

Commitment of Top Management

Thoroughly refining the “Mitsubishi Motors-ness,”
for further growth and taking on challenges
in the next era.



Takao Kato
Member of the Board
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In recent years, issues concerning sustainability, such as responding to climate change and respecting human rights, have become increasingly important to corporate management. Additionally, the development of technologies such as AI and IoT is drastically transforming the concept of automobiles traditionally a means of transportation for people and goods, and the automotive industry is heading into a major transition era.

While the future outlook remains uncertain due to factors such as rising raw material and labor costs, as well as volatile exchange rates, MITSUBISHI MOTORS will strive to address global challenges such as achieving carbon neutrality, building a sustainable mobility business, and establish a workplace where respects human rights and enables diverse human resources to thrive. We will continue to tackle the challenge of “transforming ourselves” and the challenge of “strengthening our management foundation to adapt to the new era.”

Furthermore, we will thoroughly refine Mitsubishi Motors-ness, which is “The provision to customers of a fulfilling mobility life that awakens their adventurous spirit on the basis of reliability backed up by technology that achieves “Eco-friendly x Safety Technology, Peace of Mind and Comfort,” and aim to achieve a sustainable society and sustainable growth of our Group.

Taking on the Challenge of Achieving Carbon Neutrality by 2050

We recognize that responding to the global challenge of achieving carbon neutrality by 2050 is critical to determine the future of our company.

Positioning climate change countermeasures as one of the key issues in the development of our business strategy, and by reflecting measures to respond to climate change risks and opportunities in the “Environmental Plan Package” that defines the direction and targets of environmental initiatives and business strategies, we will take on the challenge of enhancing our resilience as a company by ensuring sustainable business growth and mitigating future risks.

Specifically, we have identified and evaluated long-term, medium-term, and short-term risks and opportunities, and have specified “tightening of fuel efficiency/CO₂ and ZEV regulations,” “introduction and expansion of carbon pricing,” and “growing demand for electrified vehicles” as items with particularly large impact. For these items, we are analyzing the impact on our business and considering countermeasures based on multiple scenarios published by international organizations.

Last year, we declared our commitment to achieve carbon neutrality by 2050 for the entire supply chain, and also launched the realization as part of Environmental Vision 2050. Furthermore, this year, we have revised certain of our Environmental Targets 2030 and set milestones toward achieving carbon neutrality by 2050.

We aim to achieve a ratio of 50% electrified vehicle sales by FY2030, reaching 100% by FY2035. In order to meet the various needs of the global market, we will leverage the technologies of the Alliance and introduce optimal electrified vehicles (electric vehicles, plug-in hybrid vehicles, and hybrid vehicles) in accordance with the energy situation and infrastructure development in each country and region at the appropriate time. Based on the new mid-term business plan “Challenge 2025” announced in March 2023, we plan to introduce a total of nine electrified vehicle models over the next five years.

In terms of business operations, we have set a target to reduce CO₂ emissions by 50% compared to the FY2018 level by FY2030. To achieve this goal, we will promote energy-saving activities and the introduction and expansion of renewable energy. Additionally,

we will collaborate with major suppliers and logistics companies to reduce CO₂ emissions across the supply chain, promoting reductions in CO₂ emissions at the phases of production and procurement of raw materials and parts, as well as in the logistics area, including transportation of products.

Pursuing the Potential of Mobility

In order to survive in this era of dramatic change, MITSUBISHI MOTORS will take on the challenge of digital transformation and explore new business initiatives. For example, we are conducting pilot experiments utilizing used electrified vehicle batteries as storage batteries to adjust power supply and demand, as well as utilizing in vehicle batteries as emergency power sources during power outages caused by disasters. By exploring the potential of business opportunities such as energy management and battery utilization that are unique to an automobile manufacturer, we will build a foundation for a full-scale deployment.

Creating a Rewarding Work Environment and Promoting the Development of Human Resources

In order to achieve and enhance corporate value amid the rapidly changing business environment, it is crucial for us to hire and develop talented individuals, as well as focusing on employee retention. It is important to create an environment where each individual can work with a sense of fulfillment, fully utilize their abilities, and thrive both physically and mentally. Recognizing that our employees are our greatest assets, we have identified "Promoting diversity and inclusion, and enhancement of employee engagement" as new materiality. In the process of identifying this materi-

ality item, our management team engaged in discussions to ensure that it should be easily understandable and shared by all employees.

In order to support the new mid-term business plan, "Challenge 2025," and further promote the active participation of our employees in future growth, we have set directions for our talent strategy: "build a better place to work," "enhance learning opportunities/reskilling programs," and "secure/cultivate a diverse workforce." We will promote human resource development on these priority items.

Continuing to Strengthen Human Rights Initiatives

In order to achieve sustainable growth and expand our business globally, respect for human rights is essential. The Group has established a Human Rights Policy that prohibits discrimination and aims to eliminate unfair labor practices. Following the implementation of human rights assessments at our headquarters and three factories in Japan in FY2021, in FY2022 we conducted our first human rights assessment overseas at Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), a key production base in the ASEAN region. Through a human rights due diligence framework, we identify the negative impacts of our business activities on human rights and work to prevent such impacts.

With regard to respect for human rights in the complex supply chain of the automotive industry, we strive to ensure awareness through measures such as obtaining agreement from our business partners on our Supplier CSR Procurement Guidelines. We also conduct CSR assessments of our suppliers, using third-party agencies. In terms of sourcing raw materials and producing parts, we collaborate with relevant business partners to address serious human rights vi-

olations such as child labor and forced labor and work to eliminate them. We will continue to strengthen our efforts, including those involving the supply chain.

Reinforcing Sustainability Management

Considering our belief that responding to sustainability is a crucial priority for the Group's management, we have appointed executive officers and department heads as responsible individuals for each materiality. As chairman, I oversee the progress of these efforts through the Sustainability Committee, and key issues such as climate change measures are deliberated and reported to the Board of Directors.

In addition, to heighten awareness among our executives, in FY2022 we added "CO₂ emissions from business activities" and "employee engagement" as indicators for determining medium- to long-term performance-linked compensation.

Based on our Vision and Mission, and prioritizing compliance and continuously strengthening and enhancing our corporate governance are key management priorities. By meeting the expectations of our shareholders, customers, and all stakeholders, we aim to achieve sustainable growth and enhance our corporate value.

We will continue to be highly transparent and strengthen sustainable management throughout the company.



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