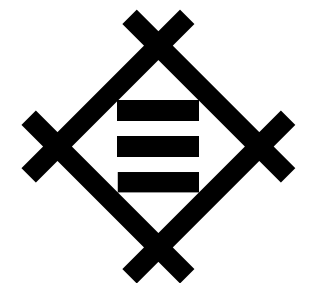




# 2017

Sustainability Report



**MITSUI & CO.**



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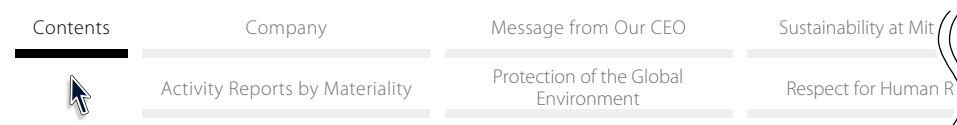
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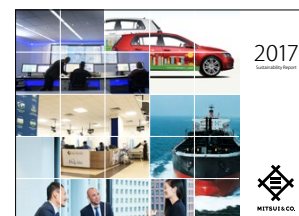
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### Cover:

Mitsui & Co. has defined Mitsui's material issues ("materiality") for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of a future where the aspirations of the people can be fulfilled, as set out in our corporate mission.

The images shown on the cover represent the Mitsui's material issues outlined in the Strategic Focus sections of this year's Report.



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## Editorial Policy

Mitsui & Co. believes companies can only be sustainable if the societies they operate in are sustainable, and unsustainable companies cannot fulfill their social responsibilities.

In recent years, there has been growing interest in the United Nations' "Sustainable Development Goals" (SDGs) and in "Environmental, Social, and Governance" (ESG) investing. Under these circumstances, we consider it important to send a clearer message about Mitsui's unchanging commitment to the creation of new value for society through our business activities and our continual pursuit of the mutual sustainability of society and our company. Accordingly, we have replaced the word "CSR" used in the context of Mitsui's activities with "sustainability".\*

As an annual report for communicating detailed ESG information, the PDF version of our "Sustainability Report 2017" emphasizes comprehensiveness and continuity in regard to our approach to materiality, and reports on activities undertaken in accordance with Mitsui's Materiality ("materiality") At the same time, in "Strategic Focus" and in "Activities for FY Ended March 2017", the report gives clear examples of how we are generating new value that provides solutions to societal issues.

On our website, we focus on ensuring convenient browsability and searchability of information related to sustainability, and we have posted our list of policies, guidelines, and data, as well as a GRI guidelines comparison chart. Our website also provides details of our social contribution activities to complement the information contained in the PDF version of the "Sustainability Report 2017".

\* No changes have been made to Basic CSR Policy, Supply Chain CSR Policy, names of employee-awareness raising tools, and other related materials.



List of Sustainability Report 2017 and Website (Sustainability) Contents



Social Contribution Activities

### A Cautionary Note on Forward-looking Statements

This Sustainability Report contains statements (including figures) regarding Mitsui & Co., Ltd. ("Mitsui", "Mitsui & Co.", "Company")'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 important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to: (i) changes in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui's ability to fulfill its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

### ● 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.

### ● Period Covered:

Mainly the fiscal year from April 1, 2016 to March 31, 2017, but also including some information about policies and activities for the fiscal year ending March 2018.

### ● Independent Practitioner's Assurance

The "★" logo 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:

September 2017 (Previous publication date: August 2016; next publication scheduled for August 2018)

### ● Reference Guidelines

GRI G4 Sustainability Reporting Guidelines, 2013



GRI Guidelines Comparison Chart

Environmental Accounting Guidelines (2005 version) established by the Ministry of the Environment of Japan  
ISO 26000 (Guidance on Social Responsibility)

### ● Published by:

Sustainability Committee, Mitsui & Co., Ltd.

### ● Contact:

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: [www.mitsui.com/jp/en/sustainability/](http://www.mitsui.com/jp/en/sustainability/)





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# Company

## Corporate Profile (as of March 31, 2017)

### • Company Name

MITSUI & CO., LTD.

### • Date of Establishment

July 25, 1947

### • Head Office

1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan (registered head office location)

Nippon Life Marunouchi Garden Tower

3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan

JA Building

### • Representative

Tatsuo Yasunaga, President and Chief Executive Officer

### • Common Stock

¥341,482 million

### • Number of Employees

5,971

Consolidated 42,316

### • Number of Offices and Overseas Trading Affiliates

139 offices

Domestic: 12 (Head Office: 1 Offices: 6 Branches: 5)

Overseas: 127 (Overseas offices: 32

Overseas Trading Affiliates: 95 (Head Offices: 34))

(As of July 1, 2017)

### • Worldwide Network

66 countries/regions

(As of July 1, 2017)



Worldwide Network

### • Major Business Areas

Utilizing our global operating locations, network and information resources, we are multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following fields: Iron & Steel Products, Mineral & Metal Resources, Infrastructure Projects, Integrated Transportation Systems, Chemicals, Energy, Food, Food & Retail Management, Healthcare & Service, Consumer Business, IT & Communication Business, Corporate Development Business.



Our Business  
Six business areas

### • Number of Affiliated Companies for Consolidation

Subsidiaries: Japan 62 Overseas 206

Equity Accounted Investees: Japan 38 Overseas 163

**Total Assets** ¥11.5 trillion

**Total equity\*1** ¥3.7 trillion

**Revenue** ¥4.4 trillion

**Profit for the Year\*2** ¥306.1 billion

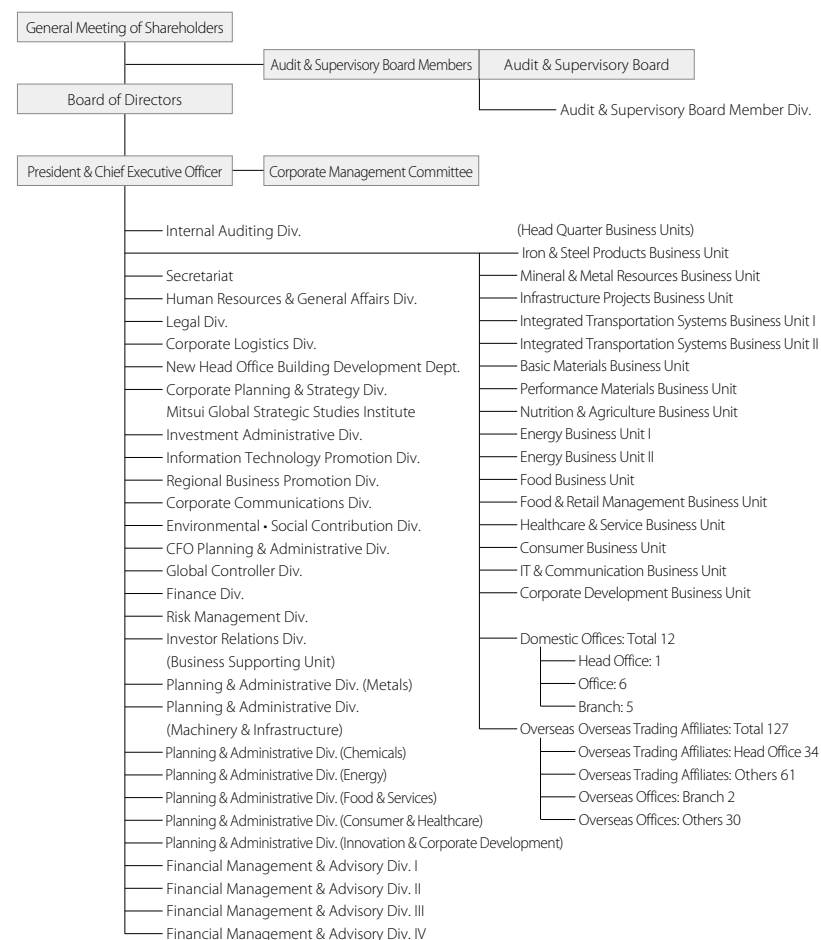
**Core Operating Cash Flow\*3** ¥494.8 billion

\*1 Total equity attributable to owners of the parent

\*2 Profit for the year attributable to owners of the parent

\*3 Core Operating Cash Flow " = cash flows from operating activities" - "changes in operating assets and liabilities"

### • Organization Chart (As of July 1, 2017)





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## Message from Our CEO



**Mitsui & Co. will contribute  
to a better, more sustainable  
future where the aspirations of  
people can be fulfilled**

Tatsuo Yasunaga  
President and Chief Executive Officer

### Creating value through business activities

As economic globalization progresses and the increasing world population strains our energy, food, water, and other resources, there is growing demand for infrastructure such as power generation, transportation and telecommunications, along with fundamental community services such as education and health care. At the same time, we face environmental and human rights issues on a global scale with respect to climate change, loss of biodiversity, immigration and other highly consequential matters.

