

## Third-Party Opinion



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The Sustainability Report 2022 provides comprehensive disclosure of MITSUBISHI MOTORS' efforts to realize its vision, to "Create a vibrant society by realizing the potential of mobility." The first half of the report indicates the Company's overall directions by introducing the corporate philosophy, strategy and key topics, while the latter half of the report presents specific achievement of the previous year's activities in accordance with the medium- to long-term vision for material issues. The structure of this report effectively helps to convey the editorial intent to provide readers with a systematic understanding of a wide range of initiatives.

Last fiscal year's report, particularly the first half, described relatively major changes: (1) a focus on "MITSUBISHI MOTORS' uniqueness," (2) strengthening of the long-term time horizon with the introduction of Environmental Vision 2050 and (3) the aspiration of dynamic materiality. The emphasis this fiscal year appears to be on enhancing these new elements. This is clearly demonstrated by the Commitment of Top Management. After describing efforts to achieve car-

bon neutrality throughout the supply chain, increasing corporate value by cultivating human resources, reinforcing human rights initiatives and enhancing governance, the Commitment of Top Management section concludes with the intent to further pursue "MITSUBISHI MOTORS' uniqueness" and provide value, giving an overview of the items are underway to strengthen the Company's new directions.

Looking at the details, the first thing that catches my eye is the revision of the "Environmental Vision 2050." Last year's edition used somewhat indirect expression of contributing to enhancing the resilience of society against the risk of transitioning to net zero, but this time, the Company clearly states its commitment to achieving carbon neutrality by 2050. Electrified vehicles are the Company's weapon of choice for reaching these goals. Explanation of the multilayered strategy of collaborating with business partners, utilizing IoT technology and promoting renewable energy to enhance the value of electrified vehicles concretely expresses the pursuit of "MITSUBISHI MOTORS' uniqueness" and deepens readers' understanding of the concept. I also felt that the Company's approach to strengthening regional resilience by building VPPs with used batteries (which will become a major issue in the future) is based on core technologies and simultaneously pursues climate change, the circular economy and regional resilience, while embodying the Company's unique characteristics. One of the highlights of this report is the updated response to the TCFD recommendations, which is a tool for communicating the Company's initiatives to the capital markets. The risks and opportunities were analyzed according to three scenarios, and this part was rewarding to read, giving us a glimpse of the discussions within the Company for the revision of Environmental Vision 2050.

There have been several important developments on the social side, as well. The first was revisions to the Company's behavior guidelines, the "MMC WAY." It is an important message from management that the image of required human resources has been redefined based on the recognition that the active participation of diverse human resources is the key to improving corporate value, as indicated in the "Commitment of Top Management." At the same time, I can see that risk management measures have been steadily strengthened, such as the launch of human rights due diligence and the addition of new indicators related to health management.

The addition of CO<sub>2</sub> emissions and employee engagement as indicators for medium-to-long-term performance-linked compensation for executives from FY2022, and the linking of the progress of both environmental and social initiatives to governance, also clearly demonstrates the company's position on sustainability as an important management issue.

I believe that this report has added depth to its ability to systematically and comprehensively present its sustainability activities. Now that content has covered the "MITSUBISHI MOTORS' uniqueness" and the specific initiatives that embody it, what is expected next is to enhance the strategic part and strengthen the story from the perspective of value creation. In addition to the Top Message, MITSUBISHI MOTORS' Materiality, and Medium-to-Long-term Strategy, the main parts are now in place, including a strengthened focus on human capital through the revision of the "MMC WAY." I have high expectations for the presentation of a value creation process that combines these elements. I look forward to further enhancement, including the division of roles and collaboration with the Integrated Report, which continues to evolve in parallel.