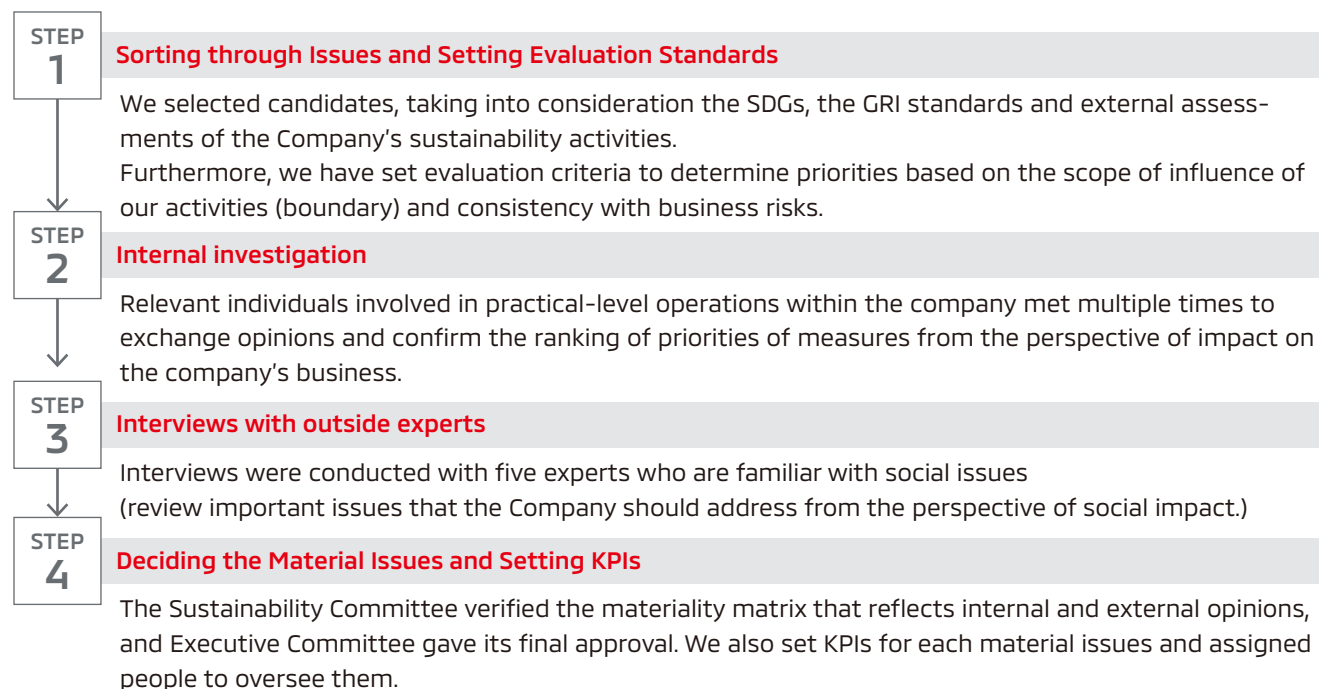
#### 2. Materiality on "People"

Considering our responses to the new normal triggered by the COVID-19 pandemic, we have reviewed the material issues of "Work style reform" and "Diversity" and merged them into "Promoting work style reform in response to new normal conditions (Diversity, Work-life balance)." Through the review, we have presented the directions to heighten organizational capabilities and enhance corporate value by creating an environment where diverse employees can maximize their individual abilities and play an active role.

We introduced remote working as a stopgap measure to help halt the spread of COVID-19. We are now looking at ways to adopt this approach on a more permanent basis, transitioning to a flexible working style that will balance work and an enhanced quality of life.

We are reviewing our material issues, taking into account the value we can provide to resolve social issues from a medium- to long-term perspective.

### Identification Process



## The Material Issues We Identified

In October 2020, the Board of Directors resolved the following material issues.

Mitsubishi Motors has identified material issues with reference to the SDGs and other issues being discussed internationally, and is working to contribute to the resolution of these issues.

For the relationship between each material issue and the SDG targets, please refer to the report page of the initiatives for each material issue.



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



## Reflecting Medium- to Long-term Perspectives when Setting Annual Targets Related to Material Issues

MITSUBISHI MOTORS needs to reinforce its management base in order to respond to the various changes taking place in the automotive industry, look at the business environment from a long-term perspective, and respond to medium- to long-term risks and opportunities. To achieve these goals, we recognize the importance of setting annual targets on materiality initiatives from a medium- to long-term perspective.

In FY2021, we took the following steps to set annual targets for individual materiality initiatives.

First, we took a long-term perspective, using 30 years as our time horizon (the period used when formulating Environmental Vision 2050) for responding to environmental issues we consider essential in order to conduct business activities. In the Environmental Policy, we particularly focused on climate change, resource circulation and pollution prevention. For other material issues, we looked ahead to 2030, which is the target year for the United Nations' Sustainable Development Goals (SDGs). We clarified the social issues (risks) the Company recognizes from a long-term perspective, as well as the effects (opportunities) that could be obtained by addressing these issues. After deliberating with the division general managers in charge of implementing the material issues, we clarified the direction of response.

Looking from the medium-term perspective, or 3 years into the future, we worked with the division general managers responsible for implementing the material issues to identify the external environment and stakeholders' needs and expectations. We then set medium-term action targets.

The Sustainability Committee deliberated the medium- to long-term visions for the material issues, the targets and indicators for FY2021, and their appropriateness.

In FY2022, we reviewed the medium- to long-term vision for each material issue compiled in the previous fiscal year, set single-year targets and indicators, and proceed with our initiatives.

Please refer to pages 30 and later in the report for the medium- to long-term vision on each material issue and the targets and results of initiatives in FY2021.

