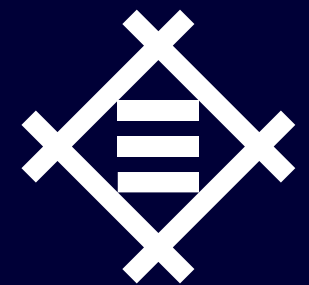




2020

Sustainability Report



MITSUI & CO.

Top Message



Masami Iijima
Representative Director,
Chairman of the Board of Directors

“Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations.” These words from the first president of the former Mitsui & Co.*, Takashi Masuda, represents our foundation. His words urge us to avoid becoming overly focused on near-term profit. Rather, we must realize growth by creating businesses that contribute to society’s long-term development.

In May 2020, Mitsui released a revised version of its Mission, Vision, Values, our corporate management philosophy to coincide with the announcement of the Medium-term Management Plan 2023—Transform and Grow. Revised for the first time in 16 years, the new philosophy puts Takashi Masuda’s message front and center and includes a vision whereby “As challengers and innovators, we create and grow business while addressing material issues for sustainable development.”

When preparing the new plan, we set goals for respective frontline operations by keeping firmly in mind the Materiality that we had previously revised in 2019 and which is the base of our business activities. More specifically, we discussed the aspects of our Materiality on which each type of day-to-day work and activity should focus.

In 2015, the United Nations identified priority tasks and set out a concrete plan of action for humanity, the earth, and global prosperity with the adoption of 17 Sustainable Development Goals (SDGs) and 169 related targets. The SDGs are embedded in Mitsui’s Materiality. I believe that by placing Materiality at the core of a broad range of businesses and activities we can help address the issues listed in the SDGs.

Efforts to realize a sustainable society are becoming ever more important due to the unprecedented speed of social change being driven by the emergence of COVID-19. In adapting to this dramatic change, Mitsui will leverage the wide-ranging network that it has developed over a long history as a general trading company. Moreover, we will reform the mindset of each employee and achieve growth by drawing on its “Challenge and Innovation” DNA to create businesses that help address social issues.

* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.



Tatsuo Yasunaga
Representative Director,
President & Chief Executive Officer

In May 2020, Mitsui & Co. announced the Medium-term Management Plan 2023 with the main theme “Transform and Grow.” We identified sustainability management and evolution of ESG as the foundations to support sustainable growth under our “Transform and Grow” strategies. We also revised our sustainability-related policy structure in order to provide further clarity on our basic philosophy and policies, and ensure the effective implementation. In addition, we identified “climate change,” “business and human rights,” and “circular economy” as our priority issues.

In relation to the climate change, Mitsui has become the first *sogo shosha* (general trading company) to adopt the goal of achieving net-zero emissions, as its vision for 2050. As a part of the roadmap toward achieving that goal, we aim to halve our GHG impact compared with the 2020 level under our vision for the year 2030. We have also introduced an internal carbon pricing system to enhance the medium-to long-term resilience of business that has high GHG emissions.

We have always identified the respect for human rights as our fundamental value in the Mitsui & Co. Group Conduct Guidelines. Furthermore, to provide greater clarification, we formulated a Human Rights Policy, which we announced in August 2020, together with other reforms.

With regard to the circular economy, we are considering and implementing a variety of initiatives on top of the traditional 3Rs (reduce, reuse, recycle) approach. The initiatives include the introduction of designs and raw materials that reduce resource inputs, the promotion of sharing as a way to improve utilization rates for products and services, the extension of product life spans through maintenance, repurposing, and other methods, and the creation of mechanisms that enable uses of items previously classified as waste.

In the uncertain times generated by the COVID-19 pandemic, it is especially important to renew our awareness towards our mission, values, and visions, and to go back to our roots as we start to move forward toward transformation and growth.

As in the past, we will continue to use the Sustainability Report and various other media and opportunities to provide reliable and highly transparent information about our thoughts and future direction to our stakeholders including our customers, business partners, and shareholders, as the basis for further dialogue.

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Link to website



Link to related information

Cover Photo:

Mitsui & Co. has identified Mitsui's material issues ("Materiality") with the aim of meeting the expectations of a variety of stakeholders and realizing a better tomorrow for the earth and people around the world.

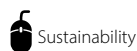
The images shown on the cover are mainly from the Report's "Our Stories" pages, introducing Mitsui's initiatives for each Materiality.



Editorial Policy

We publish our Sustainability Report with the aim of delivering an explicit message to our stakeholders that Mitsui & Co. commits to creating new values through a wide range of business activities, and contributes to societal and corporate sustainability. As an annual report that complements the Integrated Report, our Sustainability Report 2020 emphasizes comprehensiveness and continuity, and provides detailed environmental, social, and governance (ESG) information.

In accordance with Mitsui & Co.'s Materiality, which was revised in April 2019, the Sustainability Report 2020 reports on our activities in line with the ESG factors, and introduces our actual cases of value creation toward finding solutions to societal issues, as "Our Stories." We set "Sustainability Management; Evolution of ESG" as one of the six corporate strategies for achieving the Medium-term Management Plan 2023—Transform and Grow, which we announced in May 2020. From the perspective of potential impact on our business and growing demand from society, we have identified climate change, circular economy, and business and human rights as three key issues which we prioritize in promoting initiatives. The Sustainability Report 2020 also provides our current initiatives on these three key issues.



Reports	Contents	Media		
		Booklet	PDF	HTML
Sustainability Report	The Sustainability Report is prepared to cover detailed non-financial ESG-related information of Mitsui. The report is aimed at our multi-stakeholders and is published annually.		●	●
Integrated Report	Mitsui issues the Integrated Report in order for every stakeholder to gain an understanding of Mitsui's management strategies, business overview, and initiatives for sustainable value creation.	●	●	●
Annual Securities Report	The Annual Securities Report is prepared pursuant to Article 24, Section 1 of the Financial Instruments and Exchange Act and is required to be submitted to the Kanto Finance Bureau. Please refer to this report for more detailed financial information. It is issued in late June of each year.	●	●	
Corporate Governance Report	In accordance with Japan's Corporate Governance Code, Mitsui publishes a Corporate Governance Report that provides details on Mitsui's basic corporate governance approach and structure. Mitsui is also required to submit this report to the Tokyo Stock Exchange. Please refer to the PDF link for more detailed information related to Mitsui's organizational design, operational status, and evaluation of Board of Director effectiveness.		●	

A Cautionary Note on Forward-Looking Statements:

This material contains statements (including figures) regarding Mitsui's corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui's management but should not be relied on solely in making investment and other decisions. You should be aware that a number of known or unknown risks, uncertainties and other factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui's latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

Scope of Coverage in the Sustainability Report Mitsui and major consolidated subsidiaries and associated companies. The scope of coverage for numerical data is provided individually in appended notes.

Covered Period The Sustainability Report 2020 mainly covers our initiatives carried out in the period from April 2019 to March 2020 (the fiscal year ended March 2020, "FY2020"), as well as part of our policy and initiatives for the fiscal year ending March 2021.

Independent Practitioner's Assurance The star ("★") indicates that the sustainability information concerned has been given limited assurance, for the purpose of increasing its reliability, by Deloitte Tohmatsu Sustainability Co., Ltd. in its independent practitioner's assurance report.

Publication Date August 2020 (Previous publication date: August 2019; next publication scheduled for August 2021)

Guidelines

- GRI (Global Reporting Initiative) Sustainability Reporting Standards
Our Sustainability Report has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.

In addition to presenting the material issues of Mitsui & Co.'s Materiality in association with initiative themes and the GRI Sustainability Reporting Standards in this Sustainability Report, we have also released on our website ESG-related policies and data, and the GRI Standards Comparison Chart.

P.117 Material Issues of Mitsui & Co.'s Materiality in Association with Initiative Themes and the GRI Standards

GRI Standards Comparison Chart

- ISO26000 (Guidance on Social Responsibility)

Published by Sustainability Committee, Mitsui & Co., Ltd.

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Message From the Chairperson of the Sustainability Committee



With “Build brighter futures, everywhere” as our corporate mission, we will create and grow businesses while addressing material issues for sustainable development

Shinichiro Omachi
Senior Executive Managing Officer,
Chief Strategy Officer (CSO),
Chairperson of the Sustainability Committee

Today, in a world that is continually changing with varied elements entangled in a complex manner, we are witnessing rapid shifts in megatrends that potentially affect the business activities of Mitsui & Co. With the future becoming increasingly unpredictable, such as economic and social impacts attributable to trade friction, COVID-19 pandemic and intensification of natural disasters, it is more vital than ever before, as a company engaged in business on a global scale, to enable ourselves to adapt flexibly to external change, and to strive toward achieving social and corporate sustainability.

In consideration of such change in environment, Mitsui & Co. has revised its Mission, Vision, Values (“MVV”). While retaining the core spirit of our existing corporate philosophy adopted in 2004, the new MVV provides new definitions of the corporate mission and vision that Mitsui & Co. needs to fulfill through its global group management in this new environment. With “Build brighter futures, everywhere” as our corporate mission, we will create and grow businesses with our shared value, “Challenge and Innovation,” while addressing material issues for sustainable development, in order to realize a better tomorrow for the earth and people around the world.

We identified Materiality (material management issues) that reflect international frameworks, such as the Sustainable Development Goals (SDGs) adopted by the United Nations for the year 2030, and the perspectives of a broad spectrum of stakeholders, as well as the impact on business corporations. The identified Materiality is namely, “Secure sustainable supply of essential products”, “Enhance quality of life”, “Create an eco-friendly society”, “Develop talent leading to value creation” and “Build an organization with integrity”. These constitute the basis for conducting all of our business activities and we will strengthen our sustainability management which aims to achieve sustainable development of both society and the company.

The main theme for our Medium-term Management Plan 2023, which begins in the fiscal year ending March 2021, is “Transform and Grow.” The three-year plan is dedicated to the achievement of further growth through transformation of some of our structures and systems, and of our traditional behavior patterns and mindsets. We have identified climate change, business and human rights, and circular economy as key

themes for our sustainability management, and accelerated initiatives that contribute to solving societal problems through our business. As for climate change, we have set a new goal, which is to achieve net-zero emissions by 2050, and as a milestone for this goal, to reduce GHG impact by 2030 to half of what it is in 2020. As one of the measures to realize this goal, we established the Energy Solutions Business Unit in April 2020 to accelerate our efforts to tackle climate change through our business operations, especially in the areas of next-generation electric power, new energy (hydrogen, biofuels, etc.), and next-generation mobility infrastructure. In relation to business and human rights, we formulated our Human Rights Policy in August 2020 in order to clearly stipulate our group’s stance and approaches. We will step up our efforts to have the policy take root in the frontlines of business and to implement it throughout our business activities. Under the theme of a circular economy, we will enhance related measures in our existing business and our approach toward new opportunities, while closely monitoring external environments.

People are the foundation of Mitsui & Co.’s sustainability management. The entire Mitsui & Co. global group has a shared awareness of the importance of integrity. As stated in the Mitsui & Co. Group Conduct Guidelines—With Integrity, going beyond simply following the established rules, we must act with conscience and dignity as business people, and we must think about our own words and actions from the perspective of integrity.

The first president of the former Mitsui & Co.*, Takashi Masuda, said, “Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations.” We will continue to value this approach to business and our fundamental philosophy that form the unchanging basis of Mitsui & Co.’s values in relation to social and corporate sustainability. We will respond with integrity to the trust and expectations of our stakeholders and will work through our diverse business activities to contribute both to sustainable economic and social development on a global scale, and to the solving of global issues, such as climate change.

* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

Corporate Mission, Vision, Values

Mitsui & Co. revised its Mission, Vision, Values (“MVV”) in May 2020, as outlined below.

The environment has changed in various ways since the former MVV was adopted in 2004, and we expect the pace of change to accelerate even further. While retaining the core spirit of our former corporate philosophy, the new MVV provides new definitions of the corporate mission and vision that Mitsui & Co. needs to fulfill through global group management in this new environment. We have also sought to express in clear and straightforward language the ways in which we will continue pursuing the spirit of “Challenge and Innovation” while responding to the expectations and needs of our stakeholders and society, so that our diverse employees throughout the world can understand and share this philosophy and reflect it in their day-to-day activities.

Mitsui & Co. will move forward as one united group under the new MVV, in order to achieve the goals articulated in the theme of Medium-term Management Plan 2023—Transform and Grow.

Mission

Build brighter futures, everywhere

Realize a better tomorrow for earth and for people around the world.

Vision

360° business innovators

As challengers and innovators, we create and grow business while addressing material issues for sustainable development.

Values

Our core values as challengers and innovators

Seize the initiative

We play a central role in driving transformation.

Thrive on diversity

We foster an open-minded culture and multiply our strengths to achieve excellence.

Embrace growth

We drive our collective growth by continuously growing as individuals.

Act with integrity

We pursue worthy objectives with fairness and humility, taking pride in work that stands the test of time.

Mitsui & Co’s Core Values

The former Mitsui & Co.* which was established in 1876, was disbanded as part of the dissolution of Japan’s *zaibatsu* (industrial conglomerates) shortly after the end of World War II. The current Mitsui was founded by employees of the former Mitsui that shared the values of the original company: “Challenge and Innovation,” “Open-Mindedness,” and “Focus on Human Resources.” The Mitsui of today continues to contribute to the creation of new value for society.

The way we work and the way we think are still very much based on the values espoused by Takashi Masuda, the first president of the former Mitsui, and are reflected in our stance toward our work. The principles of Mitsui’s approach to sustainability as social responsibility have always reflected its founder’s values, a way of thinking unchanged to this day.

* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

“Let not short term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations.”

“I started Mitsui with the goal of realizing trade on a large scale, not in pursuit of money, but from the desire to work.”

“Mitsui has a pool of very talented individuals. This is Mitsui’s most important asset.”

Takashi Masuda, the first president of the former Mitsui

Sustainability at Mitsui & Co. and the Management Framework

Our Approach towards Sustainability

Sustainability has always been an integral part of Mitsui & Co.'s basic philosophy and today, it is clearly defined in our Mission, Vision, Values ("MVV"), adopted in May 2020. Our corporate mission is to "build brighter futures, everywhere". Toward the realization of a brighter tomorrow for earth and for people around the world, we, as challengers and innovators, aim to be a corporate group that creates and grows business while addressing material issues for sustainable development.

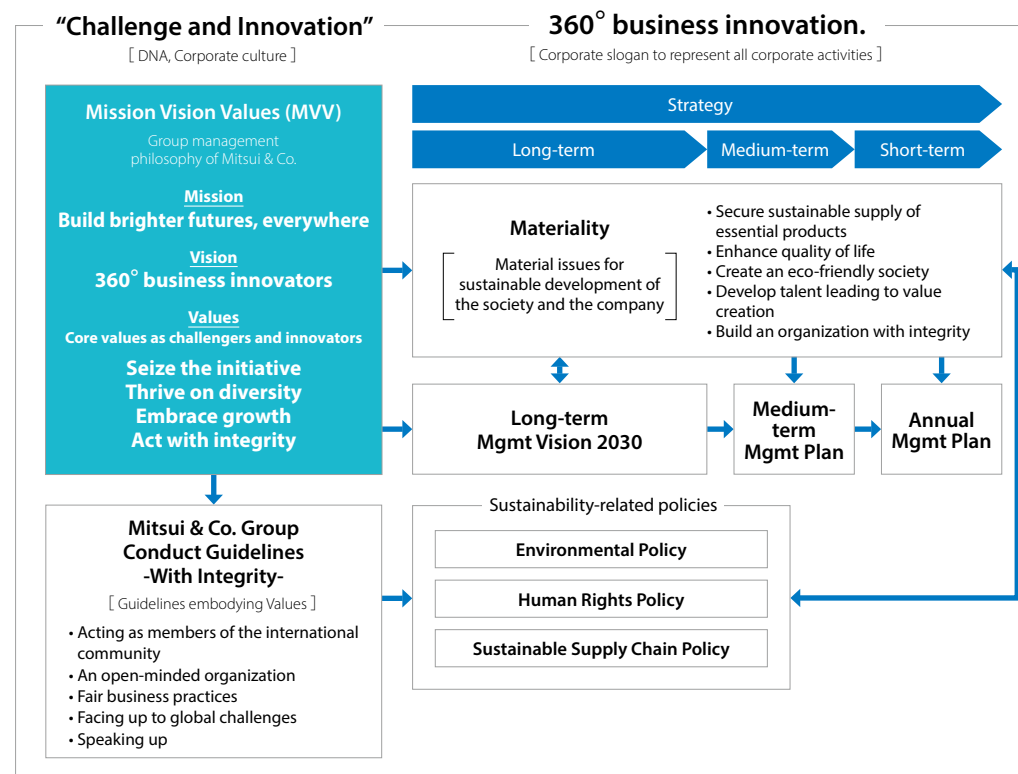
To attain this goal, we have adopted clearly defined values to be shared across the entire Mitsui & Co. group. To help individual group employees put these values into practice, we have formulated the Mitsui & Co. Group Conduct Guidelines—With Integrity, which define not only integrity and compliance but also our basic stance on key sustainability themes, including respect for human rights, environmental preservation, social contribution, and the development of trust with stakeholders. In addition, we also define our specific stance as a company in individual policies on the environment, human rights, and supply chains.

Toward the achievement of our corporate mission to "build brighter futures, everywhere", we have identified five material issues in Mitsui & Co.'s Materiality. In addition to their importance to our stakeholders, these material issues also have major potential impact on Mitsui's business management. For Mitsui to realize sustainable growth together with society, each of these material issues has the potential to be a significant source of both risks and opportunities in the medium- to long-term perspective. By regarding them as fundamental elements, we formulate business strategies, including the medium-term management plans and business plans.

In the Medium-term Management Plan 2023, we have identified "sustainability management and evolution of ESG" as one of six corporate strategies, in order to bring forward "transform and grow". We have further strengthened our commitment to sustainability management by identifying climate change, circular economy, and business and human rights as priority issues. We will also continue our efforts to strengthen corporate governance.

In accordance with our management philosophy and these policies and guidelines, we will continue to respond seriously and sincerely to the trust and expectations of our stakeholders, and to contribute through our wide-ranging business activities both to sustainable global economic and social development, and to the solution of global-scale issues.

Relationship of Corporate Policies



Medium-term Management Plan 2023 –Transform and Grow: Six Corporate Strategies

1. Strengthen business management capabilities
2. Evolve financial strategy and portfolio management
3. Personnel strategy
4. Strategic focus
5. Strengthen profitability of core businesses and take on challenges in new businesses
6. Sustainability management; Evolution of ESG

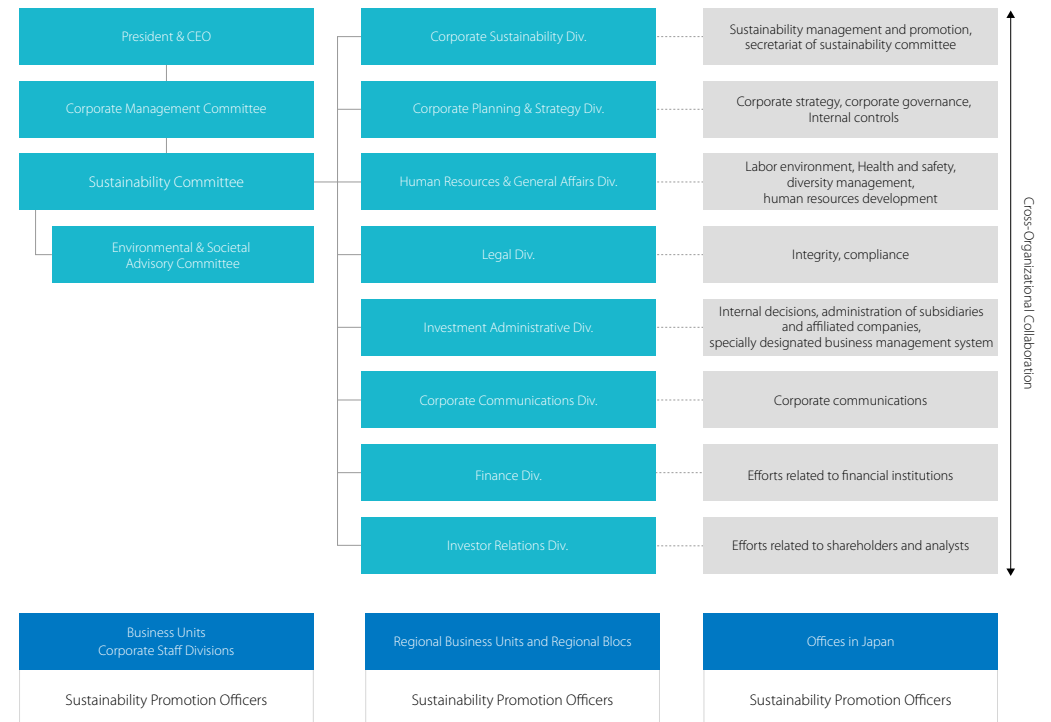
Sustainability Management Framework

In the fiscal year ended March 2005, Mitsui & Co. established the CSR Promotion Committee (currently the Sustainability Committee) under the Corporate Management Committee to develop Mitsui's internal framework with respect to sustainability, and to work to raise sustainability awareness among employees. In May 2017, we established the Sustainability Committee in order to further clarify our unchanging stance toward creating new value for society through business activities and to pursue further mutual sustainability between society and the company. With the Sustainability Committee playing a central role, Mitsui promotes sustainability-related activities based on cross-organizational collaboration to meet the needs and expectations of society in relation to companies' social values and initiatives.

In April 2019, we established the Corporate Sustainability Division, whose role is to promote and drive company-wide sustainability management and to accelerate various initiatives on a global group basis. The Corporate Sustainability Division strives to raise sustainability awareness and share values at the Mitsui & Co. global group level, with the aim of contributing to the achievement of sustainable social and economic development in various countries and regions around the world, while also contributing to solving global environmental problems such as climate change.

We appoint Sustainability Promotion Officers in corporate staff divisions and business units in the Head Office, overseas regional business units, regional blocs, and offices in Japan, developing our internal network to facilitate planning and promotion of sustainability activities together with the frontline staff, including provision of support for implementing sustainability management and awareness-raising activities at each unit. In the fiscal year ended March 2020, we held a Sustainability Promotion Officers meeting on a quarterly basis, where we explained new policies relating to our sustainability initiatives and other important information discussed and formulated by the Sustainability Committee, held lectures on ESG information disclosure, and conducted training programs on business and human rights.

Moreover, the Sustainability Promotion Officers have taken the initiative in organizing various sustainability awareness-raising programs, such as in-house sustainability seminars and lectures by speakers from partner companies and external experts, as well as workshops regarding sustainability within the actual business.



Sustainability Committee

As an organization under the Corporate Management Committee, the Sustainability Committee aims to promote management with a greater awareness of sustainability by developing basic policies on our sustainability management and related plans, and by making proposals on our management policies and business activities from a sustainability standpoint.

The Sustainability Committee consists of the CSO (the Committee Chair), CHRO and CFO (the Vice Chairs), Deputy CSO, and the GMs of the Corporate Staff Divisions including the Corporate Sustainability Division, Corporate Planning & Strategy Division, Human Resources & General Affairs Division, Legal Division, Investment Administrative Division, Corporate Communication Division, Finance Division, and Investor Relations Division. The committee has the following duties:

1. Develop basic policies on the company's sustainability management and fundamental plans for activities to promote sustainability and CSR.
2. Review and make proposals on the company's management policies, as well as policies and strategies of the business units and corporate divisions from the perspective of sustainability.
3. Present proposals on company-wide environmental policies.
4. Make proposals on sustainability-focused business activities (understanding risks and opportunities involved in business).
5. Deliberate and establish the basic policy of the effective disclosure of information to stakeholders.
6. Consider and present proposals relating to progress reviews and monitoring required for management.
7. Configure and establish the internal structure for promoting sustainability management of the company.
8. Identify the material issues to focus on each year for promoting sustainability and CSR activities of the company and ensure progress on these.
9. Respond to issues related to sustainability and CSR, both internal and external to the company.
10. Decide and report whether to support individual proposals which qualify under the matters of Specially Designated Business, and indicate the necessary cautions for projects that will be supported.
11. Approve important matters (basic policies, business plans, etc.) relating to the Mitsui & Co. Environment Fund.
12. Select proposals from applicants for the Environment Fund grants.
13. Decide and report whether to support an exceptional acquisition of forests or the disposal of company owned forests, which is out of the scope of the Rules on the Management of Company Owned Forests.

Furthermore, the Environmental & Societal Advisory Committee has been established as the advisory body to the Sustainability Committee. The committee members are selected mainly from among external experts who are familiar with a broad range of fields, including climate change, environmental policy with respect to water and energy, etc., technology trends, human rights and other matters.

The details of discussions held at meetings of the Sustainability Committee are reported regularly to the Corporate Management Committee and the Board of Directors. These reports are used to help to determine our management policy. The Board of Directors oversees the Sustainability Committee to ensure that its activities are conducted in an appropriate manner (The number of cases related to management strategy, sustainability, and governance that were discussed by or presented to the Board of Directors in the fiscal year ended March 2020 was 25 out of a total of 70.)



Integrated Report 2020 (P.103 Mitsui's Corporate Governance)

Main Discussions at Sustainability Committee Meetings in FY 2020

1st Meeting (June 7, 2019)

- Deliberations on climate change-related matters (scenario analysis)
- Report on the Sustainability Report 2019 editorial policy and progress
- Report on global social contribution activities in the fiscal year ended March 2019
- Deliberations on the Mitsui & Co. Environment Fund activity policy for the fiscal year ending March 2020

2nd Meeting (September 2, 2019)

- Deliberations on the statement under the UK Modern Slavery Act
- Progress report on climate change-related matters (scenario analysis)
- Deliberations on the Corporate Strategy under the Medium-term Management Plan: Setting Sustainability-related Targets and Priorities (1)

3rd Meeting (October 15, 2019)

- Deliberations on climate change-related matters (scenario analysis)
- Report on circular economy initiatives and policy
- Deliberations on the Corporate Strategy under the Medium-term Management Plan: Setting Sustainability-related Targets and Priorities (2)

4th Meeting (December 19, 2019)

- Report on business and human rights, and review of supply chain management
- Deliberations on the policy for responding to ESG surveys
- Deliberations on climate change-related matters (introduction of an internal carbon pricing system)

5th Meeting (February 27, 2020)

- Deliberations on the review of sustainability-related policies
- Deliberations on the Corporate Strategy under the Medium-term Management Plan: climate change-related matters (GHG emissions reduction target)
- Report on the Sustainability Report 2020 editorial policy
- Report on sustainability management promotion activities in the fiscal year ending March 2020, as well as action plans for the fiscal year ending March 2021

Raising Awareness on Sustainability Management

Mitsui has designated June as our Sustainability Month and holds lectures aimed at raising awareness on sustainability management.

Furthermore, even in other months, we conduct lectures on Mitsui’s sustainability management in the New Hire Induction Training, and more than 50 briefings for corporate staff units and business units, which had over 1,000 participants in all. Through the aforementioned activities and also through other means and initiatives, we encourage our employees to consider sustainability perspectives in their everyday work.

Sustainability Month Program

In June 2019, approximately 140 Mitsui officers and employees attended a lecture by Hiroko Kuniya titled “Changing Society with SDGs—Expectations toward Business Corporations.” Ms. Kuniya is a newscaster, project professor at Keio University, and National Goodwill Ambassador for Japan of the Food and Agriculture Organization of the United Nations (FAO). In the lecture, Ms. Kuniya shared many passionate and inspiring messages as she spoke about the awareness of the SDGs and trends in society, the background of the creation of the SDGs and their importance, trends in the financial sector, the need for new business models, and expectations toward business corporations. In response to a question from a participant on how to balance the achievement of the SDGs and business profit targets, Ms. Kuniya pointed out that the focus had already shifted away from “balance,” and that we are in a transformational era in which we need to make efforts to increase positive impacts while decreasing the negative ones. Some of the comments from the participants after the lecture included that the lecture had been helpful to deepen knowledge about the SDGs, and that Ms. Kuniya’s strong message inspired to think about incorporating SDG perspectives into business activities going forward. There was also a comment from a participant promising to take action starting with eco-friendly activities at the office.



P.37 Environment-Related Training

P.66 Heightening Employee Awareness and Providing Training Seminars

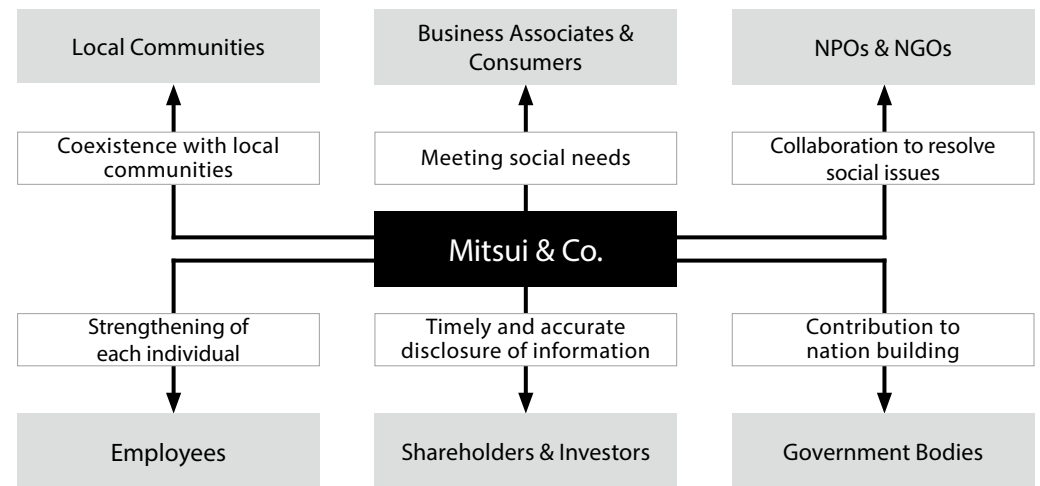
P.108 Compliance Education and Training

Mitsui & Co.’s Stakeholders

Mitsui & Co. places emphasis on interacting with and having dialogue with society. For this reason, we closely assess the effects of our diverse and global business activities on society and identify and acknowledge stakeholders of particular interest.

In particular, we are committed to the development of relationships based on mutual trust with a diverse range of stakeholders, including local communities, business associates & consumers, NPOs & NGOs, employees, shareholders & investors, and government bodies, through proactive information disclosures and continual communication with our stakeholders.

Through interactive communication with stakeholders, each of Mitsui’s employees and officers is endeavoring to acquire a firm understanding of what society expects from and requires of Mitsui. Based on this understanding, we strive to respond to changes in market environments, and constantly evolve to create new value through our business activities by exercising our unique capabilities, and thereby contribute to the realization of a sustainable society.



Stakeholders	Overview	Communication	Major Initiatives (FY2020)
Local Communities	<p>We contribute to the sustainable growth and development of societies and economies through our wide-ranging business activities and society-centric contribution activities in countries and regions throughout the world. We also aim to achieve harmonious coexistence with local communities through contributions in such areas as local industry development, creation of employment opportunities, infrastructure development, enhancement of the quality of life of local residents, and the improvement of educational environments.</p>	<ul style="list-style-type: none"> • Direct dialogues with local residents through business • Initiatives to support multicultural symbiosis for the Brazilian community in Japan • Educational activities to enhance the ability to solve problems through the Mitsui SASUGAKU Academy (Education for Sustainability), and global educational and human resource development activities through programs such as scholarships and Mitsui-endowed lectures. • Contribution to development of local communities through overseas funds and the Mitsui & Co. Environment Fund • Our relief efforts in disaster affected regions in which we conduct business 	<ul style="list-style-type: none"> 🔍 P.58 Improving Living Standards and Social Infrastructure through Nation-Building Projects in Mozambique 🔍 P.47 Environmental Pollution 🔍 P.101 Community Contribution 🔍 P.103 Mitsui SASUGAKU Academy 🔍 P.104 Mitsui & Co. Environment Fund 🔍 P.104 Disaster Relief Activities
Business Associates & Consumers	<p>We identify the needs and expectations of our business associates and consumers, supply safe and reliable products and services, disclose accurate corporate information, and take measures to address problems in supply chains.</p>	<ul style="list-style-type: none"> • Mitsui & Co. website • Corporate Brochure/Advertisements/Corporate Video • Integrated Report • Sustainability Report • Activities based on the Sustainable Supply Chain Policy • Supplier questionnaire and on-site surveys • Initiatives that align with our policies and rules on the handling of consumer products: "Consumer Product Handling Policy," "Consumer Product Handling Regulations" • Receipt of feedback and inquiries 	<ul style="list-style-type: none"> 🔍 P.66 Supplier On-Site Surveys 📄 Mitsui & Co. website 📄 Library (Corporate Brochure/Advertisements/Corporate Video) 📄 Integrated Report 2020 📄 Sustainability Report 2020 🔍 P.56 Supplying Food and Products with Ensured Safety and Security
NPOs & NGOs	<p>We pursue solutions for environmental and societal issues through networking and collaboration with various NPOs and NGOs. Through the Mitsui & Co. Environment Fund, we provide support for research and initiatives by NPOs and NGOs that are working to solve environmental problems.</p>	<ul style="list-style-type: none"> • Discussions and local visits in cooperation with NPOs/NGOs • Participation in seminars hosted by NPOs and NGOs • Stakeholder Dialogue with NPOs/NGOs • Responses to surveys from NPOs and NGOs • Collaboration with NPOs and NGOs through the Mitsui & Co. Environment Fund 	<ul style="list-style-type: none"> 🔍 P.45 Support through an NGO for the Development of a Rainwater Reuse System to Supply Safe Drinking Water 🔍 P.48 Biodiversity Conservation Activities in Cooperation with NGOs 🔍 P.104 Mitsui & Co. Environment Fund 🔍 P.11 Stakeholder Dialogue with NPOs/NGOs
Employees	<p>In order to support our diverse group of employees to work energetically and exert their capabilities, we strive to carry out diversity management by enhancing workplace environment, developing various internal rules, providing human resources development programs, and placing the right people in the right positions. We are committed to being an organization with integrity on a global group basis with each employee possessing a high level of awareness of compliance.</p>	<ul style="list-style-type: none"> • Mitsui Management Review (MMR)/One-on-One meetings • Work-X initiatives • Mitsui Engagement Survey • Roundtable Meetings, New Active Talk Wednesday (dialogue between management and employees, as well as among employees) • Discussions with labor unions • Training programs and seminars • In-house and external whistleblowing channels • With Integrity Month • Sustainability Month • Intranet/In-house newsletter of Mitsui & Co. 	<ul style="list-style-type: none"> 🔍 P.74 Mitsui Management Review (MMR) 🔍 P.74 One-on-One Program 🔍 P.82 Embodying New Ways of Working at Mitsui & Co. Presented in the Long-term Management Vision – Work-X 🔍 P.70 Strengthening Employee Engagement on a Global Group Basis (Mitsui Engagement Survey) 🔍 P.87 Creating Opportunities for Communication 🔍 P.87 Diversity Cafe 🔍 P.87 Joint Efforts with Labor Unions 🔍 P.107 Compliance Program 🔍 P.9 Raising Awareness on Sustainability Management (Sustainability Month Program)

Stakeholders	Overview	Communication	Major Initiatives (FY2020)
Shareholders & Investors	We strive for continuous improvement of our corporate value and appropriate market recognition by realizing transparency and accountability in management with timely and accurate disclosure of information, and by engaging in interactive communication with shareholders and investors.	<ul style="list-style-type: none"> • General meetings of shareholders • IR meetings (presentations on financial results, Investor Day, briefings for individual investors) • Separate engagement for IR and SR (departments in charge of exercising voting rights and responsible investment) • Securities Report • Integrated Report • Newsletter to Shareholders • Mitsui & Co. website • Responses to surveys from ESG research organizations 	<ul style="list-style-type: none">  IR Meetings  Securities Reports  Newsletter to Shareholders
Government Bodies	We are committed to complying with related laws and regulations formulated by government agencies and local governments of Japan and the countries and regions where we engage in business activities. Furthermore, through cooperation with governmental agencies and local governments, we propose and promote business projects that align with their policies and make efforts to contribute to the development of nations and industries in a way unique to Mitsui.	<ul style="list-style-type: none"> • Participation in policy councils • Participation in consultation and advisory meetings with government agencies and offices • Support for human resource development through trainee-receiving programs for staff members of local governments • Secondment to the World Bank • Activities through business and industry groups 	<ul style="list-style-type: none"> • We received 10 trainees in the areas of machinery and infrastructure, chemicals, energy, and lifestyle industries.

Stakeholder Dialogue with NPOs/NGOs

In December 2019, we held a stakeholder dialogue entitled "Mitsui & Co.'s Initiatives for Achieving the SDGs." The dialogue was attended by Kono Fujimura, a representative of the NPO Japan Association of Environment and Society for the 21st Century (JAES21), and by Managing Director Yasushi Hibi and Technical Director Aya Uraguchi of Conservation International (CI) Japan, the Japan arm of the international NGO.

Ms. Fujimura expressed the view that tackling climate change involves some tough targets, but that climate change itself is related to all of the SDGs and it is essential to make sincere efforts to respond to the issue. With this in mind, she stated that tackling environmental issues requires shared values, and in this sense, it is more important than ever to place a high value on the founding spirit of the former Mitsui & Co. as it links to the essence of the SDGs. She also expressed the expectation for the Corporate Sustainability Division to make efforts to establish awareness within the company as a promoter of sustainability management.

Mr. Hibi spoke from the perspective of an NGO working in partnership with companies. He

expressed his wish for us to see the SDGs as an opportunity, and explained that everyone needs to pursue the SDGs to keep the Earth sustainable. For a company active in the resources business, he explained that it is particularly important for the employees to hold earnest discussions about the sustainable future vision to think about the sustainability of both society and the business.

As an expectation for Mitsui in achieving the SDGs, Mr. Hibi added the importance for the employees to think from the perspective of a variety of stakeholders, and Mitsui should see it as a strength in having talent capable of considering multiple different viewpoints when executing business. He commented that implementing Diversity & Inclusion is an important initiative for this reason as well.

The stakeholder dialogue reminded us that, despite the different perspectives, both NGOs/NPOs and companies are working towards the same goal of realizing a sustainable society, and that one of the important roles of the Corporate Sustainability Division is to act as a bridge between external stakeholders and the employees.

Participation in Initiatives

United Nations Global Compact

The United Nations Global Compact is a set of voluntary action principles for corporations proposed by former UN Secretary-General Kofi Annan at the World Economic Forum held in Davos, Switzerland in January 1999. He proposed a means to harness the creative powers of the private sector to fulfill the wishes of underprivileged people and meet the needs of future generations.

It is neither a regulatory means nor a legally binding code of conduct, but rather a strategic policy initiative that encourages corporations to come together as global citizens to solve the various problems that could arise as a result of economic globalization. Participating corporations are asked to support and put into practice ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. As of July 2020, over 14,600 corporations, labor unions, and civil society organizations from around the world are participating in the UN Global Compact.

Mitsui & Co. signed and pledged its support for the UN Global Compact in October 2004, and has been participating as a corporate director of the Global Compact Network Japan (GCNJ), complying with the Global Compact as part of its own corporate guidelines. At present, as a member company of the GCNJ, Mitsui complies with and practices the Global Compact, and pursues SDGs on a global group basis.



Ten Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labor

3. Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030, with 17 goals and 169 targets. The SDGs call for action to end poverty and create a life of dignity and equality of opportunity for all, with consideration given to balancing sustainable growth and the limits of the Earth.

As a *sogo-shosha* (general trading company), Mitsui & Co. group conducts a diverse range of business across nations and regions. We believe that this allows us to make a wide-ranging contribution to the achievement of all the 17, goals set out under the SDGs. With the recognition that it is increasingly important to work together with our business partners, customers, local communities, NPOs and NGOs, and other stakeholders in order to find solutions to the various issues facing society and industry, we are promoting initiatives based on Goal 17, "Partnerships for the Goals".

To continue promoting our business with a focus on contribution to the achievement of the SDGs, we will further raise awareness of the SDGs and discuss how to reflect them in our business strategies and plans. On page 15 of this report, we also introduce Mitsui & Co.'s Materiality in association with the SDGs.

P.15 Mitsui & Co.'s Materiality

SUSTAINABLE DEVELOPMENT GOALS



TCFD (Task Force on Climate-related Financial Disclosures)

In December 2018, Mitsui declared its support for the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, which aim to facilitate companies to recognize financial impacts arising from the risks and opportunities associated with climate change and to disclose such climate-related information. In our Integrated Report, we have disclosed information in accordance with the disclosure framework that is based on the TCFD Final Report.

 **P.40** Climate Change

 Integrated Report 2020 (P.044 Efforts to Address Climate Change through Our Business)

World Economic Forum

The World Economic Forum is an independent international organization that engages leaders from the worlds of business, politics, academia, and other sectors of society to shape global, regional, and industry agendas in the spirit of global citizenship, through cooperation between the public and private sectors, for the improvement of the world situation.

As a partner company, Mitsui attends the annual meeting of the World Economic Forum held in Davos, Switzerland every January, as well as the regional meetings.

Forest Stewardship Council® (FSC®)

The Forest Stewardship Council® (FSC®) is an international non-profit organization that promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

Mitsui has obtained FSC® forest management (FM) certification at all 74 of its forests, which in total approximately 44,000 hectares, while Mitsui Bussan Forest Co., Ltd., a Mitsui subsidiary, has obtained Chain of Custody (CoC) certification for the processing and distribution of cut lumber (FSC®-C031328). As the biggest supplier of Japanese-grown lumber with FSC® certification, Mitsui is helping to promote FSC® in Japan and to discuss and draft the Japanese version of principles, standards, and risk assessments. Mitsui has obtained FSC® certification for its forest resources business as well, and promotes responsible management of forest resources.

RSPO (Roundtable on Sustainable Palm Oil)

The Roundtable on Sustainable Palm Oil (RSPO) is a non-profit organization established to promote the sustainable production and utilization of palm oil through the conservation of tropical rain forests and biodiversity. Mitsui supports the RSPO's philosophy of contributing to sustainability through industry, and has been collaborating on various business-based initiatives as an ordinary member since joining the organization in 2008. A sustainability-focused procurement code, including specific standards for palm oil, has been formulated for the Olympic and Paralympic Games in Tokyo, which have been postponed to 2021. In connection with this, Mitsui representatives as members of an oil and fat industry association verified progress on and promoted initiatives related to the RSPO and activities under the Malaysia Sustainable Palm Oil (MSPO) and Indonesia Sustainable Palm Oil (ISPO) systems.

CLOMA (Japan Clean Ocean Material Alliance)

CLOMA was established in January 2019 to find solutions to the emerging global challenge of marine plastic debris through the sustainable use of plastic products, the development and introduction of alternative materials, and the acceleration of innovation. Mitsui is one of the 26 secretary companies. As of April 1, 2020, 325 companies and organizations have joined CLOMA, including a few of Mitsui's subsidiaries namely, Mitsui & Co. Plastics Ltd., Mitsui Bussan Chemicals Co., Ltd., Mitsui Bussan Packaging Co., Ltd., and Vendor Service Co., Ltd.

Mitsui participates in the Dissemination & Promotion Working Group, which shares technological information to make it easier to select the best alternative materials for each application, the Technology Working Group, which holds technological exchanges and technological seminars on the latest development results, and the International Working Group, which collects information through collaboration with international organizations and research institutions and provides information and technological consulting services in developing countries. Mitsui chairs the Indonesia Cooperation Working Group, which was formed under the supervision of the International Working Group, and plans contributions with a focus on specific countries. Looking ahead, Mitsui will continue to take the actions needed to help resolve the problem of marine plastic waste.

CEFLEX (Circular economy for flexible packaging)

CEFLEX is a European NGO that hosts discussions on the recycling of plastic packaging materials. Mitsui is one of more than 130 companies participating in the consortium that are involved in the plastic packaging materials value chain. CEFLEX investigates the construction of infrastructure systems to collect, sort, and recycle plastic flexible packaging. Mitsui will continue to contribute to the realization of a circular economy through its participation in CEFLEX.

ASI (Aluminium Stewardship Initiative)

ASI was established in 2012 with a vision of maximizing the contribution of aluminum to a sustainable society. As of May 2020, 122 companies and groups have joined ASI, including a variety of stakeholders such as aluminum producers and users and the International Aluminium Institute. Its purpose is to increase sustainability in the aluminum supply chain and contribute to ESG engagement by formulating international standards and establishing certification systems. Mitsui supports these initiatives as a member of ASI.

Japan Business Federation (Keidanren)

Mitsui is a member of various Keidanren committees, including the following:

- Committee on Responsible Business Conduct & SDGs Promotion, which works to make the Charter of Corporate Behavior well known, disseminate and promote "Society 5.0 for SDGs", and promote corporate social contribution activities
- Committee on Population Issues, which works to take measures to tackle the issue of Japan's declining birthrate and promote participation of foreign workers in the workforce
- Committee on Diversity & Inclusion, which works to implement action plans on women's active participation in the workforce, pursue promotion of female employees to managerial and executive positions, and realize a society in which diverse people, including LGBT people, can fully exert their capabilities
- Committee on Overseas Development Cooperation, which aims to coordinate with national governments and international institutions for the purpose of developing infrastructure overseas, in particular, in emerging countries
- Committee on Energy and Resources, which aims to realize an energy mix that maintains energy diversity and promote policies toward economical and stable energy supply
- Committee on Environment and Safety, which works on countermeasures to deal with climate change, formation of a circular society, and improvements in environmental regulations and systems

In addition, we have also participated in the Task Force on Business and Human Rights and engaged in activities directed towards realization of a sustainable society, which Keidanren pursues.

Moreover, since 2012, a Mitsui employee has been seconded to Keidanren's Committee on Nature Conservation, which is dedicated to conserving biodiversity and protecting the natural environment, to a) support the nature conservation activities of NGOs, b) promote interchange between corporations and NGOs, and c) encourage corporations to act towards nature conservation and biodiversity.

Japan Foreign Trade Council

As a member of the Global Environment Committee of the Japan Foreign Trade Council Inc., Mitsui monitors energy use for all trading companies and promotes reduce/reuse/recycle (3Rs) activities. We also gather information about new energy technology through our business activities, and contribute to the formulation of the Long-term Vision for Climate Change Measures.

Mitsui also engages in activities as a member of the Japan Foreign Trade Council's Sustainability/CSR Study Committee, which studies Sustainability/CSR-related issues and conducts surveys and research about trends in Japan and overseas.

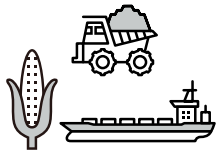
Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was established through a collaborative initiative by Keidanren, the Japan Chamber of Commerce and Industry, and Keizai Doyukai (Japan Association of Corporate Executives) with the aim of promoting private-sector initiatives on biodiversity. As a member company, Mitsui promotes biodiversity conservation initiatives in partnership with NPOs, NGOs, research institutions, and other related entities in Japan and overseas. Furthermore, Mitsui contributes to conservation of biodiversity in its supply chains by promoting a sound resource-cycle policy in its business management focusing on the life cycles of products and services.

Mitsui & Co's Materiality

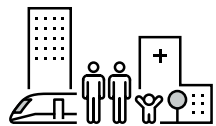
Mitsui & Co. prioritizes and focuses on sustainability in its corporate management. We have identified Mitsui's material issues ("Materiality") for the sustainable growth of both society and the company, with the aim of meeting the expectations and trust of a variety of stakeholders and pursuing our corporate mission, "Build brighter futures, everywhere."

We link our Materiality with the United Nations Sustainable Development Goals (SDGs), in promoting our initiatives and activities, in order to work towards the SDGs' 17 goals.



Secure sustainable supply of essential products

Ensure the sustainable and stable supply of resources, materials, food and manufactured products that are vital for the development of society.



Enhance quality of life

Contribute to the betterment of living standards and the development of local industries to realize sustainable societies globally.



Create an eco-friendly society

Accelerate initiatives towards environmental issues, such as responding to climate change and water resource problems, and contributing to a circular economy.



Develop talent leading to value creation

Respect diversity and develop human resources with the competence to create innovation and new value.



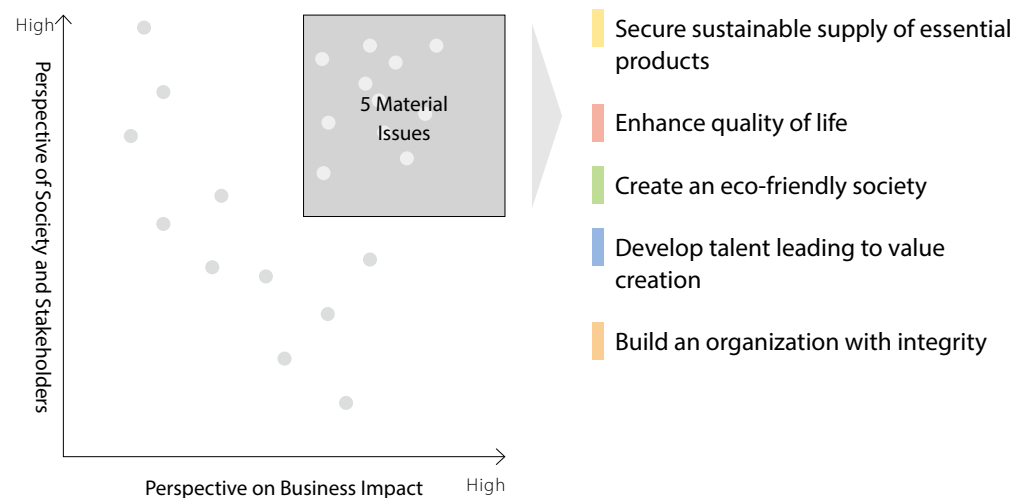
Build an organization with integrity

Strengthen our governance and compliance as a corporate group trusted by society.



Identification and Review of Materiality

In 2015, Mitsui & Co. identified its Materiality, which consists of five key material issues in areas that are important for our stakeholders and have significant implications for our business management. As the importance of sustainability has been growing globally as expressed in the environmental, social, and governance (ESG) aspects and the SDGs, and mega-trends with the potential to impact our business activities are changing rapidly, we have reviewed our Materiality and re-identified five new material issues in 2019. We recognize societal issues related to our business activities in each material issue category, verify significant risks and opportunities for Mitsui in terms of the impact of societal issues, and disclose our approach toward each Materiality.




In carrying out the revision, we took into account both the perspectives of various stakeholders in relation to the SDGs, the United Nations Global Compact, ISO26000, GRI Standards, other international frameworks, and ESG investment evaluations, as well as the impact on our business activities. In addition, we carried out questionnaire surveys of officers and employees on a global group basis, exchanged views with our external directors and outside experts, through meetings such as the Sustainability Committee, and interviews with the Sustainability Promotion Officers. After having such active discussions within and beyond Mitsui, we obtained approvals from the Corporate Management Committee and the Board of Directors, and finalized the new Materiality.

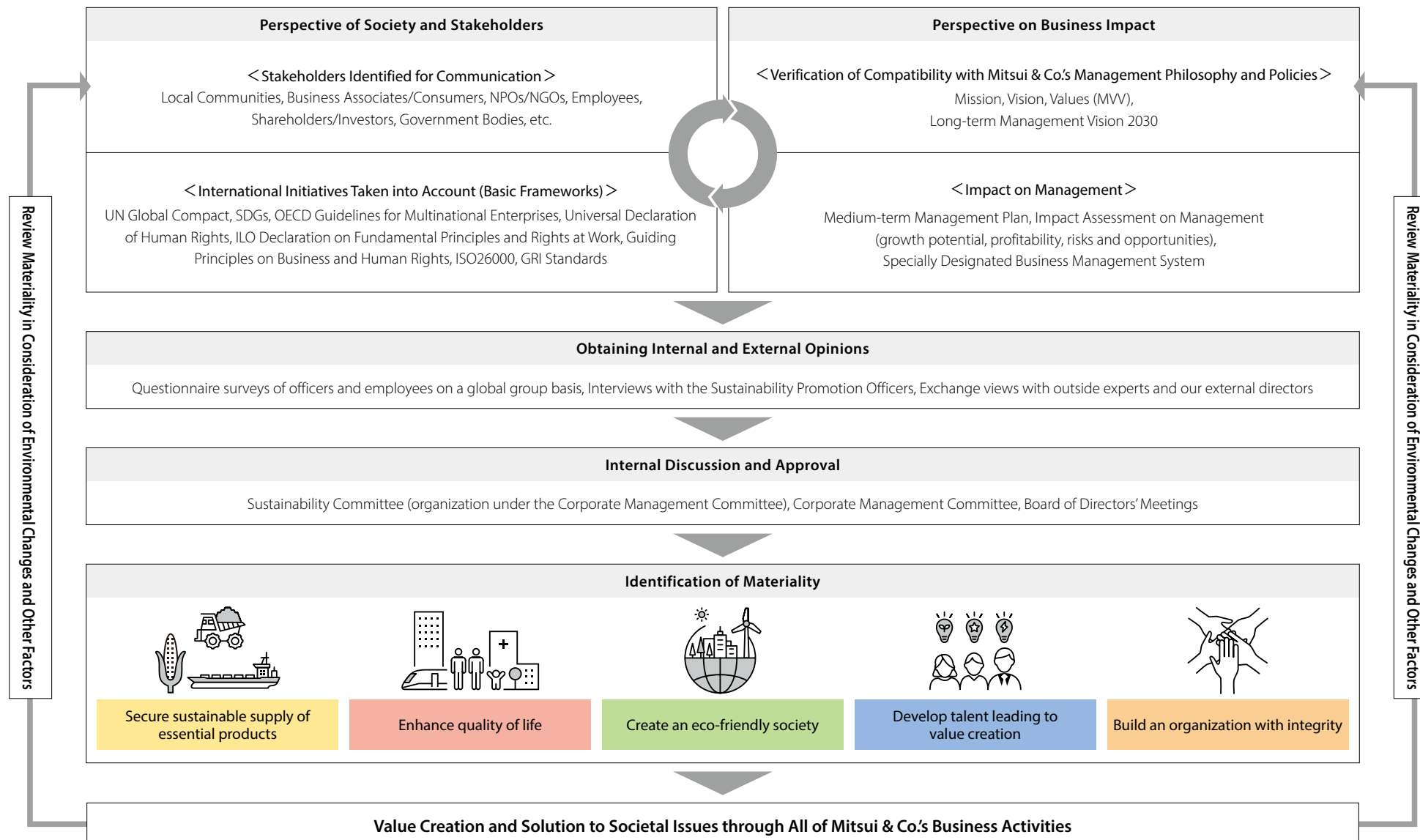
The Materiality encompasses material issues that could become risks or opportunities in the context of our medium- to long-term business strategies, and will serve as the ground on which we engage in our business activities. By positioning the Materiality as a medium- to long-term key management priority, all officers and employees of Mitsui will work together to ensure the Materiality is reflected in our business activities. Mitsui will commit itself to sustainability management and strive through its diverse global business activities and the solution of global issues including climate change, pursuing both in a well-balanced long-term perspective.

Toward 2030, with a greater focus on evolution from “connecting” to “creating,” which is called for in our Long-term Management Vision 2030 that we have formulated as our future image, we will identify challenges, set targets, and find solutions to achieve the goals. Furthermore, we will create changes, trends, and new value.

In order to respond to social challenges, needs, and expectations in line with changes in the times, and also to incorporate the formulation of new medium-term management plans and the resulting changes in impact on the economy, environment, and society into our sustainability management, we will review our Materiality and specific themes to work on every 3-5 years in consideration of environmental changes and other factors.