At Mitsui & Co., we have developed our capabilities and accumulated a strong corporate track record by engaging with stakeholders to fully understand their needs and the wider expectations of society. Takashi Masuda, the founder of the former Mitsui, advised colleagues to, "Let not short term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations". To me, this expresses the idea that continues to drive us today: the need to

consider the future, and consider our sustainability as part of society. As a company operating globally, we believe it is our obligation to ensure that through our business activities we contribute to the sustainable development of every country and region in which we do business.

As evidenced by global UN initiatives—including the COP21 Paris Agreement on climate change and the UN's Sustainable Development Goals (SDGs)—there is a growing call for companies to take a much longer term approach to business, focusing on sustainable value creation. Accordingly, we must work closely with our business partners, customers, shareholders and society to build mutual trust and ensure the best possible understanding of our strengths and our vision.



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### Cultivating people who can bring sustainability to business and society

People are our most valuable resource. And in an era of uncertainty and complexity, it is only through bringing together people with a diversity of ideas, backgrounds and abilities that we can develop business that truly reflects the needs of society today. Business knowledge and expertise is vital, but equally important are the human qualities of integrity and humility that enable us to earn the trust of society and operate as a united group of strong individuals.

I am committed to creating the best possible environment in which to foster people with these attributes, so that each person can make full use of their capabilities. Times of great change are inevitably times of great opportunity, and as I noted earlier, embracing diversity will enable us to create new value in a spirit of free-thinking challenge and fresh-thinking innovation.

### A sustainable future where aspirations are fulfilled

In October 2004, Mitsui signed and pledged its support for the UN Global Compact, a charter of voluntary principles for businesses and institutions concerning human rights, labor, the environment, and anti-corruption. Since then we have been working to realize the aims of the compact. Similarly, in 2015 we defined "Five materialities", which we have been promoting throughout Mitsui while identifying the risks and opportunities associated with the materialities for each of our business areas. In May 2017, we changed the name of our CSR Promotion Committee to the Sustainability Committee, and strengthened its functions. We will continue to fulfil our responsibilities as a corporate citizen, and through the ESG themes of environment, society and governance will endeavor to bring a heightened awareness of sustainability to every aspect of our operations. Mitsui is driven by the concept of "360° business innovation.", and by creating work in Japan and worldwide that is consistently recognized as useful and valuable, we intend to contribute to a sustainable future where the aspirations of people can be fulfilled.

President and Chief Executive Officer



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## Sustainability at Mitsui & Co.

### Value Creation in Pursuit of Social Sustainability

#### Mitsui & Co.'s Value Creation

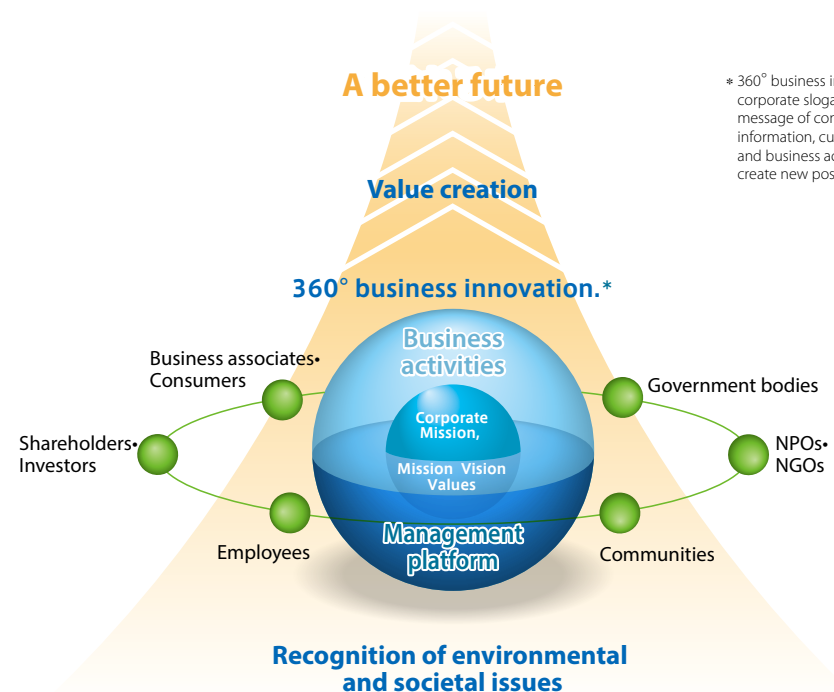
Companies can only be sustainable if the societies they operate in are sustainable, and unsustainable companies cannot fulfill their social responsibilities. At Mitsui & Co., we try to anticipate changes in society with each era. We reflect on how we should advance our capabilities and ceaselessly challenge ourselves to express our potential in ways that bring the most benefit to society.

We believe that we must continually improve the way we engage with environmental and societal issues, listen closely to our stakeholders, and ensure that we have a clear understanding of key concerns, issues, and expectations. It is then our responsibility to contribute to addressing issues and meeting expectations in the most effective way possible.

We continue to ensure that all of our employees share our management philosophy, as expressed in our Mission, Vision, and Values, and to strengthen our robust management platform, including our governance and risk management systems. At the same time, working alongside our stakeholders, our aim is to pursue business in a manner expressed in our "360° business innovation." slogan.

This slogan indicates that one of our greatest strengths is our ability to connect ideas, information, customers, and business partners to create new value around the world so as to strive to contribute to the creation of a future where the aspirations of the people can be fulfilled. This is what Mitsui is expected to do and how Mitsui strives to create new value in pursuit of social sustainability.

#### Mitsui & Co.'s Value Creation



\* 360° business innovation is our corporate slogan. It expresses our message of connecting ideas, information, customers, partners and business across the planet to create new possibilities.



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## Value Creation in Pursuit of Social Sustainability

## Corporate Mission Vision Values

In 2004 Mitsui systematically and clearly set forth in written form the implicit values we share and issued our Mission, Vision and Values (MVV). We believe that sharing this management philosophy is even more important than ever as we work to create true value around the world through our global activities.

### Mission, Vision and Values (MVV)

<b>Mission</b>	Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.
<b>Vision</b>	Aim to become a global business enabler that can meet the needs of our customers throughout the world.
<b>Values</b>	<ul style="list-style-type: none"> <li>● Build trust with fairness and humility.</li> <li>● Aspire to set high standards and to contribute to society.</li> <li>● Embrace the challenge of continuous innovation.</li> <li>● Foster a culture of open-mindedness.</li> <li>● Strive to develop others and oneself to achieve full potential.</li> </ul>

## Basic CSR Policy

Mitsui's Basic CSR Policy, which is built upon our management philosophy of Mission, Vision and Values based on the foundation of our business activities, was formulated in 2004 and reviewed in 2013 to reflect input from society and our stakeholders. In addition, our Long-term Management Vision (formulated in 2009) for the Mitsui of 2020 upholds our goal of providing industrial solutions to meet the changing needs of the times. This goal sums up the core message of our corporate mission. In our CSR policies, our approach to sustainability as our social responsibility is clearly incorporated, and we earnestly continue to strive for its realization.

