

September 11, 2025

Dr. Sydney Vergis
Assistant Division Chief, Industrial Strategies Division
California Air Resources Board
1001 I Street, Sacramento, CA 95814

**Comments to the California Air Resources Board in Response to the August 21, 2025
Climate Disclosure Workshop**

Dear Assistant Division Chief Dr. Vergis:

Mitsubishi Motors R & D of America, Inc. (MRDA), on behalf of its parent company Mitsubishi Motors North America, Inc. (MMNA), a wholly owned subsidiary of Mitsubishi Motors Corporation (MMC) (collectively hereafter referred to as Mitsubishi Motors), appreciates the opportunity to provide comments in response to the August 21, 2025 Climate Disclosure Workshop.

MMNA is responsible for marketing, distribution and sales for Mitsubishi Motors in the United States. MMNA sells sedans and crossovers/SUVs through a network of approximately 320 independent dealers. MMC is leading the way in the development of highly efficient, affordably priced new gasoline-powered automobiles, while using its industry-leading knowledge in battery electric vehicles (BEV) to develop future electric vehicle (EV) and plug-in hybrid electric vehicle (PHEV) models. In 2009, Mitsubishi Motors launched the world's first mass-produced BEV – known as the i-MiEV – as part of a corporate mission to offer consumers more environmentally responsible modes of transportation. Continuing a heritage of innovation and leadership, in 2013, Mitsubishi Motors launched the world's first plug-in hybrid electric crossover utility vehicle (CUV), the Outlander PHEV. Mitsubishi Motors introduced the Outlander PHEV into the U.S. market in December 2017, and it has created an entirely new sub-class of vehicles since then. Along the way, the Outlander Plug-in Hybrid has won many awards for its all-wheel drive capabilities, its interior design and its quality.

Mitsubishi Motors is committed to reduce our CO2 emissions to contribute toward the realization of a net-zero CO2 emissions society by 2050. We aim to become carbon neutral through electrified vehicles and the increased use of renewable energy. In addition, we are working to reduce CO2 further in the aim of achieving carbon neutrality throughout our supply chain by 2050. In line with this vision, Mitsubishi Motors has set the following ambitious global 2030 environmental targets:

- 40% CO2 emissions reduction from new vehicles
- 50% electrified vehicle sales
- 50% CO2 emissions reduction from business activities

Mitsubishi Motors shares CARB's vision for a transparent accounting of corporate climate-related risk and emissions. Starting with FY2019, Mitsubishi Motors has been publishing annual global sustainability reports based on the prior fiscal year's results. This annual report includes Scope 1, 2, and 3 emissions; a climate-related financial risk assessment; and third-party assurances. Mitsubishi Motors appreciates that CARB is willing to receive advice on how best to implement SB 253 and SB 261 while minimizing the reporting burden to reporting entities. As such, Mitsubishi Motors is providing the following recommendations based on our current reporting process and experience with such reports.

Mitsubishi Motors Sustainability Report Process

Mitsubishi Motors publishes a yearly sustainability report based on the prior fiscal year's activities. This report includes chapters dedicated to sustainability management, human rights initiatives, environment, social, and governance. In addition, MMC publishes a climate related risk disclosure and receives third-party assurance of its Scope 1, 2, and 3 emissions.

The current reference guidelines used to complete the reports are:

- GRI Standards (Global Reporting Initiative)
- Task Force on Climate-related Financial Disclosures (TCFD)
- SASB (Sustainability Accounting Standards Board)
- Environmental Reporting Guidelines (2018 edition) issued by the Ministry of the Environment of Japan

Full details of Mitsubishi Motors sustainability reports may be accessed at the following website: <https://www.mitsubishi-motors.com/en/sustainability/esg/report/index.html>

Proposed reporting deadlines should be extended to limit unnecessary reporting burden

Based on the legislation for SB 261, CARB is requiring the submission for climate related risk report website by January 1. In addition, CARB has proposed a reporting deadline for SB 253 to June 30. In addition, with both SB 261 and SB 253, it is unclear if CARB will accept reports based on the previous calendar year, fiscal year, or some other timeframe.

CARB currently references that entities should use the more recent/best available data for its first report.

Mitsubishi Motors believes the timeline proposed by CARB is infeasible for entities that report on a fiscal year basis. As mentioned above, the reports and third-party assurance are based on the results of Mitsubishi Motors' fiscal year which runs from April 1 of the preceding year to March 31. The time required to compile data at the completion of the fiscal year as well as gain third-party assurance takes several months to complete. Mitsubishi Motors sustainability reports have traditionally been made available by September after the fiscal year. Recent reports have been made available sooner, but no report has been issued prior to July 31. With the influx of reporting and limited availability of third-party assurers, Mitsubishi Motors believe it is necessary to allow additional time to submit reports.

Mitsubishi Motors recommends that CARB allow reporting entities to choose whether to report data based on the previous calendar year or previous fiscal year based on the entity's standard practice. For entities that report on a fiscal year basis, Mitsubishi Motors recommends the following:

- Regardless of the regulation (SB 253 or SB 261), the reporting deadline should allow for at least six months lead-time based on the end of the reporting period. (e.g. SB 261 reports that include data up to June 31 of a given calendar year would be due on January 1 of the following calendar year)

Non-reporting parent entities should be allowed to submit data on behalf of reporting subsidiaries

To reduce the burden of over-reporting, CARB has proposed a process in which a parent company can submit data on behalf of its subsidiaries which are also reporting entities. While this can reduce the reporting burden of subsidiaries that lack the resources of the parent company, it is unclear if the current proposal by CARB covers all parent/subsidiary situations that could ease the reporting burden.

Mitsubishi Motors is comprised of a parent organization MMC as well as many regional subsidiaries throughout the globe. As a non-U.S. business, MMC is not classified as a reporting entity according to SC 253 and SB 261. The subsidiary which operates in the U.S. is Mitsubishi Motors North America (MMNA) and is the operation most likely to be considered a reporting entity (if it meets the revenue and "doing business in CA" criteria).

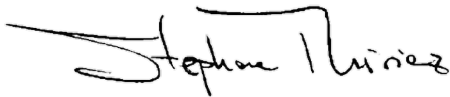
As mentioned previously, MMC prepares and publishes annual sustainability and climate related risk reports. These reports include the global Scope 1,2,3 emission and risk assessment. As a subsidiary of MMC, MMNA does not complete a separate report. It is unclear, based on CARB current parent/subsidiary definition, if a non-US-based parent

company's data may be reported as a proxy for the US-based subsidiary's reporting requirements.

Mitsubishi Motors recommends that CARB allow non-U.S. based parent company data to be accepted as a proxy for a U.S.-based subsidiary that is classified as a reporting entity under SB 261 and SB 253. Doing so would reduce unnecessary reporting burden and create a level playing field between U.S. based and non-U.S. based entities with global operations.

We thank you for the opportunity to provide these comments, and we welcome the chance to work with CARB to ensure that the rule meets CARB's obligations and does not cause undue burden to reporting entities.

Sincerely,



Stephane Thiriez
Senior Director, Regulatory Affairs & Certification
Mitsubishi Motors R&D of America, Inc