 **P.117** Material Issues of Mitsui & Co.'s Materiality in Association with Initiative Themes and the GRI Standards

Flowchart for Identification and Review of Materiality



Mitsui & Co.'s Approach



Secure sustainable supply of essential products

Ensure the sustainable and stable supply of resources, materials, food and manufactured products that are vital for the development of society.

Recognition of Societal Issues	Major Risks and Opportunities	Major Initiatives
<ul style="list-style-type: none"> • Population growth and expanding demand for resources, energy, raw materials, food, manufactured products, etc. • Improvement of production and supply capacity to respond to climate change • Safety and security of food and manufactured products 	<p>Risks</p> <ul style="list-style-type: none"> • Supply failures of resources, energy, raw materials, food, manufactured products, etc. caused by climate change, COVID-19, etc. • Reputational damage resulting from safety and health problems affecting the final consumers of food and manufactured products <p>Opportunities</p> <ul style="list-style-type: none"> • Improvement of production and supply capacity through responding to the effects of climate change, COVID-19, etc. • Enhancement of competitiveness through the establishment of traceability, responsible marketing leading to demand expansion 	<p>Stable Supply of Resources, Energy, Materials, Food and Products 🔍 P.55</p> <ul style="list-style-type: none"> • Stable and efficient supply of resources, raw materials, and manufactured products (such as metals, chemicals, energy, and food) through building optimal supply chains from upstream to downstream • Promotion of measures against climate change, abnormal weather events, and other disasters <p>Targets</p> <ul style="list-style-type: none"> • Improvement of access to nutrition through the stable supply of food <hr/> <p>Supplying Food and Products with Ensured Safety and Security 🔍 P.56</p> <ul style="list-style-type: none"> • Provision of products in accordance with the Consumer Product Handling Policy, Consumer Product Handling Regulations, and detailed rules established by relevant business units • Traceability management in the food business area, and management of safety and security risks by holding regular food safety seminars • Promotion of responsible pharmaceutical marketing activities

Our Stories: Secure sustainable supply of essential products

Contributing towards the Development of High-Productivity, Sustainable Agriculture through Environmentally-Friendly Biopesticides



Certis USA L.L.C.'s head office

Christina Limbourg

Third Business Dept., AgriScience Div., Nutrition & Agriculture Business Unit

* Position as of the time of interview.

As a result of population growth and economic development, annual global food demand is expected to rise by 70% between 2010 and 2050 to reach 5,817 million tons*.

To increase the world's food supply to keep pace with rising demand, it will be necessary both to cultivate new land and increase yields on existing farmland. However, increasing the area of land under cultivation on a global scale will be challenging, so it is particularly important to boost yields by developing new agricultural technologies and reducing production loss.

During the Green Revolution of the 1960s, increased food production was underpinned by chemical fertilizers, pesticides and new high-yielding crop varieties. However, in today's world, where environmental pollution and food safety have become important issues, there are concerns about the impact of chemical fertilizers and pesticides on human health and on ecosystems, and, particularly in Europe, stringent controls are being placed on agrochemicals and on recombinant DNA technology, along with demands for the adoption of safer methods.

Mitsui & Co. recognized the potential for using biopesticides to address this issue, and established Certis USA L.L.C. (Certis USA) in 2001 after acquiring the biopesticide business of a U.S. agrochemicals manufacturer. Biopesticides utilize the abilities of microorganisms, natural enemies, parasites, etc., to combat insect pests and weeds, transforming them into agents that can be applied easily and effectively. They can be used to create an environment in which it is difficult for insect pests and weeds to thrive, and restrict their growth so that they do not cause economically significant damage. By promoting Integrated Pest Management (IPM) that integrates the biopesticides manufactured by Certis USA with agrochemicals, we are contributing towards the building of highly-productive, sustainable agricultural systems.

* Source: Food Security Office, Policy Planning Division, Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries, Long-term World Food Supply and Demand Projection for 2050 (September 2019)



2.4

Contribute towards the establishment of sustainable agricultural systems that safeguard human health and the environment, through the manufacturing and sale of biopesticides.



3.9

Contribute towards making soil healthier by promoting and expanding the use of biopesticides.

Our Stories: Secure sustainable supply of essential products

Using world-leading technology to help drive the transformation of agriculture

We established Certis USA at a time when there was growing concern about the negative impact of chemical pesticides and fertilizers on human health and on the environment, and when a transition towards more environmentally-friendly agriculture was being promoted. Focusing our attention on IPM technology, which controls the growth of pests by combining different preventive techniques, we acquired Thermo Trilogy Corporation (now Certis USA), a leader in the emerging biopesticides sector, and began promoting the adoption of IPM in the agricultural sector. We were confident that, by combining biopesticides and agrochemicals appropriately in ways tailored to the environment and the incidence of agricultural pests in individual countries and regions, it would be possible to simultaneously address the seemingly contradictory goals of enhancing crop yields and reducing the burden on the environment, thereby contributing towards agriculture and food production and enhancing the lives of people throughout the world. Anticipating that calls for this type of change would increase in the future, not only from farmers but also from sales companies, consumers, etc., we made the decision to invest in this area 19 years ago. Although it took some time to bring our vision to fruition, demand for IPM has risen significantly over the past five years.

Currently, Certis USA is a leading biopesticides company with a global market share of approximately 5%. While the know-how possessed by Certis USA employees certainly constitutes one of the company's strengths, other factors behind its superior performance include the fact that, unlike multinational corporations that have expanded into

biopesticides from agrochemicals manufacturing, Certis USA's sole focus on biopesticides has given it a strong product line-up, with first-rate technological capabilities in terms of the cultivation of the microorganisms that are used in biopesticide manufacturing, and possession of both solid fermentation and liquid fermentation technology. My role is to provide support to help grow Certis USA's corporate value and help the company to expand its business; I am delighted to have the opportunity to support a firm that is a world leader in the rapidly-growing biopesticides sector.

Using biopesticides to enhance the productivity of the soil

Although Certis USA manufactures only biopesticides, this does not mean that we believe agrochemicals cannot be used at all. As biopesticides have little impact on organisms other than those which they are targeted to protect against, they make it possible to realize pest prevention while also reducing the harm caused to the health of humans and domestic animals and the negative impact on the environment. However, they do have disadvantages; they are relatively slow-acting, and it can be difficult to decide the best time to apply. Agrochemicals can compensate for these deficiencies because they are often quick-acting and easier to use. On the other hand, excessive use of agrochemicals can reduce the biodiversity of the microorganisms in the soil, creating an environment which is more conducive to the growth of pathogenic bacteria and insect pests. Biopesticides can play an important role in improving the soil environment, protecting plants' roots and enhancing the productivity of the soil.

For this reason, it is important to recognize the different roles that biopesticides and agrochemicals play. Certis USA's consultants and distributors hold presentations to explain ways of combining biopesticides and agrochemicals and how to use biopesticide products effectively, and also offer training so that farmers can learn how to adopt IPM smoothly.

Working to ensure that the right products can be used in the regions that need them

Certis USA's current main markets include North America and

I am hoping for a future in which we are able to realize a world free from hunger through the effective use of biopesticides.

Europe, but the company is also working to increase sales in South America, Asia, and the Middle East in order to help foster the spread of sustainable agriculture. However, price competition in these markets is intense, therefore the method of approach is an issue: biopesticides tend to be more expensive than agrochemicals, making them hard to win acceptance in countries and regions where the emphasis is on low-cost, fast-acting products. What Certis USA is currently considering is moving away from the existing model whereby products manufactured in the U.S. are sold throughout the world, towards a system under which platforms will be created for local manufacturing and sale, which will help to make the products more cost competitive and enable the company to respond more effectively to customers' needs. While technical support for farmers has been carried out through distributors in the past, Certis USA is planning to provide more of such support directly in the U.S. market. By implementing similar measures in developing nations and regions in Asia and Africa, we hope to help people to understand the advantage for using biopesticides, which in turn should lead to increased sales.

We want to use biopesticides to help ensure that people all over the world have enough to eat

The number of people suffering from hunger and malnutrition continues to increase, and this problem is especially pronounced in Asia and Africa. It has been reported that over two billion people lack adequate access to safe, nutritious food. There are many factors behind this situation; nevertheless, we believe that realizing sustainable agriculture can help to bring about a future in which people throughout the world have access to the food they need. By working through Certis USA, which plays a key role in our biopesticides business, we hope to continue supporting the adoption and expansion of sustainable agriculture in the future.



Production equipment at a Certis USA subsidiary (India)

Mitsui & Co.'s Approach



Enhance quality of life

Contribute to the betterment of living standards and the development of local industries to realize sustainable societies globally.

Recognition of Societal Issues	Major Risks and Opportunities	Major Initiatives
<ul style="list-style-type: none"> • Infrastructure development in developing and emerging countries • Aging infrastructure in developed countries • Health maintenance, provision of healthcare, nursing, and welfare services • Consideration for indigenous peoples in relation to resource development and other activities • Expanding responsibility and increasing importance of consideration for human rights in supply chains (e.g., labor practices and impact on local communities) 	<p>Risks</p> <ul style="list-style-type: none"> • Reputational damage resulting from safety and health problems affecting infrastructure users • Decline in competitiveness due to the diversification of information dissemination methods and fund procurement means • Decline in service standards and other issues due to a shortage of healthcare personnel • Reputational damage resulting from human rights violations and environmental loads in supply chains <p>Opportunities</p> <ul style="list-style-type: none"> • Development of sustainable infrastructure for improvement of living standards in developing and emerging countries • Changes in disease structure due to population growth/economic development and increase in healthcare needs due to aging • Creation of markets by promoting ICT-based business to build urban social infrastructure in response to the move toward developing smart cities • Market expansion by meeting diversifying consumer needs • Improvement of value and reliability across entire value chains through consideration for the environment, human rights, labor, and local communities in the entire supply chain 	<p>Enhancement of Quality of Life and Social Infrastructure 🔍 P.57</p> <ul style="list-style-type: none"> • Contribution to the enhancement of local and social infrastructures that are essential for sustainable growth and development, particularly through promotion of projects in relation to renewable energy, water treatment, water supply and sewerage, logistics, railroads, and communications • Promotion of sustainable development and community investments aimed at creating employment at the regional level in developing and emerging countries where population growth and economic development is significant <hr/> <p>Health and Aging Society 🔍 P.59</p> <ul style="list-style-type: none"> • Contribution to the advancement of healthcare in terms of access, quality, and efficiency by responding to diverse medical needs due to population growth and aging <hr/> <p>Increasingly Diverse Consumer Needs 🔍 P.60</p> <ul style="list-style-type: none"> • Provision of products and services that meet diverse consumer needs <hr/> <p>Respect for Human Rights 🔍 P.61</p> <ul style="list-style-type: none"> • Respect human rights in its activities as a group and also aim to promote respect for human rights in collaboration with our business partners <ul style="list-style-type: none"> • Formulation of a human rights policy and implementation of human rights due diligence • Provision of human rights training programs aimed at raising awareness among officers and employees
		<p>Supply Chain Management 🔍 P.65</p> <ul style="list-style-type: none"> • Meeting society's expectations together with business partners by complying with laws, respecting human rights, maintaining safe and sanitary working conditions, reducing environmental load, and ensuring consumer safety and confidence in relation to products and services • Conducting surveys to monitor the status of sustainability measures in supply chains (supplier on-site surveys) <p>Targets</p> <ul style="list-style-type: none"> • Achievement of 100% awareness of our Sustainable Supply Chain Policy among new suppliers <hr/> <p>Social Contribution Activities 🔍 P.99</p> <ul style="list-style-type: none"> • Promotion of initiatives that are aimed at local community revitalization in partnership with local communities • Implementation of multifaceted initiatives at 74 locations of Mitsui's Forests (approximately 44,000 hectares) throughout Japan • Provision of opportunities to allow young people to broaden their horizons and knowledge as global leaders, and to build various networks, through Mitsui-endowed lecture programs at universities and training programs in Japan, as well as through provision of scholarships in countries and regions where Mitsui operates its business • Operation of the Mitsui & Co. Environment Fund to support university research, and NPO/NGO activities targeting solutions for environmental problems

Our Stories: Enhance quality of life

Contributing towards Enhancement of People's Lives and Economic Development through Mini-grid Projects in Non-electrified Regions



Thomas Alwin

Division. II, Infrastructure Projects Business Unit, seconded to OMC Power Private Limited



A Power generation plant. In the background is a household that receives power supply from the facility.



7.1

Deliver stable and affordable electricity generated by solar power, and promote electrification across non-electrified regions.



9.4

Promote measures to increase efficiency in solar power generation and distribution, and strive to reduce cost.

Demand for energy has been growing throughout the world, especially in Asia and Africa, along with the steady economic growth of these regions. The power sector has seen a pronounced trend towards Decarbonization, Decentralization, and Digitalization (the "3 D's"), and a rapid shift is underway towards renewable energy, which is more environment-friendly. Mitsui & Co. is responding to the "3 D's" trend not only through the development of utility scale solar power and wind power projects, but also through the global roll-out of distributed power generation projects that provide service closer to the end-user.

Globally, approximately one billion people—mostly in Asia and Africa—have limited access to electricity*, and for India also, this is a major problem. At the same time, mobile phone penetration rates tend to be very high even in the inadequately-electrified regions of India and Africa, making electricity necessary for communication purposes. In 2017, we invested in OMC Power Private Limited (OMC), which is specialized in a business model with a combination of solar power and batteries to implement a distributed electricity generation business in which electricity is produced and consumed locally. With mobile phone base stations being the anchor customers, OMC supplies reliable electricity to local businesses and communities as well. Rather than using conventional fossil fuels, OMC provides stable and affordable electricity mainly through environment-friendly solar power, with the aim of contributing to the realization of the Indian government's goal of ensuring a 24-hour electricity supply to all Indian households, as well as enhancing the lives and economic prosperity of rural communities. We will be working with OMC to deliver electricity to other inadequately-electrified regions not only in India, but also in other parts of Asia and Africa.

* Source: International Energy Agency, World Energy Outlook 2018.

Our Stories: Enhance quality of life

Expanding the customer base with a unique business model

Currently, OMC operates 197 power generation plants, which supply power to 211 mobile phone base stations, 5,000 local businesses, and approximately 100,000 residents in 15,000 households. I am working with the OMC team to expand the scale of operation and improve profitability, with the aim of expanding the number of power plants, which stood at 100 in 2017, to 1,000 plants in the near future, and bring stable power to over one million people living in remote and rural areas with inadequate access to the conventional grid.

In developing countries, due to the rapid increase in mobile phone usage, it is a common phenomenon that the wireless communication network exceeds the infrastructure provided to supply electric power, and India is no exception. OMC developed a unique business model that takes advantage of this situation. Starting out by supplying power to mobile phone base stations, OMC then built transmission and distribution lines in the vicinity of the base station, expanding its customer base to include local facilities, businesses and residents within a 2–3 kilometer radius of the base station. This business model makes effective use of the know-how that OMC has accumulated over the years as a leading



A store able to do business at night

mini-grid operator, the company's good relationship with mobile phone service providers, and its experience of working with India's individual state governments in the mini-grid sector. By building a distributed electricity generation platform, OMC is able to provide a stable and reliable electricity supply by managing the platform in line with customer demand. Furthermore, OMC aims to utilize this platform as a foundation for providing new businesses and services that enhance the standard of living of the local communities. Currently, the company is already providing a service that uses electricity for water purification, and a diverse range of other new services that have the potential to enrich local residents' lives—such as refrigeration facilities and electric vehicle charging facilities—are also under consideration.

Continuous optimization of business processes to pursue higher quality and better cost

In inadequately-electrified regions of India, people normally rely on diesel fuel, kerosene, firewood, etc. for the basic needs of energy such as lighting and cooking. However, these methods place a significant burden on the environment, and they are also expensive in terms of cost per kilowatt hour. OMC's goal is to utilize solar power to provide clean energy to these residents while bringing down the cost to an optimum level. While providing environment-friendly clean energy, it has to be affordable as well for the target customers.

Solar power offers outstanding cost-performance, as once it is installed, it can keep generating electricity every day (as long as the sun is shining) without the need for fuel. In recent years, the cost of solar power generation has fallen significantly, and it now constitutes a low-cost source of electricity. Utilization of solar enables OMC to generate power at low cost; in addition, OMC's many years of experience in the sector enable the provision of highly efficient power generation. To ensure a stable power supply in response to customer demand, OMC uses solar panels to generate electricity during the day, and stores the excess energy in batteries to supply it during the night hours. Diesel generators are used only as back-up to ensure the 99.95% power availability that OMC has committed to

Electricity can change society. We want to provide electricity to as many people as possible.

anchor customers. By efficiently using the solar panels, batteries, and diesel generators in combination, reliable power can be supplied 24 hours a day. Running a power plant efficiently and stably is a challenging task, but OMC has achieved this, thanks to the know-how it has accumulated over the years. OMC's generating facilities also make extensive use of information technology. It has developed its own unique power control unit to reduce generating loss within power plants and a remote monitoring system to manage multiple power plants efficiently; OMC continues to work tirelessly to realize further optimization and improvements that will enable it to produce electricity at even more competitive cost.

Delivering electricity enriches people's lives

It is estimated that around one billion people are living in inadequately-electrified regions. Having myself grown up in the southern part of India, where the electricity power supply system was also not stable in the past, I understand personally how big a problem this can be. Living in an environment without access to electricity is more than just an inconvenience; it also causes sanitation problems, low levels of economic activity, lack of job opportunities, and even insufficient educational facilities. When OMC built its first power plant, there was little economic activity nearby. In some locations, with the establishment of OMC plants, the community has developed significantly, and now there is a primary school, a high school, a small hospital, and a large number of shops. Witnessing the improvement in living standards, and how the local economy has been invigorated, it really brought home to me how important electricity is for society.

In the future, we will be expanding our business in other countries and regions and working to strengthen OMC's organizational capabilities, so that we can deliver stable, affordable, sustainable electricity to everyone who needs it—starting from India and expanding into Africa, other parts of Asia, etc.—as soon as possible.

Mitsui & Co.'s Approach



Create an eco-friendly society

Accelerate initiatives towards environmental issues, such as responding to climate change and water resource problems, and contributing to a circular economy.

Recognition of Societal Issues	Major Risks and Opportunities	Major Initiatives
<ul style="list-style-type: none"> • Global warming, climate change • Water resource shortages • Circular economy • Environmental pollution • Loss of biodiversity 	<p>Risks</p> <ul style="list-style-type: none"> • Impact of tighter policies and regulations as part of the transition to a low-carbon society • Impact of new technologies and the creation of new markets on supply and demand in existing business areas • Disruption of business operations due to the impact of cyclones, hurricanes, and other physical impacts linked to climate change • Impacts on the natural environment, such as the large-scale use of water in business operations • Impact of leakage of hazardous chemicals • Increase of environmental costs due to the destruction/deterioration of eco-systems <p>Opportunities</p> <ul style="list-style-type: none"> • Accelerating market changes in the mobility area resulting from rising environmental awareness and the tightening of regulations • Expansion of markets for environment-related business areas, such as renewable energy • Demand for high-efficiency power plants • Creation of new business models based on the circular economy • Handling of products and services that contribute to the creation of a low-carbon society by conserving energy and reducing greenhouse gas emissions 	<p>Environmental Management 🔍 P.34</p> <ul style="list-style-type: none"> • Consideration for the environment in our business activities on a global group basis • Implementation of environmental management systems based on ISO14001 and various international guidelines • Active obtainment of environment-related certifications <p>Targets</p> <ul style="list-style-type: none"> • Reduction in energy consumption intensity by 1% or higher on average per year for Mitsui and its subsidiaries in Japan • Improvement of the recycling rate in Head Office and corporate buildings in Osaka and Nagoya to at least 85% by 2020 • Reduction of the use of resources (paper) in the Head Office and all offices in Japan • Increase in the ratio of sustainable certified palm oil procurement, including RSPO-certified, to 100% by 2030 <p>Climate Change 🔍 P.40</p> <ul style="list-style-type: none"> • Improving the asset portfolio of the resource and power generation business and flexible take-up of new business challenges based on long-term perspectives of at least ten years, making the most of our existing wide-range business development activities • Promotion of business that contributes to the reduction of CO₂ emissions such as renewable energy and modal shift • Implementation of initiatives that contribute to the improvement of energy consumption efficiency <p>Targets</p> <ul style="list-style-type: none"> • Formulating Mitsui's goal to achieve net-zero emissions as our Vision for 2050, and aiming to reduce GHG impact by 2030 to half of what it is in 2020 as the path to achieve the above goal • Increase in the percentage of renewable energy (including hydropower) in Mitsui's equity-based electricity generation capacity to 30% by 2030 <p>Water Resources 🔍 P.45</p> <ul style="list-style-type: none"> • Work through our water business to conserve water resources and promote sustainable usage <p>Circular Economy 🔍 P.46</p> <ul style="list-style-type: none"> • Promotion of the 3Rs • Introduction of designs and materials that minimize resource inputs • Promotion of sharing to improve usage rates for products and services • Extension of product life cycle through maintenance and repurposing • Development of mechanisms that allow the utilization of items once regarded as waste for other purposes <p>Environmental Pollution 🔍 P.47</p> <ul style="list-style-type: none"> • Reduction of the quantity of chemical substances released into the atmosphere • Initiatives that lead to the reduction of water and soil contamination <p>Biodiversity 🔍 P.48</p> <ul style="list-style-type: none"> • Promotion of business that takes biodiversity into account • Designation of 10% of Mitsui's Forests as "biodiversity conservation forests," and maintenance and management of these forests accordingly

Our Stories: Create an eco-friendly society

Creating Community-Based Biomass Power Generation Business for the Post-Carbon Society



Hiroki Yamashita

Hokkaido Energy Dept., Local Business Origination & Innovation Div., Energy Business Unit I&I



Biomass power plant in Shimokawa

Throughout the world, global warming has led to increased demand for renewable energy. In Japan, the government has announced its aim to realize an energy mix whereby renewable energy accounts for 22–24% of total electric power generation by 2030, and to actively promote renewable energy as the mainstream source of electric power generation.

With this in mind, Mitsui & Co. is working to grow its renewable energy business and reduce greenhouse gas (GHG) emissions. An example of a project where we have taken a leading role is the development of wood biomass power generation as a distributed local power source in Hokkaido, with new biomass power plants having begun operation in Tomakomai in 2017 and in Shimokawa in 2019, and construction of a further plant begun in Tobetsu in May 2020. Establishing small-scale, distributed power plant facilities close to power consumers reduces energy loss during transmission and also reduces GHG emissions. Hokkaido has extensive forest resources, with over 20% of Japan's total forest area, so there will be a stable supply of unused forest materials such as forest thinnings that can be used as fuel for the biomass power plants, and we believe that biomass power generation—which, unlike solar power or wind power, can consistently maintain more or less stable power output, regardless of the weather—has the potential to make renewable energy the mainstream form of electric power generation.

Whereas most biomass power generation projects undertaken by general trading companies use a business model that involves importing wood fuel from overseas and supplying the generated power to electric power utilities, we have created a unique model in which distributed local power plants are operated using 100% Hokkaido-produced fuel. Forestry is one of Hokkaido's main industries, and the use of wood biomass power generation facilitates “cascade” type utilization of timber*1. We have Mitsui's Forests totaling around 44,000 hectares at 74 locations throughout Japan, of which approximately 36,000 hectares are in Hokkaido. We are contributing towards the reinvigoration of the forestry sector not only through our own forests, but also by creating demand for unused forest materials such as forest thinnings, creating new employment opportunities for forestry and logistics sector workers, and enhancing the efficient utilization of forest materials.



7.1, 7.2

Contribute towards increasing renewable energy's share of electric power generation in Japan and enhancing access to renewable energy through the development and operation of wood biomass power generation projects.



8.3

Generate continued, stable job creation in the forestry and logistics sectors through local procurement of the fuel needed for electric power generation.



9.4

Contribute towards the reduction of fossil fuel usage and CO₂ emissions by reusing the heat generated during electric power generation within the power plant and also undertaking planning for sharing the heat with the local community and industrial facilities.



15.1, 15.2

Support the proper management of degraded forest and restoration of its functions by monetarizing unused forest materials such as forest thinnings.

Our Stories: Create an eco-friendly society

Making a difficult experience the springboard for launching projects in new locations

Having overseen new project development in Hokkaido since 2017, I realized that efforts to make renewable energy the mainstream form of electricity generation face a number of problems. One issue is constraints on connection to the electric power system^{*2}. Traditionally, the electric power companies built transmission lines to connect large-scale power stations with areas where there is demand for electric power, so areas with spare electric power system capacity and areas with potential for renewable energy development do not necessarily coincide. Grid capacity constraints have been a problem, and within Hokkaido, the establishment of a new upstream grid system can take 5–9 years and cost huge amounts of money, so the hurdles that need to be overcome are very high.

System connection has also been a problem with the Tobetsu project which began construction this year. After a survey that took nearly six months, we found out that the new project could not be connected to the electric power system at the site we originally thought we would be able to secure in another local municipality. Since we had already spent money on a soil boring survey, I was at a loss as to how to explain the situation to other project stakeholders. However, we did not give up, and in the end we were able to receive support from the town of Tobetsu and the staff of the town office, who were hoping to adopt renewable energy, to allocate suitable land to use. After the allocation of a suitable site, as the main project manager, I had a to-do list of nearly 500 items including having to confirm over 70 permits and authorizations from central government ministries and local government authorities, sign nearly 30 contracts with EPC^{*3} contractors and other external partners, engage in financing negotiations with regional banks, arrange O&M^{*4}, undertake raw materials procurement, build consensus with the local community, and also liaise with joint investor Hokkaido Electric Power Co., Inc. and complete approval processes within Mitsui. When the groundbreaking ceremony was held, there was a real sense that it had all been worth doing.

Using German gasification technology and U.S. IoT technology to support power plant establishment

Both the Shimokawa and Tobetsu power plants were designed as compact facilities, which offer advantages in terms of system connection. However, when conventional steam turbine type generators are built on a small scale there can be problems with reduced generating efficiency. While on

assignment in Germany to research technology that could be used to address this problem, I was impressed by the technology of Burkhardt GmbH, which generates electricity using a unique type of gasification furnace with wood pellets^{*5} as the fuel. As the gasifiers require high-level pellet quality management, even after commencing power plant operation, we continued to make steady improvements of 1% or so in terms of the water content of pellets. We also adopted the PI System developed by OSIssoft, LLC., a company that our IT & Communications Business Unit has invested in, to realize real-time data aggregation and visualization, thereby facilitating effective management decision-making to optimize operation and enhance availability, representing a DX^{*6} initiative based linkage that a general trading company like Mitsui excels in.

In terms of environmental contribution, the gasifier technology has the additional advantage of requiring less wood than conventional steam turbine technology. Additionally, at the Shimokawa Plant the heat generated during electricity generation with gasifier technology is reused in the drying process during pellet manufacturing, realizing an improvement in overall energy efficiency. At Ladbergen, a village in Germany that Mitsui visited to examine the generators in use there, the power plant supplies hot water to an airport located 3 kilometers away and to local factories. This has made it possible to bring down expenditures on heavy oil and kerosene, thereby reducing the flow of funds out of the village, and the money that is saved can be used to support the health of local forests, creating a “virtuous circle” of fund utilization. We would like to adopt similar business model whereby hot water is supplied



The Tobetsu power plant, which is currently under construction and scheduled for commencement of operation in or after 2021 (conceptual image)

I want to create a power station that is rooted in a resource-circulating local economy, and in which funds that previously would have flowed out of the community will be returned to local forests, as in Germany.

by power plants to agricultural facilities that have been invited to operate nearby so that none of wood material is wasted.

Using the integrated capability of a general trading company to develop locally-rooted businesses

We have committed ourselves to strengthening domestic business development within Japan, and in July this year the Energy Business Unit I&I established the new Local Business Origination & Innovation Division, with the aim of expanding businesses that are rooted in local communities. In the case of the current project, we are considering beyond horizontal dissemination, and are discussing how we can meet the needs of individual municipalities using the experience acquired in collaborating with local government authorities, so that we can generate opportunities for cross-business-unit development of local projects. Our good relationship with the town of Shimokawa has led to another local project, and we have begun industry/university/government collaboration to develop new products that make effective use of agricultural produce cultivated in Shimokawa, in partnership with the municipality of Shimokawa, Sapporo Ueshima Coffee Co., Ltd., and Fuji Women's University.

Hokkaido is blessed with extensive land and diverse natural resources, while also requiring large amounts of energy to cope with its severe winters; as such, it has great potential for renewable energy development. In line with my initial vision of wanting to create a village like Ladbergen in Japan, I will continue working towards the realization of an eco-friendly society.

*1 With the “cascade” model, after timber has been used as construction material, the left-over material can be used to manufacture paper pulp, and in the final stage it is used as fuel, so that no material is wasted.

*2 “Electric power system” is used here to refer collectively to the electricity generation, transformer operation, transmission, and distribution needed to supply electric power to customers' equipment.

*3 Engineering, Procurement and Construction (EPC) agreement is negotiated between the project company and the contractor.

*4 Operation & Maintenance (O&M)

*5 Wood pellets are a form of solid fuel that is made by crushing round raw timber into small pieces and then compressing these to form small, rod-like pellets.

*6 Digital Transformation (DX) represents the transformation to a new model which emphasizes the role of ICT in business infrastructure, through the utilization of AI and IoT.

Mitsui & Co.'s Approach



Develop talent leading to value creation

Respect diversity and develop human resources with the competence to create innovation and new value.

Recognition of Societal Issues	Major Risks and Opportunities	Major Initiatives
<ul style="list-style-type: none"> • Innovation platforms • Diversity and inclusion • Improvement of creativity through work-style innovation and career development for diverse human resources 	<p>Risks</p> <ul style="list-style-type: none"> • Decline in the quality and competitiveness of human resources due to market and environmental changes • Outflows of employees due to the loss of career development opportunities for diverse human resources <p>Opportunities</p> <ul style="list-style-type: none"> • New value creation initiatives • Improvements in productivity, efficiency, and motivation along with accelerating work-style innovation • Recruitment of competitive talent through selection processes centering on abilities and personal qualities, and fair and diverse recruitment activities • Fine-tuned human resources development with an increased emphasis on diversity • Appropriate appointment and deployment of personnel on a global consolidated basis • Improvement of corporate competitiveness by creating innovations through diversity management promotion 	<p>Creating New Value 🔍 p.69</p> <ul style="list-style-type: none"> • Initiatives through Moon, an innovation lab aimed at new business development and business incubation • Advancement of business models in the digital economy area through digital transformation (DX), such as use of Mitsui's own data assets, creation of added value using AI and IoT, etc. <hr/> <p>Human Resources Management 🔍 p.70</p> <p>Personnel Management in the Medium-term Management Plan 2023</p> <ul style="list-style-type: none"> • Deployment of diverse professional talent to the right positions on a global group basis as a human resource strategy, one of the six corporate strategies that realize "Transform and Grow" under the Medium-term Management Plan 2023 <p>Human Resources Development and Allocation</p> <ul style="list-style-type: none"> • Basic policy of fair recruitment, purely based on an individual's abilities and aptitude • Respect for diverse individuals and fostering of personnel who can contribute to the management of our global group and create new value • Appropriate appointment and allocation of personnel <p>Career Development Initiatives for Our Diverse Human Resources</p> <ul style="list-style-type: none"> • Promotion of management to realize the concept of "Diversity & Inclusion" so that it embraces true diversity <p>Creating an Environment for Taking on Challenges and Driving Creation</p> <ul style="list-style-type: none"> • Rollout of the "Work-X" initiative, which embodies new work styles at Mitsui to create an environment in which employees work energetically so that both employees and the company can grow sustainably • Work-style innovation to review existing ways of working and realize flexible and priority-focused work styles that are unconstrained by spatial or temporal restrictions • Support for "work-life management" so that every employee is able to fully meet life's responsibilities, while pursuing career development by displaying their potential in the workplace to the full <p>Health Management, Occupational Health and Safety</p> <ul style="list-style-type: none"> • Creation of safe and healthy working environments in which employees can continue to work with confidence • Implementation of measures required under laws and regulations in the countries and regions where we have business operations • Establishment of systems to ensure an effective response to emergencies, such as accidents and disasters <p>Targets</p> <ul style="list-style-type: none"> • Action Plan Related to the Promotion of Women's Empowerment • Voluntary Action Plan on Promotion of Women to Managerial and Executive Positions <ul style="list-style-type: none"> • Achievement of a 10% ratio of female managers by the fiscal year ending March 2025 • Work-Style Innovation Action Plan <ul style="list-style-type: none"> • Reduction in the number of employees working more than 620 hours of overtime per year (statutory calculation) to zero by the fiscal year ending March 2021 by supporting individual employees' efforts to improve productivity and efficiency through a priority-focused work style • Increase of the percentage of annual leave taken (including leave taken in half-day and hourly units) to 70% by the fiscal year ending March 2021 by supporting individual employees' efforts to improve productivity and efficiency through a priority-focused work style • Increase of the percentage of employees giving positive answers to questions on work styles in in-house surveys, such as whether the workplace environment is suitable for the maximization of productivity, and whether there are no obstacles to work in the workplace, to 60-70% of all employees by the fiscal year ending March 2024 • Health Performance Index <ul style="list-style-type: none"> • Percentage of employees undergoing health checks: 100% by the fiscal year ending March 2021 • Medical questionnaire response rate: 100% by the fiscal year ending March 2021 • Percentage of employees undergoing stress checks: 90% or higher by the fiscal year ending March 2021 • Smoking rate: Reduction by 0.5% compared to the previous fiscal year • Mental Health Promotion Plan The following targets have been set to be achieved in the five-year period up to the fiscal year ending March 2021. <ul style="list-style-type: none"> • All employees, including managers, shall understand mental health issues, and become able to fulfill his or her own role in promoting mental health • Fully establish and permeate the stress check system • Achievement of a 100% response rate in the regular medical questionnaire • Workplace Accident Targets (FY 2021)

Our Stories: Develop talent leading to value creation

Work-X—Driving a transformation of employees' mindsets and behavior



Hiroko Takashiro

Workplace Experience Dept.,
Human Resources & General Affairs Div.

Daisen Suzuki

General Manager, Workplace Experience Dept.,
Human Resources & General Affairs Div.



The Camp—A communication space in the new Head Office building



4.4

Inculcate the habit of acting proactively, and provide opportunities and an environment for the creation of new businesses through collaboration between human talent both within and outside the company.



8.2, 8.3

Provide a working environment in which people can work productively and creatively at any time, and in any location.

In our Long-term Management Vision 2030 (LTMV), which outlines our vision for the future, Mitsui & Co. has announced our determination to realize our evolution from “connecting” to “creating.” Through effective collaboration between individuals, we aim to generate cognitive “intellectual chemical reactions” that will make the Mitsui & Co. Group able to create unprecedented new value and new business proactively.

In May 2020, we moved into a new Head Office building. Taking this relocation as an opportunity to realize new work-style in our company, in 2018 we launched the Workplace Experience (Work-X) project to make our vision of the new workplace experience a reality throughout the company. It is a cross-organizational project within the company seeking to promote a transformation of each employee’s mindset and behavior, which goes beyond the improvement of the workplace environment in the new Head Office building.

So as to continue creating new value by effectively utilizing the diverse individuals that make up Mitsui, we need to transform employees’ working styles to be more flexible and more agile. Prior to the implementation of the Work-X project, we had already been implementing greater diversification in terms of working hours. Now, with Work-X, our main focus is on promoting cross-departmental communication and collaboration through the diversification of work locations. By making it possible for employees to proactively select the work location that is best suited to their current work situation and work content, we aim to realize more productive, more creative work-style.

The key aspect of Work-X is not the transformation of physical office environments, but rather the transformation of individual employees’ mindsets and behavior, which in turn will enable us to realize the Medium-term Management Plan 2023—Transform and Grow. By disseminating this transformation of mindsets and behavior throughout the Mitsui global group, we will continue to challenge ourselves and realize further innovation.

Our Stories: Develop talent leading to value creation

Work-X has been underpinned by the proactive stance adopted by the Work-X Ambassadors

Over the past year, the Workplace Experience Dept. has been taking the LTMV as a foundation for enunciating and realizing our approach to the adoption of new work-style. Turning the content of the LTMV into concrete implementation strategies was no easy task, but the biggest challenge was to help Mitsui's approximately 6,000 employees to understand and accept the new approach, and to inspire them to take action. In promoting these changes, the single biggest role has been played by Ambassadors, who were selected from business and corporate units.

Initially, the expected role of the Ambassadors was to promote Work-X in each unit. However, once the project commenced, there were many instances where the Ambassadors provided a wide range of advice and suggestions from a frontline perspective, and actively exchanged views with others. Reflecting the Ambassadors' frontline perspectives and suggestions in promoting Work-X naturally made the project easier for the employees to take in, and this has been one of the major reasons why the dissemination of the new approach at individual workplaces has proceeded so well.

Creating new business in a new environment

Following the Work-X discussions, several new measures have been implemented at Mitsui's new Head Office to foster communication and collaboration. One of these measures is the adoption of a free address system (hot desking system within each organizational unit). This system has made it possible to implement flexible team formation in line with operational and project needs. The second measure is the establishment of Camps (dedicated communication areas). These serve as places where employees can engage in cross-departmental collaboration, in a relaxed atmosphere conducive to the free generation of ideas. The third measure is "stacking"; through a strategic placement based on Mitsui's management strategy, departments that are likely to generate business synergy together are located on the same floor of the building, or on the floors immediately above and below one another, with the potential for changing these arrangements flexibly as needed. These three measures combine with one another to provide maximum effectiveness. When adopting the free address system, we firstly implemented a trial to verify the effectiveness and identify problems. Initially, many departments were cautious about

participating, but after repeated, careful explanation of why the change was needed, and once they heard the positive comments from the departments that had taken part in the initial trial, there was a steady increase in the number of units that wanted to adopt the new system.

The introduction of the free address system has also led to significant progress in paperless office implementation. With this initiative, the acceptance and active participation by our employees made it possible for significant results to be achieved.

Another major transformation realized by Work-X is the proactive utilization of digital technology. As a means of fostering real-time communication and making business processes more efficient, we have promoted a shift away from fixed-line telephony towards utilization of iPhones, and the adoption of digital technology such as Microsoft Teams and DocuSign. With the outbreak of the novel coronavirus disease (COVID-19) pandemic, all employees suddenly found themselves having to work from home, but because of the preparations that had already been made to adopt new working methods, employees were able to adapt smoothly and promptly. In this sense, the recent challenges have helped to promote further digitalization. With employees now back in the office, they have already become more accepting of new forms of communication, and this is contributing to a substantial improvement in productivity.

Realizing further evolution on a global group basis

The mission of the Workplace Experience Dept. is not only the continuous improvement of the office environment, but also to contribute towards the enhancement of our productivity and corporate value by improving the company's internal ethos and atmosphere, promoting an even higher level of collaboration, and transforming employees' mindsets and behavior. Given the rapid pace of change in today's world, and the ongoing trend towards diversification, a company will be unable to take full advantage of new business opportunities if it continues to rely on a conventional organizational structure. In the future, we are aiming to build synergy by developing horizontal and diagonal linkages, while maintaining and continuing the productivity of the existing vertical organization.

The next challenge is to expand the adoption of Work-X to include the entire global group. Although the catalyst for the launching of the Work-X

The relocation of our Head Office was just the catalyst. The fundamental goal of Work-X is the transformation of behavior throughout the global group.

project was the relocation of the Head Office, the fundamental goal of the project is to generate "intellectual chemical reactions" between people both within and outside the company through spontaneous collaboration, to create new business value regardless of the physical location. By adjusting the initiatives and activities best suited to the needs of each individual business location, we anticipate that this will lead to a major transformation in the overall performance of the Mitsui Group as a whole. As the physical office environment varies depending on the business location, we are hoping that original and innovative Work-X measures will be generated based on the specific characteristics of each location.

Precisely because we are living in an era of uncertainty and rapid change, in the implementation of the Work-X project we have been working to raise awareness among our employees of the need to move beyond conventional wisdom and become used to responding flexibly to changing times. It is thanks to the dissemination of such an approach that we have been able to implement a flexible response to the recent COVID-19 pandemic. The term "new normal" has started to be used with the spread of the pandemic. Having a mindset that can flexibly adjust to a new environment will contribute to invigorating our growth going forward.



Workplace Experience Dept. staff and Work-X Ambassadors (February 2020)

Mitsui & Co.'s Approach



Build an organization with integrity

Strengthen our governance and compliance as a corporate group trusted by society.

Recognition of Societal Issues	Major Risks and Opportunities	Major Initiatives
<ul style="list-style-type: none"> • Raising integrity awareness, including ensuring compliance among all officers and employees • Reinforcement of corporate governance and internal control 	<div data-bbox="472 467 555 491" style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Risks</div> <ul style="list-style-type: none"> • Compliance violations, including anti-competitive actions, corruption, and bribery, resulting from a lack of integrity awareness on the part of officers and employees • Business stagnation, scandals, and other situations resulting from dysfunctional corporate governance and internal control, leading to a failure to take appropriate management decisions, and the loss of stakeholder confidence as a consequence of such situations • Information security problems • Loss of customers and damage to our corporate reputation resulting from the suspension of important business processes in the event of natural disasters, terrorist attacks, epidemics, or other contingencies <div data-bbox="472 1058 629 1082" style="border: 1px solid black; padding: 2px; margin-top: 10px;">Opportunities</div> <ul style="list-style-type: none"> • Organizational revitalization and improvement in reputation through initiatives to raise the integrity awareness of officers and employees, including measures to ensure compliance • Sustainable improvement of corporate value through achievement of highly effective corporate governance and continuous review 	<div data-bbox="846 467 1193 496" style="border-bottom: 1px solid black; padding-bottom: 5px;">Integrity and Compliance 🔍 P.106</div> <ul style="list-style-type: none"> • Efforts at the global group level to build an organization with integrity to maintain its reputation as a company that is truly trusted by society • Establishment and enhancement of the compliance framework and provision of compliance education/training to further ensure the compliance awareness of our employees • Facilitating communication and fostering a “speak up” culture <hr/> <div data-bbox="846 663 1352 692" style="border-bottom: 1px solid black; padding-bottom: 5px;">Corporate Governance & Internal Controls 🔍 P.111</div> <ul style="list-style-type: none"> • Emphasis on improved transparency and accountability, and clarification of the division of roles between management oversight and execution • Implementation of various systems in accordance with the basic framework of the internal control indicated by the Business Accounting Council, an advisory body to the Financial Services Agency of Japan <hr/> <div data-bbox="846 831 1122 860" style="border-bottom: 1px solid black; padding-bottom: 5px;">Risk Management 🔍 P.113</div> <ul style="list-style-type: none"> • Cautious execution of business initiatives under the specially designated business management system for business areas exposed to high qualitative risks relating to the environment, society, governance, and other aspects that are classified as “specially designated businesses” • Implementation of measures to protect personal information and cyber-security to appropriately manage information, our vital business asset • Formulation and periodic review of the business continuity plan (BCP) under the business continuity management (BCM) system

Our Stories: Build an organization with integrity

Promoting the Concept of Integrity and Sharing Values in the East Asia Bloc



Yu Lingling

Deputy General Manager, Legal Division, Mitsui & Co. (China) Ltd.



Discussion at the Compliance Leader Meeting (January 2020)



5.5

Respecting the individuality and diversity of each employee, and maintaining and cultivating a corporate culture that is open-minded and accepting of other



10.2, 10.3

Cultivating a corporate culture that fosters the empowerment of every individual employee and promotes equal opportunity



16.5

Specifying the need to comply with a bribery legislation and striving to heighten awareness among our employees

Mitsui & Co. believes that, in business, trust is most important. In order to maintain and enhance trust, besides compliance with laws, regulations, and rules, it is also vital for employees to be aware of the need for integrity, in terms of one's own conscience and dignity.

To ensure that values relating to integrity and compliance are shared throughout the Mitsui & Co. group, we put together the Mitsui & Co. Group Conduct Guidelines—With Integrity in 2018, in which we revisit our approach to integrity and compliance, and shared it with group companies around the world. In order for the Mitsui & Co. group to continue to be a corporate group that is genuinely trusted by society, we are taking steps on a global group basis to build an organization with integrity, in which individual employees will act with integrity.

In promoting the “With Integrity” conduct guidelines globally, translating “With Integrity” into local languages is certainly important, as is taking the initiative to conduct activities at the local level related to the conduct guidelines. Of these activities, in the East Asia Bloc comprising the Beijing, Shanghai, Guangzhou, Hong Kong and Taiwan units, the Compliance Leader Meeting, held with the participation of branches, offices, and intra-bloc affiliated companies, forms the core of our engagement efforts, and we are making a powerful push to build an organization with integrity.

Our Stories: Build an organization with integrity

Integrity is acting with intention in order to earn respect and trust

In the East Asia Bloc, we have built a compliance promotion system with the Chief Representative of the East Asia Bloc as the Compliance Supervising Officer, and we conduct various compliance-related activities under the responsibility of the Chief Compliance Officer (CCO) of the East Asia Bloc. In the Legal Division of Mitsui & Co. (China) Ltd. where I work, we handle putting together the aforementioned system, respond when compliance violations and other incidents arise, and promote the concept of integrity and compliance to employees as the organization supporting the CCO.

We believe that integrity for companies is established based on the integrity demonstrated by individual employees, so in conducting activities to promote integrity we are focusing on having individuals enhance their integrity, which means getting individuals to think about what they should do to be respected by others and by society and acting accordingly. We often hear from employees that they are able to understand the main points of "With Integrity," but they do not know what to do in terms of specific actions in real life. "With Integrity" is written as conduct guidelines to follow in situations where it is difficult to make decisions, and we further ask employees to consult someone they can trust when they do not know what to do, instead of worrying about the problem alone. By



Workshop held at an affiliated company to promote "With Integrity" (October 2019)

consulting someone they can trust who has a strong sense of integrity, they can be more certain of their decision. As a start, we in the Legal Division want to be those who are trusted and to whom others can turn for advice about anything.

Promoting our values also at branches, offices, and affiliated companies through discussion

One of our most important compliance activities in the East Asia Bloc is the Compliance Leader Meeting held regularly in each regional unit, with the inclusion of branches, offices, and affiliated companies. The meeting, attended by the Chief Representative of East Asia Bloc, President, and the CCO of East Asia Bloc, is a venue to directly communicate the importance of integrity and compliance, as well as an opportunity where employees from different group entities can discuss and share their views on integrity and compliance. Almost all employees from branches in China and affiliated companies participate in the meeting.

Having participants acquire a more practical understanding of integrity is an area of focus during the Compliance Leader Meeting, and domestic and international examples of incidents involving integrity are used, with participants thinking about and discussing what course of action should be taken during the meeting. To build an organization with integrity, however, discussing integrity once or twice a year is not enough; and activities that prompt people to maintain a constant awareness of integrity are required. To achieve this, we believe that by having people who have a strong sense of integrity present in the various workplaces, their integrity will organically spread to other employees as well, and we are now exploring ways to maximize their influence.

Further challenge as recognition of integrity rises

We conduct a compliance awareness survey every other year in the East Asia Bloc, and the results of this survey show that recognition of integrity is rising. I feel that the concept of integrity is becoming established among employees, and recently I was pleased to learn that "With Integrity" was mentioned in casual conversations of

I believe that the interaction between companies and employees mutually acting with integrity leads to sustained growth for the group.

employees. We also view the "speak up" concept, in which employees who feel that something is wrong speak up about it, as an effective means to discover problems at an early stage. After continuous communication encouraging employees to use the internal whistleblowing system, the number of reports and consultations is trending higher, and we are in the process of developing a more open internal environment in which employees feel comfortable about using the system.

A current challenge is promoting activities at affiliated companies. Corporations that are joint investors in an affiliated company often have different corporate cultures, and I sense the difficulty of promoting our group's values. Going forward, we will address this to create more effective promotion activities by coordinating with the legal divisions of affiliated companies and meeting directly with the legal divisions of partner corporations that are joint investors.

Aiming for sustained growth with integrity ingrained in hearts and minds

For a corporate group to earn trust, it is becoming imperative that the group makes contributions through its business activities that benefit the entire world, without making the distinction of the countries and/or regions in which it is located. I believe that the values of "With Integrity," which are a world standard, will definitely become one of our strengths.

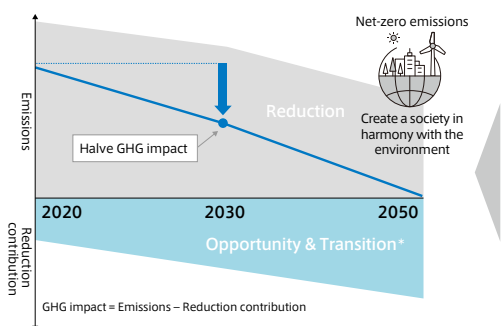
The corporate group and its employees make one whole. If we can achieve a state in which the company is proud to have employees who act with integrity, and employees are proud to work at a company that acts with integrity, integrity within the organization will be continuously enhanced and the group will be able to achieve sustained growth. We will accelerate our efforts to this end.

Environment — Executive Summary

Environmental Management P.34

In order to actively respond to environmental and societal issues through the business activities of Mitsui global group, we have formulated an Environmental Policy, and operate environmental management systems based on ISO14001 and various international guidelines.

Climate Change P.40



Medium-term Management Plan 2023 Actions

[Reduction]
Reduce company emissions by improving portfolio quality of resource and power generation assets

[Transition]
In the medium term, promote fuel conversion through LNG and other business to contribute to reducing the environmental burden

[Opportunity]
Contribute to reducing emissions by expanding business that leverages the opportunities to address climate change in Energy Solutions and other areas

Mitsui regards responding to climate change as one of our most important management challenges and has set out a goal of net-zero emissions as our Vision for 2050. In order to achieve this goal, we are promoting the following three measures – “Reduction,” which promotes reduction of emissions by improving the portfolio of resource and power generation assets, “Transition,” which aims for a low-carbon society by promoting fuel conversion to LNG, etc. in the medium term, and “Opportunity” which promotes business that leverages the opportunities to address climate change. In environment-related business, we engage in renewable energy projects, modal shift projects, and the expansion of other business initiatives as well as diffusion of technology that contribute to the reduction of CO₂ emissions and improvement in energy consumption efficiency.



Solar Power Generation Business (Tottori Yonago Solar Park)

Water Resources P.45

Reflecting the growing interest from a global perspective in the water-related problems, Mitsui is engaging in water projects, such as tap water supply, sewage treatment plant, power and water desalination and desalination and conveyance which promote the conservation and sustainable use of water resources. Furthermore, we support an NGO initiative to provide rainwater storage and treatment facilities to provide safe drinking water in mountainous areas and on remote islands in Bohol Province in the Philippines through the Mitsui & Co. Environment Fund.

Circular Economy P.46

Mitsui is working to realize a circular economy by curbing the resources and energy consumption and waste generation through circulation of resources and products at various stages in economic activities, while aiming to achieve both economic growth and reduction of environmental loads by creating added value through circulation. Our business initiatives include 3Rs, reusable and biodegradable materials, life cycle extension and reuse, waste reduction and recycle, sharing platform and XaaS.

Environmental Pollution P.47

Mitsui engages in business initiatives that lead to the reduction of water and soil contamination and the reduction of the quantity of chemical substances released into the atmosphere. Mitsui also engages in a research project which develops and operates of an HAB (Harmful Algal Bloom) Early Warning System as joint Project with JICA/researchers.



A sampling operation near the city of Puerto Montt in southern Chile (January 2019)

Biodiversity P.48

We promote business initiatives that lead to conservation of biodiversity through business. In addition, we engage in biodiversity conservation activities at “Mitsui’s Forests,” which we own in 74 locations throughout Japan (approx. 44,000 hectares) and biodiversity conservation activities in cooperation with NGOs.



Tropical lowland evergreen forest in Prey Lang

©Jeremy Holden

Environmental Performance Data P.49

Mitsui has carried out GHG emissions surveys since the fiscal year ended March 2006. Reflecting the growing interest towards climate change issues, we have gradually extended the boundary of our GHG emissions and since the fiscal year ended March 2020, we have added Scope 3, Category 15 (indirect emissions associated with investments) in our boundary to grasp the emissions on a global group basis and to carry out initiatives for reduction. Furthermore, we will continue to monitor water risk and explore new initiatives to reduce water consumption, and promote reducing waste, reuse, recycling and appropriate waste dispose.

Environmental Management

Environmental Policy

Policy

Guiding Principles

Under our Mission, Vision, Values, we at Mitsui & Co. have set our goals to realize a better tomorrow for the earth and its people to “Build brighter futures, everywhere.” In order to realize this mission, we have included initiatives to “create an eco-friendly society” among our material issues (our important management goals). Mitsui & Co. will make every possible effort towards realizing sustainable development as part of our aim to create harmony between the economy and the environment on a global group basis.

Action Guidelines

Mitsui & Co. will design, periodically evaluate, and continually improve appropriate risk management systems that include our response to climate change, nature conservation in consideration of biological diversity, and pollution prevention. These systems will cover the business activities that we undertake as a global group. At the same time, we will strive to ensure the development and dissemination of technologies with a low impact on the environment, and further reinforce our responsibility with respect to the environment. Accordingly, we have set out the following Action Guidelines.

1. Compliance with relevant environmental laws and regulations

We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the company for promoting business activities.

2. Efficient utilization of resources and energy*

We will strive to reduce the burden on the environment in our business activities through the efficient utilization of resources, energy, and water, as well as the thorough reduction, reuse, and recycling of waste, including harmful substances, and its proper disposal.

3. Environmental care for products and services offered, as well as existing and new businesses

We will give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence in enlisting the understanding and support of involved business partners, as well as by evaluating the impact that we have on the environment, not only in the prevention of pollution, but also on such issues as climate change and the conservation of biological diversity.

4. Contribution to providing industrial solutions to environmental issues

We will engage in business activities with the goal of providing rational and permanent industrial solutions, and contribute to the realization of sustainable development by exploiting our individual abilities and the collective strengths of our organization in cooperation with our global partners.

* This includes improvements in efficiency and reduction of the use of such resources and energy.

Promoting Environmental Management

System

Mitsui & Co. maintains an environmental management system based on ISO14001 and various international guidelines as the basis for an active response to environmental and societal problems through the business activities of its global group. We acquired ISO14001 certification in 1999. The certification was last renewed on February 23, 2020, and is valid through February 22, 2023. Since the fiscal year ended March 2017, we have been working to strengthen our compliance with ISO14001: 2015, which includes integration with business processes, initiatives in response to business risks and opportunities, and an increased emphasis on stakeholder perspectives.



Standards Covered

ISO14001, ISO26000, the GRI Standards, the Equator Principles, the World Bank Procurement Policies and Guidelines, and the IUCN guidelines

Environmental Management System

To steadily promote environmental management, we have established the environmental management system as a global group. We appointed an executive officer (Representative Director, Senior Executive Managing Officer) who is responsible for overall environmental management, while the General Manager of the Corporate Sustainability Division supervises the operation of the environmental management system, including response to climate change and other climate-related risks. Under the oversight of the Board of Directors, business units and other organizations have established their own environmental management structures managed by the head of each organization.

We set company-wide targets, and are continually improving our environmental and societal risk management framework by means of periodic reviews, including through Sustainability Committee meetings.