### Basic CSR Policy

1. We will conduct our business activities with honesty and integrity, make prudent efforts to understand the culture, traditions, and customs of countries and regions around the world, and reinforce the importance of CSR with each of our employees. Based on our conscientious management, we will strive to enhance corporate value to stakeholders and to produce value to society.
2. We will make every effort to actively contribute to the achievement of a sustainable society through the promotion of sustainable development as well as maintaining a strong awareness of the importance of preserving the global environment. We will also emphasize the importance of interactive communication with stakeholders to understand their concerns and fulfill our accountability for our CSR activities.
3. We recognize the significance and importance of the human rights contained in the general principles of international standards such as the Universal Declaration of Human Rights. Throughout all occasions of our entire business activities, we will give due consideration to basic labor rights.
4. As a global company with operations throughout the world, we will support Mitsui & Co.'s group companies in the practice and implementation of our CSR policies, and will sincerely seek our business counterparties' understanding and cooperation to support this initiative.

### Mitsui's Core Values

The former Mitsui\* 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.

\* The current Mitsui was established through mergers of the various new companies that had been established after the disbandment of the former Mitsui by the order of GHQ, so legally speaking, there has been no continuation between the former Mitsui and the current Mitsui.

"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





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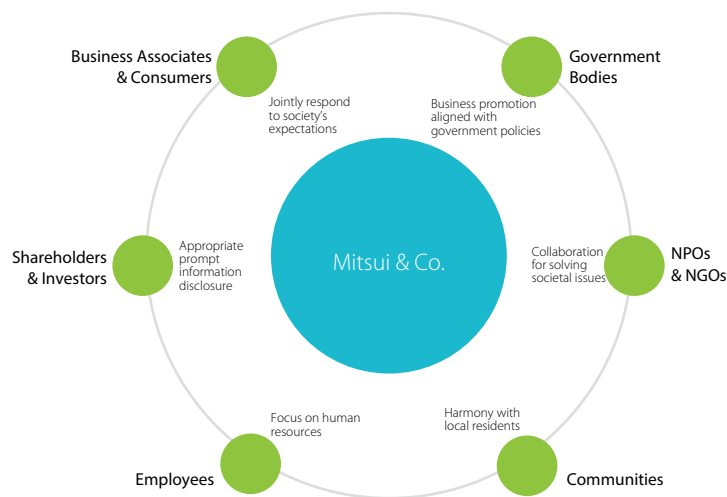
## Interactive Communication with Mitsui & Co.'s Stakeholders

### Mitsui & Co.'s Stakeholders

Mitsui & Co. closely monitors the effects of its diverse and global business activities on society, identifies and acknowledges stakeholders of particular interest, and strives to have interactive communication with them in all areas of its business operations.

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

Through interactive communication with its 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, Mitsui strives to respond to changes in market environments, constantly evolves, and, through its business activities and by exercising its unique capabilities, creates new value that is useful to society.



### Initiatives in the Fiscal Year Ended March 2017

#### ● Dialogue with Partners (Supplier On-site Surveys)

Mitsui conducts supplier on-site surveys each year under its Supply Chain CSR Policy. Any issues identified through on-site surveys and discussions are used to improve business operations.

In the fiscal year ended March 2017, we implemented on-site surveys at a fruit juice processing plant and fruit farms in China. The results showed that the company is maintaining a high level of management in accordance with international standards, and that, because its processes use large amounts of water, it is also working to minimize consumption through recycling and purification. An external expert who accompanied the survey team suggested that we should place greater emphasis on the high quality standards achieved through these sophisticated management systems in promotional activities for this product.

#### ● Dialogue and Collaboration with NPOs and NGOs

A business corporation cannot find solutions to complex and multi-layered societal and environmental issues solely through its own efforts. There are NPOs and NGOs that engage in specialized frontline efforts to solve problems, and cooperation with these organizations is essential. Mitsui holds dialogues with these organizations to gain an understanding of their perceptions of issues and expectations toward the business activities of corporations, and considers those points in deliberations about changes to our activities, or other actions that may be required.

Through dialogue with NPOs and NGOs, we identify environmental and societal issues in the regions where we engage in or plan on doing business, in order to formulate CSR program that lead toward business sustainability through mitigating (challenging) environmental and societal issues. From the fiscal year ended March 2016 onwards, we have been undertaking forest conservation initiatives in collaboration with environmental NGOs, with the aim of halting forest destruction, which is a cause of global warming, through the formation of a program designed to raise quality of life in local communities.

In September 2016, Mitsui participated in a panel discussion about certified palm oil in the Japanese market as part of RSPO Japan Day 2016, which was the first official event in Japan by the Roundtable on Sustainable Palm Oil (RSPO). We took the opportunity to disseminate the message that continuing awareness-raising activities are needed to heighten awareness among companies and consumers in the Japanese market about sustainable palm oil, which is already the focus of increasing international interest.

#### ● Dialogue with Shareholders and Investors (ESG)

During the fiscal year ended March 2017, in response to the increasing demands on companies to disclose their business strategies and future growth scenarios, including non-financial information about ESG and other areas, we exchanged views about the initiatives and disclosures required for companies, with the market through detailed dialogue from the perspective of ESG. We continue our efforts to maintain high standards of accuracy, timeliness, and quality in our disclosure of information, and to foster good communication with the investment community.

#### ● Dialogue with Academics and Other External Experts

Mitsui actively engages in dialogue with academic experts involved in sustainability research. In the fiscal year ended March 2017, we sought opinions about the disclosure of our initiatives, especially in relation to the United Nations Sustainable Development Goals (SDGs), and obtained advice about the relevance of our initiatives to the SDGs. We also received opinions about the need for the continual updating of our materiality in order to reflect opinions from a more diverse range of stakeholders. We are using this input to improve the disclosure of sustainability information.



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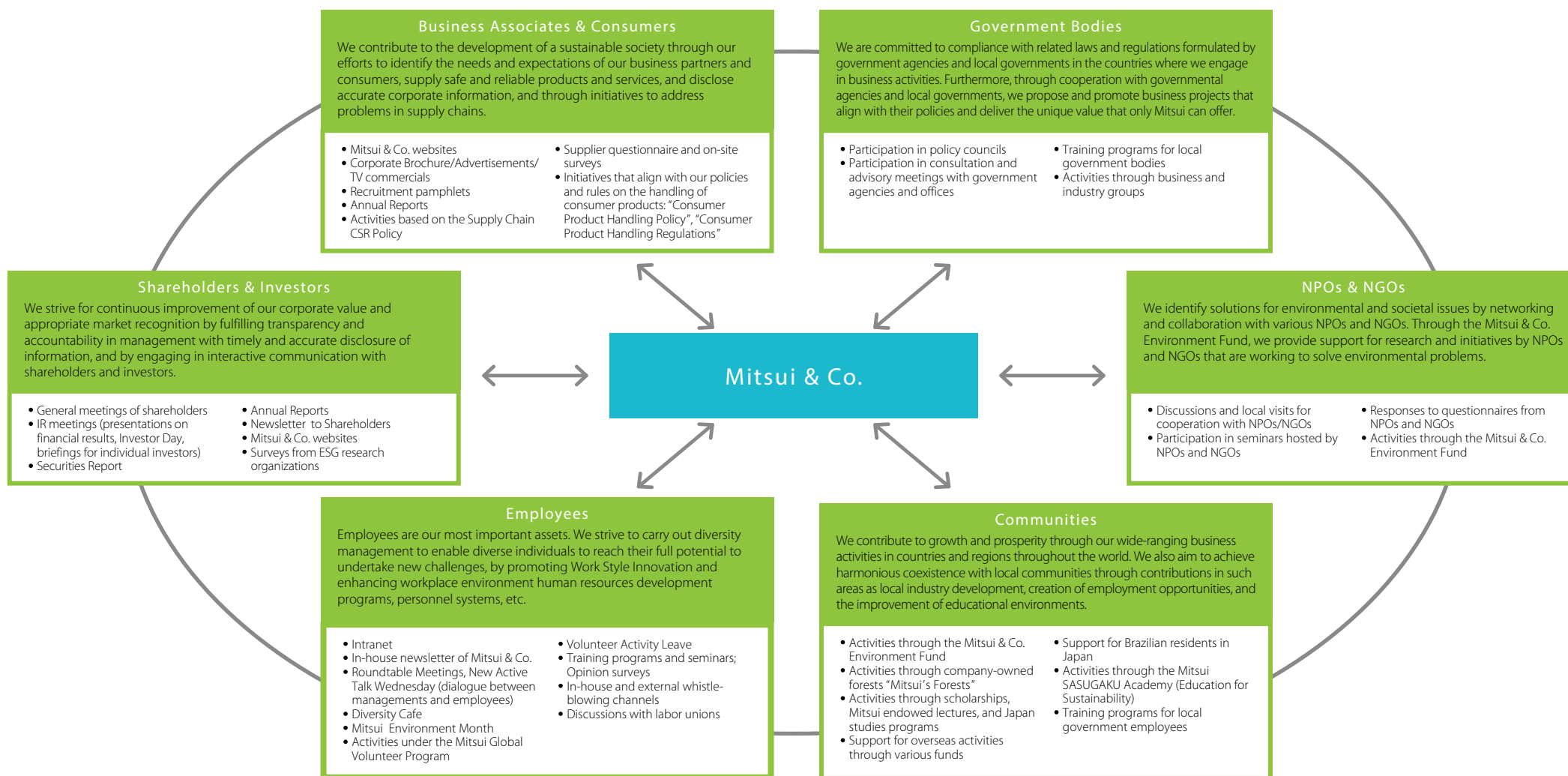
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## Participation in Initiatives