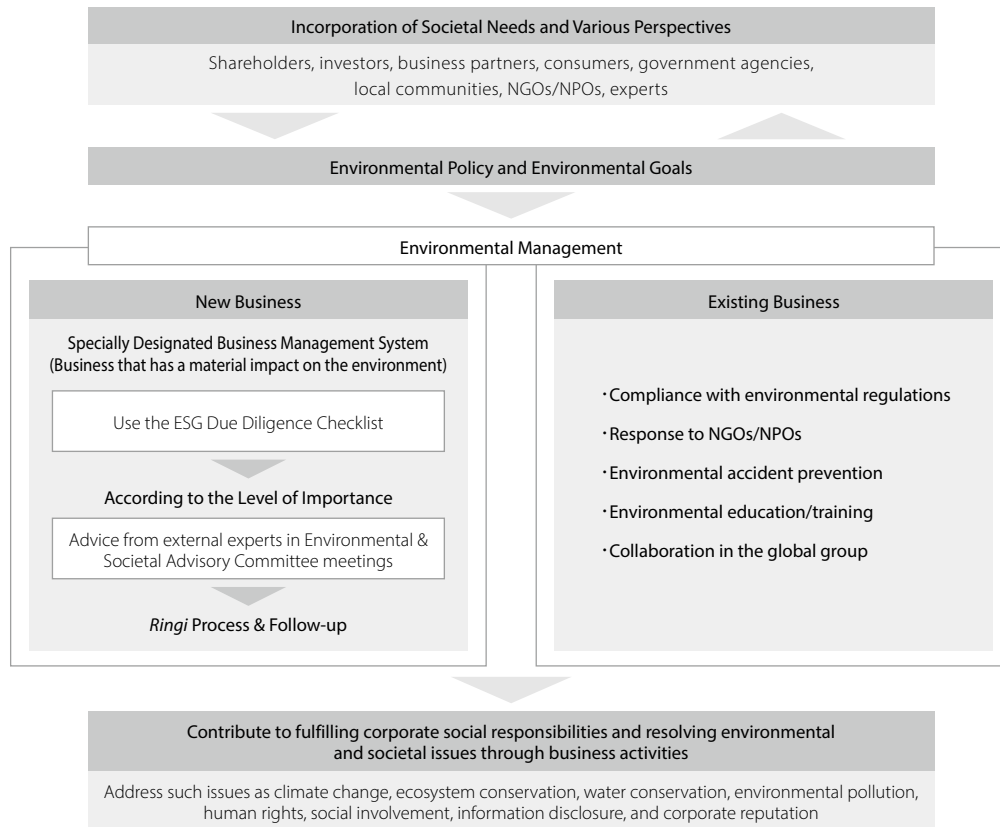
Management of Environmental and Societal Risks

System

In conducting business, Mitsui has put in place a company-wide system for ensuring the utmost consideration is given to the environment and society in projects at all stages, from business launch to operation as well as the exit stage.

As for environmental and societal risks, such as climate-related risks, we discuss our policies and countermeasures at the Sustainability Committee, and report them to the Corporate Management Committee and the Board of Directors. After receiving approvals, the policies and countermeasures are implemented.

Responding to Environmental and Societal Risks (as of April 2020)



P.40 Climate Change

Integrated Report 2020 (P.044 Climate Change)

Environmental Management for New Business

System

Activity

When we embark on new business investment projects, business divisions subject them to environmental, social, and governance (ESG) impact assessments, using ESG due diligence checklists that consider environmental and societal risks based on international standards, as well as the Environmental and Social Risk Heat Map for Business. Aspects covered by these assessments include pollution prevention, climate change, ecosystems, water stress*, and human rights.

Projects that are found to have significant environmental implications then undergo internal screening under the Specially Designated Business Management System. If necessary, a meeting of the Environmental & Societal Advisory Committee will be convened. The committee members consist mainly of external experts who are familiar with a broad range of fields, including climate change, environmental policy with respect to water, energy, etc., technology trends, human rights, and labor issues. In addition, a meeting of the Sustainability Committee will be convened if the project needs to be considered in relation to company-wide policies on the environment. Recommendations about whether or not to proceed with projects and any improvements that may be needed are then submitted to the Representative Directors, where the final decisions are made through a *ringi* deliberation process.

*A condition in which the annual water availability per capita is less than 1,700 tons, causing people to feel inconvenience in their daily lives.

P.113 Specially Designated Business Management System and Environmental & Societal Advisory Committee

Environmental Management for Existing Business

System

Activity

Mitsui ensures effective monitoring and management of environmental and societal risks for existing business operations based on the international environmental management standard ISO14001 at the non-consolidated level. We also encourage subsidiaries engaged in activities with the potential to cause significant environmental impacts to establish their own environmental management systems based on ISO14001 or other international guidelines for environmental and social considerations. In addition, we have established comprehensive systems to ensure prompt reporting of any environmental accidents or violations of laws, regulations, or ordinances. As part of our interactions with stakeholders, we also identify business risks and opportunities through dialogue with NPOs, NGOs, academic organizations, and government agencies and consider appropriate responses.

Management of Consolidated Subsidiaries

We select subsidiaries in Japan and overseas that need environmental priority management based on comprehensive assessments that take into account such factors as the type of industry and impacts on the environment and ecosystem. We encourage these companies to introduce environmental management systems based on ISO14001, or on international guidelines, and we help them to build robust management systems.

As of the end of March 2020, out of 32 target companies, 10 subsidiaries have acquired ISO14001 certification. Besides the target companies, 19 subsidiaries located in Japan and overseas have also acquired ISO14001 certification.

Response to Environmental Accidents

During the fiscal year ended March 2020, there were no environment-related incidents at Mitsui or our subsidiaries in Japan and overseas.

Any accident is promptly reported to the relevant units, and comprehensive steps are taken to prevent recurrence, beginning with the identification of the actual cause of the accident and an assessment to determine appropriate corrective and preventive measures.

Measures Based on Life Cycle Assessment

Since the relocation to the new Head Office in May 2020, we have been using the life cycle assessment to ensure that containers and packaging used at the employee cafeteria and cafe have a low environmental impact. Paper cups with an original, environmentally conscious design are used for all takeaway drink containers. They have been designed so that even cold beverages can be enjoyed without using a straw. For utensils, we use biodegradable plastic developed in collaboration with an affiliated company. Products such as disposable chopsticks and chopstick stands are made using FSC®-certified wood and thinned wood materials from our company-owned forests "Mitsui's Forests." We have made efforts to reduce our impact on the environment regarding both use and disposal. For example, at the cafe corners located within work areas, we supply grab-and-go style green tea in cartons with an original design (cylindrical paper containers) made from Japanese wood and thinned wood materials. In addition, we refrain from using disposable containers for the drink delivery service used to supply meeting rooms, etc.



Containers and utensils with environmentally conscious design

Compliance with Environment-Related Laws and Regulations

System

Our efforts to meet our corporate social responsibilities and keep pace with the expansion of those responsibilities include the creation of compliance assurance mechanisms based on our environmental management system. We also use training programs and other methods to ensure that our employees understand and comply with various environmental laws and regulations in Japan and overseas.

At the start of each fiscal year, officers at each department identify environment-related laws and regulations that are relevant to the operations of their units, and conduct a compliance assessment every half-year. In addition, an internal environmental audit or environmental self-check process is carried out every year to confirm that environmental management systems are being applied effectively. Mitsui and its subsidiaries whose activities could have significant environmental impacts, have acquired certification under ISO14001 or equivalent standards, establishing secure and effective environmental law compliance mechanisms.

Energy Conservation Law

From the viewpoint of compliance and environmental conservation, we abide by the Energy Conservation Law (Act on Rationalizing Energy Use), and conduct environment-minded business activities through promotion of energy conservation in offices and energy usage improvement related to transportation.

Waste Disposal Law

Mitsui operates in compliance with the Waste Management and Public Cleansing Law (also referred to as the "Waste Disposal Law" or "Waste Law"). In order to properly manage the disposal of industrial waste generated through logistics operations and general waste from business activities, we have formulated a workflow in connection with the handling of industrial waste and general waste from business activities and prepared FAQ documents. Such tools and documents are utilized by relevant divisions and departments. We also hold periodic internal seminars to increase awareness and understanding of proper waste disposal practices, covering such matters as the selection of waste management subcontractors and manifest compilation and management.

Other Major Environmental Laws and Regulations

In promoting business activities, we comply with various environmental laws and regulations which includes, but not limited to, the following:

Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes/Act on Rational Use and Proper Management of Fluorocarbons/Water Pollution Prevention Act/Soil Contamination Countermeasures Act/Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging/Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources/Air Pollution Control Act/Offensive Odor Control Law/Poisonous and Deleterious Substances Control Act/Fire Service Act/Industrial Safety and Health Act/REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations

Environment-Related Training

System Activity

As we work to accelerate environmental initiatives across the global group, it is vital that we raise the environmental awareness of each of our officers and employees at all levels. Through initiatives such as holding regular seminars and environment law training sessions, and regularly publishing in-house newsletters related to the environment and society on the intranet, we work to raise awareness of environmental issues among officers and employees of Mitsui, its subsidiaries, and its affiliated companies. Furthermore, we also work on initiatives to gain specialized knowledge through ISO14001 Provisional Auditor Training and other programs.

Training Seminars on Environmental Laws and Regulations

We continually hold seminars regarding environmental laws and regulations for officers and employees of Mitsui and its subsidiaries and affiliated companies. In the fiscal year ended March 2020, approximately 100 people participated from Mitsui & Co. group companies. We also conducted a separate training seminar on Japan's Waste Management and Public Cleansing Law, which consists of a lecture session focused on precautions in regard to complying with the law, as well as checkpoints at waste disposal facilities and an on-site tour session of such facilities.



Employees attending a lecture on industrial waste and a tour of a processing facility.

Lecture and Training Sessions Held in FY 2020


Title	Number of Time per Year	Target Audience	Outline
Environmental Laws and Regulations	Held twice Attended by approx. 100 participants in total	Mainly officers and employees of Mitsui and affiliated companies	Basic knowledge on environmental laws and regulations, recent trends, key law amendments, etc.
Lecture on Industrial Waste and Tour of a Processing Facility	Held twice Attended by approx. 90 participants in total	Officers and employees of Mitsui and affiliated companies	Lecture on the responsibilities of Generator (waste-disposing parties) and precautions related to industrial waste. The tour of a processing facility aims to promote understanding of the importance and efficacy of on-site verification.

Acquisition of Environment-Related Certifications

System Activity

Mitsui promotes sustainable procurement in partnership with suppliers throughout the world. We work actively to obtain environment-related certifications in Japan and overseas, recognizing the importance of natural capital. We also develop procurement mechanisms that take into account the need to address global warming and biodiversity conservation. Furthermore, at properties we own through listed REITs operated by asset management companies, we have acquired DBJ Green Building certification and are working to reduce our environmental impact by promoting energy savings and more efficient energy use.

Acquisition of Environment-Related Certification in Company-Owned Forests "Mitsui's Forests", Forest Resources Business, etc.

Acquired Certifications	Coverage (Country/Region)	Certificate Holder/Outline & Scale (Handling Volume)
FSC® FSC® certification is based on international standards established by the Forest Stewardship Council®, a non-profit committee-type organization that administers an international forest certification system.  The mark of responsible forestry	Forest Management (FM) certification, and Chain of Custody (CoC) certification	Mitsui & Co. (License Code FSC®-C057355)/All 74 locations of Mitsui's Forests (approximately 44,000 hectares) throughout Japan
	CoC certification	Mitsui Bussan Forest (Mitsui subsidiary, License Code FSC®-C031328)/approximately 50,000 m³/year (sells timber and other products produced mostly from Mitsui's Forests)
	Forest Resources Business	Forest Resources Marketing Dept., Living & Environmental Business Div., Performance Materials Business Unit, Mitsui & Co. (License Code FSC®C104107)/woodchip: 1.226 mil. t/year (FSC 100%: 36,000t, FSC Mix: 642,000t, FSC Controlled Wood: 548,000t)
	Forest Resources Business (Australia)	Mitsui Bussan Woodchip Oceania Pty. (Mitsui subsidiary, License Code FSC®C107463)/woodchip: 1.407 mil. t./year (FSC Mix: 1.041 mil. t, FSC Controlled Wood: 366,000t)
	Procurement and sales of pulp, paper, paperboard, and paper products (globally)	Mitsui Bussan Packaging Co. (Mitsui subsidiary, License Code FSC®-C009939)/accreditation obtained for pulp, paper, paperboard, paper packaging materials such as corrugated carton box, household paper, and paper stationery.
	Biomass Fuel Trading	Biomass Fuel Dept., Fuels Div., Energy Business Unit I, Mitsui & Co. (License Code FSC®-C140620)/acquired for wood pellets trading (accredited materials).

Environmental Management

Acquired Certifications		Coverage (Country/Region)	Certificate Holder/Outline & Scale (Handling Volume)
PEFC/CoC An accreditation program operated by the international NGO PEFC (the Programme for the Endorsement of Forest Certification) for countries' mutual recognition of respective forest accreditation systems		Forest Resources Business (Australia)	Forest Resources Marketing Dept., Living & Environmental Business Div., Performance Materials Business Unit, Mitsui & Co./ woodchip: 1.102 mil.t/year
		Biomass Fuel Trading	Biomass Fuel Dept., Fuels Div., Energy Business Unit I, Mitsui & Co. (Certificate no. SGSJP-PCOC-2026)/ acquired for wood pellets trading (accredited materials)
SGEC SGEC certification system was developed by the Sustainable Green Ecosystem Council, a general incorporated foundation, by adapting the global sustainable forest management philosophy (known as the "Montreal Process") to the situation in Japan. SGEC and PEFC have agreed to the mutual recognition of respective forest accreditation systems since 2016.	Forest Management (FM) certification	Company-Owned Forests "Mitsui's Forests" (Japan)	Mitsui & Co. (Certificate no. SGEC/31-21-1101)/All 74 locations of Mitsui's Forests (approximately 44,000 hectares) throughout Japan Mitsui Bussan Forest (Mitsui subsidiary, Certificate no. FSC®-C031328)/approximately 50,000 m ² /year (sells timber and other products produced mostly from Mitsui's Forests)
	CoC certification		





Acquisition of Environment-Related Certification in Food Business

Acquired Certifications		Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)
Organic Japanese Agricultural Standard (Organic JAS)		Japan	Feed One Co. (Mitsui affiliated company)/manufactures and sells organic JAS-certified feed materials
		Japan	Fujieda Plant and Sutama Plant, Mitsui Norin Co. (Mitsui subsidiary)/sells organic JAS-certified tea leaves to commercial customers
ASC An accreditation system by the Aquaculture Stewardship Council for "responsibly produced aquaculture products" meaning that consideration for local communities is taken and the environment is not significantly harmed		Japan	Toho Bussan Kaisha (Mitsui subsidiary)/imports and sells products in accordance with buyers' requests
		Chile	Chilean salmon farming, processing and sales company, Salmones Multiexport S. A. (our invested company, Salmex)/ runs four aquaculture sites; preparations are underway to make additional acquisitions (as of the end of Mar. 2020)

Acquired Certifications		Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)													
MSC 	An accreditation system by the Marine Stewardship Council for marine products harvested through sustainable fishing, with appropriate processing and distribution	Japan	Toho Bussan Kaisha/imports and sells products in accordance with buyers' requests													
		USA	Mitsui Foods, Inc. (Mitsui subsidiary, MFI)/Imports and sells canned tuna. MFI has also obtained MSC Chain of Custody certification for its thorough management at the distribution stage													
BAP 	An accreditation system by American NGO, Global Aquaculture Alliance (GAA), to certify sustainable aquaculture businesses based on five key aspects: environmental conservation, social responsibility, animal welfare, food safety, and traceability	Japan	Toho Bussan Kaisha (as an Endorser)/imports and sells products in accordance with buyers' requests													
		Chile	Salmex/all marine products sold during the fiscal year ended March 2020													
			<table border="1"> <thead> <tr> <th></th> <th>FY2019</th> <th>FY2020</th> </tr> </thead> <tbody> <tr> <td>Handling volume of BAP-certified salmon</td> <td>84,283t</td> <td>90,163t</td> </tr> <tr> <td>Total handling volume of fish and seafood produced/used/ processed</td> <td>90,626t</td> <td>90,163t</td> </tr> <tr> <td>Ratio</td> <td>93%</td> <td>100%</td> </tr> </tbody> </table>		FY2019	FY2020	Handling volume of BAP-certified salmon	84,283t	90,163t	Total handling volume of fish and seafood produced/used/ processed	90,626t	90,163t	Ratio	93%	100%	
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Total handling volume of fish and seafood produced/used/ processed	90,626t	90,163t														
Ratio	93%	100%														
Vietnam	Shrimp exporting business company, Minh Phu Seafood Joint Stock Company ("Minh Phu," our invested company)															
Global GAP 	An accreditation system to certify that a company has met global standards for food safety and sustainable production management at all stages, including brood stock, farming, feed, and processing	Vietnam	Minh Phu													
RSPO 	The RSPO (Roundtable on Sustainable Palm Oil) is an accreditation that stipulates the legal, economic, environmental, and social conditions required for sustainable palm oil production (8 principles and 43 criteria)	Malaysia	Mitsui and Wangsa Mujur Sdn. Bhd. (our invested company)/ Both Mitsui and Wangsa Mujur operate in accordance with its policy, and we aim to increase the ratio of sustainable certified palm oil (including RSPO-certified) that we procure to 100% by 2030. Specifically, we will promote procurement based on the NDPE (No Deforestation, No Peat, No Exploitation) principle. In the fiscal year ended March 2020, RSPO-certified palm oil accounted for 5.0% of palm oil handled.													
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Ratio	2.8%	3.6%	5.0%													

Please check the status of our progress at:
<https://rspo.org/members/220/mitsui-and-co-ltd>

Environmental Management

Acquired Certifications	Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)
 <p>Rainforest Alliance</p> <p>Certification awarded to farms that follow more sustainable farming practices that protect forests, improve their livelihoods, promote human rights of farm workers, and help them mitigate and adapt to the climate crisis</p>	<p>Brazil</p> <p>Japan</p>	<p>MA Coffee Trading. (Mitsui subsidiary in Brazil)/supplies coffee beans to customers</p> <p>Coffee Dept., Food & Beverage Materials Div., Food Business Unit, Mitsui & Co./supplies raw coffee beans to customers Confectionery & Dairy Products Dept., Food & Beverage Materials Div., Mitsui & Co./supplies accredited ingredients to confectioners</p>
 <p>SQF-TSA</p> <p>A system that combines SQF – accreditation standards for food safety and quality control in the food chain as a whole – and the TSA food safety and accreditation standards, which are set out by the Tokyo Organising Committee of the Olympic and Paralympic Games</p>	<p>Japan</p>	<p>Prifoods Co., LTD. (Mitsui subsidiary)/2,806kg/year (supplies major supermarkets with products made at 20 plantations and the Hosoya and Hosoda package plants)</p>

Green Buildings

Listed REIT Japan Logistics Fund, Inc., which is operated by Mitsui & Co. subsidiary Mitsui & Co., Logistics Partners Ltd., has acquired DBJ Green Building certification* at 13 of its owned properties. Also, MIRAI Corporation, a listed REIT operated by Mitsui Bussan & Idera Partners Co., Ltd., which is a Mitsui associated company, has also acquired DBJ Green Building certification at three of its properties. Owning these types of properties helps us to promote measures to reduce our impact on the environment, and contributes to reduced energy usage and CO₂ emissions.



* DBJ Green Building is a certification system for assessing real estate that takes the environment and society into consideration. In addition to assessing buildings' environmental performance, it provides an overall assessment of how buildings meet the needs of a variety of stakeholders, including matters such as disaster prevention and consideration for the local community. It provides assessments and certifications for real estate that meet the needs of both society and the economy.

Japan Logistics Fund, Inc.

Acquired Certifications	Rank	Property
DBJ Green Building Certification	2018 ★★★★★	M-6 Funabashi Nishiura Logistics Center
	2018 ★★★★★	M-12 Yokohama Fukuura Logistics Center
	2018 ★★★★★	M-13 Yachiyo Logistics Center II
	2018 ★★★★★	M-19 Souka Logistics Center
	2018 ★★★★★	M-26 Sagamiara Logistics Center
	2018 ★★★★★	M-31 ShinKiba Logistics Center II
	2018 ★★★★★	M-32 Yokohama Machida Logistics Center
	2019 ★★★★★	M-11 Yachiyo Logistics Center
	2019 ★★★★★	M-24 Shin-Koyasu Logistics Center
	2018 ★★★★★	M-5 Urayasu Chidori Logistics Center
	2018 ★★★★★	M-22 Musashimurayama Logistics Center
	2019 ★★★★★	M-28 Chiba kita Logistics Center II
	2019 ★★★★★	O-4 Kazo Logistics Center

MIRAI Corporation

Acquired Certifications	Rank	Property
DBJ Green Building Certification	2019 ★★★★★	Shinjuku Eastside Square
	2018 ★★★★★	Shinagawa Seaside Parktower
	2019 ★★★★★	Rokko Island DC

Climate Change

Policy Responses to Climate Change-Related Matters

Policy

In addition to responding to climate change through initiatives such as the Sustainable Development Goals (SDGs) and ratification of the Paris Agreement at the United Nations, the response of companies to the recent increase in frequency and severity of natural disasters has also become an urgent challenge for the sustainability of society.

Based on our Materiality—“Secure sustainable supply of essential products”, “Enhance quality of life” and “Create an eco-friendly society”—Mitsui & Co. contributes to the development of economies and societies in many countries and regions around the world, as well as to the provision of solutions to global challenges such as climate change. We believe that pursuing a balanced approach to both of these objectives from a long-term perspective through our global and wide-ranging business activities will indeed constitute a sustainable growth strategy for our company.

In December 2018, Mitsui declared its support for the Task Force on Climate-related Financial Disclosures (TCFD). We will continue to seek ways of actively disclosing information in accordance with the recommendations of the TCFD.

Governance System for Climate Change Response

System

Mitsui regards responding to climate change as one of our most important management challenges. Our response is deliberated upon and decided by the Sustainability Committee, an organization under the control of the Corporate Management Committee. The content of these deliberations is reported regularly to the Corporate Management Committee and the Board of Directors and utilized for promoting sustainability management at Mitsui. Particularly important matters are debated and decided by both bodies. Climate change-related discussions were held a total of 28 times in the three-year period from the fiscal year ended March 2018 to the fiscal year ended March 2020.

Major Climate Change-Related Topics Discussed/Reported at the Sustainability Committee over the Past Three Years

FY2018	FY2019	FY2020
<ul style="list-style-type: none"> • Policy deliberations for coal-related business initiatives • Report on latest trends in climate change issues • Discussion on information disclosure policy for environment-related data • Deliberations on enhanced disclosures of non-financial information in consideration of the external environment 	<ul style="list-style-type: none"> • Deliberations on enhanced disclosures of non-financial information • Discussion on reviewing the Materiality • Report on external environment in relation to climate change • Discussion on declaration of support for TCFD 	<ul style="list-style-type: none"> • Discussion on climate change scenario analyses • Discussion on key priorities established in relation to sustainability • Discussion on the introduction of internal carbon pricing system • Discussion on establishment of GHG-related targets

Strategy and Risk Management for Climate Change Response

Policy

System

Major risks and opportunities associated with climate change

Mitsui is engaged in a wide range of business in various countries and regions around the world, and we view the diverse risks and opportunities presented by climate change as important factors that we must take into account when formulating our business strategies. In each business field, we have identified the internal and external business environments and defined the risks and opportunities surrounding each business.

 Integrated Report 2020 (P.044 Principal Climate Change Risks and Opportunities)

 **P.113** ESG-Related Risk Management

Business impact assessments and countermeasures associated with transition risks

We have selected business fields considered to possess significant financial and non-financial impacts in related to transition risks*, used multiple climate change scenarios to carry out impact assessments for each business, and investigated countermeasures based on the results.

Business fields selected for scenario analyses in FY2020

We selected the following business fields in consideration of GHG emissions from the perspective of the whole supply chain:

- Oil and gas development business, and LNG business
- Coal business
- Thermal power generation business

Selected scenarios

We have used the following scenarios taken from World Energy Outlook, which is published by the internationally recognized International Energy Agency (IEA):

- New Policies Scenario (NPS): scenario under which countries extend the current policies to 2040, based on greenhouse gas reduction plans submitted by each country to the United Nations
- Sustainable Development Scenario (SDS): scenarios needed to uphold the Paris Agreement, which seeks to keep global warming within 2.0°C of the pre-Industrial Revolution level

* “Transition risks” refer to risks caused by changes in policy/legal regulations, technology development, market trends, market evaluation, etc.

Analysis Results

- Oil and gas development businesses and LNG businesses

Evaluation of the impact on existing businesses	Countermeasures
<p>With reference to short-term market levels and the outlooks of multiple third-party organizations, Brent Crude is expected to trend between \$30 and \$80 per barrel in the medium to long-term. Even under the SDS, which is a more conservative scenario than the NPS, the Company's highly cost-competitive assets are expected to maintain their advantages to a certain extent.</p>	<p>While facing the dual challenges of the need to realize increased volume and improved quality, renewable energy is expanding steadily. Meanwhile, fossil fuel will remain an indispensable energy source for the time being. We will strengthen the cost-competitiveness of new business projects while considering the carbon costs. At the same time, we will focus efforts on gas and LNG projects, which have comparatively low environmental burdens.</p>

- Coal businesses

Evaluation of the impact on existing businesses	Countermeasures
<p>The SDS is premised on further spread of the electric furnace method and on substitutes for coking coal being realized through innovative steel technologies, which have yet to be established. Ongoing verification of the possibility of realizing new steel technologies and of their impact is required.</p>	<p>We will pay close attention to trends in new technologies and to progress in relation to the Electrical Arc Furnace and the policies of respective countries. At the same time, over the medium-to-long term a steady increase in demand for high-quality coking coal centered on India and Southeast Asia is expected. While providing stable supplies to customers, we will strengthen our competitiveness.</p>

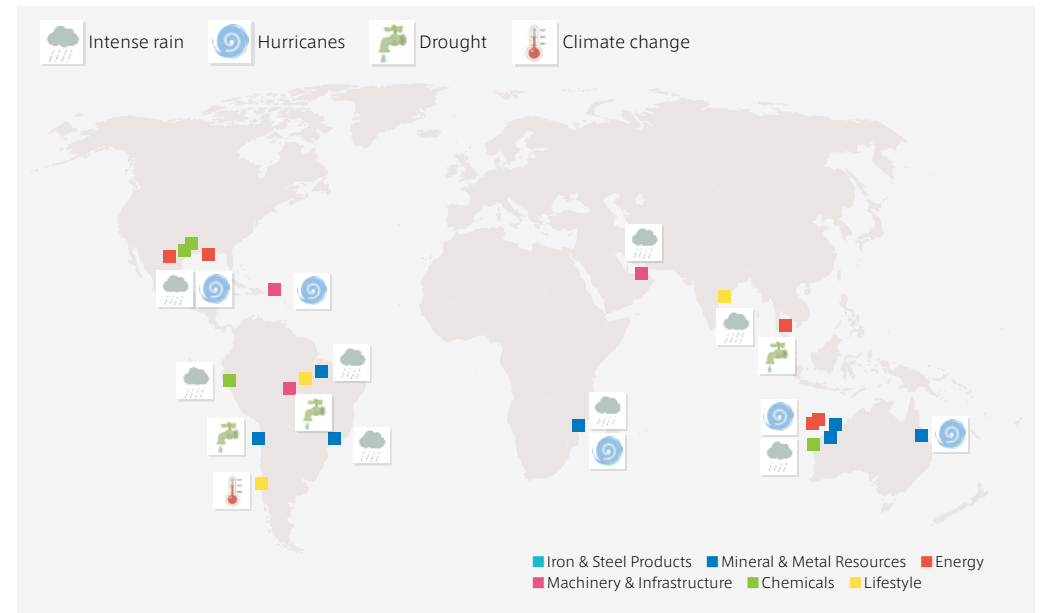
- Thermal power generation businesses

Evaluation of the impact on existing businesses	Countermeasures
<p>Even based on the SDS, the impact on existing businesses will be limited as businesses contracted under long-term power purchase agreements—in which a consideration is paid for generation capacity rather than for generation volume—account for the majority (96% as of March 31, 2020) of the Company's power generation business portfolio.</p>	<p>In stages, we intend to lower coal-fired thermal power as a percentage of our equity share of power generation capacity and increase the percentage of renewable energy, including hydropower, to 30% by 2030.</p>

Major physical risks and countermeasures

Under the NPS scenario, the physical risks* would be relatively higher because the target agreed under the Paris agreement to keep global warming within 2.0°C of the pre-Industrial Revolution level would not be met. Mitsui has carried out a survey of the impact of physical risks over the past five years on important investment assets, as well as an analysis based on the RCP (Representative Concentration Pathway) used by the IPCC (Intergovernmental Panel on Climate Change).

* "Physical risks" refer to the risk of physical damage caused by increases in natural disasters and abnormal weather arising from climate change.

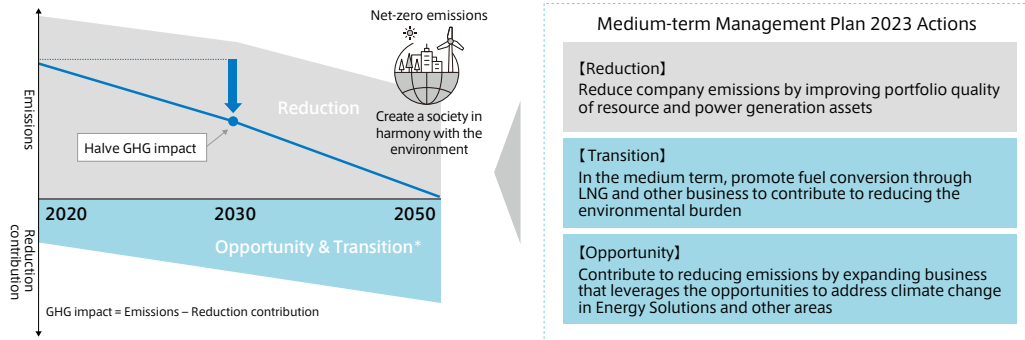


The major physical risks facing assets owned by Mitsui include the potential for localized storms, particularly strong tropical hurricanes and cyclones arising in the Atlantic and South Pacific, which could cause negative impacts on operations in our mineral and metal resources projects. Furthermore, in cases of severe damage to production plants or facilities or infrastructure, such as the roads, railways, and ports used for shipments, there is a risk that production or shipments could be suspended for long periods until these facilities are restored. On top of Mitsui's own investments, in cases when Mitsui suppliers suffered significant damage, there is the risk of the overall supply chain failing, including failures to receive supplies of raw materials. Mitsui implements measures such as taking out insurance coverage, establishing crisis management policies, and upgrading facilities as necessary. Furthermore, we are also considering the establishment of a system to assess whether each of these measures is the best possible risk mitigation measure.

Aiming for Net-zero Emissions in 2050

Policy Activity

Mitsui has set out the goal of net-zero emissions as our Vision for 2050. By 2030, we aim to halve our GHG impact versus 2020 as the path to achieving the Vision.



* For Transition, we only assume reduction contribution attributable to the company in the future

Medium-Term Management Plan

GHG impact is calculated by deducting the Opportunity & Transition reduction contribution from our GHG emissions. The aim is to halve our GHG impact by 2030 compared to 2020.

In order to achieve this goal, we are promoting the following three measures – “Reduction,” “Transition,” and “Opportunity”.

Introduction of Internal Carbon Pricing System

At Mitsui, we introduced the internal carbon pricing system in April 2020 in order to increase the medium to long-term resilience of businesses emitting large volumes of GHG, and to encourage the development of projects that are effective at reducing GHG emissions. Regarding new business projects, in projects with potential risks or opportunities from GHG regulations, etc., we have added analysis of the potential impact of a 2°C scenario to the project screening factors, as well as the reasonableness of countermeasures in the event these risks are realized. We will also use the internal carbon pricing system for assessing risks in existing projects.

Enhancing GHG Emissions Disclosures

Mitsui has carried out GHG emissions surveys domestically since the fiscal year ended March 2006 and in overseas since the fiscal year ended March 2009. Until now we have disclosed Scope 1 and Scope 2 of GHG emissions under the GHG Protocol* control standards. Since the fiscal year ended March 2020, we have disclosed Scope 3, Category 15 (indirect emissions associated with investments) that is estimated GHG emissions from i) energy, mineral and metal resources, and thermal power generation projects not included in Scope 1 and 2, and from ii) other affiliated company businesses. We have enhanced the scope of disclosures to promote continuous reviews of our portfolio considering our risk tolerance to climate change. This also takes into account Mitsui’s strategy of using our wide range of business activities to take on the challenge of new opportunities in an agile way.

In the fiscal year ended March 2020, our GHG emissions at the Head Office, all offices in Japan and subsidiaries were 0.75 million tons, whereas GHG emissions at un-incorporated joint ventures in mineral and metal and energy resources fields totaled 3.07 million tons. In total, our emissions came to 3.82 million tons. GHG emissions under Scope 3, Category 15 investments came to 32 million tons.

* GHG Protocol is a GHG emissions calculation and reporting standard formulated through an initiative led by the WRI (World Resources Institute) and the WBCSD (World Business Council for Sustainable Development).

P.49 Environmental Performance Data

Making Mitsui’s Electricity Use Carbon Neutral in All of Our Business Locations in Japan

As a specific measure aimed to achieve net-zero emissions in our Vision for 2050, since July 2020 Mitsui has made its electricity use carbon neutral at its Head Office and all business locations in Japan. Specifically, the electricity used at the Head Office to which we moved in May satisfied the RE 100 requirements* (achieving 100% RE). Most of the electricity is procured from the Fukushima Natural Gas Power Plant (Shinchi Town, Soma, Fukushima Prefecture), in which Mitsui has invested. The electricity we use satisfies the RE100 requirements by applying renewable energy-derived credits created at a biomass plant of Mitsui’s affiliated company Konan Utility Co., Ltd. (“Konan Utility”) to the electricity used in the Head Office building. For the electricity used in other business locations in Japan, including all offices and training centers, we have applied credits created at Konan Utility and our company-owned forest, “Mitsui’s Forests”, allowing us to switch to practically zero-CO₂ electricity.

* RE 100 is an international initiative that aims to encourage procurement of 100% renewable energy for the energy consumed in business activities. The RE 100 requirements define the electricity that can be recorded under the initiative as renewable energy, taking into account institutional differences among various countries.

Environment-Related Business

Policy

Our Medium-Term Management Plan and environmental policy call for action on climate change. Our business activities are directed toward both economic development and response to climate change; therefore we engage in renewable energy projects, modal shift projects, and the expansion of other business initiatives as well as diffusion of technology that contribute to the reduction of CO₂ emissions and improvement in energy consumption efficiency.

Renewable Energy Projects

Activity

We are developing our renewable energy business and expanding our capacity in this area as part of our electric power generation business. As of March 31, 2020, renewable energy, including hydroelectric power, accounted for approximately 14% of Mitsui's total power generating capacity of 11.1GW, and we are aiming to increase the share held by renewable energy to 30% by 2030.

Type	Country	Generation capacity (gross)
Centralized solar power generation	Japan	330MW
	Mexico	104MW
	Jordan	52MW
	Thailand	22MW
Distributed solar power generation	UAE	103MW
	India	32MW
	China	26MW
	Brazil	36MW
	U.S.	78MW
Solar thermal power generation	Spain	51MW
Wind power generation	Japan	69MW
	Australia	165MW
	Mexico	324MW
	Argentina	97MW
Biomass power generation	Japan	8MW
Run-of-river hydroelectric power generation	Brazil	3,750MW
	Spain	84MW
Hydropower generation	Laos	1,900MW
	Indonesia	10MW
Geothermal power generation	Japan	7MW



Bii Stinu Wind Project (Oaxaca, Mexico)



Solar Power Generation Business (Tottori Yonago Solar Park)

Modal Shift

Activity

In addition to the railway leasing business that we have been engaging in over many years, we have also been actively launching and operating various railway projects, thereby developing and improving social infrastructure while promoting modal shift to contribute to green logistics. Of the rail networks in whose operation Mitsui participate as of March 31, 2020, the freight railroad network has a total route length of 10,700 kilometers, and the passenger network has a total route length of 2,810 kilometers.

Main business	Country/Region	Project size
Freight wagon leasing business	U.S.	Four global bases (U.S., Brazil, Europe, Russia): approx. 15,300 Freight wagons, approx. 340 Locomotives
	Russia	
Freight wagon rental business	Brazil	
Locomotive leasing business	Europe	
Freight wagon transportation business	Brazil	Operating a railway network of approx. 10,700 km, and port terminals
Passenger railway transportation business	Rio de Janeiro suburban railway	Transportation record: Approx. 590,000 passengers per day (December 2019)
	Rio de Janeiro Light Rail Train	Transportation record: Approx. 110,000 passengers per day (December 2019)
	São Paulo metro line no. 4	Transportation record: Approx. 700,000 passengers per day (December 2019)
	East Anglia	Transportation record: Approx. 250,000 passengers per day (December 2019)
	West Midlands	Transportation record: Approx. 200,000 passengers per day (December 2019)
Car sharing business	Singapore	Fleet of cars: Approx. 230

Reducing Power Consumption in an Office Building through BEMS-Based Power Use Visualization

A building energy management system (BEMS) has been installed in the Bussan Building, a rental office building owned by Mitsui's subsidiary, Mitsui & Co. Real Estate, in Nishi-Shinbashi, Minato-ku, Tokyo. This system visualizes energy use and helps to reduce total and peak power consumption based on the obtained information, such as by preventing unnecessary operation of equipment and adjusting operating hours. In the fiscal year ended March 2020, these measures helped to reduce power consumption in the building by around 19% compared with the previous fiscal year.



The Bussan Building owned by Mitsui & Co. Real Estate

Other Environment-Related Business

Activity

Reducing Energy Consumption through Optimized Operation and Management of Air Conditioning Systems in Commercial Buildings

Through Air as a Service, Ltd. ("AaaS"), a company established by Mitsui and Daikin Airtechnology and Engineering Co., Ltd., we are offering a subscription-type service* that provides users with comfortable, air-conditioned spaces for a fixed monthly subscription fee.

AaaS installs and owns air-conditioning equipment instead of the owners of facilities. It provides optimal management of its equipment in each facility by combining an IoT system capable of remotely monitoring the operational status of each air conditioner on a 24-hour, 365-day basis with technologies for analyzing data acquired through this system. The system visualizes the operational status of equipment and reduces energy usage and costs by eliminating unnecessary operation. This results in the reduction of power consumption by around 20% compared with levels before the introduction of the system. In addition, AaaS maximizes equipment life by reliably monitoring operating hours and loads and undertaking preventive maintenance. Mitsui will continue to work through AaaS to support the improvement of energy efficiency in office buildings and commercial facilities.

* With a subscription-type service, the user acquires the right to use equipment instead of purchasing it outright and pays charges based on the period of use.

Creation of comfortable interior environments in facilities

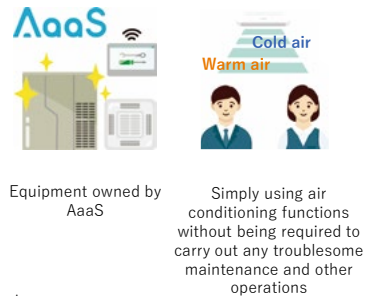
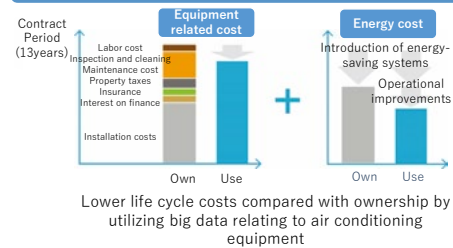


Image of service

Life cycle cost reductions



Provision of Power Supply Optimization Capabilities Using a Stationary Energy Storage System Based on Electric Vehicle (EV) Batteries

Mitsui, in partnership with Renault S.A.S ("Renault"), Fonds de Modernisation Ecologique des Transports (an infrastructure fund managed by Demeter Partners of France), and The Mobility House AG ("TMH"), has established a joint project company, Tokai 2 GmbH ("Tokai2"), with the aim of providing power supply optimization capabilities in Germany using a stationary energy storage system based on electric



Containerized Battery Storage

vehicle (EV) batteries. Tokai2 will develop a stationary storage system with a total power output of 20 MW by installing containerized Renault EV batteries at multiple sites. Tokai2 will provide frequency containment reserve services to the German power grid using battery management systems developed by TMH. The company aims to increase the number of battery installation sites so as to also provide services to power users and generators.

Forest Carbon Sinks, Emissions Trading Business

Mitsui has invested and participated in New Forests Pty Limited ("New Forests") of Australia, which has been engaging in the forestry asset management business in Oceania, Asia, and North America (forestry funds under management totaling approximately ¥380 billion and assets covering approximately 760,000 hectares). New Forests manages forest assets that store the equivalent of 130 million tons of carbon dioxide (tCO₂e) and earned carbon credits amounting to 2.4 million tCO₂e in 2019. Mitsui is committed to the supply of sustainable forest resources and will continue to contribute to the prevention of global warming through the forest fund business that creates forest carbon sinks and generates emission rights.



A forest plantation managed by New Forests in Australia

Our Company-Owned Forests, "Mitsui's Forests," Absorb and Fixate 160,000 Tons of Carbon Dioxide Annually

It is estimated that the carbon dioxide absorbed and fixated by Mitsui's Forests amounts to approximately 160,000 tons per year, and CO₂ accumulation has reached approximately 10 million tons*¹. We contribute to the mitigation of climate change risk through sustainable forest management. The public value of Mitsui's Forests is estimated to be approximately 200 billion yen*².



*¹ This calculation is based on the Tier 2 approach in Chapter 4, "Forest Land," in Volume 4 of the "2019 Refinement to the 2006 IPCC Guidelines on National Greenhouse Gas Inventories." The calculation was based on the Tier 1 approach in the 2006 IPCC Guidelines in the past, but we changed the calculation method from the fiscal year ending March 31, 2021 in view of accuracy and refinement.
*² This calculation is based on "Comprehensive Assessment of Biodiversity and Ecosystem Services" published by the Ministry of Environment.

Our Stories: Create an eco-friendly society

P.25 **Creating Community-Based Biomass Power Generation Business for the Post-Carbon Society**



Water Resources

Reflecting the growing interest from a global perspective in water-related problems, Mitsui & Co. stipulates efficient utilization of water in Mitsui’s environmental policy and engages in water projects and various initiatives which promotes the conservation and the sustainable use of water resources. In addition, we conduct investigations with experts for new business investment projects that are likely to have a significant impact on the environment. For risk assessments in water-stressed areas, in particular, we use the portal site Aqueduct from the World Resource Institute (WRI) to monitor and analyze water risks, not only for new business but also for our existing business, with the aim of reducing water stress.

Long-term Supply of Water through Power Generation and Desalination Independent Water and Power Producer (IWPP) Project in Qatar

Activity

Mitsui is participating in the Ras Laffan C power and water desalination (IWPP) project in Ras Laffan Industrial City, located 80 km north of Qatar’s capital of Doha. The project was initiated in response to demand increase of electric power and water as a result of Qatar’s rapid economic growth. Qatar uses seawater desalination to produce 99.9% of its water supplies. In this project, energy efficiency will be optimized through the use of a desalination process designed to utilize waste heat from power generation.

With a power generation capacity of 2,730 MW and desalination capacity of 290,000 tons per day, this project will operate seawater desalination facilities for a period of 25 years starting in 2011. It will supply water and electric power to the Qatar General Electricity and Water Corporation (Kahramaa), accounting for around 24% of Qatar’s electricity supply and approximately 14% of its water supply.



The Ras Laffan C water desalination plant

Mitsui’s Business Initiatives Relating to Water Resource

Business	Country	Wet weather capacity
Tap Water Supply	Thailand	1,000,000t/day
Sewage Treatment Plant	Mexico	3,600,000t/day
Power and Water Desalination	Qatar	290,000t/day
Desalination and Conveyance	Chile	Under construction

Support through an NGO for the Development of a Rainwater Reuse System to Supply Safe Drinking Water

Activity

In mountainous areas and on remote islands in Bohol Province in the Philippines, it is difficult to access safe drinking water and water stress is high. Water from wells in coastal areas and on remote islands is unsuitable for drinking because of seawater contamination. Boat trips to buy water are a part of everyday life for island residents, imposing a heavy burden in terms of both costs and time. The Mitsui & Co. Environment Fund has provided a grant to Ikaw Ako, an NGO to fund an initiative to provide rainwater storage and treatment facilities so that residents in this region can have easier access to safe drinking water. To create sustainable water supply systems, tanks with the optimal size for each community will be designed and built by the residents, allowing the facilities to be maintained and managed locally.



A rainwater storage tank (November 2019)

Caring for Water Resources During Shale Gas Extraction

Activity

Through its investee, Mitsui E&P USA LLC, Mitsui is engaged in the Marcellus shale gas development and production project and the Eagle Ford shale oil/gas development and production project. The gas and oil are extracted using hydraulic fracturing (fracking), and Mitsui E&P USA gives consideration water resources by ensuring that water for hydraulic fracturing (fracking water) is properly used (including the recycling of wastewater), managed, and discharged.

Circular Economy

Mitsui & Co. is working to realize a circular economy by curbing the resources and energy consumption and waste generation through circulation of resources and products at various stages in economic activities, while aiming to achieve both economic growth and reduction of environmental loads by creating added value through circulation.

In addition to the traditional "3Rs", the creation of a circular economy requires efforts on various levels, such as introduction of designs and materials that minimize resource inputs, promotion of sharing to improve usage rates for products and services, extension of product life cycle through maintenance and repurposing, and development of mechanisms that allow the utilization of items once regarded as waste for other purposes. Using robust business infrastructure built through the repetition of "challenge and innovation", Mitsui is contributing to the creation of a circular economy through initiatives in various business fields.

Business Initiatives Relating to a Circular Economy

Activity

Theme	Activities /Scale
3R design, reduce	Our partner Gestamp Automoción S.A. contributes to energy efficiency improvement of vehicles on a global basis by designing and supplying light weight parts that are 100% recyclable.
	By manufacturing high-performance packaging materials, Prime Evolve Singapore Pte., in which Mitsui has invested, is responding to demand for down gauging packaging so as to reduce the amount of raw material in packaging while maintaining the quality of the packaging itself.
	Mitsui subsidiary Vendor Service Co. supplies thinner, lighter, and simpler food packaging materials, such as top seals, to convenience stores.
	The U.S. company Osisoft, LLC, in which Mitsui has invested, is contributing to reduce defective parts percentages in manufacturing by providing IoT data management services and software to various industries.
	Through its participation in CEFLEX (a circular economy for flexible packaging), an NGO dedicated to collaboration on plastic packaging recycling in Europe, Mitsui is exploring collection, sorting, and recycling infrastructure systems for flexible plastic packaging.
Reusable and biodegradable materials	Mitsui subsidiary Vendor Service Co. uses biomass film, biomass ink, aluminum-free paper packaging, thinned wood, recycled film, and FSC-certified paper in its products.
	Prime Evolve Singapore Pte., in which Mitsui has invested, manufactures high-performance packaging materials and develops more functional and new packaging materials to realize recyclable and sustainable packaging.
	Through its investment in Minima Technology Co. in Taiwan, our subsidiary Mitsui & Co. Plastics is building a business based on biodegradable plastic compounds and products.
Life cycle extension, reuse	By utilizing comprehensive maintenance technology provided by SHO-BOND & MT Infrastructure Maintenance Corporation (SB&M), a joint venture with SHO-BOND HOLDINGS CO. Mitsui is exploring to extend the service life of infrastructure in overseas countries.
	Our affiliated company M&B Conversions facilitates the repurposing of passenger aircraft replaced by newer models by converting them to cargo aircraft.
Waste reduction, recycling	Our affiliated company MM & KENZAI Corporation collects and sells metal scraps from demolished structures and from the processing of iron and steel products. It also promotes recycling of non-metallic materials. Handling volume of metal scraps: 7 million tons/year

Theme	Activities /Scale
Waste reduction, recycling	Our affiliated company Kyoei Recycling Co. uses dust mainly obtained from shredded end-of-life vehicles as feedstock for gasification melting furnaces. Gas produced is used as fuel at the nearby Kyoei Steel Yamaguchi Division facility, while the hot slag produced is sold to refiners. Waste processing capacity: 28,000 tons/year
	Our subsidiary Mitsui Bussan Metals Co. collects and sells non-ferrous scrap, such as aluminum, copper, and titanium, from various sources, including demolished buildings, disassembled automobiles and electrical goods, and scrapped PCBs. It also handles recycled metals and alloys made from non-ferrous scrap. Handling volume of non-ferrous scrap and recycled metal: 300,000 tons/year
	Our investee Sims, one of the world's leading recyclers, engages in recycling of metals and electronic equipment as well as processing of municipal waste from New York City. Handling volume of metal scraps: 9.8 million tons/year
	Beijing Shougang LanzaTech New Energy Science & Technology (SGLT) in China, in which Mitsui has invested, is a next-generation ethanol manufacturing company. It uses microbial fermentation technology developed by US-based LanzaTech Inc., a company that we invested in to convert waste gas into fuels and chemicals. SGLT is a commercial-scale manufacturer of next-generation ethanol using waste gas from steel works as raw material. By using waste gas that was formerly released into the atmosphere to produce ethanol as an alternative to petroleum-derived gasoline, SGLT contributes to the reduction of GHG emissions. Greenhouse gas emission reduction: 50-70% (compared with gasoline)
	Our subsidiary Mitsui Norin Co. effectively utilizes waste, including the use of tea leaf residues as a raw material for fertilizers. Waste reduction: 920.4 tons/year
	Our subsidiary Bussan Food Materials Co. produces juice from fruit pulp attached to calyces (sepals) from cut strawberries. Waste reduction: 13 tons/year
	Our affiliated company Konan Utility Co. dries sludge from sewage treatment plants and converts it into boiler fuel in a drying and conversion facility. As a company engaged in environment-friendly business activities, it is registered under the Hyogo Prefectural Government's Hyogo Biomass Eco Model scheme. Waste reduction: 3,080 tons/year
	Our subsidiary Prifoods Co. effectively utilizes waste through the commercial use of poultry manure as a fertilizer, and as a snow melting agent after carbonization. Waste reduction: 71,670 tons/year
	Sugar cane residue (bagasse) from a sugar manufacturing business operated jointly by Mitsui and Mitsui Sugar Co. in Thailand is used as fuel for biomass power generation, and the electric power is used for the operation of its plants with surplus electric power being sold, contributing to an increase in the use of renewable energy in Thailand. Waste reduction: 900,000 tons/year
	Our subsidiary Retail System Service Co. recycles animal feed and compost and has developed a practical deodorizing and sterilizing material for cleaning retail outlets by use of recycled coffee grounds.
Sharing platforms	Our subsidiary Car Club Pte operates Singapore's largest car sharing business.
XaaS (X as a Service)	Mitsui has conducted two trials of an on-demand taxi-sharing scheme in Arai City, Kumamoto Prefecture. A full-scale service is planned to commence in the year ending March 2021.
	Mitsui provides battery leasing services (Battery as a Service) through its investee, Forsee Power in France.
	Our affiliated company NOBORI operates a cloud-based medical picture archiving and communication system (PACS) in Japan. It has a 70% share of the market of cloud-based PACS services.
	Our subsidiary +Automation Inc. provides a Robotics-as-a-Service (RaaS) that enables logistics facilities to cope efficiently with increasing cargo volumes in an environment of labor shortages as well as smaller lot and more diversified delivery patterns.
	Through Air as a Service (AaaS), jointly established by Mitsui and Daikin Airtechnology and Engineering Co., we provide subscription services for optimized air conditioning for a fixed monthly fee by means of IoT-based remote management. Power consumption in facilities that use this service is reduced by around 20%.

Environmental Pollution



Reducing and Preventing Pollution

Activity

Mitsui & Co. bases its environmental policy on pollution prevention. In particular, we engage in initiatives that lead to the reduction of water and soil contamination and the reduction of the quantity of chemical substances released into the atmosphere, with the aim of reducing and preventing pollution.

Business Initiatives against Environmental Pollution

Activity

Aim	Initiatives
Prevention of atmospheric pollution through the detoxification of exhaust gas	As a distributor, Mitsui & Co. Plastics, one of our subsidiaries, is building and expanding a nationwide network of sales and logistics locations and infrastructure for AdBlue®, which converts the nitrogen oxides contained in exhaust gases from trucks and buses into harmless water and nitrogen.
Proper treatment of industrial water	In addition to monitoring and managing water quality in mining and surrounding areas, we minimize wastewater through maximization of recycling.
Reduction of atmospheric pollution from transportation vessels	We are updating our fleet, including increased orders for vessels with substantially lower SOx and NOx emissions.
Reduction of soil pollution through the optimization of fertilizer usage quantities	We are stabilizing soil quality and reducing soil pollution by using digital technology to ensure the appropriate application of fertilizers. Examples include the use of satellite images to analyze vegetation and monitor farmland topography, the use of yield trends and soil analysis results in digital mapping and fertility analysis, automatic fertilizer application from tractors, and timely system-based monitoring of fertilizer applications.
Reduction of soil contamination	Initiatives by Certis USA  P.19 Our Stories: Secure sustainable supply of essential products
Reduction of marine pollution	Participation in CLOMA  P.13 CLOMA (Japan Clean Ocean Material Alliance)

Joint Project with JICA/Researchers

—Development and Operation of an HAB (Harmful Algal Bloom) Early Warning System

Activity

HABs (harmful algal blooms), including red tides, are caused by abnormal concentrations of phytoplankton in seawater. In recent years, the phenomenon has been attributed to environmental pollution and global warming. A record HAB outbreak occurred in Chile in 2016, causing major damage to salmon farming and fisheries, which are among the country’s main industries. Universities and research institutes in Japan and Chile have established a research project in collaboration with government agencies and other organizations in Chile with the aim of developing and operating an HAB early warning system.

Mitsui, which has invested in the salmon farming business in Chile, was also asked to cooperate in this initiative through the Japan International Cooperation Agency (JICA) following a request for assistance from the Chilean government. Our role is to consolidate and extend the results of the project in society. In April 2018, we began to collaborate in the project after concluding an agreement with JICA, which was participating on a technical assistance basis. Since then we have supported industry-academia collaboration in Japan and Chile toward the development of an HAB monitoring system.

We believe that this project can contribute to the reduction of damage caused by HABs by issuing warnings based on forecasts from this system, and by sharing information about preventive measures with people working in the fisheries industry. We also believe that it can contribute to the reduction of environmental pollution in local environments, and further regional economic development.



A sampling operation near the city of Puerto Montt in southern Chile (January 2019)

Initiatives to Reduce and Prevent Pollution —Actions Relating to Radioactive Substances

Activity

A wholly owned subsidiary in the United States purchases and sells uranium concentrate. However, the scale of business is extremely limited in terms of value and quantities handled when seen in the context of Mitsui’s overall business operations, and furthermore, the materials are not physically relocated and do not leave the storage facility. The storage contractor to which the materials are entrusted has been licensed by the U.S. Nuclear Regulatory Commission (NRC) to handle radioactive materials and ensures that the employees in its storage facility maintain strict compliance with NRC standards concerning the management of radioactive materials and the risk of exposure. The storage contractor also undergoes regular inspections by the NRC. On this basis, we believe that the risk that uranium concentrate owned by Mitsui’s subsidiary will damage the local environment or cause exposure is extremely limited. All of the uranium concentrate handled is intended solely for peaceful, civilian purposes such as power generation, and is compliant with all NRC regulation. It should be noted that Mitsui and its subsidiary rigorously ensure compliance with NRC management standards (including those for nuclear waste) in handling the materials, but no nuclear waste is handled whatsoever.

Biodiversity

Mitsui & Co. bases its environmental policy on nature conservation in consideration of biological diversity. We promote initiatives that lead to conservation of biodiversity through business. In addition, we have obtained FSC® and SGEC certifications for all of our company-owned forests, “Mitsui’s Forests,” which we own in 74 locations throughout Japan (approx. 44,000 hectares). Approximately 10% of the forest areas under our management have been designated as “biodiversity conservation forests,” and we maintain and manage these forests accordingly.

Business Initiatives relating to Biodiversity

Activity

Business	Description
Hydroelectric Power Plant Business	The Madeira River is a tributary of the Amazon River and forms part of the Amazon Basin, a region that is known for its rich biodiversity. Located on the Madeira River in northern Brazil, the Jirau Hydroelectric Power Plant has been closely watched by many parties, including local communities and NGOs, because of its location, and every possible step is being taken to ensure that the plant is operated in an environmentally responsible way. As part of an environmental program, we conducted preliminary surveys to identify every possible impact that could affect the local environment and local communities. We then built hospitals, schools, and new housing to improve the local living environment. Other initiatives include measures to protect flora and fauna, such as fish and mammals.
Forest Resource Business	Along with business partners, Mitsui is carrying out plantation business in Australia and Chile (the combined project area is approximately 20,000 hectares as of March 31, 2020), with the aim of ensuring the stable supply of wood chips, the raw material for paper. The business has acquired international forest certification from organizations such as FSC®, and manages forest resources responsibly. We also carry out measures in consideration of biodiversity protection.
Production and Sale of Rice	Toho Bussan, a subsidiary, supports the production and sale of rice using farming methods that encourage biodiversity, such as the minimum use of agrichemicals and chemical fertilizers.
Shipping Business	To prevent negative effects on the ecosystem by marine creatures in ballast water, we actively promote initiatives including installment of ballast water treatment equipment on vessels.
Production and Sale of Solar Marine Salt	Shark Bay Salt Pty, a Mitsui subsidiary, owns a solar marine salt field in Shark Bay, Western Australia. It produces and sells some of the world’s purest salt while actively working to improve the local ecosystems of Shark Bay, an internationally renowned World Heritage site. With a dedication to maintaining harmony with nature, the company continuously monitors the terrestrial environment and mangrove ecosystem both in the salt field and across the surrounding maritime environment, to ensure that its business operations have no impact on the local ecosystem. As a result of these efforts, local wildlife populations continue to prosper.

Biodiversity Conservation Activities at Mitsui’s Forests

Activity

Mitsui’s Forests are divided into Forests for Regeneration and Harvest (approximately 40% of the total) and Natural Forests and Naturally Regenerated Forests (approximately 60%). Especially important areas from the viewpoint of biodiversity are designated as Biodiversity Conservation Forests (approximately 10% of all Mitsui’s Forests). They are further categorized in accordance with their qualities into Special Conservation Forests, Environmental Conservation Forests, Water and Soil Conservation Forests, and Cultural Conservation Forests. By clarifying the conservation objective, such as conservation of rare species, we conduct forest management that is more strongly oriented toward the preservation of biodiversity.

Biodiversity Conservation Activities in Cooperation with NGOs

Activity

Conserving the Prey Lang Forest in Cambodia (REDD+*)

Prey Lang, located in the northeast of Cambodia along the west bank of the Mekong River, is the largest tropical lowland evergreen forest in Indochina. It is inhabited by many wild animals, including endangered species, and is also an important source of water for Cambodia. However, illegal logging, along with reclamation of land for farming by local communities, has resulted in progressive deforestation, loss of wildlife habitats, and an increase in GHG emissions that would normally be accumulated in the forests.

In partnership with Conservation International, an international NGO, Mitsui has been using the REDD+ mechanism established under the Paris Agreement in cooperation with the Cambodian Ministry of Environment to reinforce forest patrols to prevent illegal logging in the Prey Lang Forest. Moreover, Mitsui has been engaging in dialogue with local communities to provide support for activities, such as instruction for and promotion of organic farming and rice farming as alternative sources of livelihood that do not rely on logging, with the aim of contributing to forest and biodiversity conservation.




Tropical lowland evergreen forest in Prey Lang ©Jeremy Holden

* REDD+ (Reducing Emissions from Deforestation and forest Degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries): A scheme which provides economic incentives such as carbon credits through the mitigation of deforestation and degradation of forests in developing countries.

Environmental Performance Data

The data marked with "★" (FY2020) are assured by Deloitte Tohmatsu Sustainability Co., Ltd., an external assurance provider based on International Standard on Assurance Engagements (ISAE) 3000 and ISAE3410.

 P.120 Independent Practitioner's Assurance Report

Energy Consumption

Activity

Mitsui & Co. has set the goal of "reducing energy consumption intensity by 1% or higher on average per year" for Mitsui and its subsidiaries in Japan. We aim to achieve this goal through a variety of measures, including a group-wide effort to improve energy efficiency.

From the fiscal year ended March 2019, the scope of coverage has been expanded to joint control businesses (Un-incorporated Joint Ventures). We will continue to monitor energy consumption and explore new initiatives to reduce energy consumption on a global group basis.

Category	Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks	
Energy Consumption								
Non-consolidated	Head Office and all offices in Japan	GJ	207,259	205,182	202,522	★		
Consolidated	Subsidiaries		11,157,784	18,700,216	22,671,923	★		
	Un-incorporated JVs		—	24,533,657	19,901,035	★		
Total			11,365,043	43,439,056	42,775,480	★		
(Breakdown)								
Fuels			5,617,840	33,551,624	30,823,685			
Electricity			4,923,641	8,630,815	10,730,337			
Steam, heat, cold water		823,561	1,256,617	1,221,458				
Intensity	Non-consolidated	Head Office and all offices in Japan (per square meter)	MWh/m ²	0.121	0.120	0.112	★	

Greenhouse Gas (GHG)

Activity

Mitsui is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions on a global group basis. Mitsui has carried out GHG emissions surveys domestically since the fiscal year ended March 2006, and for overseas since the fiscal year ended March 2009, in order to grasp the amount of its emissions year by year. From the fiscal year ended March 2018, the GHG accounting boundary has been extended to joint control businesses (Un-incorporated Joint Ventures), and from the fiscal year ended March 2020, the scope of coverage has been enhanced to Scope 3, Category 15 (indirect emissions associated with investments). Such initiatives are our response towards the growing interest in the issue of climate change, and we will continue to monitor our GHG emissions and explore further initiatives to reduce our GHG emissions on a global group basis.

Category		Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Greenhouse Gas (GHG) Emissions								*1
Scope1	Non-consolidated	Head Office and all offices in Japan		1	1	1	★	
	Consolidated	Subsidiaries		358	331	386	★	
		Un-incorporated JVs		3,089	2,857	2,848	★	
	Total			3,448	3,189	3,235	★	
Scope2	Non-consolidated	Head Office and all offices in Japan		10	9	8	★	
	Consolidated	Subsidiaries		295	368	355	★	
		Un-incorporated JVs		232	210	222	★	
	Total			537	587	585	★	
Scope1+2	Total		3,985	3,776	3,820	★		
Scope3	Investment	Emissions related to our investment	thousand t-CO ₂ e	—	—	32,000		*2
	Transportation	Consigned logistics in Japan with Mitsui as the shipper		27	31	25	★	
	Commuting	Head Office		1	1	1		
	Business trips	Head Office		10	10	10		
	Scope1 (breakdown)	CO ₂		Carbon dioxide	1,652	2,278	2,202	
	CH ₄	Methane	1,796	908	1,032			
	N ₂ O	Carbon monoxide	0	3	1			
	HFCs	Hydrofluorocarbons	0	0	0			
	PFCs	Perfluorocarbons	0	0	0			
	SF ₆	Sulfur hexafluoride	0	0	0			
	NF ₃	Nitrogen trifluoride	0	0	0			

*1 [Standards/Guidlines for Scope1+2 calculation] GHG Protocol "Emission Factors from Cross-Sector Tools" (March 2017), International Energy Agency (IEA) Emissions Factors 2019, IPCC 2006 Guidelines for National Greenhouse Gas Inventories, Act on Rationalizing Energy Use

*2 [Scope3 Investment] Estimated values of emissions from mineral and metal resources, energy and thermal power generation businesses not included in Scope 1+2 and other affiliated company businesses using LCA databases (IDEA, Ecoinvent), input-output models, etc.

Environmental Performance Data

Water Consumption

Activity

Mitsui started surveying water intake and drainage data by water source from the fiscal year ended March 2019. We will continue to monitor water risk and explore new initiatives to reduce water consumption on a global group basis. At the Head Office, we use 100% recycled drainage water for toilet flushing in order to promote reduction in water consumption.

Category	Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks	
Water Intake								
	Non-consolidated	Head Office and Mitsui-owned buildings	65	64	61	★		
	Consolidated	Subsidiaries and Un-incorporated JVs	—	330,906	377,769	★	*1	
	Total		65	330,970	377,830	★		
(Breakdown)								
	Industrial water, water utility	thousand m ³	—	10,998	7,619			
	Pumped groundwater		—	18,161	12,791			
	Rivers, lakes		—	24,577	21,780			
	Sea		—	273,034	329,907			
	Rainwater		—	3,661	3,379			
	Others		—	539	2,354			
Intensity	Non-consolidated		Head Office and Mitsui-owned buildings (per employee)	m ³ /employee	16.36	16.10	16.24	★
Drainage Water								
	Non-consolidated	Head Office and Mitsui-owned buildings	65	64	61	★		
	Consolidated	Subsidiaries and Un-incorporated JVs	—	38,769	32,137	★	*1	
	Total		65	38,833	32,198	★	*2	
(Breakdown)								
	External disposal facilities (sewers)	thousand m ³	—	6,837	6,759			
	Groundwater		—	406	390			
	Rivers, lakes		—	6,636	6,274			
	Sea		—	19,509	18,557			
	Others		—	5,445	218			
Water recycling								
		thousand m ³	—	8,474	7,172			

*1 [Boundary] Domestic and overseas consolidated subsidiaries and major Un-incorporated JVs

*2 Drainage water is assumed to be equal to intake water quantity in case there is no drainage data

Environmental Performance Data

Waste and Paper Consumption

Activity

Mitsui has set the goal of “recycling rate of 85% or higher” for Head Office and corporate buildings in Osaka and Nagoya and promote reducing waste, reuse, recycling, and appropriate waste dispose. We are working to reduce paper consumption at the Head Office and all offices in Japan by introducing various IT tools and promoting paperless meetings.

Category	Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Waste							
Waste amount	Head Office and all offices in Japan	t	1,259	1,220	1,190	★	
Recycling rate		%	83.4	81.9	82.2	★	
Intensity	(per employee)	t/employee	0.316	0.309	0.316	★	
Hazardous waste	Specially-controlled industrial waste	t	1.3	1.1	1.1		*
Paper Consumption							
Paper consumption	Head Office and all offices in Japan	Thousand sheets (A4 size equivalent)	45,894	38,614	28,778	★	
Intensity	(per employee)	Thousand sheets/employee	11.20	9.51	7.18	★	

* Infectious waste discharged from in-house clinic

Environmentally-Friendly Logistics

Activity

In collaboration with our logistics partners, we implement energy-saving measures including promotion of economical driving practices and other fuel-saving techniques, improvement in transportation efficiency by using larger transport vehicles, introducing cargo consolidation arrangements, reviewing transport routes, and modal shift using rail and ship transport.

Category	Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Environmentally-friendly Logistics							
Freight volumes handled by Mitsui	Domestic logistics handled by Mitsui		705	769	631	★	
(Breakdown)		Million ton-kilometers					
Ship			624	677	558	★	
Truck			81	92	73	★	
Air/Rail			0	0	0	★	
Intensity	(fuel per thousand ton-kilo-meters)	kl/thousand ton-kilometers	0.014	0.015	0.015	★	

Initiatives toward Environmentally-Friendly Logistics

Improvement of Land Transport Efficiency	We will use more energy efficient transportation methods. <ul style="list-style-type: none"> • Using consolidated cargo • Using larger transport vehicles to increase loading rates • Reviewing transport routes and methods
Improvement of Sea Transport Efficiency	We will continue to provide the following guidance for vessels chartered and/or operated by our affiliated companies. <ul style="list-style-type: none"> • Increasing ship loading rates • Economic cruise speed operation

Environmental Conservation/Economic Effects

Activity

The environmental conservation and economic effects in the areas of paper consumption and energy consumption during the fiscal year ended March 2020 are shown below.

Category	Scope of Coverage	Environmental Conservation Effects	Economic Effects
Environmental Conservation/Economic Effects			
Paper consumption	Head Office and all offices in Japan	9,836 thousand sheets	6,884 thousand JPY
Electricity consumption	Head Office and Mitsui-owned buildings	631 MWh	18,765 thousand JPY

Assessment of Environmental Liabilities

Activity

Currently, corporate management is strongly expected to proactively deal with environmental issues. In addition to complying with legal requirements, we are working to monitor environmental risks of tangible fixed assets through self-driven surveys such as of land and buildings of Mitsui subsidiaries in Japan, especially for asbestos, PCB, and soil pollution, and make prompt decisions on management policies.

Environment-Related Fines and Penalties

Activity

Mitsui did not incur any environment-related fines or penalties in the fiscal year ended March 2020.

Social —Executive Summary

Sustainable Supply of Resources, Energy, Materials, Food and Products P.55

Mitsui has built optimal supply chains, spanning all stages from upstream to downstream, including procurement, production and logistics etc., and contributes to the sustainable supply of metals, chemicals, energy, food and other resources, raw materials, and manufactured products. In our food business, we pursue our goal of enhancing nutritional access through the stable supply of food. One of such initiatives is our shrimp farming and processing business in Vietnam.

Supplying Food and Products with Ensured Safety and Security P.56

Mitsui is well aware that consumer safety, confidence and security are of major importance in conducting its business. In the foods area, we developed a food-safety database which includes information related to overseas production processes, to ensure that maximum priority is placed on food safety and security. We also carry out regular food safety and security education for Mitsui & Co. group Employees.

Enhancement of Quality of Life and Social Infrastructure P.57



Artist's impression of One Bangkok after completion

Mitsui continues to contribute to the enhancement of people's quality of life through its business activities in such areas as electric power, water treatment, water supply and sewerage systems, logistics, railroads, and communications, by developing infrastructure that is essential for the growth and advancement of countries around the world and of local communities. For example, we are promoting a cooling and power distribution business in Thailand to contribute to the betterment of living standards.

Healthcare and Aging Society P.59

Mitsui will continue to work toward the creation of a society in which people can lead healthier and richer lives by contributing to the advancement of healthcare in terms of access, quality, and efficiency through our business activities. We are promoting various initiatives through establishment of a healthcare fund to close the supply-demand gap and to improve healthcare access through the drug manufacturing, sales and distribution etc.

Respect for Human Rights P.61

In August 2020, we formulated a Human Rights Policy to clarify our approach to human rights as the basis for initiatives in this area. In accordance with the Human Rights Policy, the Mitsui & Co. group will respect human rights in its activities as a group. We also aim to promote respect for human rights in collaboration with our business partners. Mitsui commenced due diligence with regard to human rights in the supply chains of products handled by Mitsui and its overseas trading affiliates, as well as the main business operations of its consolidated subsidiaries. We conducted human rights risk assessments on this basis, compiled an outline of human rights risks, and formulated measures to mitigate these risks. Mitsui will work with suppliers to ensure an understanding of respect for human rights and promote human rights practices throughout its supply chains.

Creating New Value P.69



Innovation lab – Moon (February 2020)

While our functions and roles as a general trading company have often centered on the creation of value through “connecting” companies, products, and other elements in the past, we have determined to evolve beyond that pattern into a company that proactively “creates” business. Mitsui will accelerate DX as both defensive and offensive strategy, and advance our business models for the digital economy.

Increasingly Diverse Consumer Demand P.60

Mitsui believes that one of our important roles is to quickly identify diversifying consumer needs and continue to provide value and functions. We will continue to contribute to the creation of a society in which people can enjoy fulfilling lives by providing new retail business that enables monitoring and analysis of vast resources of viewer data and provision of cutting-edge data marketing functions using consumer data.



Recording video content (February 2017)

Supply Chain Management P.65

We are working to ensure compliance with and implementation based on Sustainable Supply Chain Policy.

Supplier On-Site Surveys

Mitsui and a third-party expert jointly conducted on-site surveys at the suit factory of MAY10 Joint Stock Company and the sewing factory of Viet Think Garment Joint Stock Co. in Vietnam.



The inside view of the factory of MAY10 (August 2019)

Human Resources Management P.70

With the aim of training people who create and grow business that contributes to society and are capable of global group management, Mitsui has developed a variety of human resources development programs and established promotion and assignment systems that help employees to grow through opportunities for wide-ranging experiences. Also, we aim to strengthen the competitiveness of the entire company by promoting diversity management to create environments where individual employees with a diverse range of backgrounds can fully exert their potential and continue working in safety and good health.



CLP participants (February 2019)

Social Contribution Activities P.99

In our social contribution activities, we have set out the “community contribution”, “environmental conservation” and “human resources development” as our priority areas, in accordance with our MVV (Mission, Vision, and Values) and Materiality. Mitsui will continue to pursue sustainable growth striving to solve social challenges through both business and social contribution activities.



Children enhance their capacity to solve societal issues through group discussions (July 2019)

Sustainable Supply of Resources, Energy, Materials, Food and Products

Mitsui & Co. has built optimal supply chains, spanning all stages from upstream to downstream, including procurement, production and logistics etc., and contributes to the sustainable supply of metals, chemicals, energy, food and other resources, raw materials, and manufactured products.

As part of its efforts, Mitsui engages in investment and trading business in such areas as oil and natural gas/LNG, to secure and supply the energy resources essential for social development. In particular, we participate in natural gas/LNG development projects in various parts of the world to ensure stable supplies of gas-derived energy, which has a relatively low environmental load compared to other fossil fuels. Our extensive involvement covers the entire value chain, from production to marketing. In addition, looking ahead toward the realization of a low-carbon society, we are engaging in the field of next-generation energy, for example, the commercialization of renewable energy technologies such as biofuels, and the creation of business models for hydrogen transportation and storage.

Mitsui actively participates in the development of mineral and metal resources. We endeavor to ensure stable supplies of iron ore and copper, etc., for Japan and for other markets around the world. We are also building a metal scrap supply network in preparation for the global recycling society of the future. With iron and steel products, we are building supply structures for infrastructure projects to meet buoyant demand in rapidly growing emerging economies. At the same time, we procure and supply iron steel products, including high-environmental-performance parts, for a wide range of industrial sectors such as the motor vehicle industry and the energy sector.

In the automotive sector, we not only export vehicles, but also conduct local logistics business in various regions, and have built a stable global chain extending from production to finance. As regards our rail transport business, in addition to the export of freight cars and related equipment, we also engage in leasing business and other services to meet a variety of needs across the railroad value chain.

In our chemical business, Mitsui is also deepening its engagement in the agricultural sector, including the manufacture of the nutritional element methionine, as well as the development of phosphate rock fertilizer resources and global trading of fertilizer raw materials, such as sulfur and sulfates. We are also developing our chemicals business through wide-ranging transactions and investments that contribute to various industries, including new initiatives focused on carbon fiber and “green” chemicals.

In our food business, we pursue our goal of enhancing nutritional access through the stable supply of food. Against the backdrop of world population growth widening the gap between food supply and demand, and expanding regional imbalances in supply capacity, we strive to ensure the stable and efficient supply of safe, reliable food resources with our food-related business. In addition, we promote the establishment of an optimal supply chain, and engage in projects that contribute to enhancing adaptability to climate change, abnormal weather, and other disasters.

Improving Access to Nutrition through a Shrimp Farming and Processing Business in Vietnam

Activity

Demand for sustainable, high-quality protein has been growing, not only in Western countries but also in Asia, especially China, which has seen population growth and the expansion of the middle class. Mitsui's affiliate Minh Phu Seafood Joint Stock Company (“Minh Phu”), which owns two processing plants and shrimp farming ponds covering an area of 900 hectares in southern Vietnam, is the world's biggest shrimp producer and processor. In a mangrove forest, it produces shrimp sustainably under conditions similar to the natural environment, while continually monitoring the mangrove ecosystem and managing water quality. A key advantage for Minh Phu is its vertically integrated business structure encompassing all stages from shrimp farming to processing and sales. It exports an extensive range of products, including highly processed, high added-value products, to around 50 countries and regions worldwide. Shrimp is a low-fat source of high-quality protein that is also rich in the antioxidant astaxanthin. Mitsui is contributing to an increase in Minh Phu's corporate value through the use of digital technology and AI in farming ponds and processing plants, and through supply chain restructuring and efficiency improvements at all stages from farming to marketing. At the same time, Mitsui is contributing to enable people's better access to nutrition by supplying shrimp to numerous countries and regions through Minh Phu.



Shrimp farm developed and operated by Minh Phu - Loc An Aquaculture Co., Ltd., wholly owned by Minh Phu

P.37 Acquisition of Environment-Related Certifications

Our Stories: Secure sustainable supply of essential products

P.19 Contributing towards the Development of High-Productivity, Sustainable Agriculture through Environmentally-Friendly Biopesticides



Supplying Food and Products with Ensured Safety and Security

Policy on Consumer Safety

Policy

Initiatives for Safety and Security

Mitsui is well aware that consumer safety, confidence and security are of major importance in conducting its business.

With such concerns in mind, we have established the Consumer Product Handling Policy and Consumer Product Handling Regulations, and each relevant business unit has also established detailed rules to ensure the appropriate handling of consumer products.

The Consumer Product Handling Policy

Placing More Emphasis on the Consumer and Ensuring Product Safety

Whether engaging in manufacturing, importing, or domestic marketing of consumer products, Mitsui reaches beyond its goal of providing products that offer cost savings or superior performance, and thereby additionally emphasizes a consumer-oriented approach by which the utmost priority is placed on handling safe products that consumers can use with total confidence.

Developing and Operating a Risk Management System

To ensure that the Consumer Product Handling Policy functions in practice, we have developed a sound risk management system and are working to maintain and improve systems used in collecting, disseminating, and disclosing information on accidents involving products, and arranging for product recalls in the event of product-related accidents.

Ensuring the Safety and Security of Foods and Products

Policy

Activity

Mitsui puts consumer safety and security first for all items it handles, not just for consumer products.

In the foods area, Mitsui works to secure supply of food products to Japan, which has the lowest food self-sufficiency rate among the industrialized countries. The Food Business Unit and the Retail Business Unit place maximum priority on food safety and security, and, accordingly, have established internal rules and internal committees for food sanitation and developed a food safety database, which includes information related to overseas production processes. Furthermore, Mitsui is a member of the Japan Processed Foods Wholesalers Association (a general incorporated association), and by complying with the guidelines and manuals issued by the association, we contribute to the safe and secure supply of processed food products in the distribution process.

Mitsui also gives priority to marketing with the aim of supplying safe drugs that physicians and pharmacists can choose and supply to consumers with confidence.

Regular Food Safety and Security Education for Employees

Activity

Our efforts to manage risks relating to food safety and security include food safety seminars for employees of Mitsui and our affiliated companies. Designed to strengthen compliance with the relevant laws and regulations and ensure accurate labeling, these seminars have been held at the rate of about once per month since October 2002. A total of 198 seminars have been held as of March 2020. In the fiscal year ended March 2020, a total of 618 people, including employees of affiliated companies, attended seminars on a wide variety of themes. These included two sessions focusing on allergies through case studies of compliance failures, and another devoted to learning the basics of food labeling and the correct ways to label genetically modified foods and fresh foods by looking at actual products in retail outlets. These sessions were prompted by an upward trend in food labeling violations, resulting in harmful consequences for a large number of people, and by the full enforcement of the Food Labeling Act from April 1, 2020.

Initiatives by Ventura Foods for Food Safety and Security

Activity

Ventura Foods, LLC, in which Mitsui has invested, not only complies with all relevant laws and regulations, but is also continually enhancing its food safety and quality management systems, in order to ensure consumer safety and satisfaction. In the fiscal year ended March 2020, employees of Ventura Foods completed over 8,460 hours of food safety-related training as part of the company's efforts to prevent food fraud and improve traceability. Ventura Foods also responds to diverse consumer needs by adding new products to its Marie's® Market Reserve™ line of refrigerated dressings, which are sold in small 7.75-ounce bottles for ease of use by one- or two-person households. The new products include vegan, gluten-free, and dairy-free choices.



Marie's® Market Reserve™ refrigerated dressings

Supplying Food and Products with Ensured Safety and Security

Initiatives in Promoting Responsible Marketing of Pharmaceutical Products

Activity

Mitsui has invested in TriNetX, Inc., which develops healthcare data services business with a focus on life science companies. TriNetX has built a network of electronic medical records collected from healthcare organizations across 24 countries, particularly in the United States. It provides life science companies with services that support clinical trial efficiency and marketing. Mitsui uses TriNetX's platform to provide life science companies and healthcare organizations with various types of data that contribute to better and more appropriate utilization of pharmaceutical products.

**Enhancement of Quality of Life and Social Infrastructure****Business Initiatives Relating to Enhancement of Quality of Life and Social Infrastructure**

Activity

Mitsui & Co. continues to contribute to the enhancement of people's quality of life through its business activities in such areas as electric power, water treatment, water supply and sewerage systems, logistics, railroads, and communications, by developing infrastructure that is essential for the growth and advancement of countries around the world and of local communities.

In the area of electric power, while we have business in gas-fired thermal power plants and gas distribution, we recognize the importance of reducing of GHG emissions as a material issue and we are reinforcing our renewable energy business, such as solar photovoltaic and solar thermal power projects, wind power projects, and biomass-related plant projects, and we are providing various solution services such as storage batteries and energy management services.

There is a growing need for improvements in convenience and safety, against the backdrop of population growth, rising living standards, and changing lifestyles. Mitsui is responding to such demand by developing and operating water supply and sewerage systems and wastewater treatment facilities, and by engaging in urban development projects, such as the development of logistics and industrial facilities, especially seaport and airport projects to respond to changing societal needs.

With regard to the shipping business in the mobility domain, Mitsui is focusing on vessel ownership and operation and the LNG carrier business, so as to adapt to tighter environmental regulations and the growth of and change in maritime cargo traffic. As regards railroads, which form a major artery for land transportation, we export freight cars and related facilities and undertake rail transportation infrastructure projects using Japanese institutional finance. Other business activities in this area include rail leasing, general freight business, and passenger transportation. In the area of infrastructure-building, our business includes digitalized engineering processes, which not only improve the accuracy, productivity, and safety of construction work including operational assistance for general construction machinery, but also allow even relatively inexperienced construction machinery operators to carry out precise construction work.

Mitsui also promotes the utilization of ICT in such areas as high-speed communications, electronic settlements, and other communications and service platform businesses, especially in emerging countries, aiming for the enhancement of quality of life and social infrastructure. At the same time, in our effort to build new social systems, we strive to create new business, including medical and healthcare services, agriculture, and energy management.

Furthermore, in terms of both the application of our business strategy and our contribution to society, besides making efforts to contribute to local communities and revitalize regional economies, we also promote community investments with the aims of encouraging investment and regional development, and creating employment at the regional level.

Improving Living Standards and Social Infrastructure through Nation-Building Projects in Mozambique

Activity

Mozambique is expected to grow as one of Africa’s leading resource-producing countries, and Mitsui has identified Mozambique as an important country. Our policy is to pursue business operations that contribute to nation building, while capturing demand in connection with Mozambique’s economic growth. When a project requires the relocation of local residents, we formulate a relocation plan through dialogue with local residents, NGOs, and other relevant parties, and carry out relocation procedures according to international standards.

One of the initiatives in which Mitsui is investing and participating in Mozambique is the Moatize Coal Mine and Nacala Rail and Port Infrastructure Project, which includes the integrated operation of a coal mine, a passenger and freight railway system, and port infrastructure. Mitsui held regular public hearings for residents relocated as a result of this project and provided compensation and support for lifestyle improvement. We are also working to achieve harmony with local communities through initiatives that help to solve societal issues, including support for the construction of water pipes and other infrastructure, the construction of schools and medical facilities, the provision of teacher training, the supply of school lunches, support for basic education, the provision of farming advice and occupational training, and awareness-raising activities focusing on the prevention of infectious diseases.

Mitsui has taken a similar approach with gas field development off the northern coast of Mozambique under the Area 1 LNG project, an integrated upstream-midstream scheme encompassing all stages from natural gas production and liquefaction to LNG shipment. We have held over 800 consultation meetings with local communities and built not only housing for relocation, but also hospitals, schools, and other public facilities. These large-scale projects have also contributed to creating employment opportunities for local residents, and we will continue to make efforts to stabilize the livelihoods of the local community.



Assistance with agricultural technology helps local people to grow better crops (June 2019)

Mine Closure Policy, and Mine Closure-Related Initiatives

Policy

Activity

Our policy on mine closure is to take proper procedures according to plan to minimize impacts on the environment and society in peripheral areas, while promoting development of local communities.

In our mining activities, we formulate business plans which incorporate future mine closures and rehabilitations. Environmental impact is thoroughly assessed during the project formation stage as well as during mine operation.

By seeking review from the authorities and relevant experts, we aim to not only comply with laws and regulations but also minimize societal and environmental impact to the communities.

Investment and Participation in District Cooling and Power Distribution Business in Thailand

Activity

Together with Twain real estate company One Bangkok Co., Ltd. (“OBC”), leading Thai energy producer Gulf Energy Development Public Company Limited (“Gulf”), and Japanese engineering firm Tokyo Gas Engineering Solutions Co., Ltd. (“TGES”), Mitsui is investing and participating in a district cooling and power distribution business for One Bangkok and will supply and sell chilled water and electric power in the One Bangkok facilities for a period of 30 years, starting from 2022.

One Bangkok is a new landmark development in central Bangkok that is set to open in 2023, being developed and implemented by the group companies of TCC Assets (Thailand) Co., Ltd. Built on around 17 hectare site, the 16-building fully-integrated district comprises five premium-grade office towers, three luxury residential towers, five luxury and lifestyle hotels, four differentiated retail precincts and art & culture and public spaces. In line with the smart city development concept, the centralized district cooling infrastructure will provide environmental benefits and efficiencies and a state-of-the-art, high-efficiency electric water chilling system will be used to provide air conditioning to the buildings. The system will run on recycled water and has the added benefit of being able to chill water overnight for use the next day, reducing demand for electricity at peak times and optimizing energy efficiency.

Mitsui has managed both large- and small-scale gas-fired power generation, as well as water treatment and gas distribution businesses in the country. Drawing upon its knowledge and know-how of the infrastructure business accumulated through these projects, Mitsui will contribute to the betterment of living standards and realize sustainable societies in Thailand by ensuring the successful development and operation of this project in partnership with TGES, as well as the leading Thai company Gulf, and OBC.



Artist’s impression of One Bangkok after completion

Our Stories: Enhance quality of life

P.22 Contributing towards Enhancement of People’s Lives and Economic Development through Mini-grid Projects in Non-electrified Regions



Healthcare and Aging Society

Business Initiatives

Activity

In emerging countries, especially in Asia, continuing population growth and demographic aging are causing a serious shortage of hospitals, and there has been diversification in healthcare needs due to a rapid increase in lifestyle diseases and other factors. The spread of COVID-19 will likely increase the use of remote medical consultations, while healthcare value chains are expected to expand into the wellness field, including presymptomatic treatment and disease prevention. We also anticipate an accelerating trend toward the use of digital technology to improve customer satisfaction and operational productivity. In view of these trends, we aim to be a pioneer in transforming the healthcare eco-system centering on the hospital business toward a people-centered world of wellness. In this role, we will actively utilize our capital and know-how as a private sector company, including our assets, our partnerships with key stakeholders, and our ability to utilize healthcare data effectively. We will continue to work toward the creation of a society in which people can lead healthier and richer lives by contributing to the advancement of healthcare in terms of access, quality, and efficiency through our business activities.

Establishment of a Healthcare Fund to Close the Supply–Demand Gap in China

Activity

Mitsui, China Resources Group, which is one of the largest companies in the Chinese healthcare market, and HOPU Investments, one of Asia's leading investment companies, have established a joint investment company for fund schemes, CMH Healthcare Fund L.P. ("CMH Healthcare Fund"). With a total scale of US\$1 billion (approximately ¥108 billion), CMH Healthcare Fund will invest in hospital business, such as the management or contract management of clinics and specialist hospitals, especially in China, as well as healthcare-related business in China and other countries.

Demographic aging and the improvement of public health insurance systems in China are driving a rapid rise in healthcare expenditures, resulting in qualitative and quantitative supply–demand gaps in the healthcare market. The establishment of this fund is an important regional strategy toward our goal of establishing a healthcare eco-system in Asia. We will continue leveraging synergies with our existing business activities to expand our business base in the Chinese market and contributing to the further development of healthcare.



The signing ceremony for the CMH Healthcare Fund (June 2019)

Initiative to Promote the Slow Calorie Projects to Slowly Digest Food

Activity

In Japan, lifestyle disease and unbalanced eating habits are becoming a problem, though the amount of calories and carbohydrates that people intake is decreasing. This could be due to an increase of processed foods that are soft and easy to chew with a higher degree of refinement, which speeds up digestion and absorption. At Mitsui Sugar Co., Ltd. (Mitsui Sugar), an associated company of Mitsui, a focus is placed on carbohydrates (sugars) which have a characteristic of fast absorption and are the highest intake of human among energy producing nutrients. Mitsui Sugar named the slowing down of digestion and absorption of food (especially carbohydrates) as "slow calorie", and are conducting awareness-raising activities for "slow calorie", as well as development, support, and promotion activities for products utilizing "slow calorie" in order to materialize its slogan, "create a healthy and robust body".

Improving Healthcare Access through the Drug Manufacturing, Sales and Distribution

Activity

We have been engaging in the manufacturing, sales, and distribution of high-quality pharmaceuticals needed by society, particularly in Russia, via JSC R-Pharm, which is the country's largest pharmaceuticals company, in China through Shenzhen Main Luck Pharmaceuticals Inc., and in India through Keimed Private Limited. Through such business, we are seeking to improve access to medical treatment and fill in the gaps between supply and demand in the medical field in countries/regions where medical systems are underdeveloped. In addition, we are working to improve access to medical treatment in those countries/regions by ensuring the each country/region's pharmaceuticals price-setting systems and regulations.

Responding to Global Health Problems

— Fighting Infectious Diseases (Malaria, Measles, etc.)

Activity

In the Jirau hydropower generation business in Brazil, under a public–private partnership, the project company has been implementing a social contribution and environmental action program since 2009 with the aim of improving the health and sanitary environment for local residents. Particular emphasis is being placed on measures to combat malaria. While working on building hospitals and basic healthcare facilities and providing mobile floating hospitals (vessels) to secure access to medical examinations and treatment, the project company has implemented healthcare education and seminars for disease prevention. Its contribution to vector control efforts includes donation of extermination materials and research equipment, dispatch of researchers, exterminators, and other experts, distribution of mosquito nets, and implementation of vector propagation monitoring and mist spraying of insecticides. The number of malaria cases in the region was reduced by 90% between 2010 and 2019, which has earned considerable international recognition.

Increasingly Diverse Consumer Demand

Mitsui & Co. believes that one of our important roles is to quickly identify diversifying consumer needs and continue to provide value and functions.

Mitsui provides marketing functions based on the latest data analysis tools, as an initiative targeting new needs and markets emerging from the diversification of consumer lifestyles.

By monitoring consumer needs and developing and supplying diverse services and products that embody those needs, we will continue to contribute to the creation of a society in which people can enjoy fulfilling lives.

Bringing New Excitement to Daily Life—Video-Based Marketing by Tastemade Activity

Mitsui’s decision to invest in Tastemade was prompted by our awareness that this is an era of diversified consumption in which trends begin with consumers. We have started to take up new retail business challenges based on both Tastemade’s systems that enable monitoring and analysis of vast resources of viewer data on its own, and Mitsui’s evolving capabilities in the logistics field, including our traditional expertise in efficiency improvement and labor-saving methods, supply and demand forecasting, and inventory optimization.

Tastemade is a lifestyle media company. It streams videos on themes that include food, travel, and homes to a global audience of over 250 million people per month. It has built support among younger people, who are seen as immune to advertising, by creating videos with entertainment value that make people want to try new things, while introducing sponsors’ products in ways that blend naturally into the content.

In addition to its core business initiatives, Tastemade has also begun to use results from analyses of viewer interests and reactions in development of non-media products and services. In the fall of 2019, our New York-based subsidiary Paul Stuart promoted its fashion brand through Tastemade. In addition to broadening the potential of its brand by targeting a new customer segment, we plan to utilize obtained data in sales spaces, sales methods, and product development.

By working with Tastemade to identify consumer needs quickly and create services that truly match those needs, we will realize enriched and more enjoyable lifestyles together with consumers.



Recording video content (February 2017)

Provision of Cutting-Edge Data Marketing Functions Using Consumer Data Activity

Our subsidiary Legoliss Inc. (“Legoliss”) helps companies to build and install Data Management Platforms (DMP) that can manage the large volume of data accumulated in day-to-day business operations and provides support for how to analyze and utilize this data. Legoliss has a brilliant track record as a leader in providing data marketing consulting and support services for many clients, including top B2C brands by planning and executing DMP strategy in online media buying and other execution channels.

Mitsui has been providing cutting-edge data marketing solutions with partners in the United States to Japanese companies. In recent years we are focusing on marketing services that contribute to the sophisticated data usage in the cloud environment. Through our investment in Legoliss, we aim to build a structure capable of providing the best of breed of solutions to meet the client demands. We continue to provide advanced data solutions through Legoliss. Currently we are providing data services with Tapad, Inc., (cross-device matching) and Foursquare Labs, Inc. (location data). We continue to enhance our value in consulting functions to provide support at all scenes from building DMP to data utilization.



Diagrammatic representation of marketing using a data management platform.

Respect for Human Rights

As Mitsui & Co. conducts business globally in many countries and regions around the world, we regard respect for human rights, in accordance with international standards, as the foundation of our sustainability management. We have emphasized respect for human rights in both the Mitsui & Co. Group Conduct Guidelines and the Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd., and we have implemented various initiatives.

Human rights initiatives in the corporate sector have become increasingly important in recent years. We recognize the need for human rights initiatives not only within Mitsui, but also across the entire supply chains. In August 2020, we formulated a Human Rights Policy to clarify our approach to human rights as the basis for initiatives in this area. This policy was approved by the Corporate Management Committee, and was reported to the Board of Directors meeting.

In accordance with its Human Rights Policy, the Mitsui & Co. group will respect human rights in its activities as a group. We also aim to promote respect for human rights in collaboration with our business partners.



P.5 Corporate Mission, Vision, Values



Mitsui & Co. Group Conduct Guidelines—With Integrity

Human Rights Policy

Policy

Mitsui & Co.'s mission is to “build brighter futures, everywhere” through realizing a better tomorrow for earth and for people around the world. As challengers and innovators, we create and grow business while addressing material issues for sustainable development. To realize this mission and vision, Mitsui & Co. Group views respect for human rights as a foundational value, as stated in our Group Conduct Guidelines.

This Human Rights Policy (“Policy”) sets out our group-wide approach to human rights throughout our business activities in countries and regions around the world, and Mitsui & Co. Group commits to operate with respect for human rights following this Policy. In addition, we expect various stakeholders including our business partners, to understand and respect human rights in line with this Policy, and aim to collaboratively promote respect for human rights.

Respecting Human Rights in our Business Activities

We strive not to infringe on human rights in our business activities, nor to contribute to human rights infringements by others through our business relationships, including supply chains.

Respecting Internationally Recognized Human Rights Standards

We are committed to respecting human rights understood as, at minimum, those set out in the International Bill of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work. We also support the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the United Nations Global Compact and conduct our business activities in line with these

Principles. We comply with laws and regulations of the countries and regions in which we conduct our business activities. Where internationally recognized human rights standards and national/regional laws and regulations are in conflict, we seek ways to honor the principles of internationally recognized human rights while complying with the laws and regulations.

Governance/management structure

The Board of Directors of Mitsui & Co., Ltd. is responsible for overseeing the adherence to this Policy and the Policy implementation.

Human rights Due Diligence

We commit to implement human rights due diligence to identify, assess, prevent and mitigate adverse human rights impacts associated with our business activities.

Human Rights Issues related to Business Activities

• Forced Labor

We do not tolerate forced labor. In addition, we do not tolerate any forms of modern slavery, including bonded labor or human trafficking.

• Child Labor

We do not tolerate child labor, and we comply with the minimum working age stipulated by the law. We do not hire individuals that are under the age of 18 for roles requiring hazardous work.

• Discrimination

We prohibit any form of discrimination based on race, creed, sex, social status, religion, nationality, age, sexual orientation, gender identity, physical and mental disability or any other grounds. We respect each employees’ individuality and diversity and seek to cultivate an environment in which they can perform to the best of their abilities.

• Harassment and Inhumane Treatment

We do not tolerate any form of harassment, whether physical or mental, including sexual harassment or power harassment. Furthermore, we prohibit any language or behavior that could be harmful to the working environment of others including discriminatory language or behavior as well as harassment.

• Freedom of Association and Right to Collective Bargaining

We respect the rights of employees to associate freely and bargain collectively in our labor-management relations.

• Working Hours and Wages

We monitor employees’ working hours, holidays, leaves of absence and wages to ensure we are operating in accordance with applicable laws and regulations.

• Occupational Health and Safety

In line with applicable laws and regulations, we aim to develop safe, healthy working environments in which every individual employee can work with peace of mind.

• Community Impact

To prevent adverse impacts on the safety and health of local communities, we conduct human rights impact assessments, covering issues such as prevention of pollution and water stress, and implement necessary measures in line with international standards to avoid risks and mitigate negative impacts.

Stakeholder Engagement

We believe it is critical to understand human rights issues from the perspectives of affected stakeholders. We further recognize that certain groups of stakeholders are more vulnerable to adverse human rights impacts and thus require heightened attention. We therefore value the importance of dialogues with relevant parties and strive to properly respond to human rights issues associated with our business activities.

Remedy

Where we identify that our business activities have caused adverse human rights impact or contributed to it through our business transactions including our supply chains, we will work to remediate such impacts through appropriate processes.

Grievance Mechanisms

We continue to build upon our whistleblowing procedures and grievance mechanisms to promptly identify and respond to human rights issues related to our employees or wider business activities.

Education and Training

We will provide necessary training and capacity building to our executives and employees to ensure that they understand this Policy and act in line with the commitments in this Policy.

Reporting

We will continuously report our efforts and progress on respecting human rights through our reports, websites, and other communication channels.

Initiative for Specific Issues

Policy

Children's rights

We support the Children's Rights and Business Principles and strive to conduct business activities with respect to children's rights.

Rights of indigenous peoples

We strive to respect the human rights and cultures of indigenous peoples by complying with all applicable laws and regulations of the countries and regions in which we conduct our business activities as well as by respecting relevant international standards such as the United Nations Declaration on the Rights of Indigenous Peoples, the Convention concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention: C169), and the principle of "free, prior and informed consent (FPIC).

Activities of security personnel

In advancing business activities around the world, Mitsui hires security companies to ensure the safety of its business activities.

In appointing a security firm, we comply with relevant local laws and regulations in the countries and regions in which we conduct our business activities, and select security companies based on relevant international standards such as the Voluntary Principles on Security and Human Rights, UN Code of Conduct for Law Enforcement Officials, and the Principles on the Use of Force and Firearms by Law Enforcement Officials.

Human Rights Management

System


The Board of Directors of Mitsui & Co., Ltd. is responsible for overseeing the adherence to this Policy, and the Corporate Management Committee makes material decisions regarding the Policy execution. The Sustainability Committee, a subordinate body of the Corporate Management Committee, is in charge of deciding detailed plans and measures for the Policy implementation.

Employees' Human Rights

System

Activity

As a company engaged in business on a global scale, Mitsui is not only working to promote diversity and inclusion, but is also taking various steps to prevent harassment and discrimination. These measures include the establishment of whistleblowing systems that allow employees to report compliance issues, including cases relating to human rights and discrimination, and obtain advice through channels within or outside the employee's direct reporting line. Another example of our efforts in this area is fostering a "speak up" culture in which employees are encouraged to report situations that concern them. We will continue to implement initiatives to ensure respect for the human rights of our employees, including training programs and the dissemination of related policies.

 **P.76** Career Development Initiatives for Our Diverse Human Resources

 **P.106** Integrity and Compliance

Business Risk Management

System

Activity

Mitsui classifies any new business project that involves significant qualitative risks related to the environment, society, and corporate governance as "Specially Designated Business." Such projects are implemented in accordance with the Specially Designated Business Management System. Projects

covered by this system are subject to internal screening in relation to occupational health and safety. In the case of development projects, the screening also encompasses the human rights of local residents and other stakeholders. The Environmental & Societal Advisory Committee meets as required, not only when projects are initiated, but also during operation and the termination stage, to deliberate on potential human rights violations and ESG risks, such as changing environmental risks and occupational health and safety issues.

P.113 Specially Designated Business Management System and Environmental & Societal Advisory Committee

Human Rights Due Diligence

Activity

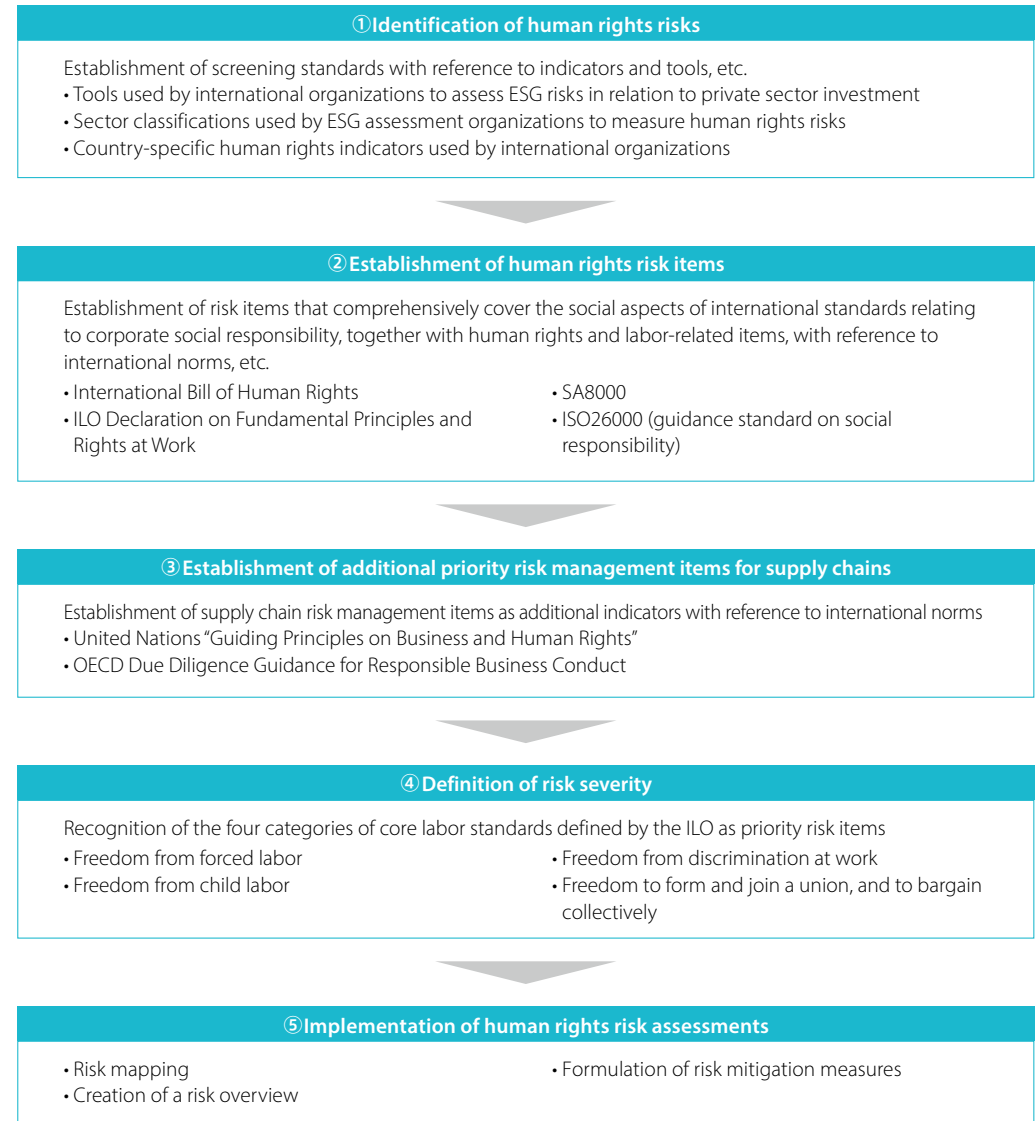
In accordance with the United Nations Guiding Principles on Business and Human Rights, in the fiscal year ended March 2020, Mitsui appointed external experts and began conducting due diligence with regard to human rights in the supply chains of products handled by Mitsui and its overseas trading affiliates, as well as the main business operations of its consolidated subsidiaries.

The first step was to identify business areas with significant human rights risks. We established human rights identification and screening criteria based on international indicators and other tools, and carried out screening processes. The next step was to identify human rights risk items in preparation for the implementation of human rights assessments. These human rights risk items comprehensively encompass the social aspects of international norms and standards relating to corporate social responsibility, as well as items relating to human rights and labor. We also added priority risk management items in supply chains. In particular, items in the four areas identified by the International Labour Organization (ILO) as core labor standards were assessed as priority high-risk items.

As a result of risk assessment, our business operations and supply chains mainly related to food, textiles, building materials and mining industry were identified as presenting high risk business areas with significant human rights risks. We compiled an outline of human rights risks and formulated measures to mitigate these risks. The items of main risk mitigation measures were added to the supply chain survey for the fiscal year ended March 31, 2020, and will be checked through on-site inspections starting in the fiscal year ending March 2021. By the end of the fiscal year ending March 31, 2023, we plan to conduct a survey of all major suppliers of materials and products identified as having high risk based on human rights risk assessments. Mitsui will work with suppliers to ensure an understanding of respect for human rights and promote human rights practices throughout its supply chains.

P.66 Initiatives with Suppliers

Human Rights Risk Assessment Process



Respecting Indigenous Peoples

System

Activity

When conducting operations, Mitsui strives to comply with all laws of the applicable country or region, and to respect the human rights and cultures of each country or region's indigenous peoples in accordance with international standards, such as the United Nations Declaration on the Rights of Indigenous Peoples and the Convention Concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention: C169). For example, the operations of our forest resource business in Australia are guided by respect for the traditional rights of the Aboriginal peoples. We have ensured accountability by obtaining FSC® certification (FSC®-C107463), which requires regular audits by third-party certification bodies. This certification is based on 10 major principles, including respect for the traditional rights of indigenous peoples. There are stringent audits covering such aspects as whether or not Mitsui's management of business operations gives consideration to traditional Aboriginal rights, and whether or not measures are taken to prevent damage to significant cultural sites, etc. In our iron ore mining operation in Brazil, we maintain close communication with the indigenous people living in the Amazon to foster mutual respect.

In Japan, Mitsui has entered into agreements with the Biratori Ainu Association and with the town of Biratori in Hokkaido, where a part of Mitsui's Forests is located, to cooperate in activities to protect, and pass on, Ainu traditional culture through the conservation of forests.

The UK Modern Slavery Act 2015

Activity

In 2015, the United Kingdom enacted the Modern Slavery Act, which is designed to eliminate slave labor. The act requires profit-making enterprises that conduct business within the U.K., and which have an annual turnover above a certain threshold, to publish an annual statement confirming that measures are taken to eradicate slavery and human trafficking in their business activities and their supply chains.

In compliance with requirements under Section 54 of the Modern Slavery Act, Mitsui and its affiliated companies issue annual statements affirming that we prevent forced labor and other forms of modern slavery and human trafficking.



The UK Modern Slavery Act

Human Rights Training

Activity

As part of our initiatives in relation to human rights in supply chains, we invited Ms. Asako Nagai of Business for Social Responsibility (BSR) to a meeting of Sustainability Promotion Officers in September 2019. Ms. Nagai gave a presentation on "Trends in Business and Human Rights" at the meeting, which was attended by 49 people. Her lecture on related trends provided a valuable opportunity to consider human rights issues in various frontline business situations at a time when companies are required to take action and disclose information about human rights violations, not only in their own operations, but also throughout the value chains that are linked to their activities.

In relation to employees' human rights, we are working to reduce harassment cases by providing mandatory harassment prevention training for all line managers and employees in a managerial position equivalent to the line manager level.

In November 2019, Mitsui & Co. (Australia) Ltd. invited an external attorney to present a compliance seminar on the topics of discrimination and harassment prevention and unconscious bias. The presentation also covered responses to Australia's Modern Slavery Act (2018).



Human rights training (September 2019)

Supply Chain Management

Promotion of Supply Chain Management

Policy

Mitsui & Co. has built diverse value chains throughout the world and provides a wide range of functions and services. We are active at every stage of the supply chains, from upstream to downstream, and have as many as 20,000 suppliers. In conducting business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining occupational health and safety, giving comprehensive consideration to reduction of the environmental load, and ensuring safety for products and services and consumer confidence. Together with our suppliers, we endeavor to correctly assess and solve ethical and social issues in the supply chains in order to meet society's demands.

To correctly assess and solve issues in the supply chains, Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since made efforts to ensure that all of Mitsui's suppliers fully understand our standards and cooperate in the implementation of the policy. We reviewed the policy based on society's changing expectations and demands, and upgraded it to the Sustainable Supply Chain Policy in August 2020, and are working to ensure compliance with and implementation of this policy. We make every effort to enhance our supply chain management by identifying potential problems in our supply chains and identify key issues based on the characteristics of each business model, country/region, and industry.

Sustainable Supply Chain Policy

1. Mitsui & Co.'s mission is to "build brighter futures, everywhere" through realizing a better tomorrow for earth and for people around the world. Toward the realization of this goal, Mitsui & Co. will strive to gain, through business activities of the Mitsui & Co. group, an understanding of issues associated with the supply chains in which Mitsui & Co. group is involved. Furthermore, based on various perspectives of stakeholders who may be affected by these issues, Mitsui & Co. will value dialogue with relevant parties, while working to find solutions to these issues on a global group basis. In this way, Mitsui & Co. will do its utmost to achieve sustainable development.
2. Mitsui & Co. will require its business associates, including suppliers, to understand and implement the following principles, and will strive to create sustainable supply chains in cooperation with them:

Respect for International Standards

To ensure compliance with applicable laws and regulations of relevant countries, fair transactions in accordance with international rules and practice, and corruption prevention.

Respect for Human Rights

To strive not to infringe on human rights in our business activities, nor to contribute to human rights infringements by others through our business relationships, including supply chains.

• Forced Labor

Not to tolerate forced labor or any forms of modern slavery, including bonded labor or human trafficking.

• Child Labor

Not to tolerate child labor and to comply with the minimum working age stipulated by the law. Not to hire individuals that are under the age of 18 for roles requiring hazardous work.

• Discrimination

To prohibit any form of discrimination in employment.