### 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 10 universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. As of May 2017, over 12,000 corporations, labor unions, and civil society organizations from around the world are participating in the UN Global Compact.

In October 2004 Mitsui & Co. signed and pledged its support for the UN Global Compact. Mitsui has been participating as a member of the Global Compact Network Japan and is complying with the principles as part of its own corporate guidelines. Currently Mitsui conducts a companywide survey every other year in order to check compliance with the UN Global Compact principles and is working to comply with and practice the principles 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.

#### 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.

#### Labor

3. Businesses should uphold the freedom of association and the 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.

#### 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) are a clear statement of global priorities and visions that need to be realized so that poverty can be eliminated and all people can enjoy dignity and equality of opportunity, with consideration given to balancing sustainable growth and the limits of the Earth.

Mitsui uses its capabilities in the five areas of marketing, financing, logistics, risk management, and IT process configuration to develop diverse business operations across nations and regions. As such, we believe that we can leverage these capabilities to make a wide-ranging contribution to the achievement of the 17 goals. We will strive to achieve, in particular, the goals related to our identified material issues in partnership with our stakeholders.

As a corporate member of Global Compact Network Japan, Mitsui will continue to raise awareness of the SDGs in its business organizations, to reflect the SDGs in our business strategies, and to ensure that our business activities are always guided by a determination to contribute to the achievement of the SDGs.

P.17 SDGs and Mitsui & Co.'s Initiative by Materiality





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## Participation in Initiatives

## 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 meetings of the World Economic Forum held in Davos, Switzerland every January.

## Japan Foreign Trade Council, Inc.: Global Environment Committee, CSR Study Committee

As a member of the Global Environment Committee of the Japan Foreign Trade Council, Mitsui monitors energy use for all trading companies (shosha) and promotes reduce/reuse/recycle ("3R") activities. We also gather information about new energy technology through our business activities and contribute to the development of the trading company sector's voluntary action plan for environmental initiatives for a low-carbon, recycling-oriented society.

Mitsui is also a member of the Japan Foreign Trade Council's CSR Study Committee, which studies CSR-related issues and conducts surveys and research about trends in Japan and overseas. We work with other members on such activities as the formulation and review of the Supply Chain CSR Action Guidelines based on the principles of the Shosha's Corporate Code of Conduct (code of conduct for trading companies).

## Japan Business Federation (Keidanren): Committee on Corporate Behavior & Social Responsibility, Committee on Gender Diversity, Committee on Environment and Safety, Committee on Nature Conservation

Mitsui is a member of Keidanren's Committee on Corporate Behavior & Social Responsibility, which works to ensure ethical behavior by businesses, promote CSR, and expand and encourage social contribution activities by businesses and business people, including support for disaster recovery efforts. We are also a member company of the Committee on Gender Diversity, which implements the Action Plan on Women's Active Participation in the Workforce and formulates an action plan to urge employers to promote women to managerial and executive positions, and the Committee on Environment and Safety, which works toward the implementation of environmental policies designed to be compatible with economic activities, including the promotion of voluntary action plans and countermeasures relating to global warming, waste, recycling, and environmental risks. Moreover, since 2012 a Mitsui employee has been seconded to Keidanren's Committee on Nature Conservation, which works to conserve biodiversity and protect the natural environment.

## Council for Better Corporate Citizenship (CBCC)

As a member of the Council for Better Corporate Citizenship (CBCC), which was established by Keidanren, Mitsui works

to ascertain the views of various stakeholders, including overseas CSR-related organizations, by participating in presentations and seminars on CSR-related themes.

## Japan Forum of Business and Society (JFBS)

Mitsui is a GOLD member of the Japan Forum of Business and Society (JFBS), an academic association that conducts academic research and discussion on the relationship between business and society, focusing on global trends and encouraging cooperative relations among academia, industry, government, labor, and NPOs/NGOs.

## Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was established through a collaborative initiative by the 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 lifecycle of products and services.

## Forest Stewardship Council (FSC®)

The Forest Stewardship Council (FSC®) is an international nonprofit organization with members including environmental NGOs, private business corporations, and organizations representing indigenous communities. It promotes the sustainable management and use of the world's forests in consideration of environmental and societal aspects by certifying forests and the processes involved in the distribution and processing of lumber taken from those forests.

Mitsui has obtained FSC® forest management (FM) certification at all 74 of its forests, which 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. Mitsui is the biggest supplier of Japanese-grown lumber with FSC® certification. As a member of FSC Japan's Board of Directors, Mitsui is helping to promote the FSC® in Japan and to study and prepare principles, standards, and risk assessments for Japan.

## Roundtable on Sustainable Palm Oil (RSPO)

The Roundtable on Sustainable Palm Oil (RSPO) is a nonprofit 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 since joining the organization in 2008.



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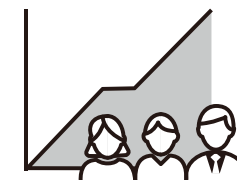
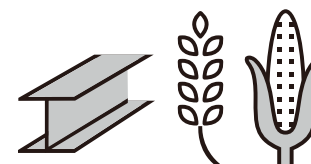
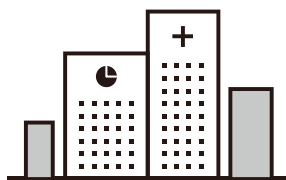
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## Mitsui & Co.'s Materiality

Mitsui & Co. prioritizes and focuses on sustainability in its corporate management. We have identified Mitsui's material issues ("materiality") for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of a future where the aspirations of the people can be fulfilled, as set out in our corporate mission.

We recognize the identified Mitsui's materiality as societal issues relevant to all of our business activities. We assess the risks and opportunities that arise from the effects of these issues and disclose our approach to each of them.



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Detailed reports on each of the themes addressed in "Mitsui & Co.'s Materiality" (P.14–16) can be found in "Activity Reports by Materiality" (P.20–83).