• Harassment and Inhumane Treatment

Not to tolerate any form of harassment, irrespective of whether it is physical or mental harassment.

• Freedom of Association and Right to Collective Bargaining

To respect the rights of employees to associate freely and bargain collectively in our labor-management relations.

• Working Hours and Wages

To properly manage employees' working hours, holidays, leaves of absence, and wages in accordance with applicable laws and regulations.

• Occupational Health and Safety

To secure the health and safety of employees in the work environment.

• Community impact

To conduct human rights impact assessments, covering issues such as prevention of pollution and water stress, for prevention of adverse impacts on the safety and health of local communities. To implement necessary measures in line with international standards to avoid risks and mitigate negative impacts.

Reduction of Environmental Burden

To reduce the burden on the environment through the efficient utilization of resources, energy, and water, as well as the thorough reduction, reuse, and recycling of waste, including harmful substances, and its proper disposal. To give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence and evaluating the impact on the environment, not only in the prevention of pollution, but also on such issues as climate change and the conservation of biological diversity.

Safety and Security of Products and Services

To ensure safety and security of products and services.

Information Disclosure

To properly disclose information related to the above principles in a timely manner.

3. Where it is identified that in violation of this policy, Mitsui & Co. group's business activities have caused adverse human rights impact or contributed to it through its business transactions including its supply chains, Mitsui & Co. will work to remediate such impacts through appropriate processes.

Heightening Employee Awareness and Providing Training Seminars

System

Activity

To increase the awareness and sensitivity of all employees with respect to human rights, labor rights and other issues in our supply chains, and to prevent problems, we will continue to heighten employee awareness and provide training seminars.

	Number of Participants for the Training Seminars
FY2018	35
FY2019	120
FY2020	266

Initiatives with Suppliers

System

Activity

When engaging in business with new suppliers, we conduct a survey based on our Supply Chain CSR Policy (currently Sustainable Supply Chain Policy) to assess various risks of social issues beforehand, and to ensure that all suppliers of Mitsui understand the said policy. As for the existing business and relevant suppliers, we also conduct regular supplier surveys and supplier on-site surveys, in order to confirm the actual situation of business operations and identify suppliers with high risks in relation to social issues such as climate change, biodiversity, environment management, human rights, and working environment.

Company-Wide Uniform Supplier Communication Forms

Beginning in the fiscal year ended March 2009, we started sending letters (in Japanese, English, Chinese, French, Spanish, and Portuguese) to all new suppliers of Mitsui's business units, overseas offices, and subsidiaries (about 50,000 suppliers in total) requesting their understanding and cooperation in regard to our policy, in a move to ensure that all Mitsui suppliers are aware of this policy. In addition, we conduct internal examinations in alternate years, to verify that the letters were dispatched to the suppliers.

Target period	Number of Letters Sent to New Suppliers
FY2014–FY2015	6,130
FY2016–FY2017	7,130
FY2018–FY2019	4,752

Supplier Surveys

In promoting compliance with this policy, we consider interactive communication with our suppliers to be very important. We work to build relationships of trust, and strengthen our supply chain management by working jointly on ideas for improvements with our partners, wherever needed. For this reason, we regularly conduct surveys targeting the suppliers of Mitsui and its subsidiaries to confirm the status of their adherence to our policy, and whether they have their own policies related to such areas as human rights and labor practices, health and safety, business ethics, and environmental management. Mitsui started to conduct supplier surveys from the fiscal year ended March 2012, and specified the targets in the fiscal year ended March 2020 to suppliers that handle products in high-risk business domains in accordance with the human rights due diligence.

	Number of companies surveyed
FY2016	39
FY2017	50
FY2018	68
FY2019	74
FY2020	12

Supplier On-Site Surveys

In addition to the abovementioned surveys of suppliers, we also conduct interviews with persons in charge and on-site inspections of suppliers' manufacturing facilities using a checklist based on the compliance items in our policy. Furthermore, we provide advice and guidance after the on-site surveys when required.

	Survey Target
FY2016	Supplier of paper raw materials (wood chips)
FY2017	Supplier of food raw materials (apple juice)
FY2018	Supplier of oleochemical products (oleochemicals)
FY2019	Supplier of seafood (salmon), feed manufacturer
FY2020	Suppliers of apparel products

On-site Surveys of Suppliers (Apparel Business)

System

Activity

In the fiscal year ended March 2020, Mitsui and a third-party expert jointly conducted on-site surveys at the suit factory of MAY10 Joint Stock Company ("MAY10"), and the sewing factory of Viet Think Garment Joint Stock Co. ("Viet Think") in Vietnam. Both are suppliers of Mitsui Bussan I-Fashion Ltd. ("MIF"), Mitsui's consolidated subsidiary, which trades in textile raw materials, industrial raw materials, and woven and knitted fabrics, and also produces and procures apparel and fashion goods, as well as accessories. The two-day surveys consisted of site inspections, interviews with managers and workers, and checks of related documents. The main focal points of the surveys were human rights, occupational safety and health, compliance with laws and regulations, environmental management, and relationships with local communities.

The results of the surveys confirmed that both companies are taking appropriate action on all items, and that both factories meet the requirements stipulated in the Supply Chain Policy.



The outside view of MAY10 (Vietnam)

Results of Supplier On-site Surveys

Acquisition of Certification

- Both factories have been certified under the SA8000, ISO14001, and ISO9001 international standards. They comply with local laws and regulations concerning working hours and employment, etc.

Human Rights, Labor

- Child labor: No workers aged under 18 are present in either factory.
- Forced labor: No foreign workers are employed, and no forced labor is occurring.
- Freedom of association: Labor unions have been formed at both factories, and the collective bargaining right of workers is guaranteed. At the MAY10 factory, 100% of workers belong to the union.
- Wages: Both factories are located in Minimum Wage Region I, which has the highest minimum wage. They meet this standard.
- Working hours: Hours worked are within the regulatory limits (maximum of 48 hours per week + 30 hours of overtime per month).
- Occupational safety and health
 - Occupational safety officers are appointed in accordance with laws and regulations.
 - Working environments and conditions are satisfactory in terms of lighting and ventilation, etc. Steps have been taken to control the temperature inside sewing areas, including the installation of numerous wall-mounted fans. Adequate working space is also provided.

- No work accidents have been reported to the authorities over the past three years. Through the on-site surveys, it was confirmed that appropriate actions are being taken on minor cases, such as follow-up actions by in-house health, safety, and environment (HSE) departments.
- Emergency preparedness: Evacuation routes, safety equipment, first aid kits, fire extinguishers, and other items are equipped. A fire alarm system has been installed at the Viet Think factory, which is a large-scale facility.
- Provision of good working conditions: Both factories have female factory managers, and a high percentage of workers are female. For this reason, the factories have excellent welfare systems for female workers, including menstrual and maternity leave, subsidies for workers with children aged up to six, and healthcare programs for female workers aged 40 and older.



The inside view of the factory of MAY10 (August 2019)

Environmental Management

- The companies have formulated environmental management policies in accordance with laws and regulations, and are implementing those policies.
- The companies have obtained discharge permits for industrial wastewater and hazardous waste, etc.
- From an operational viewpoint, the risk of environmental contamination resulting in air or water pollution, etc., is low.
- The usage amounts of energy (electric power) and water (mainly water supplies and sewage) are relatively low for both companies.

Local Communities

- The companies view relationships with local communities as an important part of their environmental management systems and have established contact points for consultation with local residents.

Summary of Supplier On-site Surveys

The suppliers have established effective PDCA systems covering human rights, labor, environmental management, regulatory compliance, and relationships with local communities, in part because of the requirements of their customers in Europe and North America. There was no evidence of the human rights violations that typically affect female workers in Southeast Asia, especially in the fashion and sewing industries, such as sexual harassment and wage discrimination. Nor was there any evidence of forced labor, child labor, or any problems related to the employment of foreign workers.





The third-party expert raised one minor issue, suggesting that it would be better from an ergonomic viewpoint to attach backrests to the workers' chairs. Viet Think began to provide chairs with backrests on a prioritized basis, starting with approximately 100 pregnant workers.

Identifying and Providing Solutions for Issues in the Supply Chain

Activity

MIF continuously promotes supply chain CSR activities, encourages business that seeks to create environmental value, and pursues initiatives in human rights management, with the aim of becoming a company that is trusted by stakeholders, including customers, suppliers, employees, consumers, and local communities. Through global partnerships, the company makes earnest efforts to find solutions to problems and issues in the supply chain and realize sustainable growth while coexisting harmoniously with society.

In accordance with the SDG Compass process, in the fiscal year ended March 2019, MIF identified material issues as important management priorities out of the 17 SDGs.

MIF's Materiality	Theme of Initiatives	Corresponding SDG
Respecting human rights in the value chain	<ul style="list-style-type: none"> Ensure that human rights are respected at all companies in the value chain Work to strengthen checking functions at supplying factories and undertake the elimination of human rights violations, such as forced labor and child labor Work to respect the human rights of foreign workers 	
Function to "connect" as a trading company	<ul style="list-style-type: none"> Support initiatives to contribute to the Sustainable Development Goals (SDGs) at all companies across countries and regions in the value chain Lead the development, manufacture, and sales of eco-friendly materials and products 	
Water safety and environmental conservation	<ul style="list-style-type: none"> Eliminate the use of harmful dyes, and work to purify factory wastewater Adopt dyeing methods that reduce water use by 99% 	
Promoting recycling and reuse	<ul style="list-style-type: none"> Work to reduce the use of fluorine water repellents Reduce harmful waste disposal Develop recycled and sustainable materials 	

Environmental Value Creation

MIF engages in the development and sale of environmentally-friendly, textile-related products with advanced functionality that are eco-friendly. MIF has also obtained certification and registration under bluesign®*1 and the Global Recycle Standard (GRS)*2 and maintains compliance with these standards, which are regarded as among the most stringent in the world.

To obtain bluesign® certification and registration, MIF is required to ensure that its collaborating supply chain manufacturing facilities in Japan and overseas are taking comprehensive steps to care for not only the environment but also their workers. An applicant company and its supply chain facilities must meet the standards set out for bluesign® certification, such as the prohibition of child labor, the elimination of forced labor and discrimination, the upholding of freedom of association, and occupational safety and health.

*1 bluesign® is a holistic system that provides solutions in sustainable processing and manufacturing to industries and brands.

*2 GRS is an international, voluntary, full product standard that sets out requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions.

Occupational Health and Safety/Labor Management and Human Rights Management

To meet the demands of customers both in Japan and overseas, MIF carries out centralized management of its supplying factories and offers them technical guidance and other support. With the aim of building the MIF quality control system, it has been strengthening its sustainability measures, including the establishment of a dedicated organization, the quantification of quality control levels, and the addition of the check point "labor management in consideration of human rights" to the check-sheet items for MIF factories. "Occupational health and safety" and "labor management" are important points in audits. For this reason, before customers carry out their CSR audits (regular audits or new audits) MIF carries out preliminary reviews at domestic clothing factories to see if any major issues exist from the customers' standards, and deals with them accordingly, thereby supporting the factories' acquiring certification (passing audits), when necessary.

In regard to occupational health and safety, MIF provides support for the introduction of related measures, such as ensuring the appropriate configuration of aisles and emergency exits, providing evacuation routes and evacuation drills, installing firefighting equipment (fire extinguishers and fire hydrants) and safety equipment, managing chemicals, and collecting employees' opinions and providing hotlines. Regarding labor management, MIF provides domestic clothing factories with checks in respect to issues such as child or forced labor, harassment, human rights violations, discrimination, and punishments (fines). It also reviews and offers support for improvements when required regarding other related aspects such as guaranteeing a minimum wage, appropriate working hours (prohibiting working on holidays and long working hours), and the right to organize and carry out collective bargaining. Furthermore, it examines the actual management of foreign trainees at its domestic clothing factories, and provide support for improvements as needed.

Results in the fiscal year ended March 2020

- MIF has sent its Supply Chain CSR Policy to 161 companies (80 domestic suppliers and 81 overseas suppliers) in total (cumulative total of 5,715 companies [domestic suppliers: 4,306, overseas suppliers: 1,409] since the establishment of the policy in 2008).
- MIF's partner brands accepted CSR audits that MIF carries out at supplier factories.
 - Survey based on a check sheet: 24 domestic factories and 8 overseas factories
 - Audit by partner brands: two domestic factories and 30 overseas factories
 Prior to these audits, MIF dispatched personnel dedicated to audit matters to supplier factories as necessary, in order to carry out preliminary reviews and make necessary improvements.

Creating New Value

Mitsui & Co. has created the Long-term Management Vision (“LTMV”) to define a clear picture of its future. In the LTMV, the evolution of Mitsui’s role from “connecting” to “creating” is positioned at the core of the company’s pursuits. In the past, our functions and roles as a general trading company have often centered on the creation of value through “connecting” companies, products, and other elements. The LTMV sets out our determination to evolve beyond that pattern into a company that proactively “creates” business.

Mitsui will accelerate DX as both defensive and offensive strategy, and advance our business models for the digital economy, including the creation of value through the utilization of Mitsui’s data resources, and use of AI and IoT.

Innovation Hub—Moon Creative Lab

System Activity

In August 2018, we established Moon Creative Lab Inc. (“Moon”) to develop and incubate new business for the Mitsui & Co. global group. Moon is headquartered in Palo Alto, the U.S., the world epicenter of innovation, and also has a base in Tokyo.

Moon’s mission is to create a future vision for Mitsui by building new businesses from the ground up. Moon provides an environment and functional capabilities for this “0 → 1” process, i.e., the process of forming completely new business that provides solutions to specific social issues, thereby accelerating our evolution.

Moon seeks business ideas from Mitsui & Co. global group organizations, business units, departments, subsidiaries, teams, task forces, or anyone from our 46,000 employees around the world. Ideas contributed from the frontlines of business around the world are enhanced through dialogue with Moon’s operating teams. The criteria for the selection of ideas take the form of questions posed to employees who submit the ideas. For example, “Will your idea create new value for Mitsui? Will it create new value for society?” “Will your idea alleviate problems affecting large numbers of people and contribute to well-being?” “How will your idea help solve a social issue?” “Does your idea have a vision for the future and a scenario for the achievement of that vision?” “Does the project leader have the ability, commitment, and passion to thoroughly carry out his/her project?” Questions such as these clearly reflect the values of Mitsui. The final selection of projects for which commercial implementation will be initiated is made by the Moon Committee, which also includes external partners who are professional business designers.

A wide array of projects are currently underway,



Innovation lab—Moon (February 2020)

such as cancer detection with AI and 100% recyclable apparel business using 3D printers. Amid the drastic changes in the world, we will move ahead of the times and accelerate our value creation toward driving society forward.

Digital Transformation (DX)

System Activity

The evolution of digital technology has brought about the emergence of new business models, making companies’ relative competitiveness increasingly apparent. In the current era, a company’s productivity greatly depends on its ability to process data to facilitate rapid and accurate decision-making at all stages of business, from sales activities through to complicated management decisions. The global spread of COVID-19 has further accelerated this trend, for example, by encouraging changes to working styles through the widespread shift to working from home. An irreversible “new normal” is now becoming established in many fields. In view of these changes in the external environment, Mitsui has set about implementing a “DX Comprehensive Strategy” project. Amid a dramatically changing social and economic environment, Mitsui aims to use this project to create new value by taking the lead in promoting business, while at the same time achieving fundamental improvements in productivity. These activities are a pivotal part of the “Transform & Grow” theme of the Medium-Term Management Plan.

At Mitsui, the Information Strategy Committee is chaired by the CDIO (Chief Digital Information Officer) and participated by the CFO, the CSO, and a number of representative directors, executive officers, and the general managers of the relevant corporate staff divisions appointed by the President & CEO. The Committee proposes important policies in relation to information and DX strategies, and the Integrated Digital Strategy Division, in collaboration with the business units, drives DX initiatives.

Through such DX initiatives, Mitsui is working to reduce costs and increase sales via efficiency improvements and optimization to enhance the quality of existing business, and, at the same time, to create new business models. Examples include the use of AI for such purposes as medical diagnosis, logistics route optimization, and ticket price adjustment. In the fiscal year ended March 2020, a project promoted together with our business partner, Mitsui Ocean Development & Engineering Company (MODEC), using IoT and AI to reduce downtime at one of its FPSOs (offshore oil production facilities), gained recognition from the World Economic Forum as a “Manufacturing Lighthouse”; a world-leading production site successfully adopting the cutting-edge technologies of the Fourth Industrial Revolution.

We are also implementing DX initiatives within the company with the aim of achieving major improvements in the efficiency of day-to-day operations, energizing communication, and facilitating knowledge sharing and utilization. The fully paperless operation of meetings and the introduction of digital signatures using IT tools has helped us to seamlessly continue with our tasks even under the teleworking environment.

Human Resources Management

Throughout Mitsui & Co. group's long history, the source of its competitiveness and growth has always been diverse people who share the values of "Challenge and Innovation" and "Open-mindedness." We regard our employees as one of the most important stakeholders, and the most important asset.

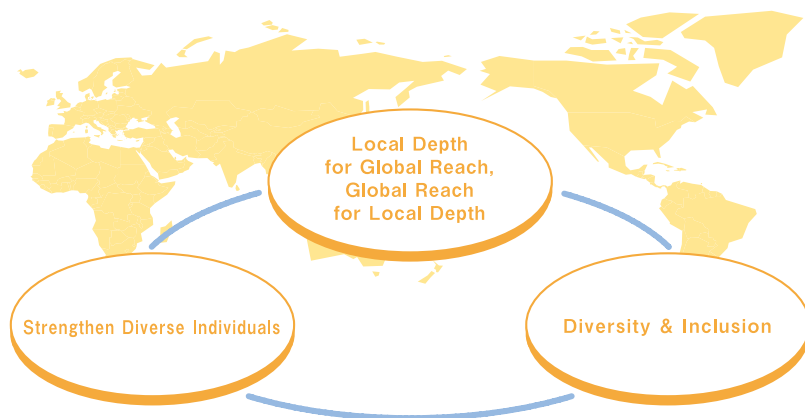
With the aim of training people who create and grow business that contributes to society and are capable of global group management, Mitsui & Co. has developed a variety of human resources development programs and established promotion and assignment systems that help employees to grow through opportunities for wide-ranging experiences. Also, we aim to strengthen the competitiveness of the entire company by promoting diversity management to create environments where individual employees with a diverse range of backgrounds can fully exert their potential and continue working in safety and good health.

Personnel Management in the Medium-term Management Plan 2023

Our approach towards the Medium-term Management Plan 2023 and Personnel Management

Policy

The business environment is changing rapidly on a global scale. Mitsui & Co. has launched its Medium-term Management Plan with the aim of achieving "Transform and Grow" at a time when business is becoming increasingly diverse, sophisticated, and complex. One of the six corporate strategies formulated to drive transformation and growth is the personnel strategy, the aim of which is to deploy diverse professional talent to the right positions, and develop business management talent on a global group basis.



Measures in the Medium-term Management Plan 2023

Activity

Local Depth for Global Reach, Global Reach for Local Depth	<ul style="list-style-type: none"> Promote and appoint personnel regardless of where they were recruited Develop next-generation leaders on a global basis Strengthen Global Talent Management
Further Deepening of Diversity & Inclusion	<ul style="list-style-type: none"> Create frameworks and organizations where diverse personnel can thrive Strengthen employee engagement on a global group basis Provide an innovative working environment where employees can deliver their best
Strengthen Diverse Individuals	<ul style="list-style-type: none"> Inspire and develop personnel who can take on business management Implement personnel systems and operations that empower the individual to succeed

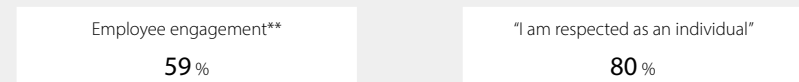
Strengthening Employee Engagement on a Global Group Basis

We conduct the Mitsui Engagement Survey as a way of building our organizational strength through the enhancement of employee motivation. The 2018 survey covered employees working in the Head Office and offices in Japan, as well as employees in overseas branches and offices. Going forward, we plan to extend the survey to include group companies. We plan to conduct the next Survey in 2020 and every other year thereafter.

Overall results from the Mitsui Engagement Survey 2018 on a global basis*

Global response rate: 89%

Percentage of employees who gave positive responses to related questions.



* Mitsui & Co. employees in Japan and overseas branches and offices (including regionally hired staff)

** Employees' enthusiasm toward their work, including self-motivation to work hard, and a sense of loyalty toward the company.

Human Resources Development and Allocation

Recruitment of Human Resources

Our Approach

Policy

Mitsui & Co. is committed to fair recruitment practices. We select individuals on the basis of their abilities and personal qualities. For example, we offer people to apply globally for positions without regard to nationality, gender, age, or other attributes, such as the universities from which they graduated. Our selection processes, including entry sheets and interviews, include no questions that are irrelevant to applicants' abilities or suitability, such as religion or registered place of domicile. Furthermore, staff who conduct interviews receive training to ensure fair employment screening processes for applicants. We accept applications both from new graduates and mid-career applicants, regardless of their previous work experience.

Specific Policies on Employment Screening and Job Advertisements

Activity

Since the fiscal year ended March 2018, Mitsui has run a two-day recruitment camp to ensure that selections are based on a proper understanding of the company and its business operations. Seven people were selected under this system in the fiscal year ended March 2018, and in the fiscal year ended March 2019 the number was increased to 17, and to 22 in 2020. The system gives applicants opportunities to gain an in-depth understanding of the nature of Mitsui's business, and enables them to gain a clear understanding of the company through communication with employees. It also allows us to make decisions based on a better recognition of each individual's abilities and personal qualities, so that we can assign them to appropriate positions after they join the company.

In addition, we have been providing a wide range of application opportunities as part of our efforts to recruit diverse individuals capable of working successfully in a global arena. We hold corporate information sessions and selection screening programs in the United Kingdom, the United States, Canada, and France, as well as web seminars so that people throughout the world can learn about our business and company system. We also actively recruit mid-career workers and recruit about 50 people in this category each year, which is equivalent to about 25% of total appointments. Various methods, such as round-table meetings with employees, are used to give applicants opportunities to learn more about our business operations.

Moreover, we actively disseminate group recruitment information with the aim of attracting talented people to work for the Mitsui & Co. group by holding joint corporate information sessions with group companies, and through other means.

🔍 P.95 Number of Hires by Gender (Non-consolidated)★

Career Education Programs

Activity

Mitsui offers various career education programs designed to foster career awareness in students and provide work experience opportunities. A particular priority in this category is internship. We accepted 110 interns in the fiscal year ended March 2017, 311 in 2018, and 190 in 2019. (The internship program was postponed due to COVID-19 in 2020.) In the fiscal year ended March 2019, we launched a three-day residential program and a one-day session, through which participants were able to engage in various activities with employees, including collaboratively creating proposals on new projects.

Throughout the year, we hold "Challenge and Innovation Experience" seminars. There are several versions of these seminars covering different aspects of our work, such as business investment, trading, and overseas infrastructure projects. We held 27 seminars in various parts of Japan in the fiscal year ended March 2018, 49 in the fiscal year ended March 2019, and 64 in the fiscal year ended March 2020.



Career education programs (December 2019)

Human Resources Development

Our Approach to Human Resources Development

Policy

The main source of competitiveness for the Mitsui & Co. global group is its human resources. The Mitsui & Co. global group respects diverse individuality and aims to foster human resources that will create new value and take on a central role in global group management.

Throughout its long tradition, Mitsui & Co. has always focused on human resources. Our approach to human resources development is represented in the company's saying, "The individual builds the business, and the business cultivates the individual." As the words signify, the company's priority mission is to develop strong individuals who can create new value through business activities based on their expertise and broad knowledge. Indeed, it would be no exaggeration to say that this is the company's ultimate raison d'être. For this reason, we regard on-the-job training (OJT) as the cornerstone of human resources development. We also implement comprehensive off-the-job-training programs in various forms to support and supplement human resources development through OJT. Furthermore, by offering the combination of on-site training, online training, and e-learning, we pursue an optimal training system that is less restricted by time and location.

Human Resources Development Programs

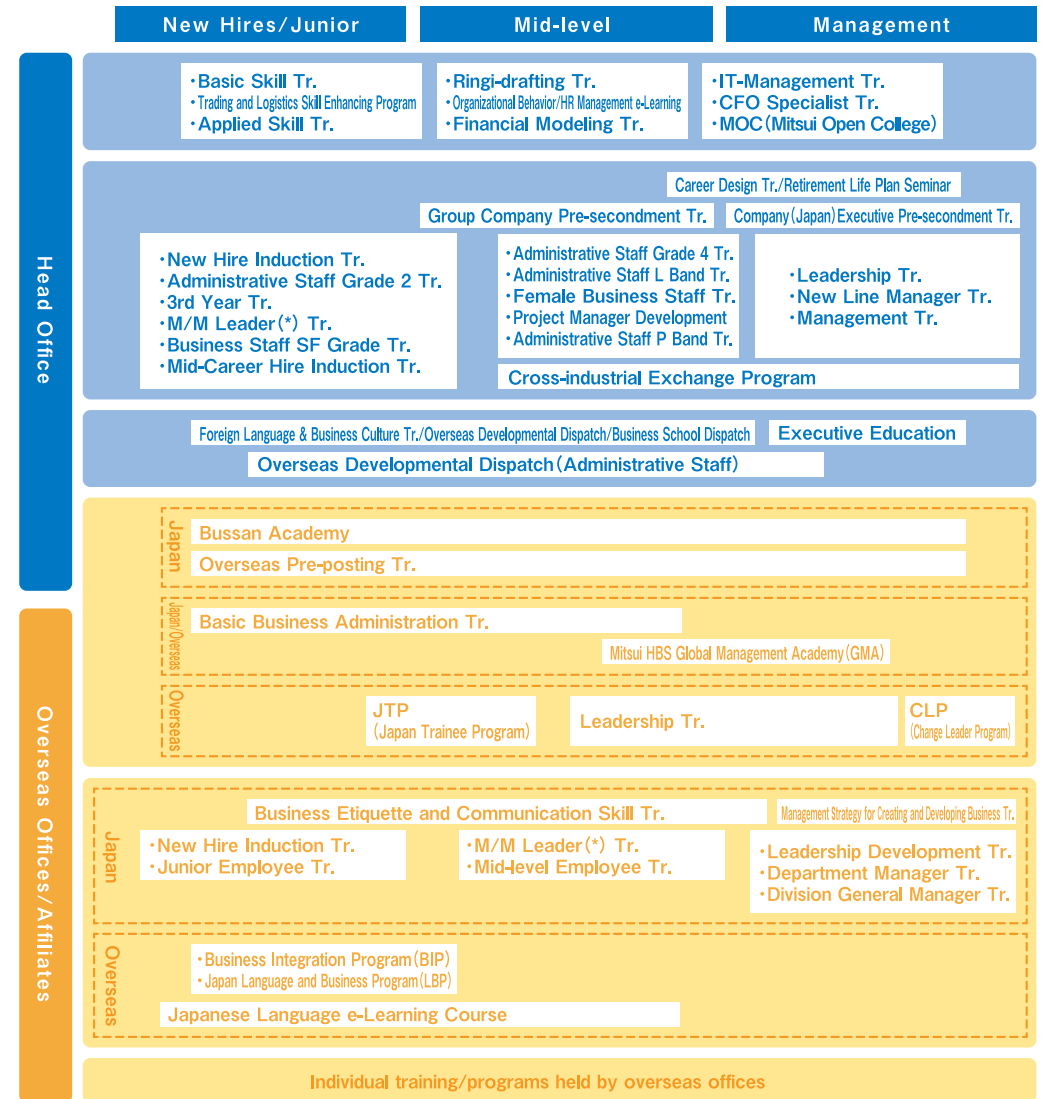
System

Activity

Grade-Based Training and Business Skills Training

To achieve the goal of fostering growth in human resources capable of driving "Transform & Grow" and taking on a central role in global group management, we have designated necessary qualifications and roles by job grade, from new employees to management-level employees, and have been implementing a wide variety of human resources development programs, including grade-based training programs, optional programs, and programs for selected individuals.

Human Resources Development Program (Abridged Edition)



Tr. : Training (*)employees in charge of supporting new employees

Global Training Programs

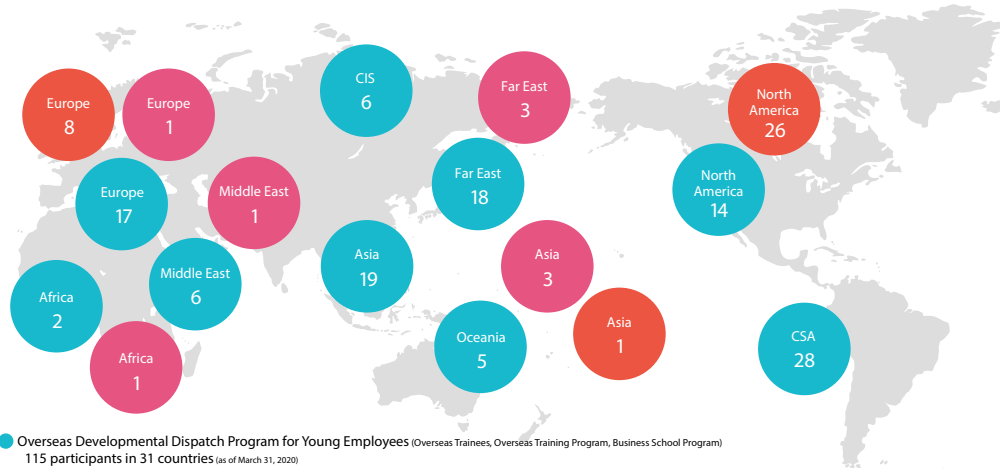
The Mitsui & Co. global group has numerous global training programs that are designed to enable employees to manage business on a global basis.

At the Mitsui Head Office, we offer the Overseas Developmental Dispatch Program for Young Employees, which includes the Foreign Language & Business Culture Trainee program (FLBCT) for developing regional specialists by learning about local societies, cultures, and languages completely away from work for a year, and the Overseas Trainee Program (OTP) designed to enhance expertise. We also provide the Business School Program for mid-level employees, and the Administrative Staff Overseas Training Program.

In addition, with the aim of fostering leaders who will take on a central role in next-generation global business management, we launched a unique program called the Harvard Business School Global Management Academy Program (GMA) in 2011, in partnership with Harvard Business School. Through its hands-on, case study-oriented lectures, diverse participants, which include not only Mitsui & Co. global group employees but also employees of our overseas business partners, learn about leadership and innovation by competing with and helping each other to improve.

For management-level employees, we also offer Executive Education, which is a short-term business school program conducted at first-class business schools in Europe and the U.S.

Number of Participants in the Global Training Programs (in the Fiscal Year Ended March 2020) 159 Trainees in 32 Countries



- Overseas Developmental Dispatch Program for Young Employees (Overseas Trainees, Overseas Training Program, Business School Program) 115 participants in 31 countries (as of March 31, 2020)
- Executive Education (short-term business school program for management level employees) and GMA (Harvard Business School) 35 participants in 5 countries (in FY2020)
- Administrative Staff Overseas Training Program 9 participants in 9 countries (as of March 31, 2020)

Human Resources Training Programs in Japan and the Number of Participants/Dispatched Employees

(Unit: persons)

Category	Training Programs	Outline	Number of participants FY2020
Grade-based Training Programs	Management Training Program, New Line Manager Program, Leadership Program, Administrative Staff Training, Female Business Staff Program, New Hire Induction Training, Mid-career Hire Induction Training	The aim of these programs is to foster human resources capable of global group management. Participants acquire knowledge that includes our management philosophy, business skills, and business mindset	1,349
Bussan Academy Program	Marketing, Management Strategy, Finance, Logical Thinking, Mindset, Communication, Organizational Behaviors and Leadership	Professional training programs with the aim of increasing participants' specialist knowledge in various fields	1,480
Objective-based Programs for Senior Employees	Career Design Program, Retirement Life Plan Program	Training programs for senior employees, which are designed to support them in autonomously devising the direction of their career and to adapt to the change of environment and their roles	457
Grade or Objective-based Training Programs	Project Manager Development Program, Inter-industry Exchange Training Programs, MOC (Mitsui Open College), GM One-on-One Training at Head Office and offices in Japan	Programs aimed at acquiring specific skills and mindsets, expanding horizons through interactions with other industries, and building personal connections	2,616

P.95 Hours/Days of Training for Competency Development and Expenditure on Training (Non-consolidated)

Development of Human Resources Capable of Global Group Management

System Activity

We focus on the development of human resources capable of taking responsibility for global group management, which is a key pillar of Mitsui's consolidated management.

In order to provide support for human resources development at each group company in Japan, and to build human networks, we provide grade-based training through such courses as the General Manager Training Program, Department Manager Training Program, and New Hire Induction Training Program, as well as optional training programs, such as the Bussan Academy programs.

In addition to the various training programs held at overseas offices, we offer employees of our overseas subsidiaries well-developed programs of both short-term and medium- to long-term training at the Mitsui Head Office. Short-term programs include the JTP (Japan Trainee Program), which is offered in the first few

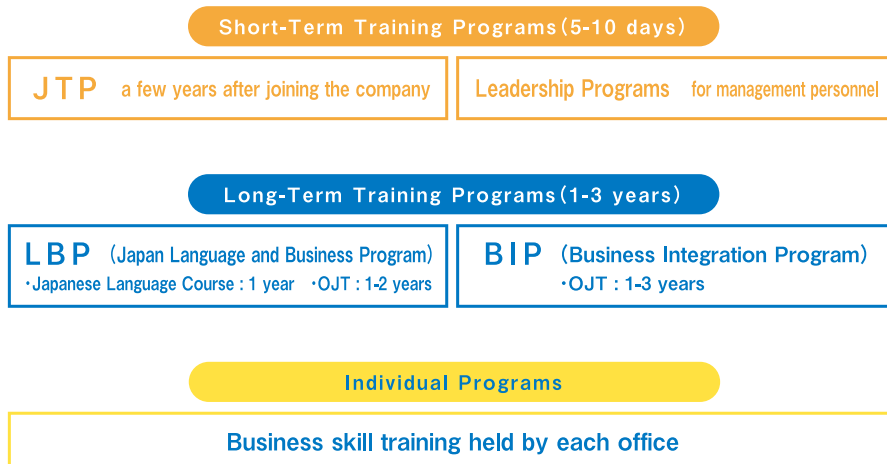


Regionally hired staff engaged in active discussion during GMP training (November 2019)

years after joining the company, and GMP (Global Managers Program), which is an optional training focused on leadership for employees in management positions. Medium- to long-term programs are held for a period of one to three years, and include the LBP (Japan Language and Business Program), which provides Japanese language lessons and practical business training, and the BIP (Business Integration Program), which provides practical business training.

Furthermore, we launched the Change Leader Program (CLP) to identify talented staff on a global basis and develop them into leaders who will actively take on challenges and lead the realization of innovations.

 P.77 Development and Promotion of Regionally Hired Staff



Appraisal

System

Mitsui and its group companies encourage employees to take on new challenges, help them enhance their individual capabilities, and inspire them to work with a high level of motivation and enthusiasm, through personnel appraisals. The objectives of conducting the appraisal process are not limited to enhancing employee understanding of Mitsui's management philosophy, or to providing input for setting compensation or assigning new positions, but also include promoting talent development through the appraisal process. Appraisal meetings, such as one-on-one meetings, are held periodically between employees and their managers, and employees receive comprehensive feedback on their performance and specific contributions. These meetings create an effective framework for human resources/personal ability development.

The appraisal system for staff hired in Japan consists of two types of appraisal criteria: "Individual

Competency Appraisal," and "Contribution Appraisal." For the "Individual Competency Appraisal," an appraiser performs a comparative assessment of the competency of an employee in relation to other employees in the same appraisal group; this appraisal is used for and reflected in decisions regarding employee promotion, job assignments, salary, and so on, in accordance with the cumulative points in the employee's individual competency appraisals over the most recent three years. Having cumulative points from appraisals for three years, rather than a single-year appraisal result, avoids a one-time effect and enables appropriate appraisals as to how an employee has been developing during the three-year period, and for considering promotions. For the "Contribution Appraisal," setting out appropriate targets is the premise for an appropriate appraisal. As such, employees and their managers must engage in in-depth discussions in order to share a common understanding of the established targets, so that the targets will be challenging and acceptable to both parties. An appraiser assesses the value added to, and the degree of contribution made to the company by an employee, as well as the degree to which the employee has taken on challenges to achieve a target. We also have a mechanism whereby the results of these appraisals are linked to the performance of the company, and reflected in the bonus. In the fiscal year ended March 2019, we revised these appraisal systems. We have incorporated a mechanism to allow both promotion and demotion in order to facilitate the early promotion of employees who produce outstanding results and demonstrate strong capabilities, and to give them roles with greater responsibility, while also carrying out finely-tuned assessments with the aim of fostering a healthy sense of urgency. Furthermore, we have introduced the President's bonus to reward employees who make a noteworthy contribution to or who produce outstanding results toward strengthening Mitsui's earnings base, or who take on difficult challenges aspiring to new heights.

Interactive Communications between Line Managers and Team Staff

System

Activity

One-on-One Program

In order to realize more highly motivated workplaces through support for cultivating a strong relationship of trust among employees and for improving their performance, we encourage one-on-one meetings between line managers and their team staff at least once a month. We have launched the One-on-One Program for departmental GMs in the Head Office and offices in Japan to help them with these one-on-one meetings. Through this program, GMs can secure time to regularly communicate with their team staffs, which increases communication time and enhances the quality of communication. As a result, GMs participating in this program gain a deeper understanding of their team staffs. As a measure for supporting staff to grow into strong individuals, about 90% of the departmental GM participants gave positive feedback.

Mitsui Management Review (MMR)

In the fiscal year ended March 2006, we introduced the Mitsui Management Review (MMR) for line managers responsible for handling global consolidated management in Japan and overseas, as well as at affiliated companies, as an opportunity for them to gain insights by reflecting on their own management and

leadership capabilities. Members of the organization working under each manager rate him or her, providing an opportunity for the manager to reflect on his or her own performance based on the results, and to implement management style improvements. In recent years, the MMR is carried out once every two years, and in the fiscal year ended March 2019, the program was held for 1,176 managers. In addition, workplace meetings are held to give direct feedback to members of the organizations about the insights. By sharing the views of both managers and their team staffs, it helps to clarify the challenges they need to tackle in the workplace. As such, the MMR is leading toward the creation of more open and communicative workplaces where discussions contributing to the improvement of management are actively carried out, and the enhancement of bidirectional communication between line managers and team staffs.

On the other hand, in the past 15 years since the launch of this program, required conduct, capabilities, and qualifications for managers and leaders have changed. For example, they now need to manage more diverse and competent human resources, and cope with changing work environments. Organizational management capabilities required of line managers are also becoming more and more sophisticated. As such, proper evaluation of leader adequacy and stepped-up efforts to foster talented leaders are becoming important challenges more than ever. In order to be adaptive to various challenges, we are considering revising the MMR. The plan is to include line manager candidates to its participants, and use the results of the new MMR program as a reference when promoting them to line managers. Also, by including line managers and colleagues to those who provide objective perspectives in evaluations, the MMR can have multi-layered, 360° viewpoints, which result in upgrading the evaluation approach to be more transparent, objective, and convincing. Through such operational improvements among others, we will enhance our human resource development.

Employee Dormitories

System

Activity

Mitsui has been maintaining employee dormitories for many years. Not just to offer secure, comfortable living environments to young employees, we also hope to achieve various synergies through having employees live together.

When dormitory residents learn from their seniors/juniors and colleagues, and compete with each other, autonomous growth is encouraged. We believe that personal networks beyond organizational boundaries built at dormitories and a sense of community, as well as everyday life itself at dormitories, will become invaluable assets for their future, and we encourage new graduates hired by the company, in particular, to make use of our dormitories.

At present, almost 360 employees, mostly young employees who have been with Mitsui for up to three years, reside in four dormitories located in the suburbs of Tokyo. Inter-dormitory sports competitions and other events as well as everyday life at each dormitory help to deepen communication among employees along vertical, horizontal, and diagonal axes.

Because dormitory residents include regionally hired staff who stay in Japan for long periods to participate in training programs at the Tokyo Head Office, the dormitories are also widely used for global networking among employees.

Appropriate Appointment and Allocation of Personnel

Policy of Placing the Right People in the Right Positions

Policy

People are the most important assets for the Mitsui & Co. global group. We aim to create a cycle in which our human resources can grow through opportunities to have diverse experiences, while deepening their human networks, thereby creating opportunities for even better experiences.

Deployment of Talent and Human Resource Mobilization

System

In order to maximize the potential of our diverse, talented professionals and organizational competitiveness, we focus on placing the right people in the right positions.

Every year, employees are given the opportunity to have dialogue with their line managers on the basis of the prescribed career development survey. Based on the individual employee's characteristics, expertise, operational capabilities, areas of specialty, and experience, we formulate a plan for the development and utilization of our human resources and implement appropriate and optimized personnel assignments. Also, in order for our valuable human resources to fully exert their individual capabilities, we have introduced the following human resource mobilization measures, which facilitate assignments beyond organizational boundaries.

Strategic Allocation of Human Resources

Human resources are vital but finite management resources. Taking into account the external environment and the balance between our business portfolios and profits, we agilely transfer and position our human resources to growth domains that we have defined as targets under our management policies. We are continually implementing human resource allocation measures such as the ones listed below to accelerate our business offensives, which has resulted in the promotion of business by diverse, talented professionals.

Through the fiscal years ended March 2016 and 2020, we allocated 36 people from resource business into non-resource growth business, such as healthcare and nutrition & agriculture. During the fiscal years ended March 2018 and 2020, we have embodied our policy of growth-driven shift by transferring 107 people from corporate units to the frontlines of business, with the aim of streamlining corporate units and strengthening business frontline units.

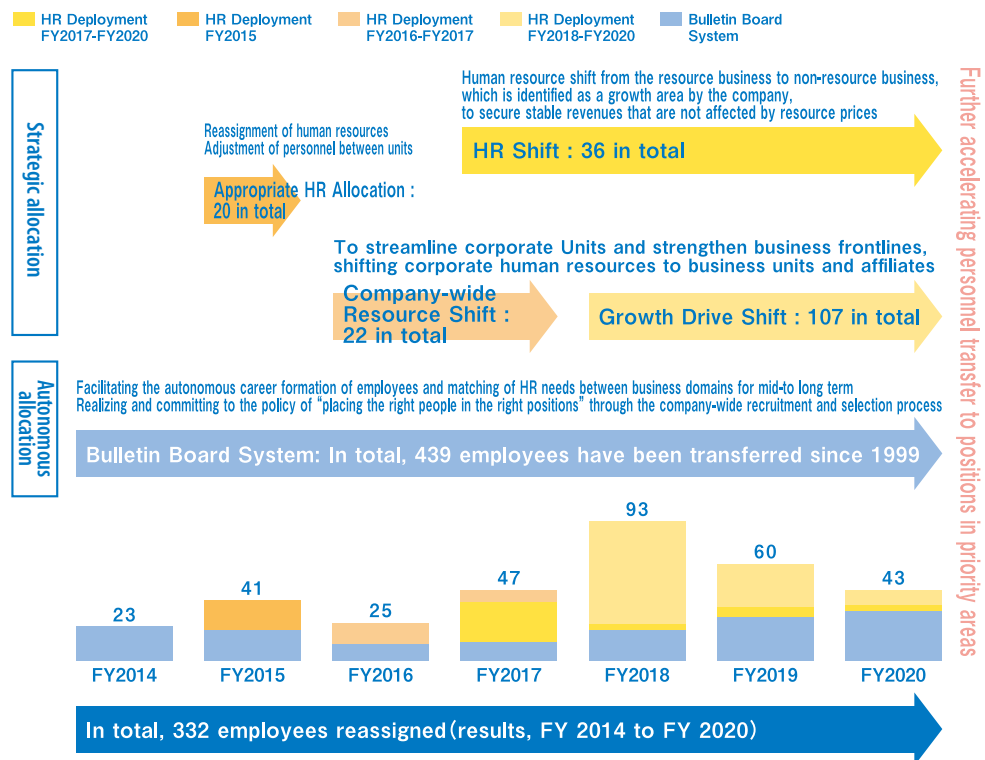
From the fiscal year ending March 2021 and onward, we plan to further accelerate personnel transfers to priority areas with our policy of "placing the right people in the right positions" in mind.

Human Resources Bulletin Board System

System Activity

This system encourages employees to take up the challenge of assignments of their choice that are beyond interorganizational boundaries. We have introduced this system to facilitate the autonomous career formation of employees and realize our policy of “placing the right people in the right positions” by matching human resource needs across business domains. If an employee wants to use his or her capabilities, skills and specialist knowledge in a business area other than the one to which he or she is currently assigned, and if it is judged that the transfer would be beneficial for both the employee concerned and the company, and would enhance the competitiveness of our human resources and organization, then a transfer will be implemented. In the fiscal year ended March 2020, 31 employees were transferred under this system, which gave a cumulative total of 439 employees transferred since the commencement of this system in the fiscal year ended March 2000.

Human Resource Mobilization Measures in Recent Years



Career Development Initiatives for Our Diverse Human Resources

The Diversity Management that Mitsui Is Aiming For

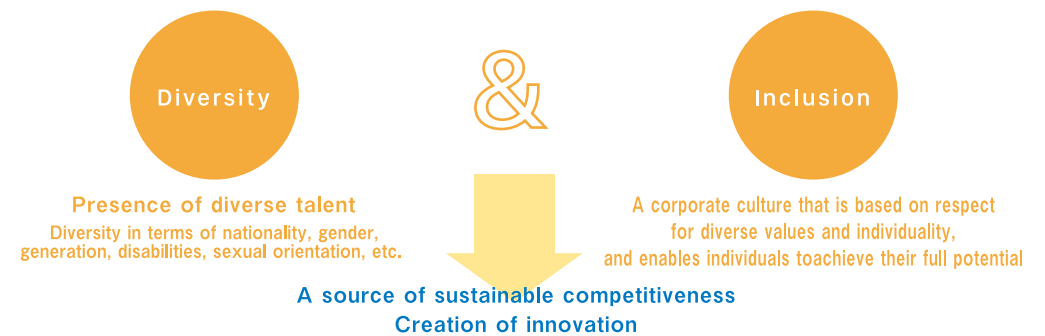
Policy System

In the Mitsui & Co. group, employees who come from a wide variety of backgrounds in terms of nationality, gender, values, and other attributes play active roles globally.

We implement “diversity management,” under which each and every member of our diverse human resources recognizes and respects each other, inspires each other to exert their capabilities to the fullest, brings new value to our business, and creates innovation. This allows us to enhance the competitiveness of the Mitsui & Co. global group. While developing systems and measures for supporting the growth of diverse human resources, we have also been focusing on cultivating a corporate climate and culture that fosters “diversity & inclusion,” in which where diversity is accepted and respected.

Diversity Management Goals and Action Policies

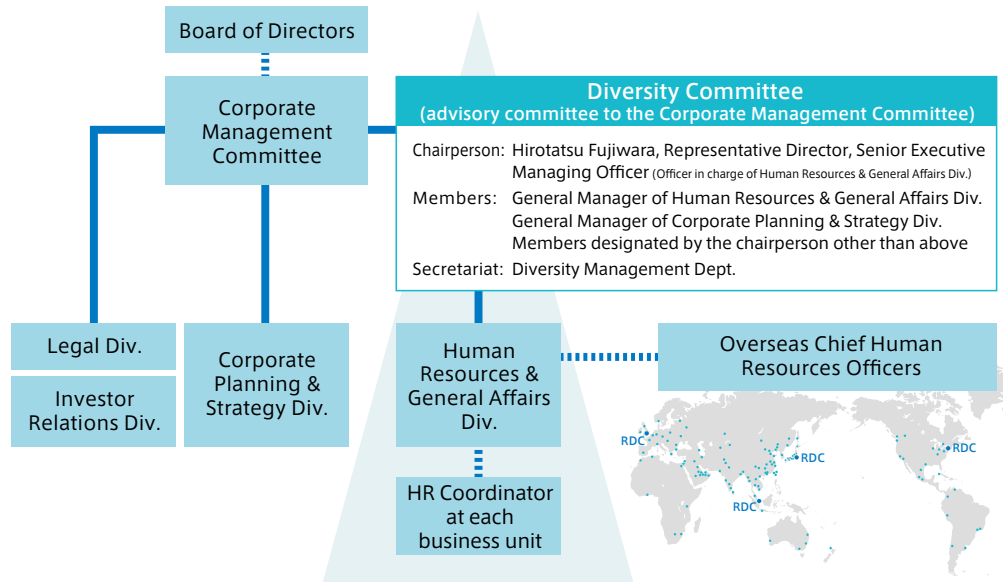
We stay competitive as our people bring value to the business with local depth and global reach. We make it happen with a culture of inclusion and open competition. With diversity as our core-self, the right opportunities and roles to deliver meaningful results is key to our sustainability.



Challenge and innovation by individuals



Diversity Management Promotion Framework



Career Development Initiatives for Global Talent

Development and Promotion of Regionally Hired Staff

System Activity

Change Leader Program

The Change Leader Program (CLP) is an initiative to identify, nurture, and develop diverse talent on a global basis and to train them to become leaders who can actively and boldly push forward reforms necessary to create business. A total of 43 participants selected from around the world have joined this program in the past two years. Participants held direct dialogue with top management in the Head Office, and took part in intensive business discussions on leadership and the Long-term Management Vision, among other topics. Mentors were assigned for each participant to further facilitate their growth, while they set up their own stretch assignments to accomplish. As a measure to foster “change leaders” who will drive local business origination, we plan to continue this program going forward.



CLP participants (February 2019)

Career Development Initiatives for Diverse Global Talent

Since joining Mitsui & Co. India as a regionally hired staff member, Mr. Ashraf has developed his career while accumulating experience in Tokyo, Kuala Lumpur, Dubai, and other locations, where he has worked mainly in the area of mineral & metal resources. In April 2020, he became Mitsui & Co. India’s first regionally hired managing director, a role in which he has maintained his unwavering commitment to challenge and innovation. By supporting the development of environments in which people from various backgrounds can succeed, Mitsui & Co. is maximizing the potential of regional, business, and human diversity, and accelerating business creation.

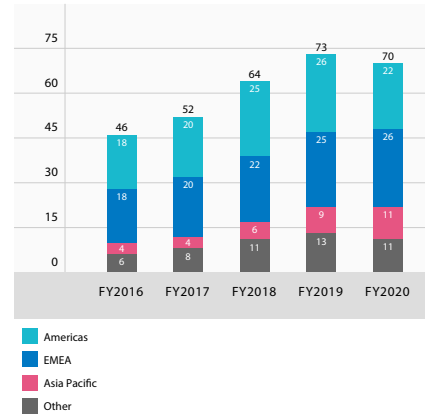


Faisal Ashraf
Managing Director, Mitsui & Co. India

Promotions to Executive Positions

An increasing number of talented regionally hired staff members are being promoted to managerial positions, in line with our commitment to training regionally hired staff members in each region and strengthening our pool of human resources and locally-originated business. In the past, most people appointed to managerial positions as general managers (GMs) in overseas offices were sent out from Japan. As a result of coaching and training regionally hired staff members, as well as providing opportunities for assignment to Japan and global training and other initiatives, the percentage of GM positions held by regionally hired staff members has reached 25% in the Americas, 25% in EMEA (Europe, the Middle East, and Africa), 10% in the Asia Pacific region, and 13% in East Asia (as of March 2020). One of them is the managing director of Mitsui & Co. India. We will continue to strengthen our efforts to achieve optimal personnel allocation, including staff hired in Japan, as part of the continuing globalization of human resources in the Mitsui & Co. global group.

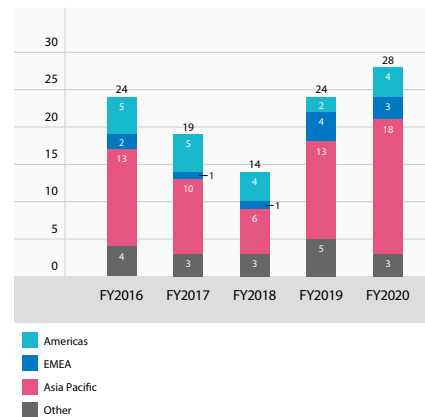
Number of GM Positions Held by Regionally Hired Staff (As of March 31 Each Year)



Transfers between Overseas Countries

Appointing personnel with a thorough knowledge of each country and region is essential to developing business with deep local roots in order to capture every business opportunity while adapting flexibly to ever-changing business environments. We are driving further diversification forward to ensure that the right people can work in the right place on a global basis, regardless of nationality or location of recruitment. We are increasingly providing employees with opportunities not only for training in Japan, but also for transferring to other overseas offices, including affiliated companies, in addition to offices in other countries in the same region. Recent examples include the transfer of staff members from London to Dubai and from Hong Kong to a consolidated subsidiary in Silicon Valley. We will continue to support the globalization of human resources in the Mitsui & Co. global group, while verifying the effectiveness and advantages of this policy.

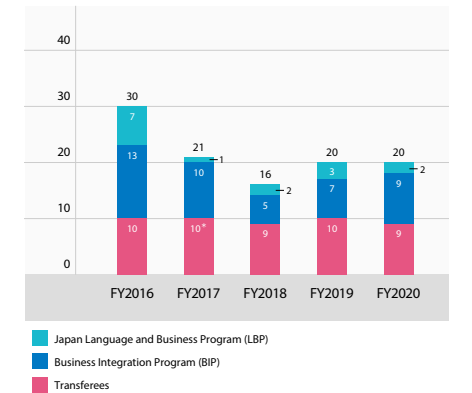
Number of Regionally Hired Staff Transferred between Overseas Countries (As of March 31 Each Year)



Training and Transfer to Japan

Regionally hired staff selected for training as next-generation leaders are sent to Japan on various programs. They are given opportunities to study the Japanese language and Japanese business practices and experience Japanese work styles, while learning about other aspects of Japan, such as its culture and history. Their training is targeted toward their development as management personnel who will one day play key roles in Mitsui & Co. global group management. In addition to opportunities to network with people within and beyond Mitsui & Co. global group, the program is also designed to enable participants to build lifelong relationships by inspiring and being inspired by other talented people who are gathered in Japan for the same purpose. The program to dispatch regionally hired staff to Japan started in the early 2000s. Since then, a total of 168 people have participated in various programs in Japan (Japan Language and Business Program (LBP), Business Integration Program (BIP), transfers, etc.). The Mitsui & Co. global group will continue to implement these programs going forward.

Personnel Sent to Japan (As of March 31 Each Year)



* Including one regionally hired staff transferee accepted by an affiliated company in FY 2017, two in FY 2018, and one in FY 2019

Support for Employees Who Are Citizens of Countries Other Than Japan

Mitsui & Co. group has excellent human resources with a variety of nationalities in many countries and regions around the world, and encourages them to play active roles in developing business that is closely connected with individual regions. In order to boost global group management, Mitsui brings employees from its group companies to Japan on job transfers and training, and supports human resources development and the establishment of human networks within the group.

Moreover, Mitsui has built a support framework for non-Japanese employees who are hired by the Tokyo Head Office, such as a mentor system aiming to provide comprehensive support for career development and independence, and provision of support for administrative procedures, such as updating or changing visa status.

Career Development Initiatives for Women

Commitment to the Promotion of Women's Empowerment


Policy

Mitsui has made continuing efforts to promote career advancement for women, and today, female Mitsui employees are actively engaged in various roles in our global group. We aim to achieve a female manager ratio of 10% by 2025 (7.4% as of July 2020) as part of our efforts to turn diversity into a force for business creation.

We are working toward this target under the two action plans detailed below. We will continue to focus on initiatives to promote career advancement for women, leading to the promotion of women to positions as corporate officers and managers.


Action Plan Related to the Promotion of Women's Empowerment (from April 1, 2020 to March 31, 2025)

The plan describes our targets for the period up to the end of the fiscal year ending March 2025 under the Act on Promotion of Women's Participation and Advancement in the Workplace.

 Action Plan Related to the Promotion of Women's Empowerment (from April 1, 2020 to March 31, 2025) (in Japanese only)

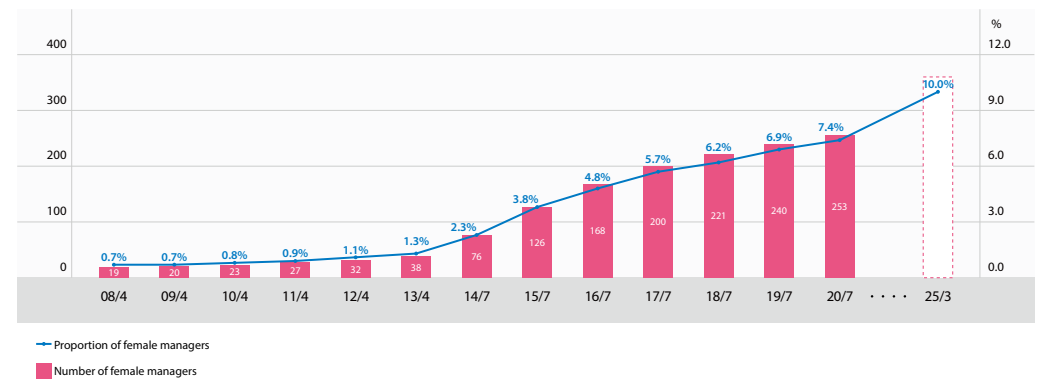
Voluntary Action Plan on Promotion of Women to Managerial and Executive Positions

Our voluntary action plan was posted on the Keidanren website in March 2020.

 Voluntary Action Plan on Promotion of Women to Managerial and Executive Positions (in Japanese only)

 P.96 Performance Data Related to Diversity

Proportion of Female Managers



Training Diverse Female Leaders

System Activity

In FY 2020, we established the Women Leadership Initiatives to develop diverse role models for female leadership through sustained efforts to train next-generation female leadership candidates. The program included lectures about the organizational development philosophy needed by leaders, and an assessment system designed to encourage participants to see themselves as leaders. We also introduced a mentoring scheme, and created opportunities for dialogue with senior management. Twelve female employees are working steadily to build their future careers through participation in the first program.

We are also increasing our recruitment of female career staff, including both mid-career and new graduates. These people will form an expanded pool of talent to become the next generation of female executives.

 P.96 Performance Data Related to Diversity

 P.81 Mentor System



(December 2019)

Initiatives to Support Career Development

Activity

Career Vision Workshops


These workshops are held for junior female staff members, in which participants develop and verbalize concrete images of their medium- to long-term career paths through discussions and a preliminary assessment designed to raise self-awareness. After the workshop, they are encouraged to engage in dialogue with their line managers and express their diverse career paths and turn this into action.

Support for Female Employees Transferred Overseas

As areas of activity for Mitsui employees expand, an increasing number of female business staff members are taking up overseas postings accompanied by children. Employees in this situation have individual meetings with other employees who have experience with overseas work in tandem with childcare. Mitsui also provides a full range of support for staff members with preschool children who take up overseas assignments unaccompanied by their spouses, including subsidies for daycare and babysitting.

Evaluation by Society for Efforts to Promote Female Participation

In the fiscal year ended March 2020, Mitsui was selected as a “Nadeshiko Brand” in recognition of its initiatives to promote active roles for women in the workforce. This was the sixth straight year since the fiscal year ended March 2015 in which Mitsui was selected as a Nadeshiko or Semi-Nadeshiko Brand company.

 **P.118** Evaluation by Society (Nadeshiko Brand, Eruboshi (L Star))

Other Initiatives to Support Employees

Supporting the Active Participation of Senior Personnel

System

We have established a unit within the Human Resources & General Affairs Division that is fully dedicated to supporting our senior personnel. We provide various training opportunities, such as Career Design Training, as well as holding individual interviews to support personnel aged 50 or over to help them work actively and to independently design their own career development path.

Mitsui has introduced a “re-employment system” that provides employees who wish to continue working after reaching the mandatory retirement age of 60 with the opportunity to continue working up to the maximum age of 65. We strive to build an environment that enables active participation by senior personnel by continuing to make use of their work experience, knowledge, and skills even after they reach the mandatory retirement age, and also provide support for those who wish to work outside of the company depending on individuals’ career choices.

Initiatives to Support the Careers of Senior Employees to Enable Them to Play Active Roles Within and Outside the Company

Provision of information	<ul style="list-style-type: none"> • Interviews for senior personnel If they so wish, employees aged 50 or over can have interviews to discuss their career development going forward, preparations for retirement, and Mitsui’s systems (e.g., retirement payments, pensions, support for retirees, reemployment contract). Through these interviews, employees also receive advice and information on specific topics, such as surveys of the post-retirement re-employment market. (Approximately 200 interviews are held per year) • Re-employment system seminars Seven months before reaching retirement age, employees attend seminars about systems and procedures. (Held four times per year for a total of approximately 140 employees.) If they wish, employees can also attend individual follow-up meetings. • Interview to confirm intentions regarding re-employment Interviews are conducted with employees who do not attend the re-employment system seminars, or any other employee who wishes to have an interview.
Training	<ul style="list-style-type: none"> • Career design training Business staff members participate in two-day off-site training programs when they are between the ages of 48 and 51, and again when they are between the ages of 54 and 58. These sessions provide employees with opportunities to learn about public and corporate systems, to take stock of their own values and strengths, and to engage in group discussions about work-style options. (Held nine times in FY 2020 with a total of 217 participants.) • Life plan training One-day training program for administrative staff members aged 50 and above. Participants use these events to consider optimal career choices through information sharing and discussions. (Held one time in FY 2020 for 24 participants.) • Senior career seminars These seminars provide employees aged 50 or over with opportunities to learn how to create an independent second career. The program includes a keynote address by Jitsuro Terashima, a former officer of Mitsui, as well as panel discussions with invited participants from among retirees and post-retirement contract employees, and lectures on financial planning. (Held six times in FY 2020 for a total of 216 participants.)
Support for active participation within the company	<ul style="list-style-type: none"> • Discussions are held by the Re-employment Committee, which is composed of executive officers and division GMs, about the specific activities of each senior employee. Support is given for a diverse range of opportunities both in Japan and at overseas offices and affiliated companies. • We have developed the Overseas Fringe Benefits System to support overseas activities. • As of March 31, 2020, there were 143 re-employment contract employees (including 17 employees working overseas). In the fiscal year ended March 2020, 36.2% of employees aged 60 accepted a re-employment offer.
Support for activities outside the company	<ul style="list-style-type: none"> • The retiree support system is for employees aged 50 or above who wish to look for re-employment outside the company. We provide support for job-seeking employees through companies specialized in re-employment and we post re-employment information via the intranet. In the fiscal year ended March 2020, 45 employees aged 50 or above found their next career outside the company utilizing the support directly or indirectly provided by the company.

Hiring People with Disabilities

System

In order to fulfill its corporate social responsibilities, and as part of its efforts to promote diversity and inclusion, Mitsui is working to expand the quantity and quality of employment opportunities for people with various types of disabilities. In this area, we work closely with Mitsui & Co. Business Partners Ltd. (MBP), which was established in 1981 as a trailblazing special-purpose subsidiary.

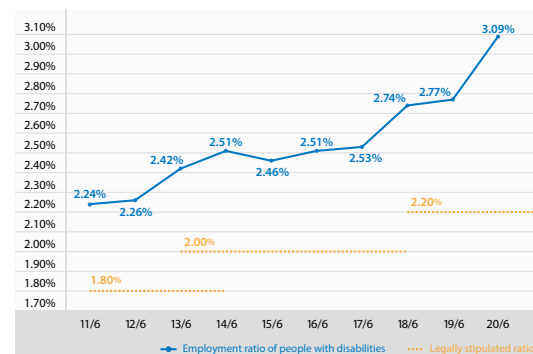
For over 20 years, Mitsui has exceeded the statutory rate for the employment of people with disabilities, and as of June 2020 our rate stood at 3.09%. We have set a target of 3.0% for 2023, when the statutory rate is expected to be revised, and we are aiming for further expansion of employment opportunities.

Mitsui has made various qualitative improvements to provide people with opportunities to contribute according to their ability levels, without limiting areas of activity based on whether or not people have disabilities. In addition to general administrative duties, such as printing, mail, and office layout management, people with disabilities are employed in an extremely wide range of areas, such as operations relating to personnel management, payroll, and benefit programs, and the arrangement of business travel. We will continue our efforts to create working environments in which people with various disabilities can achieve success and growth in the same workspace with other employees of MBP and Mitsui, and to develop and expand areas of work.

Initiatives by the entire Mitsui & Co. group include an annual seminar and information sharing event for affiliated companies on the promotion of employment for people with disabilities. In the fiscal year ended March 2020, 38 people from 30 companies participated in this event. Through lectures by MBP recruitment staff and related stories from employees, participants learned about our approach to the creation of environments in which people can work with a sense of motivation and energy regardless of whether or not they have a disability.

We will continue our efforts to eliminate barriers to engagement in society for people with disabilities by qualitatively and quantitatively promoting employment for people with disabilities across the entire Mitsui & Co. group, and by developing environments in which diverse people can work together in the spirit of mutual respect to create value in various ways.

Trends in the Percentage of People with Disabilities in Mitsui's Workforce (as of June 1)



Promoting Understanding of SOGI

System

We have implemented measures that enable all employees to fully exhibit their capabilities in playing active roles regardless of SOGI (sexual orientation/gender identity) out of our belief that gaining a proper understanding of LGBT* is important. As a part of our efforts, we are focusing on raising awareness among employees and improving the office environment.

* LGBT is an abbreviation of L = Lesbian, G = Gay, B = Bisexual, T = Transgender. In this report, "LGBT" is also used to refer to all sexual minorities, in addition to LGBT.

Fostering Employee Awareness

Mitsui is working to ensure full compliance with its Business Conduct Guidelines for Employees and Officers, which specifically prohibit discriminatory and insulting behavior based on sexual orientation or sexual identity. The Mitsui & Co. LGBT Guidebook (Japanese only), which was compiled using expert advice, has been posted on the company intranet to foster understanding among employees. Other initiatives to raise employee awareness include in-house seminars presented by LGBT activists. LGBT issues are also covered in other educational activities, such as training prior to overseas transfers. These activities give employees opportunities to think about mutual consideration when working with people who have different value systems.

Enhancement of Working Environments

We have established a contact point for consultation about LGBT-related issues as part of our initiatives to create working environments in which people can overcome problems and work well in an atmosphere of respect for personal identity, including sexual identity. During the fiscal year ended March 2020, we established an external contact point in addition to the in-house one in order to create an advice system that would be more considering of privacy for persons. We are also improving our facilities, including the provision of multi-purpose restrooms in the Head Office building and other branches.

Initiatives to Promote Career Advancement

System

Mentor System

Our initiatives to encourage career advancement for diverse talent include the introduction of a long-term mentoring program for participants in the Change Leader Program and Women Leadership Initiatives. Employees who combine leadership with a strong awareness of the need to accept diversity are selected as mentors. Through regular dialogue with these mentors, participants are encouraged to perceive themselves as leaders and form new values. We have also introduced the mentor system in overseas offices, such as the Americas Business Unit. Through these initiatives, we are fostering a corporate culture in which talent is developed through communication with diverse mentors.

Creating an Environment for Taking on Challenges and Driving Creation

Mitsui & Co. aims to heighten its overall competitiveness as a company and provide new value to society by creating environments in which individual employees can enhance their productivity and exert their capabilities to the fullest. We are implementing a variety of initiatives to create environments that allow every employee to work energetically and enthusiastically and achieve personal growth in step with the company's growth.

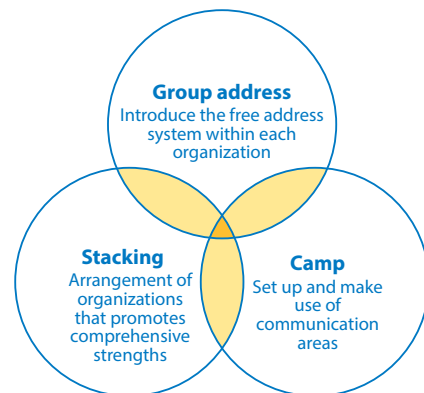
Embodying New Ways of Working at Mitsui & Co. Presented in the Long-term Management Vision—Work-X

Activity

In May 2020, Mitsui completed its relocation to the new Head Office building. Under the “Long-term Management Vision 2030” formulated in 2017, we defined our new Head Office building as a place where diverse individuals will create new value through intellectual chemistry with numerous professionals, both at and outside the company, and will create the Mitsui & Co. of the future. We have positioned the relocation to the new Head Office building as not just a simple change of address but as an opportunity to accelerate innovation that will contribute toward the realization of our vision for 2030.

In the summer of 2019, we established Workplace Experience 1.0 (“Work-X”) to present a vision for our workplace and measures for realizing it, and have promoted the Work-X initiative as a company-wide project based on the theme of changing the awareness and behavior of employees. The two main themes set out in Work-X are “Agile & Evolving” and “Human Centric”.

Since we moved to the new office building, we have continued engaging in initiatives to further enhance our office environment by repeatedly verifying the effects based on various data to further improve productivity.



Measures Implemented on the Office Floors of the New Head Office Building

(1) Group address system:

By designating general areas for each division/department, we have been able to introduce a free address system for each organization to allow people to choose where to work, in line with their objectives. This enables employees to secure the fluidity needed to collaborate with other departments while ensuring the productivity of their own organization, facilitating activity-based working.

(2) Stacking to promote business synergy:

The floor layout of each division/department allows flexible responses and changes in accordance with the management strategy. Organizations that would be expected to mutually create synergy are located immediately above, below, or next to one another.

(3) Communication space (Camp):

On every office floor, we have created shared space (Camp) where people come together in a natural way and hold conversations and come up with ideas. The Camp spaces include interior staircases to link floors vertically, as well as café counters. With such a design we aim to provide opportunities for diverse professionals from within and outside the company to come together, generate opportunities for collaboration, and create new value.

By combining these measures, we aim to increase the productivity of our organizations, while further accelerating our growth by strengthening cross-organizational coordination and collaboration with external partners.

Our Stories: Develop talent leading to value creation

P.28 Work-X—Driving a transformation of employees’ mindsets and behavior



Work-Style Innovation

Policy

Since 2015, Mitsui has been promoting work-style innovation to review existing ways of working and realize flexible and priority-focused work styles that are unconstrained by spatial or temporal restrictions.

Work-Style Innovation Action Plan

Specific KPIs and action plans for work-style innovation have been formulated from three perspectives: (1) the elimination of excessive working hours, (2) encouraging employees to take annual leave, and (3) promotion of flexible work styles. These have also been posted on the Japan Business Federation (Keidanren) website.

(1) Elimination of excessive working hours (KPI)

We will reduce the number of employees working more than 620 hours of overtime per year (statutory calculation) to zero by the fiscal year ending March 2021 by supporting individual employees' efforts to improve productivity and efficiency through a priority-focused work style.


(2) Encouraging employees to take annual leave (KPI)

We will increase the percentage of annual leave taken (including leave taken in half-day and hourly units) to 70% by the fiscal year ending March 2021 by supporting individual employees' efforts to improve productivity and efficiency through a priority-focused work style. We have already achieved this KPI, and aim to continuously maintain the current level (the percentage of annual leave taken was 73.1% for the fiscal year ended March 2020).

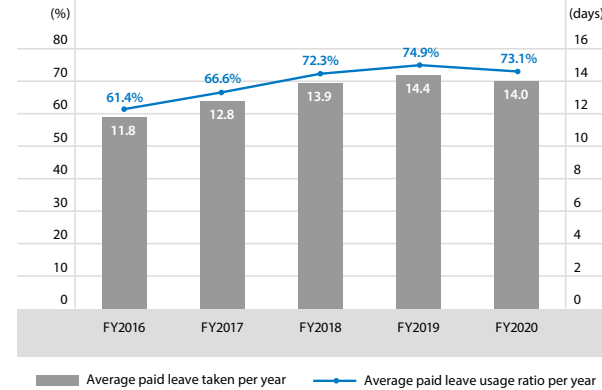
(3) Promotion of flexible work styles (KPI)

We will increase the percentage of employees giving positive answers to questions on work styles in in-house surveys, such as whether the workplace environment is suitable for the maximization of productivity, and whether there are no obstacles to work in the workplace, to 60-70% of all employees by the fiscal year ending March 2024.

 Work-Style Innovation Action Plan (in Japanese only)

 P.97 Human resources data (Mitsui Engagement Survey)

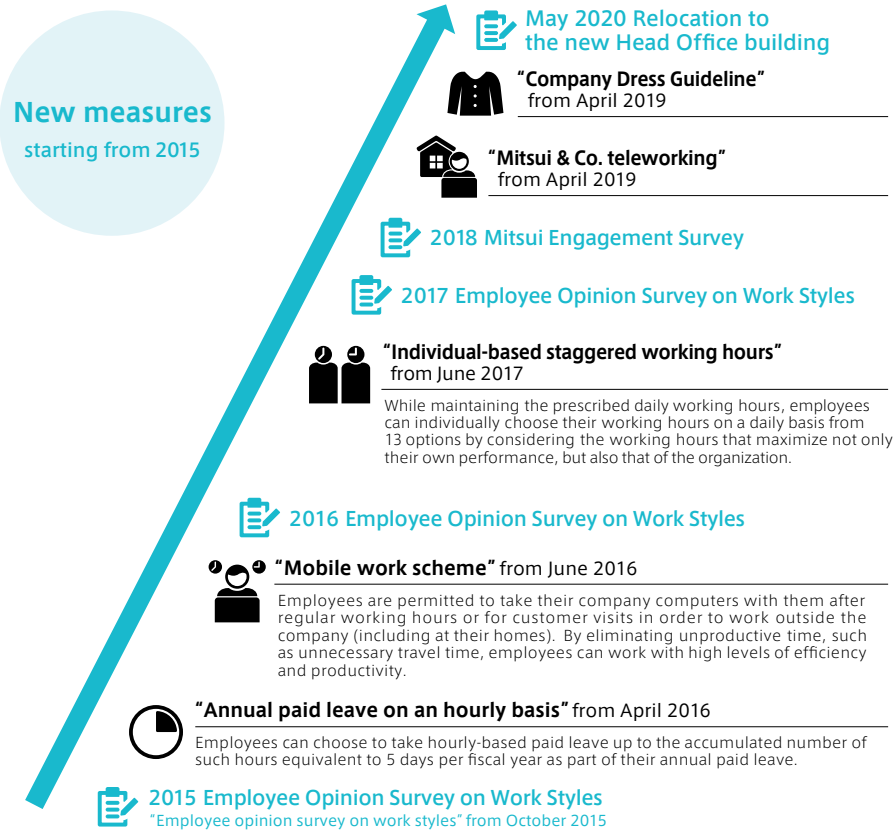
Average Paid Leave Days Taken and Usage Ratio (Non-consolidated)★



Employees at Tokyo Head Office and branches in Japan (excluding contract employees)

Work-Style Innovation Measures

As measures for realizing work-style innovation, we introduced systems for enabling the taking of annual paid leave in hourly units, mobile work, and selecting staggered working hours for individuals. In April 2019, we launched Mitsui & Co. teleworking (working from home) on a company-wide basis and implemented major changes to the company dress guidelines. In light of major changes in the environment, especially the relocation to the new Head Office building in May 2020, we will accelerate the work-style innovation including the teleworking system.



Measures	Description	Benefits, Aims, Etc.
Being able to take paid annual leave in hourly units	Employees can take up to the equivalent of five days of their annual paid leave in hourly units. (The same applies to full annual leave for nursing care and family care [10 days each per year]).	This measure supports realization of a more prioritized work style by enabling employees to take a necessary leave more conveniently when they need it.
Mobile work scheme	Employees can work outside of the office (including working at home outside regular working hours), during hours outside of regular working hours or unscheduled time before and after customer visits.	By eliminating unproductive time, such as travel time, this scheme allows employees to work more efficiently and productively.
Staggered working hours for individuals	This system allows individual workers to stagger the start of their working day within 90 minutes before or after the normal start time, provided that the required number of working hours is maintained.	This system allows individual employees to proactively select their optimum working hours at their own discretion, depending on their job duties and work schedules, realizing a prioritized work style with increased efficiency and productivity.
Company dress guidelines	This measure allows individual units to establish their own dress guidelines to reflect industry-related needs and business practices, which vary from organization to organization.	The system respects the self-discipline of employees as professionals, improves work productivity and efficiency, and encourages the free flows of ideas.
Mitsui & Co. teleworking	This measure makes it possible to work from home during working hours. After carrying out trials over the past two fiscal years, teleworking has been made available to all employees (we have also added the emergency teleworking system). Partial revision is planned in light of major changes in the environment, especially the relocation to the new Head Office building in May 2020.	This system aims for greater productivity and efficiency of both individuals and organizations by allowing employees to select both "time" and "place" in line with their objectives and to work in a task-oriented way, while retaining the basic approach of face-to-face communication in the office. Given the fact that we relocated to the new Head Office building in May 2020, we are planning to revise this system by keeping our basic approach of carrying out our work at the new Head Office building, which offers various spaces for diverse ways of working, but offering the option of teleworking more flexibly when permitted by the company.

Work-Life Management

Policy System Activity

Mitsui supports work-life management so that every employee is able to fully meet their life responsibilities while pursuing career development by displaying their potential in the workplace to the fullest. As part of such support, we have introduced various systems that goes beyond statutory requirements to assist our employees in both work and childcare/family care, and other various measures for providing options for realizing better work-life management. These systems and measures are available regardless of gender. Combined with the measures for realizing work-style innovation which apply to all employees, such as the mobile work scheme and the individual-based staggered working hours scheme, these systems and measures have encouraged not only female employees but also male employees to take part in childcare and family care. By introducing these various systems, we are developing an environment in which employees are able to efficiently produce maximum performance, even within a restricted time frame.

Activities to Support Childcare

System	Activity
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Measures to Support Childcare

Mitsui has implemented various support systems and measures to enable our employees to achieve the best work–life management between work and childcare at different life stages, such as childbirth and child-rearing, based on their individual approaches and choices.

Systems and Support Measures That Can Be Utilized from Pregnancy through Children’s Developmental Stages (Full-time Employees)

	Pregnancy	Childbirth	Childcare
Maternity and childcare-related systems	<ul style="list-style-type: none"> •Pregnancy leave •Late arrival at work and/or early departure from work •Exemption from overtime work •Re-assignment to other job duties that are less strenuous 	<ul style="list-style-type: none"> •Maternity leave •Childbirth attendance leave 	<ul style="list-style-type: none"> •Childcare leave •Short-time working for childcare •Nursing care for child leave •Restrictions on overtime work •Exemption from late night work •Exemption from overtime work •Time for newborn childcare
	<ul style="list-style-type: none"> •Mobile work scheme •Individual-based staggered working hours system 		
Support for using systems	<ul style="list-style-type: none"> •Pre-leave orientation •Briefings on maternity and childcare systems •Lending of DVDs containing guides to maternity and childcare leave systems 	<ul style="list-style-type: none"> •Lending of PCs during maternity and childcare leave •Consultations for supporting returning to work 	
	<ul style="list-style-type: none"> •Mobile work scheme •Individual-based staggered working hours system 		
Work–life management support	<ul style="list-style-type: none"> •Pre-leave orientation •Briefings on maternity and childcare systems •Lending of DVDs containing guides to maternity and childcare leave systems 	<ul style="list-style-type: none"> •Partial subsidization of childcare costs •Partial subsidization of extended childcare costs •Partner childcare facilities •Partial subsidization of babysitting costs •Partial subsidization of housekeeping service costs 	

Pre-Leave Orientation

As part of our efforts to remove concerns about taking maternity leave or childcare leave and support employees taking childcare leave to make a smooth return to the workplace, we launched pre-leave orientations in the fiscal year ended March 2020. The orientation requires the employees take part alongside their line manager, and provides the employee with the opportunity to consider at an earlier stage how to spend their time during the leave, and also how to manage working and childcare after returning to work. Furthermore, it provides the line manager with the opportunity to gain a fuller understanding of the employee and to think about how to build an environment that will support the employee’s future career-building and work–life management. This initiative enhances awareness of the individual and deepens understanding in the workplace, and also encourages male employees to take a childcare leave.

Contracted Childcare Facilities

In addition to partially subsidizing babysitting and extended childcare costs, Mitsui partially covers housekeeping service costs in order to support a flexible childcare system that suits each employee’s situation. As part of our efforts to develop support measures that respect each employee’s work–life management approach, we have concluded a contract with an external childcare facility located inside the new Head Office building, which opened in May 2020, allowing our employees to use the service on a monthly or temporary basis.



Work–life Management—Childcare Leave for Male Managerial Staff

I took two weeks of childcare leave to support my wife after she gave birth. As well as general housework such as cooking, doing the laundry and cleaning, I took care of changing, feeding, and bathing our newborn. Even before taking the childcare leave, I have been trying to create an environment that would allow the entire organization’s performance to be maintained and improved through the use of ICT and other means, to share information and know-how with my team staffs. Taking the childcare leave made me further realize the importance of the need to pay close attention to how individuals work in situations that require diverse and autonomous ways of working.



Nobutaka Mochizuki
 Department GM
 Machinery and Infrastructure Legal Dept.,
 Legal Div.

Activities to Support Family Care

System

Activity

In addition to developing the family care system, Mitsui has developed various support measures with a focus on providing information about family care and strengthening our consultation systems. We aim to establish the best system for balancing work and family care in accordance with each individual employee's approach to family care and their choices. In addition, we have established "special support leave" as a measure to support balancing work and family care for employees who do not meet the criteria for obtaining family care leave but who have family members with disabilities requiring a certain amount of support.

Systems and Support Measures to Support Work and Family Care (Full-time Employees)

Family care systems	<ul style="list-style-type: none"> •Nursing Leave for family care •Applying for the use of long-term medical leave as nursing leave for family care •Short-time working for family care •Family care leave •Exemption from overtime work 	<ul style="list-style-type: none"> •Restrictions on overtime work •Exemption from late night work •[Employees working overseas only] Advancement of the schedule of home leave due to family care of non-accompanying relatives Emergency temporary leave due to family care of non-accompanying relatives
	<ul style="list-style-type: none"> •Mobile work scheme •Individual-based staggered working hours system 	
Support for using systems	<ul style="list-style-type: none"> •Briefings on the family care system •Consultations for pre-leave and pre-return support •Lending of PCs during family care leave 	
Counseling/consultation services set up at the company		
Work-life management support	<ul style="list-style-type: none"> •Family care seminars •Handbook for Assisting Work alongside Family Care •Individual consultations/consultation services provided by external family care advisors 	<ul style="list-style-type: none"> •Subsidization of housekeeping service costs •Preferential use of family member monitoring service •Preferential use of elderly support program (proxy handling of procedures, monitoring visits, etc.)

Seminars to Support Family Care

We regularly hold family care seminars during lunch breaks for employees to gain information that is necessary for the preparation of or during family care. At the seminars, in addition to cultivating awareness of working alongside family care, we deal with specific topics, including family care insurance systems, family care facilities, and explanations of company systems. In the fiscal year ended March 2020, a total of around 200 employees took part in the seminars. Furthermore, we have established an environment for providing necessary information in a variety of forms, such as posting the "Handbook for Assisting Work alongside Family Care" on the company intranet.


Family Care Consultation Service

As a way of alleviating the concerns and anxiety employees might have in their individual circumstances, we have concluded a contract with an external NPO to provide opportunities for face-to-face individual consultations on family care with family care experts every month, in a meeting room of the Head Office. We have been facilitating teleconferences as well so that employees working at the offices in Japan other than the Head Office and employees overseas can make use of the consultations, and also have set up a system to allow consultations via email or telephone for urgent inquiries. We have also developed an internal consultation system that allows employees to consult directly with the Human Resources & General Affairs Division on such matters as how to use internal systems and support measures and how to realize optimum work-life management.


Recognition from Society for Our Support for Work-Life Management

Activity

Kurumin Certification

 P.118 Evaluation by Society (Kurumin)

 Mitsui & Co. Action Plans under the Act on Advancement of Measures to Support Raising Next-Generation Children (in Japanese only) Sixth Period – April 2019 to March 2021

 P.97 Employees Taking Childcare or Family Care Support (Non-consolidated) ★

Policy for Re-employment Due to Spouse's Job Relocation

System

Out of respect for employees' work-life management approach and their family situations, in 2007 we introduced the re-employment system for employees who had to resign due to the transfer of their spouse in order to help them to respond to the life change. The system offers re-employment opportunities for employees who were forced to resign due to their spouses' job relocation, and many employees have been re-employed using this system. As part of efforts to promote active careers by these employees at Mitsui in the future, the Human Resources & General Affairs Div. provides consultations for the employees before they resign so that they can consider such matters as how to spend their time during their period away from Mitsui and their careers after re-employment.

 P.97 Re-employment System for Employees Who Had to Resign Due to the Transfer of Their Spouse

Promoting Internal Communication

Activity

Diversity Cafe

Along with changes in the social milieu, such as a greater diversity in people's sense of values, the rising number of dual income households where husbands and wives both hold jobs, and the aging of the population, there has been an increase in the number of employees who seek new kinds of career paths and ways to manage their work and private lives. We started hosting the Diversity Cafe in 2009 as a venue for exchanging information and promoting dialogue beyond barriers of ages and job grades. At the event, participants have the opportunity to share their experiences with one another on topics that interest them, to think together, and to develop new awareness. In the fiscal year ended March 2020, we held the Diversity Cafe a total of four times, including a session for male employees entitled "Food Education for Children and Cooking Lessons" and a session for employees providing family care entitled "How to Successfully Manage Work and Family Care".



The 26th session of the Diversity Cafe (June 2019)

Creating Opportunities for Communication

Toward the realization of our goal to "Transform & Grow" set out in the Medium-term Management Plan 2023, we actively provide opportunities for dialogue among employees, and also between management and employees, in order to establish an environment that enables strong individuals to engage in co-creation. We have been holding so-called Active Talk Wednesday (ATW) sessions as employee gatherings on a regular basis, with the aim of stimulating internal communication. In the fiscal year ended March 2020, at the Head Office, three seated-style ATW dinner sessions were hosted with a focus on stimulating communication between the management and employees, and four ATW lunch sessions were held to strengthen networking among employees. In addition, in October 2019, an internal event



Active Talk Lunch (May 2019)



Getting to Know Mitsui & Co. - Food (October 2019)

entitled "Getting to Know Mitsui & Co.—Food", was held, where employees enjoyed casually talking to each other through the introduction of food and drink products handled by Mitsui, and related business schemes. At other offices in Japan, a total of ten ATW dialogue sessions took place, in which employees of affiliated companies also participated.

Furthermore, in the fiscal year ended March 2020, Kurumaza (roundtable meeting), where the President & CEO meets with employees for open discussions, was held on 29 occasions at the Head Office, 5 times at other offices in Japan, and 58 times at overseas offices. By sharing management's thoughts and ideas from a variety of perspectives and bringing together the opinions and thoughts of employees through face-to-face meetings, we endeavor to create an organization with an atmosphere of openness.

As the revitalization of communication is expected more than ever through a variety of new facilities and systems, as well as through our Work-X initiative in the new Head Office building, we will advance various new initiatives aimed at further promoting both internal and external communication in the fiscal year ending March 2021.

Joint Efforts with Labor Unions

Policy

Basic Policy

We respect the rights to collective bargaining and freedom of association of employees. Mitsui & Co. and the Mitsui Labor Union, which was established in 1962, hold a shared understanding of the societal mission of Mitsui. Both parties respect each other's positions, and work toward the sound development of the company and society and toward the improvement of the social, economic, and cultural status of union members. Accordingly in May 2015, a union shop agreement was concluded. As of March 31, 2020, the number of union members stood at 4,378 (representing an 83.1% participation ratio).

Discussions with the Labor Union

We share various issues with the labor union and actively engage in discussions, with the aim of creating an environment in which every employee can continue working with energy and motivation, and in which both employees and the company achieve continual growth. In the fiscal year ended March 2020, Mitsui engaged in multi-layered discussions with the union on a wide range of topics, including human resource management systems, salaries and bonuses, work-style innovation, training, and occupational health and safety. We introduce those systems and measures on the basis of the labor-management agreement. In determining salaries and bonuses, we comply with the laws and regulations of each country/region where we engage in business, ensure a living wage that exceeds the minimum wage, and promote creation of a good working environment for every employee.

Regarding occupational health and safety, we have revised our targeted overtime hour limit and maximum overtime limit based on special extensions under the Labor Standards Act. In addition, in order to manage overtime work within the targeted overtime limits set by the union and management, we have

been working to implement thorough working hours management by sharing data about employees' working hours with union officials. In response to a proposal received from the labor union, during the fiscal year ended March 2020, we held labor-management discussions in relation to the Medium-term Management Plan 2023. We have also held briefings to promote the correct understanding of personnel appraisal systems by those giving and receiving the appraisals, held labor-management discussions to increase the sense of satisfaction with appraisals, and enhanced and reviewed training for newly appointed line managers.

Regarding remuneration, in order to increase the motivation of every employee, enhance a focus on results, and foster a healthy sense of tension, we have revised our remuneration system that ensures appropriate assessments of individuals' displays of skills and levels of contribution to their organization and reflects such assessments in their bonuses.

FY2018	June: Expanded working team-level negotiations (union proposals for training systems) September: Collective bargaining (introduction of the union's newly appointed executives) April/November: Working team-level negotiations (discussions about the working environment in the new Head Office building)
FY2019	April: Collective bargaining (salary negotiation for the fiscal year ended March 2019) June: Expanded working team-level negotiations (revisions to human resource management systems) December: Collective bargaining (revision of the agreement on overtime and holiday work) February: Expanded working team-level negotiations (the bonus formula for the fiscal year ended March 2020, and partial revisions to human resource management systems)
FY2020	May: Collective bargaining (human resource-related matters) September: Collective bargaining (introduction of the union's newly appointed executives), Labor-Management Discussions (appraisals) January: Labor-Management Discussions (new Medium-term Management Plan)

Dialogue between Management Executives and the Labor Union

We are working to maintain healthy relationships and to deal with various issues through labor-management cooperation. For example, we actively create opportunities within each unit for dialogue with management executives and discussions with the COO and general manager of each unit regarding business overviews and policies, the administration of human resource management systems, and human resource development (in total 19 such meetings were held in the fiscal year ended March 2020).

June 2019	COO of Performance Materials Business Unit, COO of Iron & Steel Products Business Unit, COO of Mobility Business Unit I, COO of Retail Business Unit, COO of IT & Communication Business Unit, COO of Nutrition & Agriculture Business Unit, COO of Corporate Development Business Unit, COO of Food Business Unit, GM of Legal Division, COO of Energy Business Unit I
July 2019	COO of Mobility Business Unit II, GM of CFO Planning & Administrative Division, COO of Healthcare & Service Business Unit, COO of Infrastructure Projects Business Unit, COO of Mineral & Metal Resources Business Unit, COO of Energy Business Unit II, COO of Basic Materials Business Unit, President & CEO

Health Management, Occupational Health and Safety Initiatives

Our Approach towards Health Management/Occupational Health and Safety

Policy

The Mitsui & Co. global group aims to develop safe, healthy working environments in which every individual employee can work with peace of mind. We see this as essential for enabling each employee to work at his or her full potential, and to continue strengthening the competitiveness of the entire Mitsui & Co. global group. In addition to measures in accordance with the laws and regulations in each country where we engage in business, we have established structures to ensure that we properly respond to emergencies, such as accidents and disasters. We also implement various health management and promotion measures.

Health Declaration

Policy

Recognizing that the good health of employees is one of Mitsui & Co.'s greatest assets, we formulated the Health Declaration in September 2017.

— Health Declaration —

Employees are irreplaceable assets for Mitsui & Co.
We regard health management for our valued employees as a vital management priority,
and we will implement the following initiatives with
the aim of helping our employees to maintain and improve their health:

- 1 We will create safe and comfortable workplaces in which employees can work energetically and in good health.
- 2 We will help our employees to work in the spirit of "Challenge and Innovation" by supporting their health management and sustainably enhance our corporate value.
- 3 We will help employees to raise their awareness of the need to maintain their own health and to take the initiative in maintaining and improving their mental and physical health.

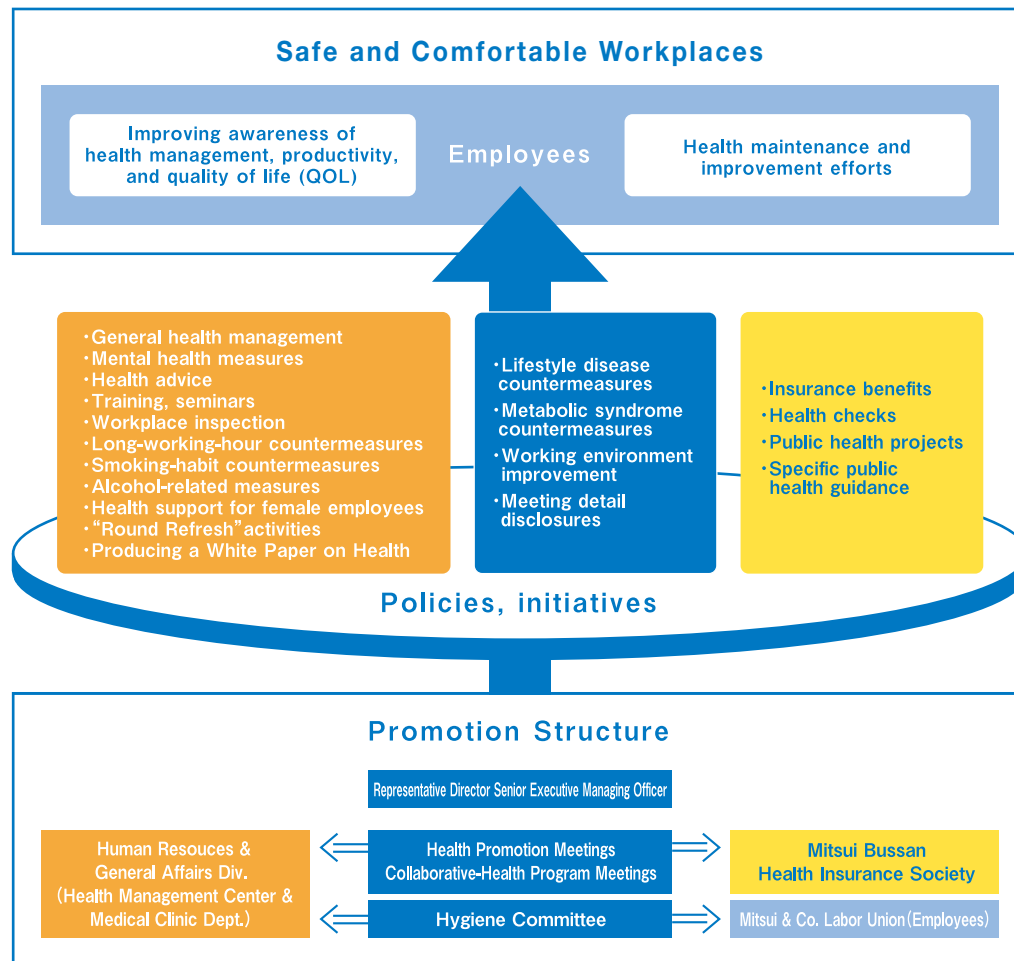
Tatsuo Yasunaga
Representative Director
President and Chief Executive Officer
Mitsui & Co., Ltd.

Health Management Promotion Framework

System

Under the leadership of the Senior Executive Managing Officer serving as the Chief Health and Safety Supervisor, we have created the following framework for promoting employees' health maintenance, including the establishment of the Health Promotion Committee, and have been promoting health management throughout the company.

Producing a White Paper on Health



Health Promotion Committee

In February 2017, Mitsui established the Health Promotion Committee under the basic policy of (1) promoting "Health and Productivity Management," which regards health management as a management priority, and (2) maintaining and enhancing employees' health through the implementation of "Health and Productivity Management" and improving the company's productivity. Committee meetings are held on a quarterly basis, and the minutes of each meeting are uploaded on the company's intranet for the purpose of sharing the information among all employees. As part of our "collaborative health" program, through which we aim to implement effective measures for enhancing employees' health under a partnership between the health insurance union and the company (with company representatives including the Senior Executive Managing Officer in charge, the General Manager of the Human Resources & General Affairs Division, the head of the Health Management Center & Medical Clinic Dept. of Human Resources & General Affairs Division, occupational physicians, and other healthcare professionals), Mitsui and Mitsui Bussan Health Insurance Society will work together to plan and decide on policies aimed at maintaining and enhancing employees' health, and to execute these policies.

Hygiene Committee

The Hygiene Committee headed by the Chief Health and Safety Supervisor (a position held concurrently by the Representative Director, Senior Executive Managing Officer in charge), consists of occupational physicians, health officers, employees recommended by management, and employees recommended by the labor union. The committee holds monthly meetings and discusses ways to improve working environments, ways to develop an appropriate framework, and other related matters based on the advice provided by qualified occupational physicians and health officers. Topics discussed by the committee include the results of workplace inspections, countermeasures based on those results, regular reports on long overtime hours, as well as implementation of regular health checks and stress checks, and influenza vaccination programs. The committee reflects members' opinions in safety and health measures to ensure employees' health and workplace safety. The committee also communicates with employees by posting the minutes of the committee's monthly meetings on the intranet.

Health Performance Index

- Percentage of employees undergoing health checks: 100% by the fiscal year ending March 2021
- Medical questionnaire response rate: 100% by the fiscal year ending March 2021
- Percentage of employees undergoing stress checks: 90% or higher by the fiscal year ending March 2021
- Smoking rate: Reduction by 0.5% compared to the previous fiscal year

Certified Health & Productivity Management Organization Recognition Program "White 500"

The Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi jointly implement the health and productivity management organization program "White 500". Mitsui has been recognized as one of the Health & Productivity Management Outstanding Organizations under the White 500 initiative for four consecutive years.

P.118 Evaluation by Society

White Paper on Health

Since the fiscal year ended March 2020, we have visualized the results of a variety of initiatives carried out to promote employee health, such as the ratio of employees receiving health examinations, the prevalence of lifestyle-related diseases, and data on smoking and alcohol consumption-related measures and stress checks. Our aims are to raise individual awareness of health and improve behavior. We have posted data in comparison with countrywide data, data by department, and chronological changes on the company intranet to communicate such information to Mitsui employees.

Employee Health Management

Policy System Activity

In-house Medical Clinic

We have established a clinic in our Head Office building and a medical treatment room in the Osaka Office. The clinic in the Head Office building covers a diverse range of specialist areas, including internal medicine, orthopedic surgery, ophthalmology, dermatology, and E.N.T., and is equipped to provide medical consultations for employees. It also provides medical checkups for employees who are about to travel overseas or have returned from overseas assignments, as well as inoculations. Consultant physicians are assigned to each office in Japan to provide health management for employees working in those locations.

Examinations at the Head Office Medical Clinic

(Unit: persons)

	FY2016	FY2017	FY2018	FY2019	FY2020
Examinations (total number of people examined)	24,173	21,421	18,200	13,979	12,033

Medical Examinations

We provide multiple regular in-house medical examination opportunities per year, and employees are able to view the results of their own examinations on the intranet. Mitsui and the Mitsui Bussan Health Insurance Society are also working collaboratively toward the prevention and early detection of lifestyle diseases and other conditions, and the provision of enhanced health advisory services, through the implementation of the following measures:

- Provision of opportunities for employees aged 35 and over to undergo comprehensive health examinations at external medical institutions, and all payment of the expenses of such examinations.
- Provision of subsidies for employees aged 35 and over who undergo brain checkups, lung cancer screenings, gastroscopic examinations, and colorectal cancer screenings.
- Provision of specific health advisory services for employees aged 40 and over.
- Provision of subsidies for cervical cancer screenings for female employees aged 34 and under.
- Provision of subsidies for breast cancer (mammography and ultrasonography) and uterine cancer screenings for female employees aged 35 and over.
- Provision of opportunities for new hires to undergo a pylori infection test and medical interview at the medical checkup before employment.

Percentage of Employees Undergoing Health Checkups

	FY2016	FY2017	FY2018	FY2019	FY2020
Undergoing health checkups	87.7%	90.0%	97.3%	99.8%	99.3%

Medical Support System (Mutual Aid Association)

This system supports association members and their families in Japan and overseas by covering medical expenses that are not covered by health insurance in the event of illness or injury.

Health Advice/Health Maintenance Promotion Measures

Health Guidance

We implement the following health promotion measures to help employees avoid lifestyle diseases and metabolic syndrome.

Measures	Target Group	Guidance Provider
Designated health guidance (active support, motivational support)	People aged over 40 Current or potential metabolic syndrome sufferers	Mitsui Bussan Health Insurance Society
Individual health guidance (weight loss support), recommendations to undergo medical examinations	People aged 39 or under Potential metabolic syndrome sufferers	Public health nurses from the Health Management Center & Medical Clinic Dept.
Dietary advice	People affected by obesity, lifestyle diseases, or metabolic syndrome	Registered dietitians
Individual health guidance	Underweight female aged 39 or under	Public health nurses from the Health Management Center & Medical Clinic Dept.

Provision of Healthy Menus in the Employee Cafeteria, Trial Introduction of Healthy Cafeteria App

Menus in the employee cafeteria provide information about the calories, protein, carbohydrate, fat, and salt equivalents of each meal. The cafeteria also provides healthy meals with an emphasis on dietary balance for employees' health, and vegan lunchboxes. Furthermore, we trialed the Healthy Cafeteria app, a smartphone health management support app, at the employee cafeteria (the first demonstration trial was held in 2018, and the second demonstration trial was held with the improved app in 2019). The Healthy Cafeteria app has been jointly developed by our associated company AIM Services Co., Ltd., and the healthcare technology company Oishi Kenko Inc., which develops healthcare technology business. The app suggests optimal meal choices based on health data stored by the user, and uses meal records to analyze dietary excesses and deficits and provide advice. It also records other health-related information, such as step counts and alcohol consumption. The aim is to enhance employees' awareness of health from the perspective of lifestyle habits, and help them to change aspects of their lifestyle that are adversely affecting their health. We have also provided the Healthy Diet Coaching Program, through which

employees can individually seek advice from dietitians, etc., in order to review their lifestyles and improve their health, such as by losing weight. The second demonstration trial showed that all of the participants had become more health-conscious, while 86.5% had changed their lifestyles. Moreover, participants in the Healthy Diet Coaching Program achieved significant improvements in weight loss, with an average weight loss of 4.8 kg per person, and in other indicators, including waist measurement and HbA1c.



The Healthy Cafeteria app

Use of Outside Fitness Gyms, Exercise at Work

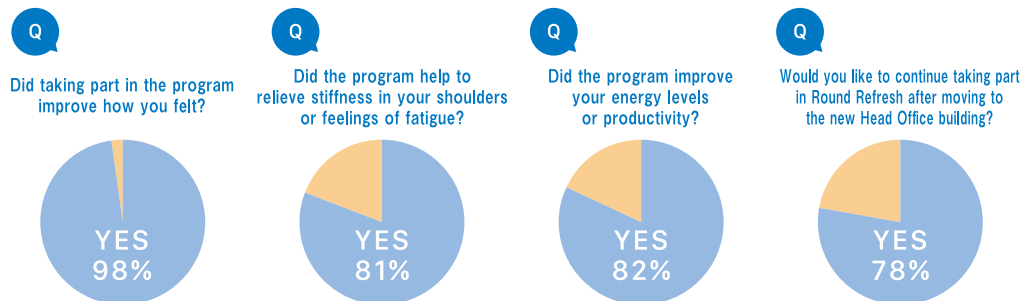
Mitsui's lineup of optional welfare services includes attendance services for employees to use outside fitness gyms at corporate rates. Furthermore, we have also introduced the "Round Refresh" program, under which trainers visit workplaces once a week during working hours to lead employees in stretching exercises. By standing up at their desks and performing light exercises, employees can relax their muscles, and alleviate shoulder stiffness and back pain. This not only helps to restore their concentration and creativity, but also improves the workplace atmosphere by providing a chance for communication. Employees feel mentally and physically refreshed and are able to reduce stress.



Employees participating in a "Round Refresh" session. (March 2018)

Results of "Round Refresh" Survey

The following responses were received in a questionnaire survey of the departments taking part in "Round Refresh".



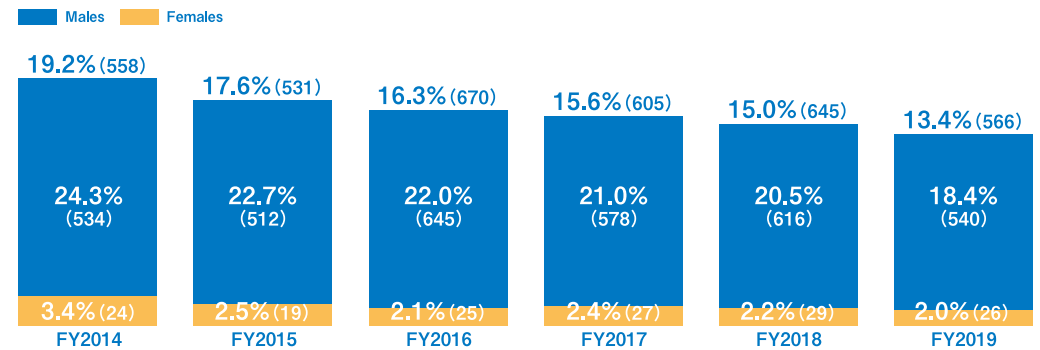
Smoking Reduction Measures

In the new Head Office building, all spaces used exclusively by Mitsui are smoke-free, and there are no smoking rooms. We are implementing the following measures to help employees to quit smoking, with a goal of a year-on-year reduction of 0.5% in the percentage of smokers:

- Provision of a counseling room for those wishing to quit smoking
- Creation of a smoking cessation support page on the intranet
- Provision of seminars on passive smoking and smoking cessation
- Implementation of a smoking cessation program using a quit-smoking app

As part of measures to reduce cancer, lifestyle diseases, and other health problems, Mitsui, in cooperation with the Mitsui Bussan Health Insurance Society, pays subsidies to employees who successfully quit smoking through smoking cessation therapies provided under the health insurance scheme.

Smoking Rates at Mitsui



Alcohol-Related Measures

Since the fiscal year ended March 2017, we have been running health seminars that include genetic susceptibility testing for alcoholism.

Furthermore, during the fiscal year ended March 2020, we held seminars for newly hired employees and M/M Leaders (employees in charge of supporting new employees), which include genetic susceptibility testing for alcoholism, with the aim of preventing health risks and accidents by raising awareness of alcohol issues when joining the company. Learning about one's own physical traits has led to a decrease in the volume and frequency of drinking, helping to improve the physical condition and performance of employees.

Moreover, in respect to managerial staff members working at the Head Office, the head of Mitsui's medical clinic has given seminars to line managers, or equivalent and higher positions, and provided an

opportunity to receive genetic susceptibility testing for alcoholism to those who wish to receive testing. The goal is to deepen understanding of how to handle alcohol in an appropriate way. At certain overseas offices, the head of the medical clinic has also given such seminars, and we have distributed videos of these seminars on the intranet as part of our efforts to communicate useful information to all employees.

Health Support for Female Employees

To provide support for female employees, we established a consultation desk to offer advice on women's health and maternal health through individual consultations with female physicians. Useful health-related information is provided via the intranet, together with notices on the availability of various types of health advice.

During Women's Health Week, we hold seminars for female employees on topics relating to female health, including gynecological diseases and their prevention, and the achievement of hormonal balance. In the fiscal year ended March 2020, we started providing health guidance for underweight women aged 39 and under.

We also provide subsidies for cervical cancer screening for female employees aged 34 and under, and for breast cancer (mammography and ultrasonography) and uterine cancer screening for those aged 35 and over.

Health Management for Employees Working Overseas

For employees who underwent medical checkups before overseas assignment or during temporary return to Japan and are deemed as requiring another checkup, we communicate with such employees directly to ensure they receive such a checkup and assist to promptly make a reservation for the checkup and/or medical consultation. Moreover, we regard health management for not only employees working overseas but also their families as an important priority, and we have established systems to ensure that advice is available at any time if employees or family members suffer physical or mental illness. Specifically, in cooperation with each business unit, occupational physicians at the Head Office provide support for employees assigned overseas via email, telephone, and interviews using a videophone system.


Vaccinations and health checkups are provided for employees assigned overseas and their families. They also receive overseas health management training covering physical and mental health and other aspects, as well as information about how to obtain medical information and access support systems while overseas. We also provide health management support for employees working overseas and their families in partnership with emergency medical service contractors.

Countermeasures against Infectious Diseases

As a company with numerous overseas offices and branches, Mitsui recognizes the importance of responding to global health issues, such as tuberculosis, malaria, and HIV/AIDS. In addition to taking steps to protect employees working in locations where there is a high risk of infection, Mitsui also works actively to contribute to local communities, and provide periodic programs for them. Specifically, we run an in-house program that provides influenza vaccinations, for which approximately 2,000 employees apply every year. We also provide mouthwash

and antiseptic solutions in every workplace as part of our efforts to prevent the occurrence and spreading of infections. In addition, we promote awareness-raising activities to make sure that employees can obtain in-depth knowledge of preventive methods for tuberculosis, malaria, HIV/AIDS, and dengue fever through providing related training and seminar programs. We also maintain a framework at the company level to ensure timely action through cooperation between workplaces and public health clinics, the Security Management Department, clinics, and industrial health staff, based on risk assessments and monitoring of the occurrence of infectious diseases while obtaining information about infectious diseases from overseas medical assistance firms and public health clinics.

In collaboration with the Mitsui Bussan Health Insurance Society, we subsidize the cost of vaccinating children aged 13 and under against influenza, as children in this age group are regarded as having a high infection rate and the potential to develop serious diseases.

 **P.59** Responding to Global Health Problems—Fighting Infectious Diseases (Malaria, Measles, etc.)

 **P.116** Response to the Novel Coronavirus (COVID-19)

Mental Health

Mental Health Promotion Plan (formulated on May 1, 2016)

Mitsui recognizes that the mental health of its employees is an important priority issue in order to promote happy lives for its employees and their family members, to increase productivity at the company, and to develop lively workplaces. Accordingly, we will promote mental health initiatives, not only in terms of dealing with mental health problems, but also in a broader sense, including measures to revitalize workplace communication, etc.

We have set the following targets to be achieved in the five-year period up to the fiscal year ending March 2021:

1. All employees, including managers, shall understand mental health issues, and become able to fill his or her own role in promoting mental health.
2. Fully establish and permeate the stress check system.
3. Achieve a 100% response rate in the regular medical questionnaire.

Under Mitsui's Mental Health Promotion Plan, employees are able to obtain advice easily and at any time via a dedicated consultation service. Through consultations with occupational physicians and health nurses, employees can receive the support that meets their individual needs. Employees also have access to counseling by specialists at the company clinic. In addition, we have established external advice lines through which not only employees, but also their family members can seek advice anonymously via telephone or email, or arrange consultations.