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## Identification and Review for Materiality

### Identification Processes on Materiality

In March 2015, Mitsui defined five Material Issues for the company as the important management indices. In the specifying process, we identified various issues with respect to international frameworks, such as ISO 26000, and GRI Guidelines, and narrowed down the materiality for stakeholders based on our dialogue with business associates, NPOs & NGOs, experts, and other stakeholders.

To ensure compatibility between the identified materiality and key corporate priority measures and strategies for each business domain, we carried out deliberations at the CSR Promotion Officer's meeting (current Sustainability Promotion Officer's meeting) and CSR Promotion Committee (current Sustainability Committee) and asked external experts to verify the adequacy, in order to define the key priority issues. Then, the identified material issues were approved by the Corporate Management Committee and the Board of Directors and were shared with all officers and employees.

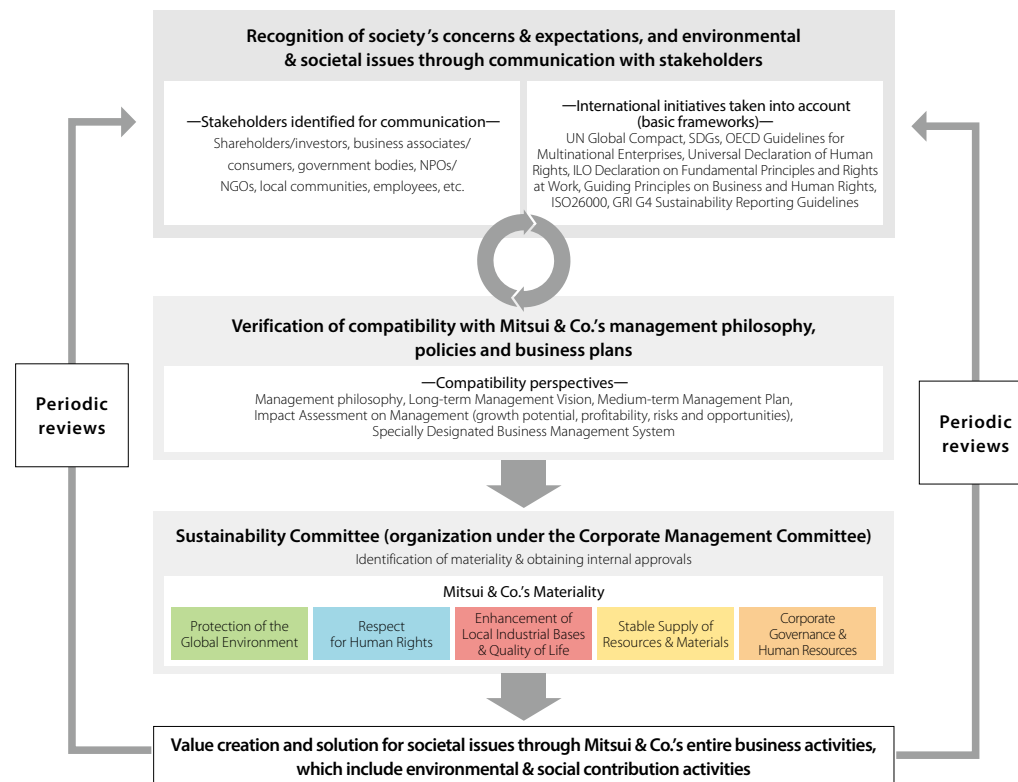
At the same time, as a management approach in line with the GRI G4 Sustainability Reporting Guidelines, we define specific themes to work on each material issue, and clearly indicate relevant policies and set targets accordingly. Through this approach, we strive to implement measures to address issues by identifying material aspects and boundaries as indicated by the G4 Guidelines.

### Review Process on Materiality

Each aspect of the materiality and the relevant themes to be addressed will be periodically reviewed in order to meet the changing needs and expectations of society and to reflect them in our Medium-term Management Plan and take into account those changes impacting the economy, environment, and society in our sustainable management.

As the basis for the periodical review, we have adopted the international initiatives that are stipulated in the diagram below:

- United Nations Global Compact
- Sustainable Development Goals (SDGs)
- OECD Guidelines for Multinational Enterprises
- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Guiding Principles on Business and Human Rights
- ISO26000
- GRI G4 Sustainability Reporting Guidelines





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## Mitsui & Co.'s Approach



### Protection of the Global Environment

#### Recognition of societal issues

As a corporation that operates across countries and regions around the world, we recognize the importance of giving consideration to impacts on the global environment.

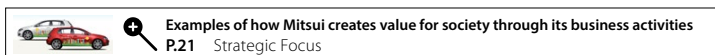
- Global warming, climate change
- Loss of biodiversity
- Energy and water shortage
- Environmental pollution

#### Main risks and opportunities

- **Risks**  
Negative impact on business activities brought about by climate change and resource constraints, such as water shortage and higher environmental costs resulting from ecosystem destruction, degradation, etc., as a consequence of business activities.
- **Opportunities**  
Expansion of environment-related markets due to increased environmental awareness and the tightening of regulations, and expansion of business domains as a result of energy diversification.

#### Mitsui's Approach

We rigorously comply with environment-related laws, regulations, and treaties. We strive to prevent environmental pollution and curb greenhouse gas emissions, to adapt to climate change, and to maintain biodiversity. We are alert to environmental impacts and work to mitigate those impacts. We use our integrated strengths and work in cooperation with our partners to achieve rational, long-term industrial solutions to environmental problems. We systematically provide grants, through the Mitsui & Co. Environment Fund, for university research and NPO/NGO activities that contribute to the solution of environmental problems, efficient resource utilization, protection of ecosystems, and harmonious coexistence between ecosystems and human beings.



Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures		Boundary	
		Identified material aspects	Within the organization	Outside the organization	Within the organization
Enhancement of Environmental Management System	• Environmental Policy	Overall	○		
		Compliance	○		
Initiatives toward Environmental Value Creation		Products and Services	○	○	
Initiatives to Reduce Environmental Load, including Curbing Global Warming	[Targets set] • An annual reduction in energy consumption rate of at least 1% on average	Energy	○	○	
		Emissions	○	○	
		Transport	○	○	
		Water	○	○	
Initiatives for Preserving Biodiversity	• Environmental Policy • Forest Management Policy	Biodiversity	○	○	
Addressing Environmental Issues through Contribution to Society	• Social Contributions Policy				



### Respect for Human Rights

#### Recognition of societal issues

As a company with a diverse range of value chains in many countries and regions, we regard respect for human rights, including those of business associates and consumers, based on international standards as the foundation of sustainability management.

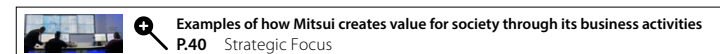
- Greater responsibility for human rights in the supply chain (labor practices, impact on local residents, etc.)
- Consideration for indigenous people in conjunction with resources development
- Illicit use of personal information that may be obtained via the increasingly widespread use of Internet and digital communications technology

#### Main risks and opportunities

- **Risks**  
Disputes or protests concerning human rights issues in every spectrum of business that could hinder the start-up or continuation of business, and leakage of information held by the company that could be used to identify individuals
- **Opportunities**  
Strengthening of the ability to ensure stable supply through consideration for human rights across all supply chains.

#### Mitsui's Approach

Being aware of our role as a member of the international community, we work to understand the culture, traditions, and practices of each country and region in which we operate. We are working to ensure there is no discrimination based on race, belief, gender, social status, religion, nationality, age, or mental or physical abilities, and take action to rectify labor practices that violate human rights. We are committed to the eradication of forced labor and child labor. We do not condone any form of child labor and are committed to following minimum working age laws wherever we operate. We are committed to complying with laws concerning slavery and human trafficking wherever we operate. Acknowledging that our responsibility extends beyond legal compliance within our own operations, we also work to ensure that human rights are respected in the supply chain. We are also contributing to the development of a society in which human rights are respected, by preventing the illicit use of personal information through implementation of countermeasures against increasingly sophisticated and devious cyber attacks and the resulting risk of the leaking of information that could be used to identify individuals.



Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures		Boundary	
		Identified material aspects	Within the organization	Outside the organization	Within the organization
Support for International Standards	• Basic CSR Policy	Security Practices	○	○	
		Indigenous Rights	○	○	
Promotion of Management for Human Rights		Investment	○		
		Assessment	○	○	



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## Enhancement of Local Industrial Bases & Quality of Life

### Recognition of societal issues

We recognize the importance of contributing to the lives of people in the countries and regions where we do business, with respect to the enhancement of quality of life, development of local industries, development of the educational environment, and the creation of employment opportunities.

- Ageing infrastructure in developed nations
- Infrastructure development in emerging countries
- Food safety and reliability
- Maintenance of health, securing of medical, nursing-care, and welfare services

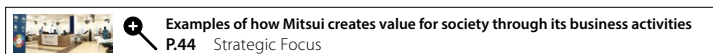
### Main risks and opportunities

- **Risks**  
Loss of credibility due to safety or health problems affecting infrastructure users or final consumers of products and services.
- **Opportunities**  
Expansion of markets through infrastructure development, measures to ensure food safety, and "healthcare ecosystem" development aimed at enhancing the quality of life in emerging countries, etc., and creation of markets by promoting ICT-based business to build urban social infrastructure in response to the move toward developing smart cities.

### Mitsui's Approach

Through our business activities, we engage in developing the infrastructure needed for growth and prosperity in countries and regions all around the world, including electric power, transportation and communications. We also strive to improve basic services, such as healthcare and care for the aged, to create new value, envisaging a future in the next-generation business domains that embody innovation, and to develop local industries and create employment.

We also contribute to developing human resources with global perspectives and improving the educational environment through the hosting of endowed lecture programs at universities and through a variety of education funds and scholarships.



Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures		Boundary		
		Identified material aspects	Within the organization	Outside the organization	Within the organization	Outside the organization
Development of the Social Infrastructure		Indirect Economic Impacts	○	○		
Provision of Safe, Reliable Products and Services	<ul style="list-style-type: none"> <li>• Consumer Product Handling Policy</li> <li>• Consumer Product Handling Regulations</li> </ul>	Customer Health and Safety	○	○		
Participation and Development in Communities	<ul style="list-style-type: none"> <li>• Social Contributions Policy</li> </ul>	Local Communities	○	○		
Contribution to Developing People with an International Mindset	<ul style="list-style-type: none"> <li>• Social Contributions Policy</li> </ul>					



## Stable Supply of Resources & Materials

### Recognition of societal issues

The establishment of supply sources for resources, such as energy, metals, water, food resources, chemicals, and materials, as well as the stable supply of these resources and materials have become important social priorities because of demand expansion driven by population growth and the desire for a better standard of living, especially in emerging countries.

- Population increase and expansion of demand for resources and materials
- Expanded responsibility for environmental and social aspects in supply chains

### Main risks and opportunities

- **Risks**  
Suspension of business operations and instability in the supply of energy and food resources because of climate change and population growth.
- **Opportunities**  
Sustainable resources development and food supply, reinforced competitiveness through consideration for the environment, labor and social aspects, and measures to ensure traceability across entire supply chains.

### Mitsui's Approach

We work with suppliers, users, and business partners in Japan and overseas to engage in resource development, production, product distribution, processing, and recycling initiatives in various parts of the world. We also strive to build optimized supply chains through the improvement of infrastructure and logistics, including the development of railroad transportation and port facilities. At the same time, we work to identify sustainability priorities and achieve comprehensive improvements and solutions across the supply chain as a whole.



Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures		Boundary		
		Identified material aspects	Within the organization	Outside the organization	Within the organization	Outside the organization
Resource Development, and the Securing and Stable Supply of Materials and Food		Indirect Economic Impacts	○	○		
Promotion of Supply Chain Management	<ul style="list-style-type: none"> <li>• Supply Chain CSR Policy</li> </ul>	Supplier Environmental Assessment	○	○		
		Supplier Assessment for Labor Practices	○	○		
		Supplier Assessment for Impacts on Society	○	○		
	[Targets set]	Supplier Human Rights Assessment	○	○		
	<ul style="list-style-type: none"> <li>• Ensuring that 100% of new suppliers are aware of the policy</li> </ul>	Freedom of Association and Collective Bargaining	○	○		
		Child Labor	○	○		
		Forced or Compulsory Labor	○	○		



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## Corporate Governance & Human Resources

### Recognition of societal issues

Corporate governance is the foundation for our efforts to make a continuing contribution to society through our business activities and maintain our status as a company trusted by society. We regard the enhancement of corporate governance and internal controls as key priorities, in addition to the fostering of human resources who support these efforts and constitute the foundation for all of our company's business activities.

- **Malfunctioning of corporate governance and internal controls**
- **Stagnation in productivity due to cookie-cutter working styles**
- **Diversification and globalization of human resources**

### Main risks and opportunities

- **Risks**  
Impact due to lack of appropriate decision making from a broad perspective, corruption in business of high public significance in emerging countries and other markets, and suspension of business operations due to information security problems.
- **Opportunities**  
Contributions to labor productivity improvement via innovation in working styles, promotion of fair and equitable treatment and meaningful human resources training, enhancement of individual competitiveness through promotion of diversity management, and creation of new business opportunities focusing on the solution of societal issues through heightened employee sustainability awareness.

### Mitsui's Approach

In order to maintain our status as a company trusted by society, we work to maintain effective governance, ensure fair business practices, and prevent corruption. We review working styles from the perspectives of productivity and efficiency, while creating an environment in which diverse individuals can reach their full potential. In this way, we will enhance our corporate competitiveness. Moreover, to strengthen the driving force of Mitsui & Co., we will further demonstrate our integrated strengths and our ability to connect at an even greater magnitude, and develop human resources capable of taking responsibility for global group management equipped with the capacity to create businesses that would make a meaningful contribution to the society.



**Examples of how Mitsui creates value for society through its business activities**  
P.61 Strategic Focus

Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures	Boundary	
		Identified material aspects	Within the organization	Outside the organization
Corporate Governance & Internal Controls	• Corporate Governance and Internal Control Principles			
Reinforcement of Sustainability Governance	• Specially Designated Business Management System			
Compliance & Risk Management	<ul style="list-style-type: none"> <li>• Business Conduct Guidelines for Employees and Officers</li> <li>• Anti-Corruption Policy</li> <li>• Global Tax Management Policy</li> <li>• Personal Information Protection Guideline</li> <li>• Rules on Information System Management</li> <li>• Rules on IT Security</li> <li>• Information Security Policy</li> </ul>	Anti-corruption	○	○
		Public Policy	○	○
		Anti-competitive Behavior	○	○
		Compliance	○	
Human Resources to Translate into Assets	• Three key policies of human resource system			
Human Resources Development		Training and Education	○	
Promoting Diversity Management		Diversity and Equal Opportunity	○	
	Equal Remuneration for Women and Men	○		
	Employment	○	○	
Occupational Health, Safety and Work Environment Initiatives	<ul style="list-style-type: none"> <li>• Basic Policy on Health Management</li> <li>• Mental Health Promotion Plan</li> </ul>	Occupational Health and Safety	○	



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## SDGs and Mitsui & Co.'s Initiative by Materiality

With respect to the 17 goals and 169 individual targets included in the United Nations Sustainable Development Goals (SDGs), Mitsui & Co. has implemented a number of initiatives, focusing in particular on those goals and targets that relate directly to Mitsui's materiality.