Even when an employee takes a temporary absence from work, occupational physicians and health nurses continue to provide highly attentive care. To ensure that employees can feel confident about returning to work, they go through a preparatory process that includes multiple interviews. After their return to work, they receive follow-up care, including health monitoring and measures to prevent

recurrences, based on collaboration among occupational physicians, health nurses, company doctors, and other personnel.

Mitsui also implements stress checks with the following aims: (1) measuring the level of employees' stress in order to raise employees' awareness of their own stress levels, (2) linking this to improvements in the workplace environment, and (3) preventing mental health problems (primary prevention). We provide employees suffering from high stress with opportunities to have interviews with occupational physicians, and give feedback pertaining to the group analysis results to the workplace, for the purpose of improving the working environment.

Percentage and Number of Employees Undergoing Stress Checks

Stress checks	FY2017	FY2018	FY2019	FY2020
Percentage of employees	79.1%	77.2%	85.4%	83.1%
Number of employees	3,861	3,721	4,090	3,956

Training and Seminars on Health and Safety

In addition to mental health training and labor management training for line managers, training for health and safety management overseas, and health management training for new-graduate employees, we also hold other health and safety seminars as part of our efforts to build an organization with a high level of health literacy.

Results of Training Activities in FY 2020

(Unit: persons)

Training Program	Participants
Training before overseas assignments: Overseas risk management (overseas health and safety management)	379
Training for new Business Staff M2 Band/line managers: Mental health for line managers, labor management for line managers	96
Introductory training for new employees: Health management as a working professional	176
M/M Leader (employees in charge of supporting new employees) Training "Alcohol-Related Risks"	136
Training for managers at the Head Office (departmental GM, or equivalent and higher positions), "Alcohol-Related Risks" (including seminars at offices in Japan and certain overseas offices)	1,104
"Enjoying Alcohol Sensibly" seminar for M/M Leaders Genetic susceptibility testing for alcoholism	130
"Quit Smoking" seminar	7
Total	2,028

In addition to the above seminars and programs, we aim to raise awareness for health among employees through lectures by occupational physicians and health nurses at the Hygiene Committee and by regularly uploading "Messages from Occupational Physicians" and "Health Nurse Column" on the intranet to enable all employees to obtain health information.

Healthy Working Environment

System Activity

We have implemented the measures detailed below at the new Head Office building to develop a safe working environment for employees.

Safe Working Environment Initiatives	Description of Initiatives
Ergonomic workplace	<ul style="list-style-type: none"> We have introduced a group address system and free address system, in order to improve productivity through agile teaming in line with work and project needs, and to realize a pleasant office environment. Twice a month, occupational physicians, health nurses, and other medical personnel visit each workplace to examine whether a safe working environment for employees is being maintained, and to identify and respond to safety and health problems in order to ensure a healthy work environment.
Illumination	We have introduced luminance sensors and motion detectors to control illumination levels and lighting equipment in an appropriate and efficient way. In addition, by using circadian lighting, which takes biological rhythms into account, we have improved both energy savings and comfort.
Noise	By using double structure airflow windows for the building, we have reduced noise and improved the effectiveness of insulation. Walls in meeting rooms have been fitted with soundproof structures that prevent sound from being audible outside the rooms. On the office floors, we have introduced sound masking equipment to reduce discomfort caused by surrounding noise.
Indoor air quality	Effective air conditioning is provided by a system with outside air intakes. This lowers the CO ₂ level while reducing the air-conditioning load. The environment within the building is monitored every other month.
Humidity/Temperature	<ul style="list-style-type: none"> We maintain internal humidity at an appropriate and comfortable level above 40%, even during winter when the air tends to be drier, by introducing water vapor through the use of variable air volume (VAV) control/a district cooling and heating system. We have introduced a radiant air-conditioning system at the company medical clinic in order to increase comfort and sound control, while preventing airborne infections by suppressing the occurrence of viruses and dust in the air. On the office floors, we have introduced a user-input-based air-conditioning system linked to the building's internal location positioning system, enabling fine-tuned temperature control. We maintain a comfortable working environment by setting the air conditioning at 26°C in summer and 24–25°C in other seasons. Introducing the "Cool Biz" system has allowed a comfortable workplace environment to be maintained in the summer months, while also reducing the air-conditioning load.

Working Hours Management Policy

Policy System Activity

We appropriately monitor our employees' working hours, and implement the following measures in order to develop a workplace environment in which they can continue to work healthily and safely, and with peace of mind, without falling into chronic overwork:

- Raising employees' awareness of appropriate working hours in order to maintain their health, improve productivity, and comply with laws and regulations by such means as sending regular messages from the management.
- Education activities for employees, including the formulation of the Working Hours Handbook and a manual about attendance management systems, and a compilation of FAQs to provide clear

information about laws, regulations, and corporate systems relating to working hours, as well as the posting of this information on the intranet.

- Regular monitoring by the Human Resources & General Affairs Division, using data of working hours from attendance management systems, building entry/exit times, and PC usage histories.
- Continual compilation and distribution of information about overtime hours worked and annual paid leave taken in each unit.
- Training and other activities for managers to appropriately manage and oversee their team members' working hours.
- Creation and monitoring of KPIs under the Work-Style Innovation Action Plan.


In addition, based on the Industrial Safety and Health Act, we urge employees who have worked overtime in excess of certain standards to consult with our occupational physicians, and suggest to them measures for reducing excessive working hours and preventing health problems.

From the perspective of consolidated management, we have been preparing standards for labor management at our affiliated companies to suit the business models of the respective companies. Under these circumstances, we have implemented the following measures at our affiliated companies in Japan with the aims of promoting the understanding of laws applicable across all Japanese companies, and ways of responding accordingly, as well as developing appropriate labor management systems by sharing approaches and know-how in relation to working hours:

- We hold regular meetings with the aim of exchanging information and strengthening relationships between the personnel staff at our affiliated companies. At these meetings, we share Mitsui's policies in relation to work-style innovations, and give updates on the details of any legal amendments.
- We have created a checklist of 53 items related to labor management in general, including the management of working hours. We make use of the checklist when developing labor management systems at affiliated companies as part of governance by the supervisory divisions, as necessary.

Regarding overseas branches, working hours are properly managed so as to comply with related laws and regulations in each country.

 **P.98** Paid Leave Days Taken and Usage Ratio (Non-consolidated) ★

 **P.83** Work-Style Innovation Action Plan

 **P.98** Annual Average Actual Working Hours (Non-consolidated) ★

 **P.98** Monthly Average Overtime Working Hours (Non-consolidated) ★

Occupational Safety

System


Activity

Mitsui takes various measures to protect its employees (including contract employees) from workplace accidents, including periodic inspections by occupational physicians, in order to ensure their safety and security. We have established mechanisms to make sure accidents are promptly reported to the Human Resources & General Affairs Division. When accidents occur at Mitsui or its affiliated companies, reports are immediately submitted in accordance with our compliance-related procedures and a structure is set up to take the appropriate actions, and, at the same time, we strive to prevent recurrences.

Targets for FY 2021

Zero Workplace Accidents

Zero Fatal Accidents

 **P.98** Occupational Health and Safety Data (Non-consolidated) ★

Security Management

System

Activity

Mitsui promotes various kinds of business through its 132 points of global operations (as of April 1, 2020), and a large number of employees go on business trips to many parts of the world almost every day. Ensuring the security of employees and their families is one of our most important tasks for the company. In cooperation with relevant divisions, offices, and security companies in Japan and overseas, Mitsui obtains and analyzes the latest information on the political situation, security situation, and so on, and shares such information with related staff in order for the employees to be able to raise their safety awareness. Mitsui has also prepared systems to handle situations such as accidents, injuries, and diseases, in cooperation with emergency health care service companies.

For employees who are being dispatched overseas and their accompanying family members, the company provides seminars on security measures.

Data of Personnel Affairs

Data Concerning Employees (As of March 31 of each year) ★

	Consolidated Total employees (persons)	Non-consolidated								
		Total employees (persons)			Average age of employees (years old)			Average number of years of service (years)		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
2016	43,611	4,292	1,613	5,905	42.6	40.7	42.1	18.9	17.8	18.6
2017	42,316	4,238	1,615	5,853	42.5	40.6	42.0	18.8	17.6	18.5
2018	42,304	4,217	1,642	5,859	42.7	40.6	42.1	18.9	17.5	18.5
2019	43,993	4,141	1,631	5,772	42.7	40.7	42.2	18.9	17.6	18.5
2020	45,624*	4,050	1,626	5,676	42.7	40.5	42.1	18.8	17.2	18.3

Employees hired directly by Mitsui & Co. and by consolidated companies, without a fixed contract period.

* Percentage of female employees in the global workforce: 33.8% (as of March 31, 2020)

Number of Employees by Operating Segments (As of March 31, 2020)

	(Unit: persons)	
	Non-consolidated	Consolidated
Iron & Steel Products	305	1,505
Mineral & Metal Resources	278	634
Machinery & Infrastructure	853	17,017
Chemicals	738	5,238
Energy	401	888
Lifestyle	834	10,642
Innovation & Corporate Development	476	6,301
Others	1,791	3,399
Total	5,676	45,624

Number of Employees by Region (As of March 31, 2020) ★

	(Unit: persons)	
	Staff hired in Japan	Regionally hired staff
Japan	4,464	-
Americas	324	558
Europe, the Middle East and Africa	249	594
Asia Pacific	514	1,520
Others	125	-
Total	5,676	2,672

Number of Hires by Gender (Non-consolidated) ★

	New graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
	(Unit: persons)						
FY2016	94	57	151	35	6	41	192
FY2017	113	78	191	29	1	30	221
FY2018	103	80	183	38	4	42	225
FY2019	104	56	160	22	4	26	186
FY2020	96	80	176	38	4	42	218
FY2021*1	89	46	135*2	-	-	-	135

*1 Figures as of April 1, 2020

*2 Includes employees who is scheduled to join (Male: 6, Female: 1)

Hours/Days of Training for Competency Development and Expenditure on Training (Non-consolidated)

	Total hours of training per year	Average hours of training per employee per year	Average days of training per employee per year	Average training expenditure per employee per year
FY2020	79,101 hours	13.94 hours	2.80 days	JPY 347,459

Training programs organized by the Human Resources & General Affairs Division, excluding Global Training Programs

Average Hours of Training by Gender per Year (Non-consolidated)

		Male	Female
		FY2020	Business staff
	Administrative staff	10.26 hours	10.26 hours

 P.72 Human Resources Development Programs

Average Personnel Turnover & Voluntary Turnover Rate of Full Time Employees (Non-consolidated)

	Average personnel turnover rate			Voluntary turnover rate		
	Male	Female	All	Male	Female	All
FY2018	3.17%	3.98%	3.40%	1.22%	2.22%	1.50%
FY2019	5.04%	4.62%	4.93%	1.31%	2.57%	1.66%
FY2020	4.86%	6.12%	5.23%	1.48%	2.31%	1.72%

Performance Data Related to Diversity

Proportion of Female Managers (Non-consolidated) (As of July 1 of each year) ★

(Unit: persons)

	Full time employees*1			Business staff*1			Managers			Administrative staff
	Total	Female	Female ratio	Total	Female	Female ratio	Total	Female	Female ratio	Total
2016	5,952	1,653	27.8%	4,791	492	10.3%	3,472	168	4.8%	1,161
2017	5,917	1,674	28.3%	4,748	505	10.6%	3,514	200	5.7%	1,169
2018	5,880	1,662	28.3%	4,727	509	10.8%	3,551	221	6.2%	1,153
2019	5,793	1,667	28.8%	4,648	523	11.3%	3,483	240	6.9%	1,145
2020	5,676	1,629	28.7%	4,586	540	11.8%	3,431	253*2	7.4%	1,090

*1 Full time employees include business staff and administrative staff. Business staff includes managers.

*2 Includes 3 female general managers.

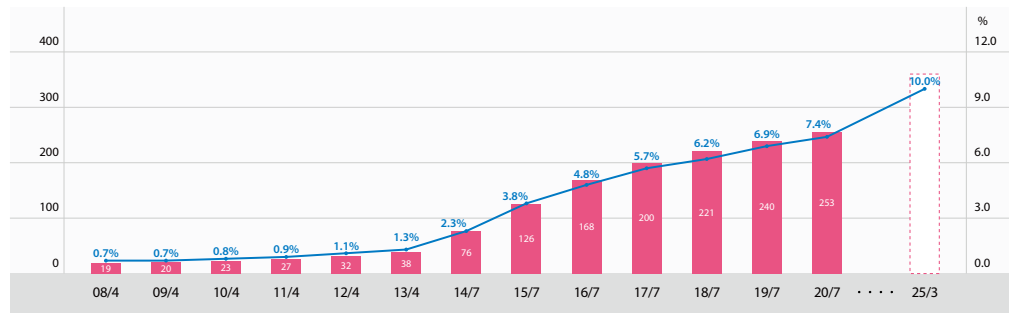
Proportion of Female and Foreign Corporate Officers (Non-consolidated) (As of July 1 of each year) ★

(Unit: persons)

	Directors					Corporate Auditors		
	Total	Female	Female ratio	Non-resident	Ratio of non-resident directors	Total	Female	Female ratio
2016	14	2	14.3%	1	7.1%	5	1	20.0%
2017	14	2	14.3%	2	14.3%	5	1	20.0%
2018	14	2	14.3%	2	14.3%	5	1	20.0%
2019	14	2	14.3%	2	14.3%	5	1	20.0%
2020	14	3	21.4%	2	14.3%	5	1	20.0%

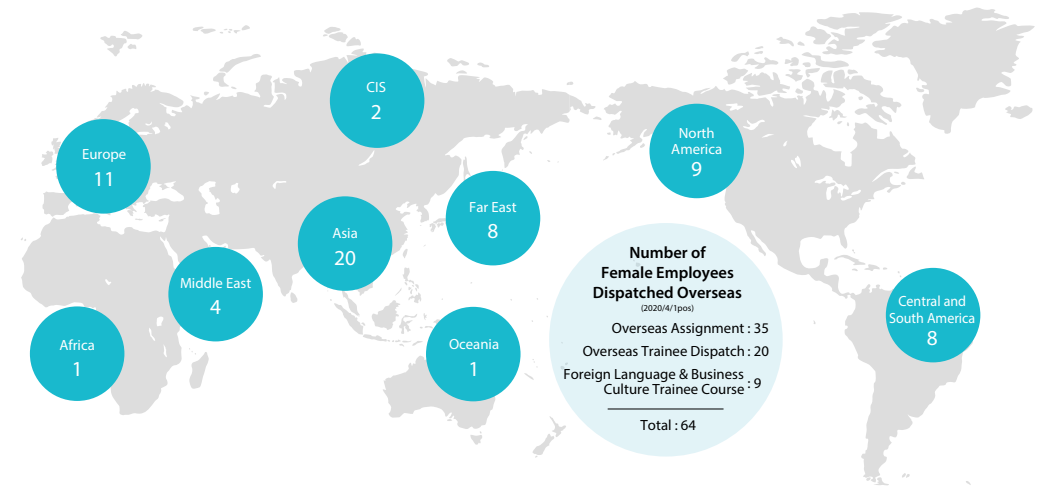
Actual Status of Promoting Career Advancement for Female Employees (Non-consolidated)

Proportion of Female Managers



— Proportion of female managers
■ Number of female managers

Number of Female Employees Dispatched Overseas (As of April 1, 2020)



Region name	Number of people	Cities/area
North America	9	New York, Houston, Silicon Valley, Vancouver
Central and South America	8	Mexico City, Monterrey, Sao Paulo, Belo Horizonte, Florianopolis, Lima
Europe	11	London, Paris, Amsterdam, Hamburg, Milan, Lisbon, Istanbul
Middle East	4	Dubai, Doha
Africa	1	Johannesburg
Asia	20	Singapore, Bangkok, Jakarta, New Delhi, Kuala Lumpur
Oceania	1	Perth
Far East	8	Seoul, Shanghai, Dalian, Hong Kong, Taipei
CIS	2	Moscow

Employees Taking Childcare or Family Care Support (Non-consolidated) ★

Child Care

(Unit: persons)

		Childcare leave	Nursing leave for childcare	Short-time working for childcare	Staggered working hours for childcare*	Childbirth attendance leave
FY2016	Male	13	42	11	7	93
	Female	49	107	137	1	–
	Total	62	149	148	8	93
FY2017	Male	13	64	7	5	102
	Female	50	138	162	0	–
	Total	63	202	169	5	102
FY2018	Male	23	97	0	0	90
	Female	64	182	150	0	–
	Total	87	279	150	0	90
FY2019	Male	29	120	0	NA	85
	Female	45	186	127	NA	–
	Total	74	306	127	NA	85
FY2020	Male	28	113	0	NA	79
	Female	56	197	127	NA	–
	Total	84	310	127	NA	79

* We included the staggered working hours system for childcare and family care in the individual-based staggered working hours scheme from June 2017.

Return Rate and Retention Rate after Childcare Leave

		Male	Female
FY2020	Return rate after childcare leave* ¹	100%	100%* ²
	Retention rate after childcare leave* ³	96.3%	98.1%* ²

*1 Percentage of employees who returned to work as compared to the number of employees who reached the end of childcare leave in FY2020

*2 Number of retirees does not include registrants of the re-employment system associated with the transfer of their spouse

*3 Percentage of employees who are enrolled as of April 1, 2019, out of those returned to work during FY2019

Family Care

(Unit: persons)

		Family care leave	Nursing leave for family care	Short-time working for family care	Staggered working hours for family care*
FY2016	Male	1	42	0	0
	Female	0	59	0	0
	Total	1	101	0	0
FY2017	Male	1	50	0	0
	Female	0	74	0	0
	Total	1	124	0	0
FY2018	Male	0	36	0	0
	Female	0	60	0	0
	Total	0	96	0	0
FY2019	Male	2	44	0	NA
	Female	2	66	2	NA
	Total	4	110	2	NA
FY2020	Male	1	47	0	NA
	Female	1	85	2	NA
	Total	2	132	2	NA

* We included the staggered working hours system for childcare and family care in the individual-based staggered working hours scheme from June 2017.

Re-employment System for Employees Who Had to Resign Due to the Transfer of Their Spouse (Non-consolidated)

(Unit: persons)

	Year of retirement/registration	FY2016	FY2017	FY2018	FY2019	FY2020
Number of registered ex-employees	Business staff	7	5	8	4	3
	Administrative staff	11	11	6	11	10
	Total	18	16	14	15	13

“Mitsui Engagement Survey” (introduced from FY2019) and Results of the “Employee Opinion Survey on Work Styles” (FY2016–FY2018)

(We completed Employee Opinion Survey on Work Styles in FY2018 and launched the Mitsui Engagement Survey as a new mechanism on global basis from FY2019.)

	Employee Opinion Survey on Work Styles			Mitsui Engagement Survey (FY2019)
	1st (FY2016)	2nd (FY2017)	3rd (FY2018)	
Employee engagement* ^{1, *2}	–	–	–	59%* ³
Employee satisfaction* ^{4, *5}	72.6%	76.0%	77.6%	–

*1 Coverage: Mitsui employees in Japan and overseas branches and offices (including regionally hired staff)

*2 Employees' enthusiasm toward their work, including self-motivation to work hard, and a sense of loyalty toward the company

*3 Percentage of employees who gave positive responses to related questions about employee engagement

*4 Coverage: Mitsui employees in Japan

*5 Average percentage of responses regarding “work motivation,” “sense of growth,” and “satisfaction with having chosen to work at the company”

Annual Average Actual Working Hours (Non-consolidated) ★

(Unit: hours/year)

	FY2016	FY2017	FY2018	FY2019	FY2020
Annual average actual working hours (hours)	1,911.24	1,941.03	1,920.72	1,957.72	1,939.84

Employees at the Tokyo Head Office and branches in Japan (including contract employees).

Monthly Average Overtime Working Hours (Non-consolidated) ★

(Unit: hours/year)

	FY2017	FY2018	FY2019	FY2020
Monthly average overtime working hours (hours)	19.1	18.9	19.0	19.1

- Employees at the Tokyo Head Office and branches in Japan (non-managerial staff) (excluding contract employees)
- Calculated on the basis of prescribed working hours

Paid Leave Days Taken and Usage Ratio (Non-consolidated) ★

	FY2016	FY2017	FY2018	FY2019	FY2020
Average paid leave taken per year (days)	11.8	12.8	13.9	14.4	14.0
Average paid leave usage ratio per year (%)	61.4	66.6	72.3	74.9	73.1

Employees at the Tokyo Head Office and branches in Japan (excluding contract employees)

Occupational Health and Safety Data (Non-consolidated) ★

	Target	FY2018		FY2019		FY2020	
		Employees	Contractors	Employees	Contractors	Employees	Contractors
Number of lost time injuries	0	4	0	1	0	0	0
Number of fatalities	0	0	0	0	0	0	0
Lost time injury frequency rate	0	0.53	0	0.14	0	0	0
Lost time injury severity rate	0	0	0	0.03	0	0	0
Occupational illness frequency rate	0	0.13	0	0	0	0	0

- Employees: Employees at the Tokyo Head Office and branches in Japan, contractors: contract employees
- Calculated based on the standards of the Japanese Ministry of Health, Labour and Welfare.

Comparison with Industry Average (for Wholesalers and Retailers with a Business Scale of 100 Employees or More)

	FY2018	FY2019	FY2020
Lost time injury frequency rate	1.94	2.08	2.09
Lost time injury severity rate	0.10	0.10	0.04

(Reference) Japanese Ministry of Health, Labour and Welfare's "Survey on Industrial Accidents in 2019"

Average Annual Salary of Employees (Non-consolidated)

(Unit: yen)

	Average annual salary
FY2020	13,934,117


* Employees at the Tokyo Head Office and branches in Japan.

Participation Rate of Labor Union Membership (Non-consolidated)

(As of March 31)

	Participation rate
2020	83.1%

Concerning the data marked with ★ (FY2020 and 2020), an independent practitioner's assurance report prepared in accordance with the ISAE 3000 international standard was given by Deloitte Tohmatsu Sustainability Co., Ltd. Please refer to the independent practitioner's assurance report at the link below for details.

 **P.120** Independent Practitioner's Assurance Report

Social Contribution Activities

Our Approach towards Social Contribution Activities

Policy

Our corporate mission is to “build brighter futures, everywhere”. Based on this corporate mission, Mitsui & Co. has pursued sustainable growth not only for our company but also for society. We strive to solve social challenges through both business and social contribution activities, realizing a better tomorrow for the earth and for people around the world. Furthermore, we value employees’ awareness on social issues and encourage their volunteer work contributing to community and society.

Priority Areas for Social Contribution Activities

In striving to realize our corporate mission to “build brighter futures, everywhere”, we have identified five material issues that have a large impact on our business operations as well as that are important for our stakeholders. In our social contribution activities, we have set out the priority areas of “community contribution”, “environmental conservation” and “human resources”, in accordance with our MVV (Mission, Vision, Values) and Materiality.

- Community contribution:
We contribute to the sound development of communities, aiming to build a globally sustainable society.
- Environmental conservation:
We work to create an eco-friendly society, as a company that operates various business globally.
- Human resources development:
We provide a variety of learning opportunities to develop talent leading to new value creation.

Through these initiatives, we particularly aim to achieve the following SDGs’ 17-Goals: No.4 (Quality Education), No.8 (Decent Work and Economic Growth), and No.15 (Life on Land).

Social Contributions (Fiscal Year Ended March 2020)

Activity

The total social contribution expenses for the fiscal year ended March 2020 were 1.51* billion yen. (Charitable donations 5%, Community investments 36%, Commercial initiatives 59%)

* Figures include cash donations and monetary conversion equivalent of in-kind payments. However, activities such as personal donations by employees and volunteer activities have not been included.

Political Contributions (Fiscal Year Ended March 2019)

Activity

Total political contributions for the fiscal year ended March 2019 were 28 million yen.

*This figure was reported in the Japanese government’s Official Gazette issued on November 29, 2019.

Employee Participation

System

Activity

Mitsui Global Volunteer Program (MGVP), Volunteer Activity Leave

Through the Mitsui Global Volunteer Program, Mitsui encourage employees to participate in various social contribution activities that lead to solving societal issues. The MGVP is a matching gift scheme, under which Mitsui donates ¥1,000 for every employee who participates in voluntary activities each year to NPOs, NGOs, and other organizations. Since the launch of the program in 2009, Mitsui has donated approximately ¥37 million to 10 organizations.

Donations

- FY2016: Support for a project to improve living environments in impoverished regions in Myanmar, through the Mae Fah Luang Foundation
- FY2017: Support for a project to build an accommodation facility for nurses in Ghana through Plan International Japan
- FY2018: Support for a project to provide scholarships in India through Plan International Japan
- FY2019: Support for a project to develop preschool educational facilities in Colombia through Plan International Japan
- FY2020: Support for a cashew farm revitalization project in Zambia through the ETG Farmers Foundation

To harness employees’ participation in social contribution activities, Mitsui provides five additional days of annual paid leave to promote employees’ volunteer activities.

Employee Volunteer Activities Programs in Collaboration with NPOs/NGOs

In collaboration with the Asaza Fund, an NPO that was a grantee of the Mitsui & Co. Ltd., Environment Fund, Mitsui’s employees and their families have been helping to grow pesticide-free rice using only organic fertilizers in traditional paddies in valleys. They are a part of many paddies, known as *yatsuda*, that are being increasingly abandoned in Japan. Yet, as they provide rich habitats suitable for a wide variety of flora and fauna by using valley wetlands, restoration and preservation of these areas is needed, together with nearby forests, streams, and other natural areas.

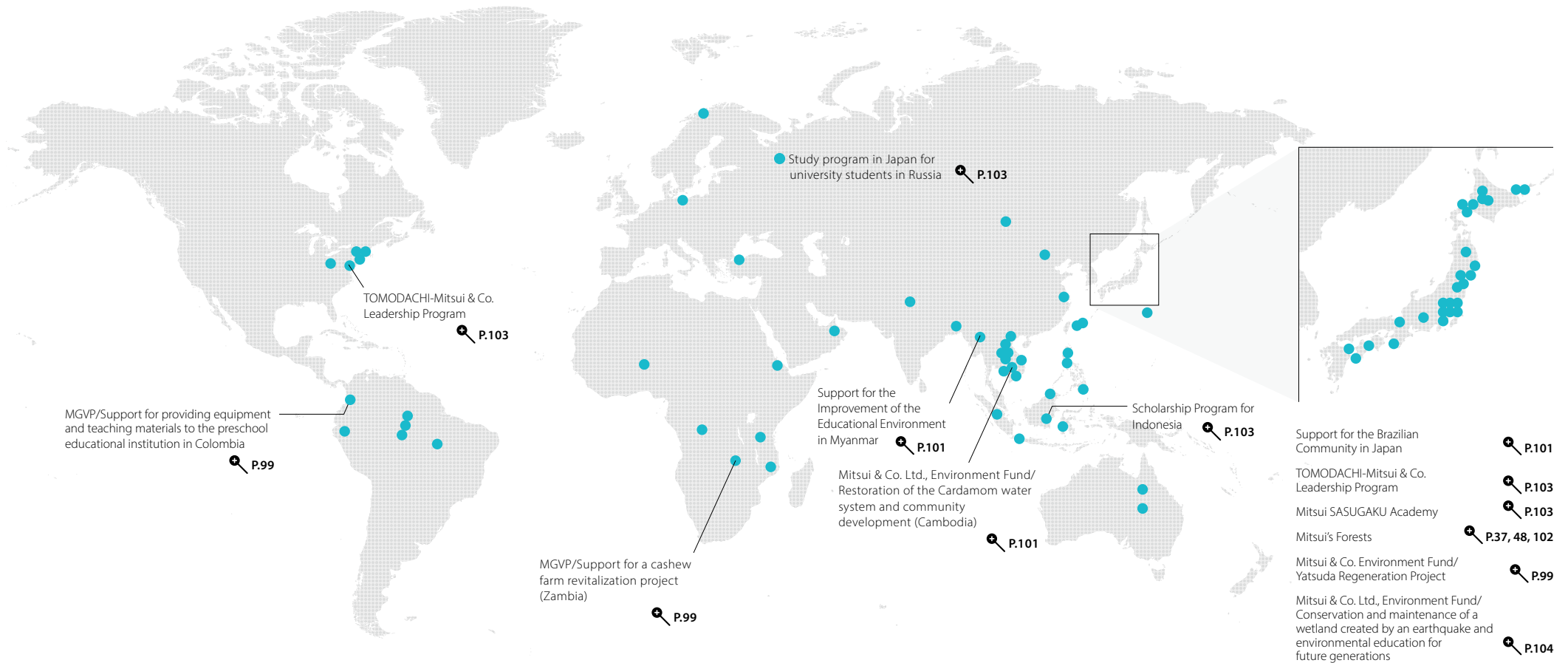
A total of over 2,200 employees and their families have participated as volunteers in the Yatsuda Regeneration Project since its launch in 2007.



Employees and their families transplant rice (April 2019)

Global Social Contribution Activities (Community Contribution, Environmental Conservation, Human Resources Development)

Activity



57 organizations

3,916 persons

6 countries/regions 33 universities

792 persons

Partnership with NPOs and NGOs

Employee Volunteers
(January - December 2019)

Mitsui-Endowed Lecture Programs and Support for the University

Scholarships and Training in Japan

Community Contribution

System

Activity

Support for the Brazilian Community in Japan

As a company with extensive business operations in Brazil, Mitsui provides various types of support to foster reciprocal understanding between Japan and Brazil and find solutions to issues affecting the Brazilian community in Japan.

Scholarship Program for Brazilian Schoolchildren in Japan

Mitsui has been providing scholarships since 2009. The purpose of this program is to provide educational opportunities to children who would otherwise be unable to continue their studies due to economic reasons, and to help Brazilian children to participate more actively in Japanese society by enhancing their Japanese language education. In the fiscal year ended March 2020, 398 children attending 26 schools received scholarships. A total of 290 of these children, who are in elementary school grades five and above, took the Japanese-Language Proficiency Test (JLPT), and 101 passed.

Extracurricular Classes at Brazilian Schools in Japan

Since 2014, Mitsui has supported extracurricular classes at Brazilian schools in Japan in cooperation with the Consulate-General of Brazil in Tokyo. The purpose of these classes is to help children prepare for their future careers by learning about the importance of work. In the fiscal year ended March 2020, Mitsui's employees gave a total of six classes attended by 221 children.

Other Support Activities

- Seminar on the future of Brazilian children in Japan (Kaeru Project)
A psychologist was invited from Brazil to present advisor training seminars in cooperation with local governments and NPOs in three cities with Brazilian communities.
- Support for initiatives by NPOs, to foster multicultural coexistence among Brazilians in Japan
(10 organizations supported in the fiscal year ended March 2020)



The 3rd extracurricular class for FY 2020 at a Brazilian school in Japan (August 2019) NPOs conference at Brazilian embassy (November 2019)

Support for the Improvement of the Educational Environment in Myanmar

We provide seamless support for the improvement of the educational environment in Myanmar at all levels from elementary to higher education, in partnership with various organizations.

- Support for elementary education through participation in elementary school construction by the Myanmar Terakoya Support Team (since 2014, Mitsui has supported the construction of six schools for approximately 1,900 children)
- Agriculture seminar at Yezin Agricultural University
- Scholarship support for Myanmar students at the Tokyo University of Agriculture

Restoration of the Cardamom Water System and Development of Sustainable Communities in Cambodia

Surrounded by inundated forests, Lake Tonle Sap in Cambodia is an important fishing ground for local communities, which rely on a combination of farming and fishing for their livelihoods. In recent years, logging operations and use of insecticides in the forests have caused water pollution and other problems, leading to a decline in fish populations. Through the Mitsui & Co., Ltd. Environment Fund, Mitsui has been contributing to the development of sustainable communities by supporting the activities of Conservation International, an international NGO. It has worked to introduce systems to stabilize livelihoods through a village-level savings scheme for fishing income, while also conserving the inundated forest environment.

Environmental Conservation

Mitsui's Forests' Manifold Initiatives

Policy

System

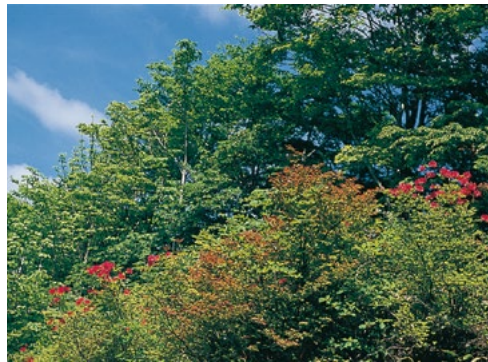
Activity

Mitsui & Co. owns forests in 74 locations in Japan, from Hokkaido in the north to Kyushu in the south. Mitsui's Forests cover a total area of approximately 44,000 hectares, which is equivalent to about 70% of the area of Tokyo's 23 wards, or 0.1% of Japan. We have worked under our Forest Management Policy to protect and nurture these forests and make productive use of the benefits that they provide.

In addition to contributing to the accumulation and absorption of carbon dioxide by exerting their various functions that are beneficial to the public, 30% of Mitsui's Forests have been officially designated as Water Conservation and Water Safety Forests, helping to secure water resources and mitigate flood damage.

Mitsui has been properly managing Mitsui's Forests, and is the only private company that owns large-scale forests of more than 10,000 hectares in Japan with forest certification under two international standards: FSC® (FSC®-C057355), and SGEC (Certification No. SGEC/31-21-1101).

Meanwhile, with the aim of realizing both forest conservation and forest business, we have been working to create a mechanism for using profits from the forest business to maintain natural forests and naturally regenerated forests. Mitsui stably provides timber that accounts for about 0.1% (approximately 50,000 m²) of the annual demand for timber in Japan, while supplying timber fuel to biomass power generation projects in Tomakomai and Shimokawa-cho, Hokkaido, in which we have invested.



Tashiro Forest, Hokkaido



Forest Management Policy



P.37 Environmental Management (Acquisition of Environment-Related Certifications)

Proper Forest Management

Mitsui's Forests are divided into "Forests for Regeneration and Harvest" (approximately 40%) and "Natural Forests and Naturally Regenerated Forests" (approximately 60%). Forests for Regeneration and Harvest are forests that have been planted and cultivated by human hands, and follow a repeated cycle of planting, cultivating, harvesting, and utilization for the production and supply of lumber resources. Natural Forests are forests that have been cultivated through natural action, while Naturally Regenerated Forests are

forests that have grown back mainly through natural action following deforestation due to a natural disaster or tree harvesting, for instance. Areas within these forests that are particularly important from the viewpoint of biodiversity are designated as "Biodiversity Conservation Forests" (approximately 10% of all Mitsui's Forests), in which more rigid management is conducted in order to conserve biodiversity.

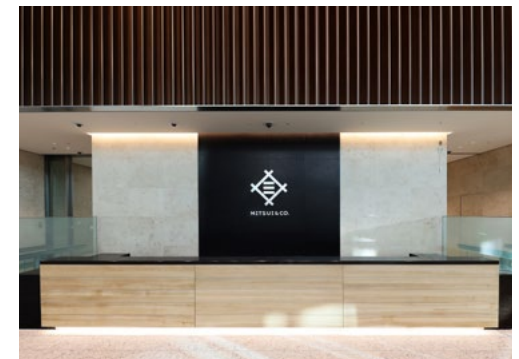


P.48 Biodiversity

Social Value of Forests

Appropriate forest management is only a part of our commitment. We are also actively engaged in initiatives to utilize forest resources on various levels. As part of our contributions to society and to local communities, we use our forests for environmental education activities. Resources from our forests are also used to support cultural activities and traditional events in surrounding areas, as well as reconstruction in areas affected by the Great East Japan Earthquake of 2011. Mitsui supports the campaign to promote the use of Japanese-grown timber as a way of revitalizing the Japanese forestry industry and providing additional impetus for regional development. For example, we stably provide timber as a supply source of wood biomass fuels for local biomass power generation business. We also provided SGEC-certified cedar for use in some parts of the roof and eaves of the New National Stadium building that was completed in November 2019. Timber from Mitsui's Forests was also used in various parts of the Mitsui's new Head Office building completed in 2020.

In the area of environmental education, Mitsui's Forests are used for field studies that teach people about the role of forests, for forestry experience programs, and for various other activities within and beyond the company. In the area of helping to protect culture, we have entered into an agreement with the Biratori Ainu Association and Biratori Town in Hokkaido concerning the protection and fostering of Ainu culture. We also have continued dialogues with Ainu organizations in other places in Hokkaido on the preservation of Ainu culture and other topics, and exchanged opinions and cooperated with an NPO that engaged in the investigation and preservation of the endangered freshwater fish, Japanese huchen that is native to Hokkaido. Through such initiatives and activities, we continuously work toward building good communication with local communities.



Timber from Mitsui's Forests used in the new Head Office building (the reception desk on the first floor)

Human Resource Development

System

Activity

Mitsui SASUGAKU Academy

Mitsui launched the SASUGAKU Academy (education for sustainable development) in 2014, which helps children to develop their ability to create a sustainable future. The course consists of a five-day program for children in the upper grades of elementary school in Japan, and is implemented every year using our global business activities as teaching materials.

This sustainability education initiative has attracted considerable attention from academia through various conference presentations, and has been lauded as a progressive example of Education for Sustainable Development (ESD). Mitsui received the Corporate Youth Experience Promotion Award of Japan's Ministry of Education, Culture, Sports, Science and Technology for the fourth consecutive year, and in the fiscal year ended March 2020, we received the highest award, the Minister of Education, Culture, Sports, Science and Technology Award.



Children enhance their capacity to solve societal issues through group discussions (July 2019)

Supporting Human Resource Development for Future Generations through Scholarship Schemes

As part of its educational support for future generations, Mitsui has been providing scholarships through the Mitsui Bussan Trade Promotion Foundation since 1989, mainly for students from Asian countries. The cumulative total of scholarship recipients has reached 383. Since 1992, through the Mitsui-Bussan Scholarship Program for Indonesia, Mitsui has worked in partnership with local organizations to provide scholarships to selected high school students in Indonesia. The students receive support for five-and-half years, enabling them to start from a Japanese language program and to graduate university in Japan. Of the 46 students who have received scholarships, around half have been recruited by Japanese companies and serve as bridges between Japan and Indonesia.

Mitsui also provides scholarships to university students in Mozambique. Further, Mitsui operates a scholarship program through the Mitsui USA Foundation.

Contributing to Global Human Resource Development through Mitsui-Endowed Lecture Programs at Overseas Universities and Training in Japan

We have worked to foster reciprocal understanding with young people in the next generation and to engage ourselves in activities for promoting international exchange. We aim to contribute to the creation of brighter futures in countries and regions, where Mitsui has business activities.

Mitsui has endowed lecture programs in the United States, China, Myanmar, and Poland. Furthermore, since the establishment of the Mitsui Educational Foundation in Australia in 1971, Mitsui has provided

opportunities for university students selected in Australia to participate in a three-week study tour of Japan every year. In Russia, since 2015, Mitsui has conducted a Japan studies program for students of several universities, including St. Petersburg University. We have made arrangements for them to visit our bases in Japan, such as the Chubu Office, as well as our business partners' sites.

TOMODACHI-Mitsui & Co. Leadership Program

Mitsui has participated in the TOMODACHI Initiative, a public-private partnership program led by the U.S. government and U.S.-Japan Council to foster the development of young leaders for the next generation, since the foundation of the initiative.

In 2013, we have launched the TOMODACHI-Mitsui & Co. Leadership Program, through which 20 selected young leaders working in Japan and the United States are given the opportunity to visit each other's countries. With the program themes of leadership, innovation, and the entrepreneurial spirit, participants broaden their perspectives and knowledge as next-generation global leaders through site visits and dialogues with top executives from the government and industrial sectors and with young leaders. Furthermore, we encourage potential leaders in the three prefectures affected by the Great East Japan Earthquake of 2011 to participate in the Japanese delegations with the aim of developing leaders who can drive the reconstruction process. We also create opportunities for networking with American delegations visiting the earthquake-affected areas. Through these activities, we aim to foster exchange in relation to disaster reconstruction activities, promote local cultures, and tackle various issues, such as the promotion of inbound tourism and revitalization of industry, supporting the recovery of earthquake-affected communities. A cumulative total of 139 young leaders have participated in the Japanese and American delegations in the past seven years.



Members of the Japanese and American delegations and other representatives for the fiscal year ended March 2020 (July 2019)

Photography by Kerry Raftis—Keyshots.com K.K

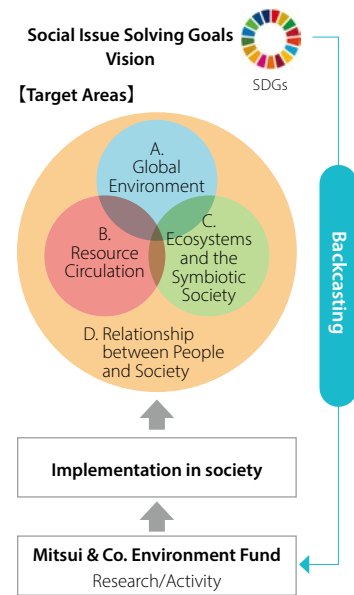
Mitsui & Co. Environment Fund

System Activity

Mitsui established the Mitsui & Co. Environment Fund in 2005. With the aim to create a sustainable society, the Fund supports various activities and research by NPOs, universities, and other organizations that are working to find solutions to global environmental problems. The creation of a future-oriented society is a vital mission for this fund. When soliciting and selecting projects, we give particular priority to projects with the potential to yield results that will have a wide impact on society. To decide which projects make significant contributions to the solution of global environmental problems and the creation of a sustainable society, we use a “backcasting” approach.

In addition to providing grants for activities and research by NPOs, universities, and other organizations, Mitsui also encourages its employees and their families to participate in these activities as volunteers.

In the fiscal year ended March 2020, there were 153 applications, of which 86 were for activity grants and 67 for research grants. After a stringent selection process by a panel that included experts in various fields, 12 activity grants and five research grants were selected. The total amount provided for these 17 projects was approximately ¥103 million. Since 2005, grants totaling approximately ¥5,907 million have been provided for a cumulative total of 588 projects.



Disaster Relief Activities

System Activity

Disaster Relief Activities

When disasters occur in Japan or overseas, Mitsui provides various forms of support to minimize the damage and contribute to the earliest possible recovery in the affected areas. Our support includes donations from the company and voluntary donations from our employees, as well as volunteering activities by our employees.

Mitsui’s Disaster Recovery Support Activities in the Fiscal Year Ended March 2020

Cyclone Idai in Mozambique/Typhoon Hagibis in Japan/Bushfires in southeastern Australia/Response to the spread of COVID-19

Conservation/Restoration Activities Spanning Forests, Villages, and the Sea in Earthquake-affected Wetlands, Environmental Education for Future Generations

Subsidence caused by the Great East Japan Earthquake created a wetland area in the Moune district of Kesenuma City in Miyagi Prefecture, which has since been designated by the Ministry of the Environment as an important area in terms of biodiversity for its unique ecosystems. Through the Mitsui & Co. Environment Fund, Mitsui has provided support to the NPO Mori wa Umi no Koibito. It has carried out research, aiming to create a good environment which can maintain a healthy ecosystem through biological surveys, appropriate environmental management, and improvement activities. Mitsui has also helped its efforts to pass on a rich natural environment to future generations, together with the know-how needed to protect that environment, through environmental education for children and young people. The education was based on fieldwork carried out in the wetlands.

Governance—Executive Summary

Integrity and Compliance

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In order for the Mitsui & Co. global group to continue to be a truly trustworthy corporate group for society, we make serious efforts to ensure that all officers and employees are aware of the importance of compliance and act with integrity, while preventing compliance violations by maintaining our status as an organization with integrity on a global group basis.

Mitsui & Co. Group Conduct Guidelines—With Integrity

We formulated the Mitsui & Co. Group Conduct Guidelines -With Integrity to further clarify our basic approach towards integrity and compliance which had been shared within the global group. We revised these guidelines in November 2019 particularly to enhance items on human rights. We will continue to review these guidelines in accordance with changes both within and outside the company.

Compliance Program

The President & CEO, CCO, and other executives are proactively engaging in awareness-raising activities in order to realize an organization with integrity. At the “With Integrity Month” in November 2019, the President & CEO directly delivered his message about integrity to employees under the theme “Thinking about Integrity.” Other “With Integrity Month” programs included a panel discussion about integrity between young employees and members of the Compliance Committee as panelists, including the CCO, and lectures by external speakers. We held the Mitsui & Co. group CCO meeting, attended by the CCOs of Mitsui and its affiliated companies in Japan, which included seminars and group discussions about the whistleblowing system, and also formulated the Guidelines on the Establishment of Compliance System at Affiliated Companies. As the first step, these guidelines have been used to deepen discussions at the Board of Directors meetings and other such occasions at respective affiliated companies in Japan so that each company can strengthen the compliance framework based on its own issues and tasks.



Group CCO meeting (September 2019)

Facilitating Communication and Fostering a “Speak Up” Culture

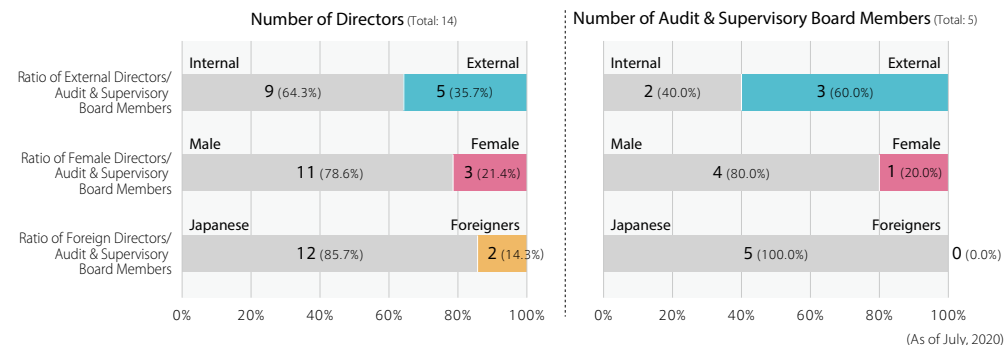
We believe that the essence of compliance lies in the development of an open working environment that reflects our management philosophy and values, so that problems can be prevented through smooth communication. Mitsui is also actively fostering a culture in which people speak up when they become aware of issues to discover problems at an early stage.

Corporate Governance and Internal Controls

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Corporate Governance

Mitsui places emphasis on “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and the executive activities of management.” Sound supervision and monitoring of management with the viewpoints of External Directors and External Audit & Supervisory Board Members are ensured, and an internal control system for disclosure is established so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure. While increasing the effectiveness of supervisory functions by having Audit & Supervisory Board Members, Mitsui implements corporate governance by maintaining an Audit & Supervisory Board system, believing that having Internal Directors who are familiar with its business practices and operations is essential to the business of a general trading company. By adopting a Committee System in which External Directors and External Audit & Supervisory Board Members participate, we achieve highly effective corporate governance to secure “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and the executive activities of management.”



Internal Controls

In accordance with the basic framework of the internal control process introduced by Business Accounting Council, the various systems are implemented in order to achieve the following: “Improvement of effectiveness and efficiency of operations,” “Compliance with accounting standards and securing reliability of financial reporting,” “Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy,” and “The conservation of company assets.”

Risk Management

ESG-Related Risk Management

In order to comprehensively manage risk from both quantitative and qualitative perspectives, while responding appropriately to changes in social conditions and business models, we have defined the business that has high qualitative risks, such as ESG-related risks, as “Specially Designated Business,” and are pursuing such businesses with due caution under our Specially Designated Business Management System.

Information Risk Management

Based on our Information Security Policy, we have established the Information Risk Management Subcommittee under the Information Strategy Committee, with the CDIO serving as the committee chair. Having developed the Rules on Information Management, Rules on Information System Management, and Rules on IT Security, we are properly managing our information assets (information and IT systems) on a global group basis, and will continue making improvements to information management.

Business Continuity

We have formulated Business Continuity Management (BCM) framework to minimize business risks, such as the loss of customers and damage to our corporate reputation, resulting from the suspension of important business processes in the event that our ability to maintain our business operations is seriously impeded by earthquakes, floods, terrorism, epidemics, power shortages or other contingencies, or when such situation is expected to continue for a significant period of time.

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Integrity and Compliance

Our Approach towards Integrity and Compliance

Policy

Mitsui & Co. considers a sound reputation to be the foundation of business, and recognizes that it is only through a strong compliance culture that we can maintain our reputation and the trust of society. In our pursuit of compliance, we recognize that it is essential not only to comply with laws and regulations but also to behave and act with integrity.

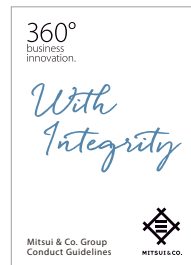
In order for the Mitsui & Co. global group to continue to be a truly trustworthy corporate group for society, we make serious efforts to ensure that all officers and employees are aware of the importance of compliance and act with integrity, while preventing compliance violations by maintaining our status as an organization with integrity on a global group basis.

Mitsui & Co. Group Conduct Guidelines and Business Conduct Guidelines for Employees and Officers

Policy

Mitsui & Co. Group Conduct Guidelines—With Integrity

While each of the Mitsui & Co. group companies has individually established its own business conduct guidelines based on its specific business activities, we drew up the Mitsui & Co. Group Conduct Guidelines—With Integrity in November 2018 to further clarify our basic approach towards integrity and compliance that had been shared on a global group basis. We reviewed and revised these guidelines particularly to enhance items on human rights. We will continue to review and revise these guidelines in accordance with changes both within and outside our company.



Mitsui & Co. Group Conduct Guidelines—With Integrity

Five Key Principles

1. We will comply with laws and regulations, and act to the highest ethical standards. We will respect human rights and never engage in discrimination of any kind.
2. We will respect the individuality and diversity of every employee, and foster a culture of open-mindedness.
3. We will engage in fair business practices, and respond to the trust placed in us by society with good faith and sincerity.
4. We will place value on the global environment, and contribute to the realization of prosperity and a high quality of life for society.
5. We will speak up with courage when we have doubts, or feel that something is wrong, for the good of the company.



Mitsui & Co. Group Conduct Guidelines—With Integrity

Business Conduct Guidelines for Employees and Officers

The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd. (“Business Conduct Guidelines”)” specify how every Mitsui employee and officer should act in his/her daily activities from the perspective of compliance with laws and regulations, internal rules, and corporate ethics. The Business Conduct Guidelines help us fulfill our corporate social responsibility and gain the trust of our stakeholders. They have been revised from time to time since their establishment in February 2001 to reflect the changing environment.

To ensure that all our employees develop a proper understanding of the Business Conduct Guidelines and to review the effectiveness of these guidelines, we implement training and e-learning courses on a regular basis under the supervision of the Board of Directors, and at the same time, we require that all employees pledge to comply with the Business Conduct Guidelines every year.

Likewise, each of our group companies has formulated and implemented its own individual business conduct guidelines, based on the Business Conduct Guidelines, in the way best suited to its specific business activities. In addition, we have put in place business conduct guidelines in our overseas business locations, reflecting the local laws and regulations, and customary practices, of the countries in each region.

Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.

- | | |
|--|---|
| 1. Compliance with the Law and Integrity | 8. Compliance with Procedures for Export and Import and Other Applicable Laws |
| 2. Respect for Human Rights and Diverse Cultures | 9. Company Fund, Financial Reporting and Meeting Tax Payment Obligations |
| 3. Office Environment and Harassment | 10. Political Donations and Other Contributions |
| 4. Compliance with Antitrust Law, etc. | 11. Social Contributions |
| 5. Conflicts of Interest between Employees and the Company | 12. Protection of Environment |
| 6. Gifts and Favor | 13. Action against Antisocial Group |
| 7. Treatment of the Company's Information | 14. Report and Sanctions |



Business Conduct Guidelines for Employees and Officers

Our Stories: Build an organization with integrity

P.31 Promoting the Concept of Integrity and Sharing Values in the East Asia Bloc



Compliance Framework

System

The Compliance Department of the Legal Division leads compliance-related initiatives on a global group basis under the direction and supervision of the Chief Compliance Officer (CCO) and in collaboration with the Compliance Supervising Officers appointed in each of Mitsui’s units and offices in Japan and overseas. The objectives of these efforts implemented on a Mitsui & Co. global group basis are to (i) heighten compliance awareness, (ii) improve and strengthen compliance programs, and (iii) respond to specific compliance-related matters as they arise. In the fiscal year ending March 2021, Compliance Administrators have been appointed in each business unit, and complement the fulfillment of duties of the Compliance Supervising Officers. Compliance Administrators also accelerate, on a practical level, activities to raise awareness for integrity and compliance within the business unit, as well as development and reinforcement of a compliance framework at each affiliated company supervised by the business unit.

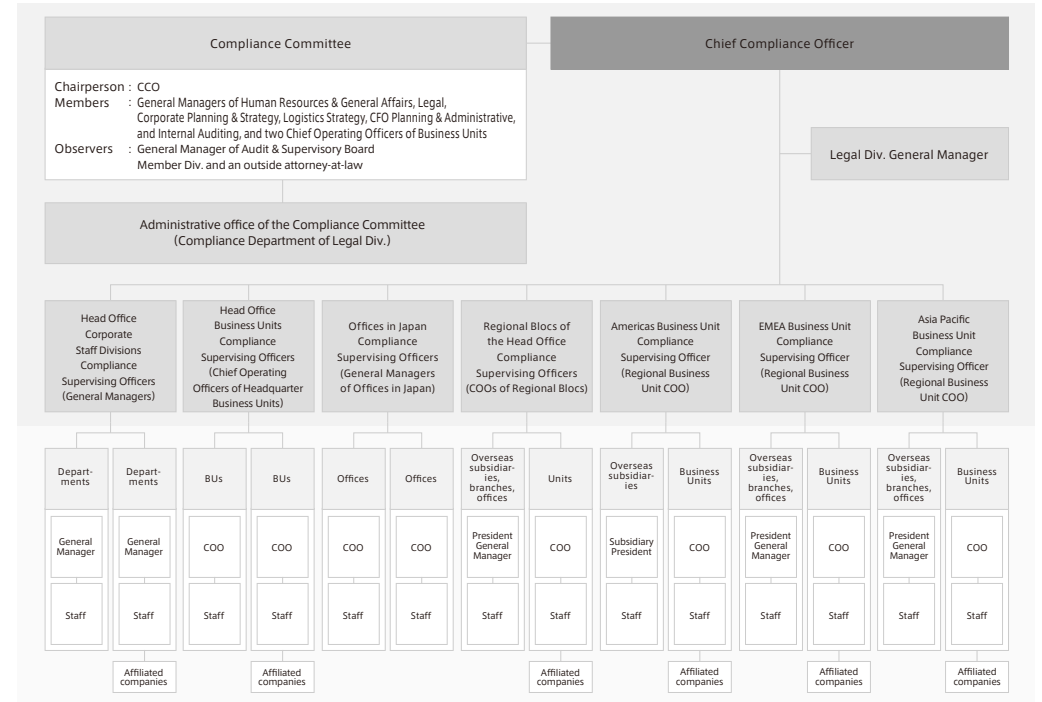
In addition, the Compliance Committee has been established as a forum for discussing topics relating to compliance. As the development of a compliance framework is becoming ever more important, we have increased the number of Compliance Committee meetings since the fiscal year ended March 2019. We also added two business unit COOs as committee members to facilitate discussions that reflect business frontline aspects, and have engaged in active discussions. With the participation of external attorneys, the Compliance Committee discusses action plans for improving the compliance framework based on various compliance-related matters that have been reported. The minutes of the committee meetings are released on the company intranet.