Materiality	Theme	Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.
Protection of the Global Environment	Enhancement of Environmental Management System	Ensure sustainable consumption and production patterns (12.8)	We promote sustainable procurement by actively obtaining environment-related certification, such as FSC® certification for forests and ASC and MSC certification for fisheries. In particular, our company-owned forests "Mitsui's Forests" is the largest FSC® certified private-sector round wood supplier in Japan. In addition, all officers and employees regularly attend seminars and training about environmental laws and regulations, ISO14001, and other related topics.
		Take urgent action to combat climate change and its impacts (13.3)	
	Initiatives toward Environmental Value Creation	Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.a)	We develop environment-related business activities as part of our contribution to providing industrial solutions to environmental issues, which is one of the Environmental Policy Action Guidelines. In the renewable energy field, we are pursuing and strengthening its initiatives related to renewable energy projects all over the world. As of March 31, 2017, renewable energy, including hydroelectric power, accounted for approximately 20% of our total generating capacity of 10.4GW. In the resource recycling field, in addition to development of underground resources, we have also positioned the recycling of aboveground resources as an area for emphasis within its comprehensive energy and environmental strategy. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.
		Make cities and human settlements inclusive, safe, resilient and sustainable (11.6)	
		Ensure sustainable consumption and production patterns (12.2, 12.4)	
	Initiatives to Reduce Environmental Load, Including Curbing Global Warming	Take urgent action to combat climate change and its impacts (13.1)	With a target of reducing energy consumption by an average of 1% or more per year, we are striving to reduce greenhouse gas (GHG) emissions by improving energy utilization efficiency and implementing other measures. Our new building project including Mitsui's new Head Office, which is currently under construction, is designed to achieve high energy-utilization efficiency by combining cogeneration systems (CGS) with district heating and cooling (DHC), by effectively utilizing waste heat from CGS to generate heat source water for DHC systems.
Ensure availability and sustainable management of water and sanitation for all (6.3)			
Initiatives for Preserving Biodiversity	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (15.2, 15.4)	We have obtained FSC® and PEFC certifications to drive our forest resources business, giving consideration to biodiversity conservation. Mitsui has obtained FSC® and SGEC certifications for all of its 74 company-owned forestlands (approx. 44,000 hectares). We have designated company-owned forests "Mitsui's Forests" into different management zones. Ten percent of all Mitsui's Forests are designated as "biodiversity conservation forests" and are maintained, managed, and owned accordingly.	
Addressing Environmental Issues through Contribution to Society	Strengthen the means of implementation and revitalize the global partnership for sustainable development (17.16, 17.17)	We operate the Mitsui & Co. Environment Fund to support and encourage university research and NPO/NGO activities targeted toward solving environmental problems. As of the end of FY2016, a total of 538 grants worth ¥5.56 billion had been provided.	
Respect for Human Rights	Support for International Standards	Reduce inequality within and among countries (10.2)	As a company engaged in business activities in many countries and regions around the world, we regard understanding culture, traditions, and customs in each country and region and respecting human rights based on international standards as essential elements of our Basic CSR Policy. Examples of initiatives in relation to indigenous peoples include surveys concerning the impact of a forest resource business project in Australia on Aboriginal archaeological sites. In Japan, we have signed an agreement related to Mitsui's Forests with the Biratori Ainu Association and the town of Biratori in Hokkaido providing for cooperation in protection and fostering of Ainu traditional culture for future generations.
		Make cities and human settlements inclusive, safe, resilient and sustainable (11.4)	
	Promotion of Management for Human Rights		





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Materiality	Theme	Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.
Enhancement of Local Industrial Bases & Quality of Life	Development of the Social Infrastructure	Ensure healthy lives and promote well-being for all at all ages (3.8)	We continue contributing to the enhancement of quality of life through our business activities in such areas as electric power, water treatment, water supply and sewerage systems, logistics, railroads, healthcare, and communications by developing infrastructure that is essential for the growth and advancement of countries around the world and local communities. In the Asia region, where countries are facing serious problems relating to the rapid aging of the population and the dramatic increase in the prevalence of lifestyle diseases that require intensive, long-term treatment, we are working to help build next-generation healthcare infrastructure "healthcare ecosystems" that will make a positive contribution to society by improving both the quality and efficiency of healthcare provision, by taking hospitals as the core platform and flexibly integrating related activities including specialist medical care provision, pharmaceuticals manufacturing, medical information systems, healthcare services, etc.
		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (9.1, 9.4, 9.5, 9.a, 9.c)	
		Make cities and human settlements inclusive, safe, resilient and sustainable (11.2)	
	Provision of Safe, Reliable Products and Services	Ensure availability and sustainable management of water and sanitation for all (6.1)	In the midst of increasing importance of water resources on a global scale, high efficient water infrastructure developed through utilization of private sector funds and advanced technology has great social significance. We are working on such projects in Mexico, the Czech Republic, and Thailand.
Contribution to Developing People with an International Mindset	Participation and Development in Communities	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.5, 4.7) Strengthen the means of implementation and revitalize the global partnership for sustainable development (17.16, 17.17)	As a company engaged in wide-ranging business operations in Brazil, Mitsui provides scholarships, implements extracurricular programs for Brazilian schools in Japan, hosts the "Conference for a Future of the Children", and provides support for a total of 14 related NPOs, with the aim of building reciprocal understanding between Japan and Brazil and finding solutions to issues affecting the Brazilian community in Japan. Mitsui is participating in the TOMODACHI Initiative, which aims to foster young generations of people who will contribute to the strengthening of the Japan-U.S. relationship in the future. This initiative is spearheaded by a public-private partnership involving the U.S. government and the U.S.-Japan Council, while drawing its inspiration from the spirit of cooperation and friendship between Japan and the U.S. in Operation TOMODACHI, launched after the Great East Japan Earthquake of 2011 to provide assistance in devastated areas through the joint efforts of the U.S. military and the Japan Self-Defense Forces.
Stable Supply of Resources & Materials	Resource Development, and the Securing and Stable Supply of Materials and Food	End hunger, achieve food security and improved nutrition and promote sustainable agriculture (2.1, 2.4, 2.a)	Mitsui is building optimal supply chains spanning all stages from upstream to downstream, including production, distribution, processing, and logistics, and contributes to the stable supply of resources and raw materials, such as energy, metals, food resources, and chemicals. In our food business, 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. We place particular importance on traceability management for grain crops, such as wheat, corn and soybeans, starting at the production and collection stages.
		Ensure access to affordable, reliable, sustainable and modern energy for all (7.1)	
Make cities and human settlements inclusive, safe, resilient and sustainable (11.c)			
Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.2, 14.7)			
Promotion of Supply Chain Management	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.7, 8.8) Ensure sustainable consumption and production patterns (12.2, 12.3, 12.4, 12.7) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (15.7) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.5)	Mitsui has built diverse supply chains throughout the world to provide a wide range of functions and services. In conducting our business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving comprehensive consideration to reduction of the environmental burden, and ensuring safety and consumer confidence. Together with our business partners, we endeavor to solve various issues present in our supply chains in order to meet society's expectations. Specifically, we conduct supplier surveys based our Supply Chain CSR Policy every year to check the status of our suppliers' sustainability measures. In FY2016, we conducted on-site surveys on our apple juice suppliers in China.	