The Board of Directors has the function of supervising the operation and other related matters of the compliance framework on a global group basis, and, in principle, the CCO reports to the Board of Directors twice a year on the operational status of the compliance framework, as well as the results of deliberations at the Compliance Committee meetings. The Board of Directors actively discusses key measures to be taken going forward. In formulating the Mitsui & Co. Group Conduct Guidelines—With Integrity, external directors and Audit & Supervisory Board members made specific suggestions and comments in relation to the content of the guidelines and awareness-raising activities, and those suggestions and comments have been reflected in the guidelines.

In addition, Mitsui & Co. group CCO meetings, in which CCOs of Mitsui and affiliated companies in Japan participate, and overseas office CCO meetings, are held regularly in order to actively exchange information and opinions about optimum initiatives and other related matters, thereby strengthening the compliance framework on a global group basis.

In the event of a compliance violation or a risk thereof, the corresponding Compliance Supervising Officer (such as the business unit COO) and Compliance Administrators will take the lead in responding to the situation, identifying the causes and formulating recurrence prevention measures, and then report to the CCO. In some cases, the Compliance Department of the Legal Division will take action under the leadership and supervision of the CCO. Procedures have been stipulated in advance for the establishment of Crisis Response Headquarters under the direct supervision of the President & CEO to ensure timely and appropriate decision-making on crisis response measures.

Compliance Organization chart



Compliance Program

Policy System Activity

We believe that even if a detailed, fine-tuned compliance program is formulated, the effectiveness of the compliance framework cannot be reinforced without management executives taking the lead in compliance-related initiatives. For this reason, the President & CEO, CCO, and other executives are proactively engaging in awareness-raising activities and sending messages to employees continuously and repeatedly on the importance of integrity and compliance. In particular, we engage in “With Integrity Month” activities every November in order to continue raising awareness of the importance of integrity.



A message from the President & CEO during “With Integrity Month” (November 2019)

Specific measures include the promotion of integrity awareness through the CCO Blog and other media, and the fostering of a “speak up” culture in which people do not hesitate to speak up when they feel that something is going wrong. We also steadily implement compliance awareness surveys, share information about compliance violations, and take steps to prevent recurrences. Other initiatives focus on thorough management at the business frontline, the reinforcement of control over operational processes, and the promotion of human resource mobility. In addition, we provide various types of training and e-learning programs.

Mitsui aims to achieve continual improvement by remaining focused on society’s expectations. We also recognize the importance of continually assessing risks relating to our business activities and reviewing our compliance-related measures based on the results of those assessments. Each year, we verify the effectiveness of measures implemented in the previous fiscal year and identify issues based on the results of compliance awareness surveys, the content of discussions by the Compliance Committee and the Board of Directors, exchanges of views with compliance liaison managers in each organization, and feedback from outside assessment bodies. Findings from this process are used in the formulation of activity plans for the next fiscal year.

Compliance Education and Training

Mitsui implements a variety of compliance education and training programs to deepen employees’ compliance awareness and disseminate essential knowledge and information about compliance.

In the fiscal year ended March 2020, we provided compliance training (including lectures on preventing violations of human rights and personal rights) for employees at all levels, from new entrants to managers, as well as for employees about to be transferred overseas or to group companies, or assigned outside the company, and seminars on important laws and regulations in Japan and overseas. We also implemented harassment-related training, which is mandatory for line managers and employees in managerial positions equivalent to line managers, as part of our efforts to prevent such occurrences. These training programs also include guidance on the procedures that staff members should follow when they receive reports or requests for advice about compliance violations, with the aim of creating an organization in which employees feel safe to speak up about such issues.

At the “With Integrity Month” in November 2019, the President & CEO directly delivered his message about integrity to employees under the theme “Thinking about Integrity.” Other “With Integrity Month” programs included panel discussions about integrity between young employees and members of the Compliance Committee, including the CCO, who participated as panelists.

Additionally, lectures were conducted by external speakers. Furthermore, in order to share the values of “With Integrity” with overseas subsidiaries and group companies in Japan and overseas, some programs were translated into English and are available for streaming via the company intranet. In addition to these company-wide initiatives, individual organizational units also ran active programs that included seminars, information-sharing sessions, and discussions.



With Integrity Month program “Thorough Panel Discussion on Integrity” (November 2019)

Moreover, we continued providing a learning course based on a compliance handbook explaining the Business Conduct Guidelines for Employees and Officers of Mitsui & Co. The purpose of these activities was to promote assimilation of basic compliance knowledge that officers and employees of Mitsui should possess in order to perform their day-to-day tasks.

Mitsui also maintains an active program of compliance training for officers and employees of group companies. We distributed the Mitsui & Co. Group Compliance Handbook in response to requests from subsidiaries and group companies in Japan. We also provided an e-learning platform to allow the distribution of our own teaching materials and the implementation of an online test similar to that used for Mitsui’s employees. Overseas offices and group companies also implement compliance education and training programs that reflect local regional characteristics.

Efforts to Ensure Compliance with Applicable Competition Laws

We regard compliance with competition laws in applicable jurisdictions as an important issue for our corporate management, and we provide various manuals and hold regular seminars to ensure that all officers and employees are informed of, and comply with, the applicable competition laws. In particular, with respect to the prevention of cartels, we established and enacted the “Code of Conduct in Relation to the Prevention of Cartels” as a sub-standard of the Business Conduct Guidelines for Employees and Officers of Mitsui & Co. in November 2018.

By presenting a specific code of conduct in relation to the prevention of cartels, we have clarified our stance on ensuring compliance with the applicable competition laws and raised awareness among all of our officers and employees of the compliance requirements. In addition, we also work to ensure that compliance with the applicable competition laws is achieved on a global group basis by each of the Mitsui & Co. group companies, by carrying out education and training on the applicable competition laws while taking into account the characteristics of each respective region.

Initiatives to Prevent Corruption

We also regard compliance with anti-corruption laws in the applicable jurisdictions as an important issue for our corporate management. The Mitsui & Co., Ltd. Anti-Corruption Policy, which was published in December 2016, defines Mitsui’s comprehensive framework and initiatives for preventing all forms of bribery and corruption. When examining new business projects, due diligence is carried out based on this policy, in particular, for projects that are deemed to have a high risk of corruption. In addition, in order to ensure that all officers and employees comply with anti-corruption laws, we have established rules on the management of business entertainment for public officials, as well as rules on the appointment of sales agents, and have also been conducting various kinds of education and training. Furthermore, we have been implementing education and training related to anti-corruption laws at Mitsui’s consolidated subsidiaries in Japan and overseas as well, promoting the development and operation of an anti-corruption framework that conforms to Mitsui’s own framework.

The Board of Directors oversees the administration of the compliance framework on a global group basis, including compliance with the Mitsui & Co., Ltd. Anti-Corruption Policy.



Mitsui & Co., Ltd. Anti-Corruption Policy

Compliance Awareness Survey

Each year we conduct a Compliance Awareness Survey to ascertain the level of compliance awareness of officers and employees in the Head Office and offices in Japan. Surveys are also conducted at overseas offices and group companies as required. The results are used in the formulation and implementation of various policies.

	FY2019	FY2020
① Do you think that there is good workplace communication, and that you can easily talk about compliance matters with your line managers, colleagues, and team members?	92.7%	93.2%
② Do you think that the company is serious about promoting the use of the whistleblowing system?	92.5%	92.7%
③ If you became aware of a compliance issue, would you use the whistleblowing system to report the matter or seek advice?	81.8%	80.9%

In relation to the third question, while working to create a workplace that facilitates open-minded communication, we will continue fostering a “speak up” culture so that everyone can feel safe to use the whistleblowing system, when necessary.

Other Initiatives

We identify lessons from compliance-related matters occurring within the Mitsui & Co. group and develop recurrence prevention measures. Information about such matters that could be useful as reference for the development of compliance systems is shared across our entire group.

As in the previous fiscal year, we held the Mitsui & Co. group CCO meeting, attended by the CCOs of Mitsui and its affiliated companies in Japan, which included seminars and group discussions about the whistleblowing system. In addition, we work to ensure consistent compliance at the group level through visits to key affiliated companies in order to identify issues affecting each company, and to provide advice about the development and administration of autonomous, self-sufficient compliance programs.

In the fiscal year ended March 2020, with the aim of further accelerating these initiatives, we formulated the Guidelines on the Establishment of Compliance System at Affiliated Companies, which compile minimum rules and principles that are necessary for the development of a compliance framework at an affiliated company. As the first step, these guidelines have been used to deepen discussions at the Board of Directors meetings and other such occasions at respective affiliated companies in Japan so that each company can strengthen its compliance framework based on its own issues and tasks.



Group CCO meeting (September 2019)

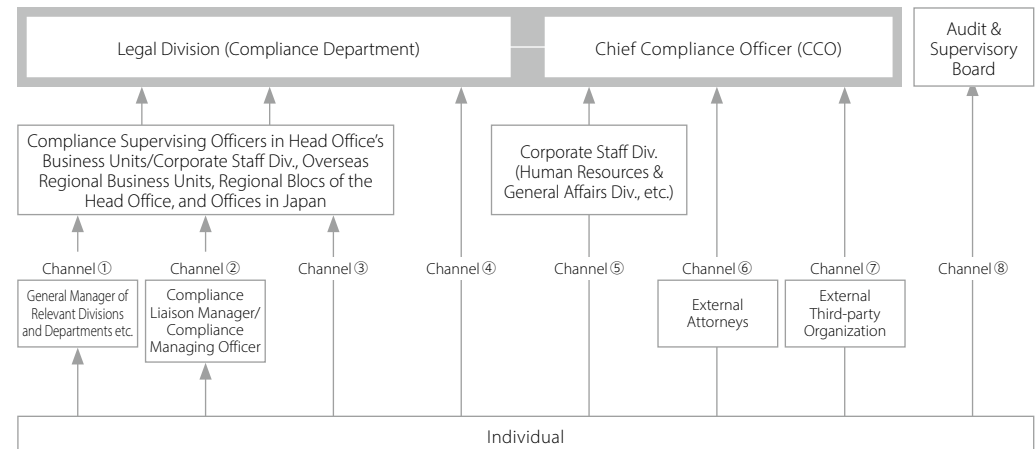
Facilitating Communication and Fostering a “Speak Up” Culture

System Activity

We believe that the essence of compliance lies in the development of an open working environment that reflects our management philosophy and values, so that problems can be prevented through smooth communication. Should problems occur, a report must be immediately made to line managers or those in charge so that appropriate action can be taken in a timely manner. Mitsui is actively fostering a culture in which people speak up when they become aware of issues. Management executives continually disseminate the message that discovering problems at an early stage is important and speaking up about issues will lead to improvement in the company.

We have established eight channels for reporting/consulting about compliance-related matters within or outside employees' direct reporting line, including external attorneys and independent organizations outside of the company (anonymous access is possible). These channels are available for all officers and employees of Mitsui, as well as contract employees, and officers and employees at companies to which we entrust work who engaged in or are engaging in such work. Reporting can be made via telephone, email, fax, letter, or by other such means (accessible at all hours, except for reporting via telephone).

Channels for Reporting/Consulting about Compliance-Related Matters



The most important way to ensure that the whistleblowing system is used effectively is to prevent any form of retaliation against or disadvantageous treatment of whistleblowers. With regard to this point, in addition to stipulating prohibition of such actions against whistleblowers in the rules for the whistleblowing system, we specifically stipulated that any person engaging in retaliation against or disadvantageous treatment of a whistleblower could become subject to disciplinary action. In April 2019, we also stipulated additional measures in the whistleblowing system rules to encourage people to speak

up, such as guaranteeing the anonymity of people who make reports, and establishing a rule that if a person who is involved in a compliance violation reports the matter to the company himself/herself, such action will be taken into account when disciplinary actions are decided upon.

We further enhanced the transparency of whistleblowing processes and confidence in the system by posting a video entitled "Speak up when you think something is wrong!" on the intranet for officers and employees. The video explains Mitsui's whistleblowing system, including the various routes for reporting/consulting about issues and the investigation process after an issue is reported.

Response after Whistleblowing

Reports are submitted to the CCO via the Compliance Dept. of the Legal Div., and necessary investigations are carried out under the supervision of the CCO. Based on such investigations, whether or not a compliance violation actually occurred is analyzed, prevention reoccurrence measures are formulated, and remedial action is taken in accordance with the direction and approvals given by the CCO. Feedback on the investigation results is provided based on a request from the whistleblower. Once a certain period of time has elapsed after necessary actions are taken for the reported matter, whether there were any acts of retaliation against the whistleblower is checked.



For our group companies in Japan, we have created a process for ensuring that employees feel that it is safe to report/consult about issues, by (1) making available the use of external law firms and third-party organizations designated by Mitsui as external reporting/consulting channels, and (2) monitoring the actions of group companies and providing guidance to ensure that whistleblowing systems are properly established and administered. As regards overseas offices and group companies, regional Compliance Supervising Officers are leading the development of whistleblowing channels, while also ensuring that these systems reflect local laws and regulations, as well as specific local customary practices in each country.

Furthermore, Mitsui has introduced the Global Group Hotline, a special whistleblowing hotline for reporting and seeking advice regarding cases that breach the laws of Japan or another country in relation to anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to suspicion of such breaches. Under the system, which is accessible in six languages including Japanese and English, the Compliance Department of the Legal Division of the Head Office becomes a unified channel by which to receive whistleblowing reports from overseas trading affiliates, and other subsidiaries in Japan and overseas.

Officers and employees of group companies are also able to make a report or seek advice directly through Mitsui's whistleblowing system when the issues are related to officers and employees of Mitsui or when the issues could have a serious impact on the Mitsui & Co. group.

Number of Whistleblowing Reports

A total of 20 whistleblowing reports were submitted directly to the Compliance Department of the Legal Division or through external channels in the fiscal year ended March 2020. All of the reports were related to harassment.

Although the number of whistleblowing reports declined from 51 reports in the fiscal year ended March 2019, we believe that this is because matters related to harassment or embezzlement have started to be reported or consulted about via the employee's direct reporting line, while they had previously been reported mainly via the whistleblowing system. We recognize that the culture of speaking up has steadily spread throughout the workplace.

	FY2018	FY2019	FY2020
Number of whistleblowing reports	25	51	20

Status of Compliance Reports

Activity

We believe that if employees report or consult about compliance-related matters at an early stage, we can take action to mitigate problems, ultimately leading to the prevention of compliance violations. We, therefore, encourage officers and employees to report potential issues early, even if they are not certain that compliance violations have occurred.

In the fiscal year ended March 2020, 1,050 reports were made in relation to compliance at the Head Office, offices in Japan and overseas, and affiliated companies. None of these matters had a material effect on the business of Mitsui or its affiliated companies. Furthermore, there were no cases where Mitsui received any legal sanctions or paid any fines or financial penalties due to violations of anti-bribery laws or anti-competition laws.

Global Tax Management Policy

Policy

We are committed to complying with our tax obligations in a proper and fair manner, and appropriately managing our global tax costs. Our Global Tax Management Policy is available below.



Global Tax Management Policy

Corporate Governance and Internal Control

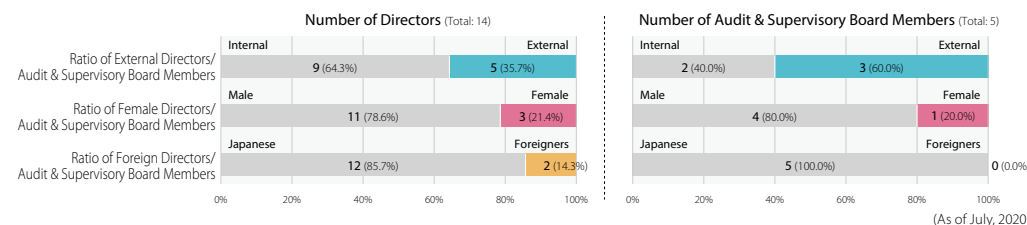
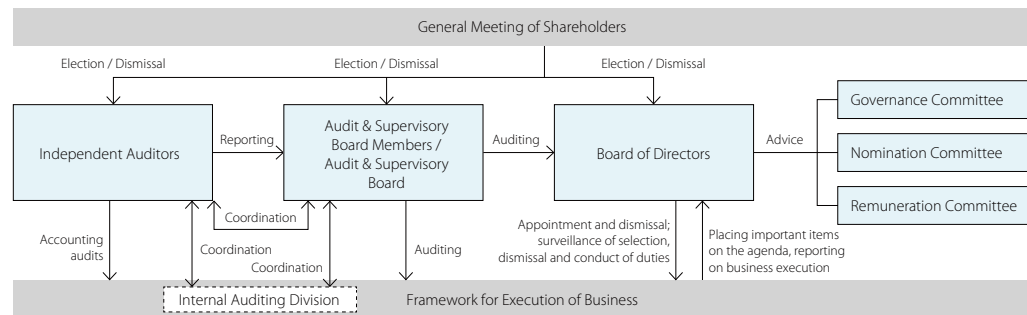
Basic View on Corporate Governance

Policy System

In structuring the corporate governance framework, the Company places emphasis on “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and the executive activities of management.” For “improved transparency and accountability,” the Company ensures sound supervision and monitoring of management with the viewpoints of External Directors and External Audit & Supervisory Board Members. The Company has also established an internal control system for disclosure so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure. For “the clarification of the division of roles between the oversight activities and the executive activities of management,” the Company delegates execution of business to Managing Officers substantially while the Board of Directors retains a supervisory role over Managing Officers’ business activities. Chief Operating Officers of the 16 Headquarter Business Units and the 3 Overseas Regional Business Units serve concurrently as Managing Officers and engage in business operations for the consolidated Group in a responsive and flexible manner.

While increasing the effectiveness of supervisory functions by having Audit & Supervisory Board Members, the Company implements corporate governance by maintaining an Audit & Supervisory Board system because it believes that having Internal Directors who are familiar with its business practices and operations is essential to the business of a general trading company. By adopting a Committee System in which External Directors and External Audit & Supervisory Board Members participate, the Company achieves highly effective corporate governance to secure “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and the executive activities of management.”

Corporate Governance Framework



Board of Directors

Activity

The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, the Company has maintained a number of Directors that is suitable for having substantial discussions. The tenure of Directors is one year, and Directors can be reappointed without obstruction. The Chairman is authorized to call for a meeting of the Board of Directors and to chair the meeting. His role as the Chairman of the Board of Directors of the Company chiefly involves carrying out supervision of management. He does not concurrently serve as an executive officer and he is not involved in the execution of day-to-day business operations. In addition, the Company has established the Governance Committee, the Nomination Committee, and the Remuneration Committee to serve as advisory bodies to the Board of Directors. These committees have majorities of external members, including their chairpersons.

At Board of Directors’ meetings, matters that are deliberated or reported on abide by the Company’s internal regulations. In addition to matters concerning fundamental policies related to management, important business execution and matters authorized by resolutions of the General Meeting of Shareholders, the Company passes resolutions on matters determined by law and company statute. The Board of Directors also receives reports regarding matters determined by law and the status of important business operations.

Regular meetings of the Board of Directors are held once every month in principle and extraordinary meetings are held from time to time at any time if deemed necessary. In the fiscal year ended March 31, 2020, 15 meetings were held.

Sustainability, internal control or risk management-related reports to the Board FYE March 2020

Agenda of the Board	Time of Meeting	Matters Reported	Relevant Risk Management Structures/Systems
Internal Control System Review	2020/4/8*	• Internal control overall	• Authority delegation system, <i>ringi</i> system, oversight and support by corporate staff divisions • Prior setting of position limits, monitoring by specialist units • Internal Control/Portfolio Management Committee
Sustainability related	2020/3/25	• Overall activities related to sustainability (including Climate Change)	• Sustainability Committee
Mitsui & Co. Group Compliance System	2019/10/30 2020/3/25	• Compliance risks	• Compliance Committee • Establishment of and compliance with Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd. • Development of internal whistle-blowing system • Implementation of training and other awareness-raising activities.
Internal control evaluation report given under the Financial Instruments and Exchange Law	2019/6/20	• Internal controls relating to financial reporting	• J-SOX Committee • Self-assessment of effectiveness of internal control systems by units under assessment, and testing by independent units
Internal Auditing Div. Activity Report	2019/9/11	• Result of internal auditing	• Internal audit framework centered on Internal Auditing Div.
Mitsui & Co.’s risk exposure and controls	2019/12/18	• Credit risk (commercial claims, external loans/guarantees, term deposits) • Market risk (commodity/forex long and short positions, inventories) • Business risk (business assets, loans/guarantees to related parties, external investments) • Country risk • Operational risk	• Examination of credit lines and <i>ringi</i> applications and monitoring • <i>Ringi</i> examination of commodity/forex long and short positions, on-site inspection of inventories, etc. • Examination through <i>ringi</i> processes, realization of returns from investment projects and their optimization • Collection and analysis of country risk information, position monitoring by country, designation of countries for suspension of transactions, designation of special countries, formulation of country-specific policies • We have taken further step to identify operational risk affecting individual business projects
Cyber Security	2019/12/18	• Cyber Security	• Technical support, human support (including security awareness activities), support to affiliated companies

* The status of Internal control regarding fiscal year ended March 2020 was reported to the board of directors held April 8, 2020, immediately after the ending of such fiscal year.

Audit & Supervisory Board

Activity

The Audit & Supervisory Board Members supervise the Directors' execution of duties as an independent institution with the mandate of the shareholders. For this purpose, Audit & Supervisory Board Members carry out multi-faceted, effective audit activities such as attending important internal meetings, verifying reports and investigating our business, and take necessary measures in a timely manner.

A meeting of the Audit & Supervisory Board Members is regularly held prior to a meeting of the Board of Directors and whenever necessary. In the year ended March 31, 2020, 24 meetings were held. The main items considered and discussed at the Audit & Supervisory Board are as follows: Audit policies, audit plans and work assignments; Assessment of Independent Auditor; Audit activities conducted by full-time Audit & Supervisory Board Members; Major issues and due process relating to matters to be discussed at the Board of Directors meetings; Major issues and resolutions relating to the internal control system on a Global Group basis; and Monitoring of progress on discussions between the Company and the Independent Auditor about various issues including "Key Audit Matters".

Each Audit & Supervisory Board Member has a duty to audit the following issues: (i) in the area of business auditing, execution of duties by Directors, decision-making processes at the Board of Directors and others, and the status of operation and improvement of the internal control systems, and (ii) in the area of financial auditing, the independence of the Independent Auditors, the system of financial reporting, accounting policies and processing of financial information, financial statements, reports from the Independent Auditors, and the system of corporate information disclosure.



Integrated Report 2020 (P. 102 Mitsui's Corporate Governance)

Execution of Business Activities

System

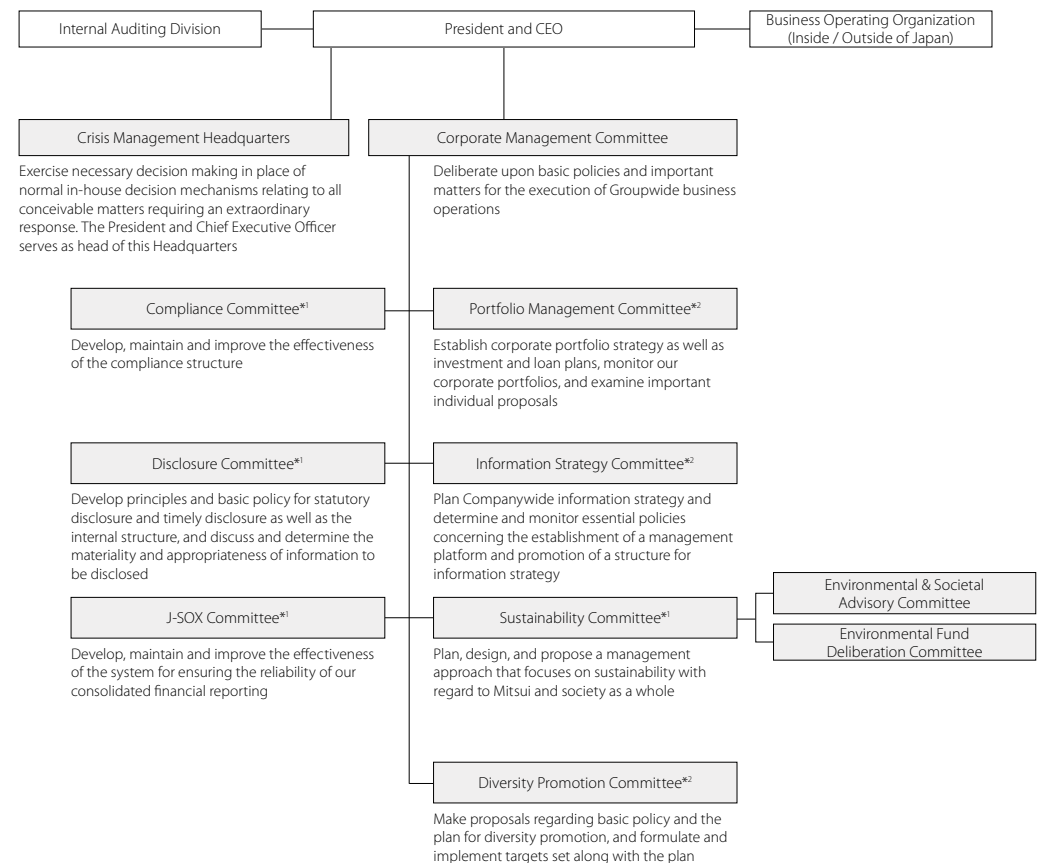
Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating the basic policies and important matters relating to the overall management. The Committee consists of the Chairman of the Board of Directors, President and Chief Executive Officer (the committee chair), the Directors in charge of Corporate Staff Units, and Representative Directors or Managing Officers nominated by the President and Chief Executive Officer. The Corporate Management Committee is held weekly, in principle. Matters referred to the Corporate Management Committee meeting are determined by the President and Chief Executive Officer, taking into consideration discussions among the Committee members.

Based on the basic design of internal controls provided for by the Board of Directors, management assumes the role and responsibility of maintaining, operating and assessing internal controls at Mitsui and

Mitsui affiliated companies. The Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, examines the status of development and implementation of the internal control of Mitsui.

The Company has established major committees pertaining to the execution of business and implementation of internal control as follows, and is taking measures to respond to a wide range of risks and forms of businesses, which continue to increase and diversify.

Framework for Internal Controls and Execution of Business Activities



*1. Sub-committees to the Corporate Management Committee

*2. Advisory bodies to the Corporate Management Committee

Corporate Governance and Internal Control

Internal Controls

System

In the construction of internal control processes, aiming to achieve the objective of the internal control process—"Improvement of effectiveness and efficiency of operations," "Compliance with accounting standards and securing reliability of financial reporting," "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and "The conservation of company assets"—the following systems are implemented.


Risk Management System


Risks arising from Mitsui's business activities are monitored and managed by Chief Operating Officers of business units and regional business units within the authorization delegated to them from the Company's management. Measures taken by each business unit to manage quantitative risks include setting position limits and loss-cut limits and conducting monitoring through divisions with relevant expertise. For the management of qualitative risks, the business units are obligated to observe relevant internal regulations. When a business unit or regional business unit takes on risks that are greater than the scope of authority granted to them, it is necessary to obtain approval of the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation, in accordance with the standards of the internal approval system.

Furthermore, organizations such as the Portfolio Management Committee, the Sustainability Committee, and the Crisis Management Headquarters establish and develop risk management structures on a Companywide basis and handle significant risks. Members of the corporate staff of each committee are responsible for surveillance of Mitsui's position regarding the risks they are in charge of overseeing, as well as the control of risks within the prescribed range of their authority and the provision of support to relevant directors and managing officers.

Ensuring the Appropriateness of Operations within the Corporate Group

The Company has set forth the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles." In light of other laws and regulations, the Company requires its subsidiaries to develop and operate internal controls based on these principles and to the extent reasonable. For its equity-accounted investees, the Company coordinates with other equity participants and encourages the equity-accounted investees to develop and operate similar internal controls. In addition, from its officers and employees, the Company appoints supervising officers to each affiliated company and has them conduct management based on the "Rules on Delegation of Authority for Supervising Officers of Affiliated Companies."

 Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles

 Integrated Report 2020 (P. 112 Execution of Business Activities and Internal Controls)

 **P.114** Information Risk Management

 **P.107** Compliance Framework

 **P.113** ESG-Related Risk Management

Risk Management


ESG-Related Risk Management

System

Activity

Business opportunities, as well as the risks associated with doing business, have increased and are becoming more diversified due to the impact of economic globalization, progress in information technology, and increasing awareness of the importance of corporate social responsibility. Based on this understanding, Mitsui & Co. recognizes the necessity of comprehensively managing risk from both quantitative and qualitative perspectives, while responding appropriately to changes in social conditions and business models. We have defined business that has high qualitative risks, including risks related to the natural environment, society, and governance, as "Specially Designated Business," and have been endeavoring to develop such business with due caution under our Specially Designated Business Management System.

In the promotion and management of each business, we bear in mind the various climate change scenarios that are put forward by internationally recognized organizations, such as the International Energy Agency, and analyze the potential impact of such scenarios on our business. We have been reflecting the results of these analyses in our screening processes for investments, loans, and other activities. A shift toward a low-carbon society could have an impact on our energy business among others, and in response to that we have been promoting environment-friendly, next generation energy business. Moreover, since Mitsui is engaging in business in a variety of locations around the world, climate change-related measures implemented by various countries and regions could have a significant impact on the profitability and sustainability of our business. By utilizing the global network that we have established through our business activities over many years, we monitor the measures adopted in each country and region in a timely manner, as well as trends relating to stakeholders influencing those measures, and use the obtained information in our decision-making process.

 **P.40** Strategy and Risk Management for Climate Change Response

Specially Designated Business Management System and Environmental & Societal Advisory Committee

With reference to international standards related to environmental and social aspects, we have created an ESG due diligence checklist, which compiles environmental and social risks by business area. Each business unit uses the checklist to conduct ESG impact assessments, which encompass climate change, pollution prevention, ecosystems, water stress, human rights, and other matters. Based on the assessments, we designate business areas that pose high qualitative risks related to the environment, society, governance, etc., as "Specially Designated Business", and promote such business based on the Specially Designated Business Management System.

When we identify a project as Specially Designated Business, we conduct internal assessments and, wherever necessary, consult with the Environmental & Societal Advisory Committee, the Sustainability Committee, or other committees for advice as to whether or not to proceed with the proposed project, and for suggestions on how improvements can be made. Ultimately, the final decision on whether or not to proceed with any given project is made through the *ringi* (circular executive approval) process by the Corporate Management Committee, the Board of Directors, and representative directors, all of whom

supervise ESG risks, in accordance with the predetermined qualitative and quantitative standards. Furthermore, not only when beginning a new project, but also during operation and when terminating a project, we convene meetings of the Environmental & Societal Advisory Committee, if necessary, in order to deliberate ESG risks, including the impact of changes in environmental risks and occupational safety and health.

The members of the Environmental & Societal Advisory Committee consist mainly of external experts who are familiar with a broad range of fields, including climate change, environmental restoration, environmental policy with respect to water, energy, etc., technology trends, human rights, and labor issues. The advisory committee members assess the risks related to such matters and provide recommendations where appropriate for improving projects.

In the fiscal year ended March 2020, 13 projects were individually assessed under the Specially Designated Business Management System. Among these, six projects were categorized under the environment-related business domain, while seven were categorized as projects receiving subsidies and other projects. We will continue to conduct risk assessments and make improvements by utilizing the Specially Designated Business Management System and Internal Carbon Pricing Analysis, and implement comprehensive and well-balanced management of risks from the project formation stage up to the termination of the projects.

P.42 Introduction of Internal Carbon Pricing System

Furthermore, we have established the Rules on ODA (Official Development Assistance) Business Management for promoting ODA business, which has a high public profile and, therefore, requires highly transparent operational processes. Under this system, Mitsui's ODA Projects Evaluation Committee reviews these projects as necessary and ensures appropriate risk management. In particular, we carry out comprehensive assessment of risks related to bribery and corruption considering the significance of those issues.

Business Domains Subject to Specially Designated Business Management System

Business Domain	Key Points for Screening
<p>1 Environment-related business All business that have a large impact on the environment Examples: coal fired power plant business, offshore oil field business, etc.</p>	<p>Applicable to All Four Business Domains</p> <ul style="list-style-type: none"> • Significance and social value of the business itself • Significance of Mitsui engaging in this business <p>• Contributions of such business to the environment and society</p> <ul style="list-style-type: none"> • Measures to mitigate environmental load (incl. climate change, biodiversity loss, water risk) • Safety assurance and work environment • For development business, appropriate consideration for and understanding of the human rights of local residents and other related parties, and other related matters • Compliance with environmental laws, regulations and guidelines, etc.
<p>2 Medical, healthcare and bioethics related business Business related to the fields of medical and healthcare, business related to the development of technologies relating to the human genome, genetic analysis, genetic recombination, and other relevant matters, or business that handles products to which these technologies are applied Examples: Business with a high public profile in the medical and healthcare fields (dialysis, pharmaceutical drug manufacturing business), development of new drugs using genetic analysis technology, etc.</p>	<ul style="list-style-type: none"> • Ethical screening based on the guidelines of three Japanese government ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI) • Approval by the ethics committee of the research institute in question, acquisition of informed consent, checking of processes, etc.

3	<p>Projects receiving subsidies All projects that directly or indirectly receive subsidies from governmental and administrative agencies, or other such entities, both within and outside of Japan</p>	<ul style="list-style-type: none"> • Evaluation in light of Mitsui's management philosophy (MVV) • Social impact and ensuring accountability and process transparency • Determination of the interests of stakeholders, and resultant considerations and responses • Responsibility and capability over the medium-to-long term as the operator of a business with a high public profile
4	<p>Business harboring other unusual reputation risks Business that may be in conflict with public order and morality, Mitsui's management philosophy, etc. and business with a high public profile Examples: Business involving utilization of sensitive personal information, social infrastructure business, etc.</p>	<ul style="list-style-type: none"> • Evaluation in light of Mitsui's management philosophy (MVV) • Social impact and ensuring accountability and process transparency • Determination of the interests of stakeholders, and resultant considerations and responses • Responsibility and capability over the medium-to-long term as the operator of a business with a high public profile

Information Risk Management

Policy System

Information Security Policy

We regard information as an important business asset, and recognize that it is essential for Mitsui to properly manage information. Based on our Information Security Policy, we have established the Information Risk Management Subcommittee under the Information Strategy Committee, with the CDIO serving as the committee chair. Having developed the Rules on Information Management, Rules on Information System Management, and Rules on IT Security, we are properly managing our information assets (information and IT systems) on a global group basis, and will continue making improvements to information management.



Protecting Personal Information

We have appointed a Chief Managing Officer of the Personal Information Protection Management System (PMS) and established a PMS office to work at heightening awareness among all management and staff of the importance of personal information protection, in accordance with the Personal Information Protection Guidelines and Rules on the Protection of Personal Information.

As we have a broad spectrum of involvement in diverse commodities and services, we handle a large amount of personal information, particularly in B2C (business-to-consumer) business fields. Accordingly, we take particular care to ensure that all data is protected. From the perspective of accident prevention, in addition to our education and training systems, we appoint a Personal Information Management Officer in each division. These officers regularly review the status of personal information management in the daily course of business and enhance it as needed.

Regarding compliance with the EU GDPR (General Data Protection Regulation) that came into effect in May 2018, Mitsui has established internal rules to ensure proper management systems and operational rules for the handling of personal data that falls within the scope of application of the GDPR at each Business Unit. Furthermore, we have provided all officers and employees with information on the GDPR via the intranet, and have been engaging in operational management required by the GDPR such as compliance with the duty of keeping records of information processing activities.

We recognize that a timely response according to global standards towards other overseas laws and regulations related to personal information, in addition to the GDPR, leads to the enhancement of our corporate value.

Cyber Security

In line with the advancement of information and communications technology (ICT) and digitalization in the business of Mitsui and affiliated companies, we have developed a cyber security framework on a global group basis while utilizing the expert knowledge of our subsidiaries specialized in the area of cyber security. In addition, in case of a cyber-attack, we have strengthened dedicated units for responding to such events and are conducting regular inspections on our cyber security measures.

Business Continuity Management (BCM) and Business Continuity Plan (BCP)

Policy

Mitsui regards business continuity in times of disaster as a vital management priority. We have formulated a Business Continuity Management (BCM) framework to minimize business risks, such as the loss of customers and damage to our corporate reputation, resulting from the suspension of important business processes in the event that our ability to maintain our business operations is seriously impeded by earthquakes, floods, terrorism, epidemics, power shortages, or other contingencies, or when such a situation is expected to continue for a significant period of time.

Following the compilation of business continuity guidelines for business corporations by the Japanese government (specifically, by the Central Disaster Management Council of the Cabinet Office), Mitsui formulated its BCM Policy in 2006. Under the BCM framework, we formulated the Business Continuity Plan (BCP), and we have regularly reviewed it to ensure that we can maintain an appropriate management structure.

Under this policy, Mitsui has also developed the Rules on Business Continuity Management, which defines rules for activity policies, procedures, organizational structures, and other related matters to ensure business continuity or the early resumption of business activities in the event of disaster, respectively for the Tokyo Head Office, other offices in Japan, overseas regional business units, and regional blocs.

Business Continuity Management Policy

Safety of Human Life:

Mitsui & Co. regards the safeguarding of human life as its first priority in relation to business continuity management in the event of disasters.

Implementation of Business Continuity Management:

Mitsui recognizes the importance of business continuity management in times of disaster and will maintain a business continuity plan and structures to ensure the appropriate implementation and administration of that plan.

We will work to enhance the effectiveness of the business continuity plan by improving the business continuity awareness and capabilities of individual employees, and by engaging in interactive dialogue with stakeholders.

Continuous Improvement:

Mitsui will formulate, implement, and administer a business continuity plan for business continuity management and will regularly review and continuously improve this plan.

Coexistence with and Contribution to Society:

When formulating and reviewing its business continuity plan, Mitsui will consider not only its economic role, but also its coexistence with society and community reconstruction. We will be aware of and respond appropriately to the roles that we may be called upon to perform from time to time, such as the prevention of secondary disasters, community contribution, and coexistence with communities.

BCM Framework

System

In non-emergency situations, the BCM general representative (the GM of the Human Resources & General Affairs Division) is responsible for supervision of the overall BCM. The BCM general representative manages the BCP, which includes the provision of education for all employees and training for staff members in charge of emergency response with support from the secretariat of the Emergency Response Headquarters, the establishment and revisions of related rules and documents, and preparation for and response to emergency situations. In case of an emergency, such as a disaster, the Emergency Response Headquarters will be set up, with the BCM officer (the Managing Director who supervises the Human Resources & General Affairs Div.) serving as its head, who will be responsible for the approval of the BCP and implementation of tasks stipulated in the Rules on Emergency Business Continuity Management.

BCP Revision, and BCP-Related Training

Activity

The BCM general representative is responsible for supervision of the planning, management, and administration of the BCP, the formulation, promotion, and implementation of the BCP, the approval of education and training for employees in relation to business continuity, and the compilation of disaster response manuals. These manuals have been created based on the company-wide BCP and set forth actions to be taken by the Emergency Response Headquarters for performing important corporate processes in the event of a disaster, as well as manuals stipulating actions to be taken by individual offices after the occurrence of a disaster. In addition, we regularly conduct business continuity drills involving the immediate start up and operation of the Emergency Response Headquarters based on scenarios in which a major disaster occurs, such as an earthquake directly beneath the Tokyo area. We continually improve our organizational response capabilities by revising the manuals to reflect any issues identified through these drills. In the fiscal year ended March 2020, we conducted one Emergency Response Headquarters drill.

We have also introduced a system to confirm the whereabouts and safety of business and administrative staff, contract employees, and temporary staff in Japan. In the fiscal year ended March 2020, we conducted two general drills, and provided information on the results of responses in these drills to all employees, facilitating the use of this system.

In addition, each office maintains stocks of emergency food and equipment. Under the provisions of the Tokyo Metropolitan Ordinance on Measures for Stranded Persons, we maintain a three-day supply of emergency food and equipment for Tokyo Head Office employees and employees of affiliated companies based in the Head Office. Emergency kits containing food and other supplies are also available for all the employees at the Tokyo Head Office, and can be taken by employees who have an urgent need to return to their homes.

 P.116 Response to the Novel Coronavirus (COVID-19)

Response to the Novel Coronavirus (COVID-19)

Establishment of Emergency Management Headquarters

In response to the global spread of the novel coronavirus (COVID-19), Mitsui & Co. established the Emergency Management Headquarters in January 2020 to ensure the safety of Mitsui employees working around the world and their family members, and to maintain business continuity. We have taken timely and appropriate actions in accordance with directives from national and local governments. We have also implemented measures based on our business continuity plan (BCP) from the perspective of responding to the needs of our business partners and customers, and from the viewpoint of global management.

Actions Concerning Officers and Employees

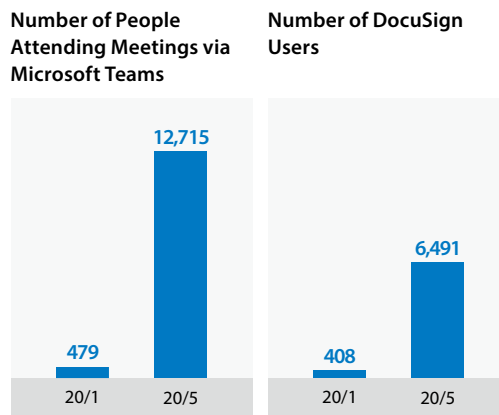
We have sought to protect our employees from infection by implementing a work from home at offices in regions where COVID-19 is spreading. Employees stationed in countries where medical facilities were deemed to be inadequate have been temporarily evacuated to Japan, together with their families.

Implementation of Teleworking

We began to introduce the MBK telework scheme on a company-wide basis in April 2019 as one of our work style innovation measures. We have also implemented DX measures, eliminated all paper documents from meetings, and employed IT tools, such as the introduction of electronic document signing. Our experience of teleworking and the development of IT infrastructure have helped us to maintain business continuity during the COVID-19 pandemic.



Meeting using Microsoft Teams



Internal Communications

In May, with employees facing a long-term shift to working from home, the President & CEO issued a video message in which he called for concerted efforts by management and employees to overcome the various challenges. In the past we have achieved growth by transforming ourselves in a changing world. Going forward, we will turn environmental changes into opportunities via company-wide efforts to overcome this crisis through innovation, both during the COVID-19 pandemic and in the post-COVID-19 world.

We have held a Teams Live event for all employees on the theme of the Mitsui approach to working under the “new normal.” In addition to a message from the President & CEO, the event became a forum for the open exchange of views between management and frontline business workers about new discoveries and lessons learned from the sudden shift to working from home during this emergency period, and about future approaches to work.

Countermeasures in Offices

In our Head Office and Japanese offices, we have optimally combined physical attendance and work from home to achieve a balance between infection prevention and business activities. Attendance at offices is managed in each unit according to operational needs and priorities. In order to ensure safety and reassurance for our employees, each office has taken respective countermeasures such as installing hand sanitizer dispensers and thermography systems at building entrances, regular sanitization of the offices, and limiting the seats that can be used to avoid the “3Cs” (crowding, closed spaces, close proximity).



Integrated Report 2020 (P.052 COVID-19)

Social Contribution Activities

With the spread of COVID-19, our offices and branches have provided various forms of support to customers and other external stakeholders.

Support for Frontline Medical Workers

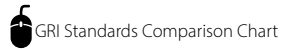
Mitsui has donated medical supplies for use by frontline medical professionals in their battle against the COVID-19 pandemic. Additionally, with support and cooperation from our business partners and affiliated companies, we have supplied box lunches, beverages, snacks, and other items.

Employee Initiatives

Eager to contribute as individuals, 170 employee volunteers supplied face shields manufactured by our affiliated company, Fictiv Inc., to the Tokyo Metropolitan Government Bureau of Social Welfare and Public Health. We are continuously carrying out various other initiatives utilizing our company network and ideas from employees.

Material Issues of Mitsui & Co.'s Materiality in Association with Initiative Themes and the GRI Standards

In identifying material aspects, Mitsui & Co. first establishes each Materiality-based specific theme based on the Management Approach set out in the GRI Standards. While this page only lists the themes for each Materiality and relevant material aspects, our website provides the GRI Standards Comparison Chart, which shows that our report is prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.



Materiality	Theme	Identifying Material Topics in GRI
Secure sustainable supply of essential products	Sustainable Supply of Resources, Energy, Materials, Food and Products	GRI 203 Indirect Economic Impacts
		GRI 413 Local Communities
	Supplying Food and Products with Ensured Safety and Security	GRI 203 Indirect Economic Impacts GRI 413 Local Communities GRI 416 Customer Health and Safety
Enhance quality of life	Enhancement of Quality of Life and Social Infrastructure	GRI 203 Indirect Economic Impacts
		GRI 413 Local Communities
	Healthcare and Aging Society	GRI 203 Indirect Economic Impacts
		GRI 413 Local Communities
	Increasingly Diverse Consumer Demand	GRI 203 Indirect Economic Impacts
		GRI 413 Local Communities
	Respect for Human Rights	GRI 408 Child Labor
		GRI 409 Forced or Compulsory Labor
		GRI 410 Security Practices
		GRI 411 Rights of Indigenous Peoples
	Supply Chain Management	GRI 412 Human Rights Assessment
		GRI 308 Supplier Environmental Assessment
		GRI 407 Freedom of Association and Collective Bargaining
		GRI 408 Child Labor
		GRI 409 Forced or Compulsory Labor
GRI 412 Human Rights Assessment		
Social Contribution Activities	GRI 414 Supplier Social Assessment	
	GRI 201 Economic Performance	
	GRI 413 Local Communities	
Create an eco-friendly society	Environmental Management	GRI 415 Public Policy
		GRI 201 Economic Performance
		GRI 203 Indirect Economic Impacts
		GRI 307 Environmental Compliance
		GRI 413 Local Communities
	Climate Change	GRI 417 Marketing and Labeling
		GRI 201 Economic Performance
		GRI 203 Indirect Economic Impacts

Materiality	Theme	Identifying Material Topics in GRI	
Create an eco-friendly society	Water Resource	GRI 203 Indirect Economic Impacts	
		GRI 303 Water	
	Circular Economy	GRI 203 Indirect Economic Impacts	
		GRI 306 Effluents and Waste	
	Environmental Pollution	GRI 203 Indirect Economic Impacts	
	Biodiversity	GRI 304 Biodiversity	
		GRI 413 Local Communities	
		Environmental Performance Data	GRI 302 Energy
			GRI 303 Water
	Develop talent leading to value creation	Creating New Value	GRI 305 Emissions
GRI 306 Effluents and Waste			
Human Resources Development and Allocation		GRI 404 Training and Education	
		GRI 404 Training and Education	
Career Development Initiatives for Our Diverse Human Resources		GRI 404 Training and Education	
		GRI 405 Diversity and Equal Opportunity	
Creating an Environment for Taking on Challenges and Driving Creation		GRI 407 Freedom of Association and Collective Bargaining	
Health Management, Occupational Health and Safety		GRI 403 Occupational Health and Safety	
Data of Personnel Affairs		GRI 201 Economic Performance	
		GRI 401 Employment	
	GRI 403 Occupational Health and Safety		
	GRI 404 Training and Education		
	GRI 405 Diversity and Equal Opportunity		
Build an organization with integrity	Integrity and Compliance	GRI 205 Anti-corruption	
		GRI 206 Anti-competitive Behavior	
		GRI 419 Socioeconomic Compliance	
	Corporate Governance and Internal Controls	GRI 201 Economic Performance	
	Risk Management	GRI 201 Economic Performance	
		GRI 412 Human Rights Assessment	
GRI 413 Local Communities			
		GRI 416 Customer Health and Safety	

Evaluation by Society

External Recognition

Our selection for inclusion in major ESG investment indices in and outside Japan indicates that we are highly evaluated by society.



Dow Jones Sustainability Indices

The Dow Jones Sustainability Indices are global stock indexes developed jointly by Dow Jones & Company in the U.S. and RobecoSAM AG in Switzerland. Major corporations around the world are evaluated in terms of their economic, environmental, and social performance. In the fiscal year ended March 2020, 318 companies (which included 34 Japanese companies) including Mitsui were selected for the World Index.



FTSE4Good Index Series

The FTSE4Good Index Series is a series of stock indexes developed by FTSE Russell, which is a wholly owned subsidiary of the London Stock Exchange. FTSE Russell evaluates major corporations around the world from the perspective of environmental, social, and governance criteria, including the labor standards applied throughout their supply chains, as well as on the basis of corporate sustainability. It selects companies that satisfy its standards as constituents of the index. Mitsui has fulfilled the index criteria, and has continually been selected in the FTSE4 Good Index Series since 2004.



FTSE Blossom Japan Index

The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies that demonstrate strong environmental, social, and governance (ESG) practices. The index uses FTSE Russell's ESG Ratings data model, which draws on existing international ESG standards such as the UN Sustainable Development Goals (SDGs), and is adopted by the Government Pension Investment Fund (GPIF) of Japan as a core ESG benchmark for its passive investments. Mitsui fulfilled the criteria of the index and was selected in the FTSE Blossom Japan Index.



MSCI Japan Empowering Women Index (WIN)

Developed by Morgan Stanley Capital Investment (MSCI), the MSCI Japan Empowering Women Index is adopted by GPIF as a tracking benchmark for its passive ESG investment. The index is a selection of Japanese companies from each industry that represent high gender diversity. Mitsui fulfilled the criteria of the index and was selected in the MSCI Japan Empowering Women Index.

The inclusion of Mitsui in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Mitsui by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



Carbon Disclosure Project (CDP)

The CDP is an ESG evaluation program that urges leading companies (in terms of market capitalization) in major countries to disclose their climate change strategies and greenhouse gas emissions. Replies from such companies, together with their scores, are provided to institutional investors. Mitsui has been responding to the questionnaire since the fiscal year ended March 2012. In the fiscal year ended March 2020, Mitsui was granted the rating "Management Level B" in relation to both climate change and water security.



Competitive IT Strategy Company Stock Selection

The Competitive IT Strategy Company Stock Selection is designated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) from among the companies listed on the TSE on the basis of outstanding IT utilization initiatives. Mitsui has been selected for five consecutive years since the launch of the award in 2015. For the selection in 2019, high evaluation was given to: development of IT utilization from Mitsui's wide-ranging business to sport, entertainment, and other various areas, including the initiatives to establish digital twins for improving productivity of large business assets, such as energy facilities, power plants, vessels, and manufacturing lines, and to utilize collected data, as well as the establishment of a dynamic pricing company; and company-wide measures to realize work-style innovation through utilization of IT tools.



Nadeshiko Brand

Since the fiscal year ended March 2013, METI and the TSE have been jointly selecting TSE-listed outstanding enterprises that encourage women's success in the workplace as "Nadeshiko Brands." Since the fiscal year ended March 2015, Mitsui has been selected as a Nadeshiko or Semi-Nadeshiko Brand company for six consecutive years. Nadeshiko Brand selection: Fiscal years ended March 2015, 2016, 2018, and 2020. Semi-Nadeshiko Brand selection: Fiscal years ended March 2017 and 2019.



Eruboshi (L Star)

The Eruboshi system certifies companies that have submitted notifications under the Act on Promotion of Women's Participation and Advancement in the Workplace (Promotion of Women's Career Activities Act) promulgated on April 1, 2016, and that meet the specific standards and are regarded as implementing outstanding initiatives to promote the advancement of women in the workplace. Mitsui was certified as having achieved the second of three levels under the Eruboshi system.



Kurumin Certification

Kurumin certification is given to "child-raising supporting companies" on an application basis. The certification requires that the company (1) has formulated a general employers action plan under the Act on Advancement of Measures to Support Raising Next-Generation Children and (2) has achieved targets set in the plan while satisfying certain requirements. Mitsui has been certified by the Japanese Ministry of Health, Labour and Welfare as a company actively providing childcare support, three times in 2008, 2011, and 2015, acquiring the next-generation development logo, "Kurumin."



Certified Health & Productivity Management Organization Recognition Program

Through this program, the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi jointly recognize large companies and small- to medium-sized enterprises that have been implementing excellent health management, based on measures in line with local health problems and the health promotion initiatives pursued by the Nippon Kenko Kaigi. Mitsui has been recognized as one of the Health & Productivity Management Outstanding Organizations under the initiative "White 500" for four consecutive years.

Awards Received in the Past Five Years

FY2020	<ul style="list-style-type: none"> • Received the Best IR Award at the IR Awards 2019 by the Japan Investor Relations Association (JIRA) • Selected for the top award in the Commerce Industry category and won third place in the Disclosure to Individual Investors category at the 2019 Awards for Excellence in Corporate Disclosure by the Securities Analysts Association of Japan • Received the Award for Excellence at the 22nd Nikkei Annual Report Awards (2019) by Nikkei, Inc. • Received Education Culture, Sports, Science and Technology Minister's Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (Mitsui SASUGAKU Academy)
FY2019	<ul style="list-style-type: none"> • Received the "Best IR Award at the IR Awards 2018" by the Japan Investor Relations Association (JIRA) • Selected for the top award in the Commerce Industry category and won second place in the Disclosure to Individual Investors category (selected out of 28 companies that represent the top 10% of each industry) at the "2018 Awards for Excellence in Corporate Disclosure" by the Securities Analysts Association of Japan • Received the Award for Excellence at the 21st Nikkei Annual Report Awards (2018) by Nikkei, Inc. • Received Award of Merit in the Environmental Report section of the Environmental Communication Awards 2018 by the Japanese Ministry of the Environment • Received the Judging Panel's Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (Mitsui SASUGAKU Academy)
FY2018	<ul style="list-style-type: none"> • Selected for the top award in the Commerce Industry category at the "2017 Awards for Excellence in Corporate Disclosure by the Securities Analysts Association of Japan • Received the Award for Excellence at the 20th Nikkei Annual Report Awards (2017) by Nikkei, Inc. • Received the Judging Panel's Special Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (Mitsui SASUGAKU Academy)
FY2017	<ul style="list-style-type: none"> • Received the Hiroko Koshino Prize and Hiroshi Yagyu Prize in the 22nd National Geographic Japan Advertising Awards (Mitsui & Co. Environment Fund) • Received the Japan Association for Human and Environmental Symbiosis Award for Environmental Activities (Mitsui SASUGAKU Academy) • Received the Judging Panel's Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (Mitsui SASUGAKU Academy)
FY2016	<ul style="list-style-type: none"> • Ranked second place in the 18th Nikkei Annual Report Awards (2015) by Nikkei, Inc.

Independent Practitioner's Assurance Report



Deloitte.

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(TRANSLATION)

Independent Practitioner's Assurance Report

July 31, 2020

Mr. Tatsuo Yasunaga,
Representative Director, President and Chief Executive Officer,
Mitsui & Co., Ltd.

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
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We have undertaken a limited assurance engagement of the data indicated with ★ for FY2020 and 2020 (the "Sustainability Information") included in the "Sustainability Report 2020", and "Data of Personnel Affairs" and "Environmental Performance Data" created for the Company's webpage of Mitsui & Co., Ltd. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Sustainability Information). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

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