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SDGs and Mitsui & Co.'s Initiative by Materiality

Materiality	Theme	Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.
Corporate Governance & Human Resources	Corporate Governance & Internal Controls	 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.7)	We are continually enhancing our corporate governance framework, and developing and improving our internal controls on a global group basis, to make Mitsui a company that is trusted by society. We recognize that ensuring thorough compliance with respect to internal controls is a particularly important issue.
	Reinforcement of Sustainability Governance		
	Compliance & Risk Management	 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.5)	Our sound reputation is the foundation of our business. As such, we recognize that it is only through compliance that we can maintain that reputation and gain even more trust from our customers. To that end, we are working to heighten awareness among all management and staff of the importance of upholding high ethical standards and are accordingly striving to build a global compliance framework that advances best business practices.
	Human Resources to Translate into Assets		
	Human Resources Development		
	Promoting Diversity Management	 Achieve gender equality and empower all women and girls (5.5)  Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)	We carry out our diversity management initiatives to enhance our corporate competitiveness by fully mobilizing our employees from a wide variety of backgrounds in terms of nationality, gender, values, and other attributes. We identify career advancement for female as a particularly urgent priority for the realization of our diversity management aims. We continue to create an environment in which female employees can achieve their full potential, focusing on their human resources development and career advancement. Also, in order to continue evolving our diversity management initiatives, we review our traditional work styles from the perspectives of productivity and efficiency, and promote "Work Style Innovation" by implementing new measures as necessary.
	Occupational Health, Safety and Work Environment Initiatives		



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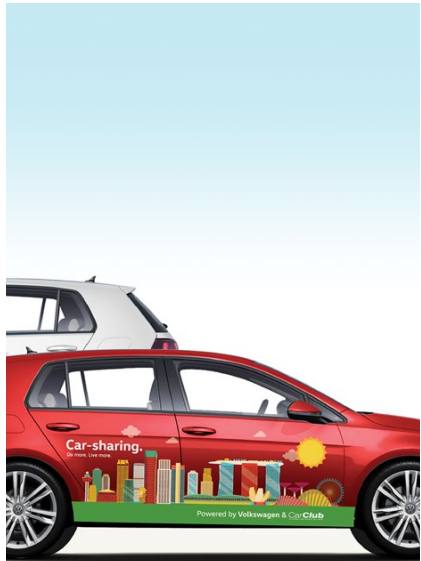
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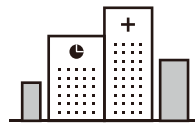
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Protection of the Global Environment

## Strategic Focus

Estimate of market size of  
worldwide car sharing  
in 2021

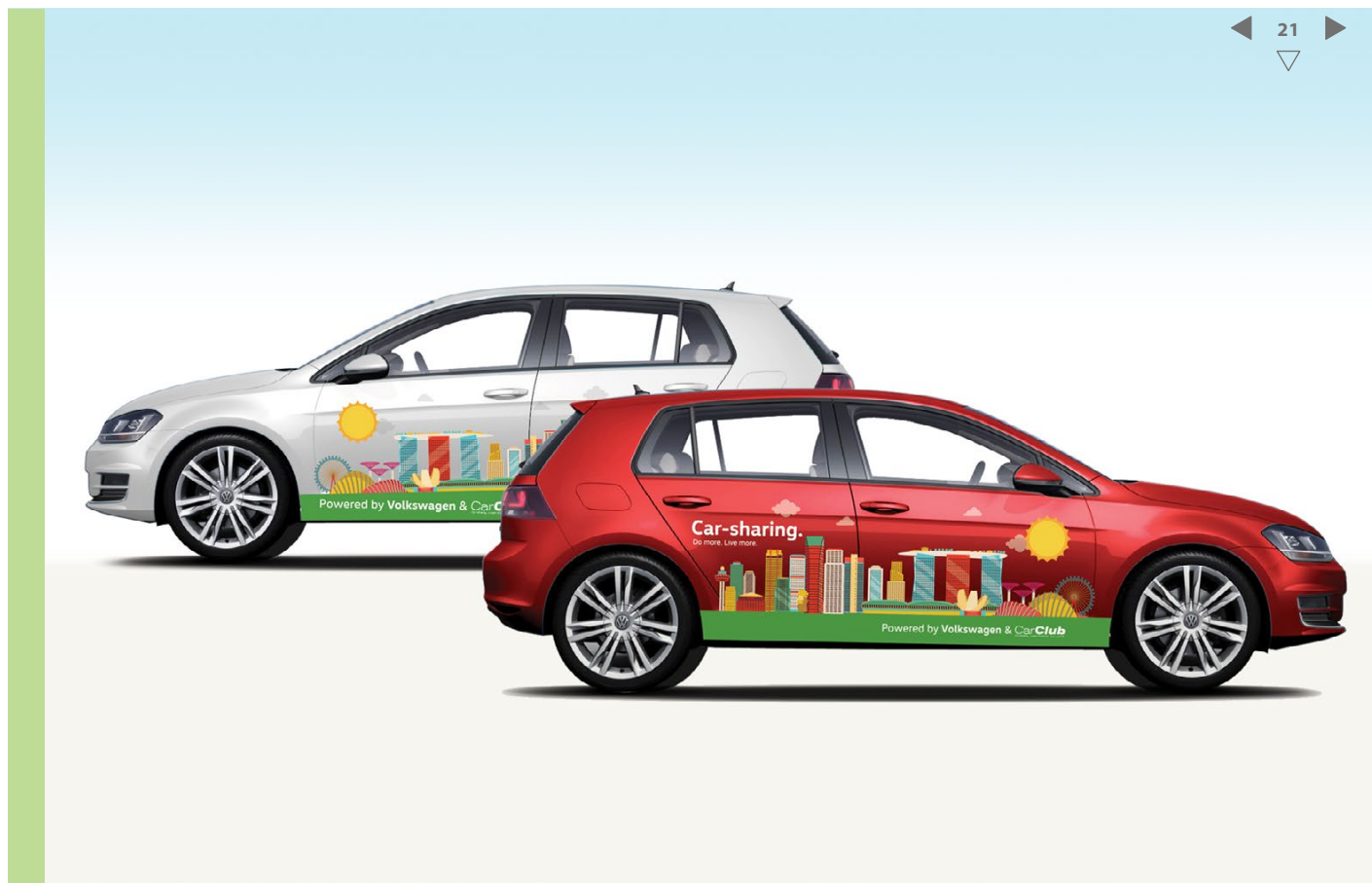
Approx. JPY **630** billion

According to the survey report "What's Ahead for Car Sharing?:  
The New Mobility and Its Impact on Vehicle Sales" (2016) by the Boston Consulting Group

Annual CO<sub>2</sub> emission reduction rate  
(average) of households subscribed  
to car sharing

**44.9** %

According to the "Verification Report on the Environmental Load Reduction Effect of Car Sharing" by  
the Foundation for Promoting Personal Mobility and Ecological Transportation.



Related Product Segment: Machinery & Infrastructure

### Offering low-cost and environment-friendly mobility options through car sharing

Mobility patterns and the ways in which cars are being used are diversifying around the world. A trend that is currently emerging especially in Europe and the United States is car sharing, where a single car is made available for use by multiple members. This reflects increased concern for the environment as well as an awareness of the high costs incurred by owning a private car.

Mitsui & Co. is positioning car sharing as a next-generation mobility service that is in tune with the current shift from ownership to renting. In 2010 we acquired an equity stake in the Car Club Private Limited of Singapore. By harnessing business know-how and expertise gained in Singapore, we aim to extend operations into other Asia-Pacific markets, where the car society is moving to a mature phase.

With a car-sharing service, the cost for each instance of using a car becomes clearly known. This in turn facilitates the use of alternatives, such as public transport, bicycle, or walking. A choice of the most cost-effective mobility option can be made, depending on the purpose of the trip and the current situation. Through this service, Mitsui will be able to propose a new type of car life as one of the mobility options for people in various countries and regions, which also ties in with increased consideration for the environment.

We see this business as a chance to offer mobility options of low cost and low environmental impact to global society. By alleviating traffic congestion and reducing vehicle travel distances, a positive effect on the environment as a whole can be achieved.





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Activities for FY Ended March 2017

Business Area >

● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
<b>Enhancement of Environmental Management System</b>	<ul style="list-style-type: none"> <li>● Introduction of e-Manifest for use in monitoring industrial waste disposal in the Head Office building</li> <li>● Achievement of "Good Point" assessment in independent ISO14001 inspection of environment management in the Head Office and company-owned buildings (Nagoya, Osaka)</li> <li>● Sale of emission trading credits from the old Head Office building (17,575 t-CO<sub>2</sub>) to an affiliated company to support that company's regulatory compliance</li> <li>● Administration of environmental management system according to ISO14001:2015</li> <li>● Development of environmental accident response tools to support an appropriate initial response</li> <li>● Development of new networks in collaboration with international NPOs and NGOs to drive projects based on environmental and social priorities</li> <li>● Implementation of environmental law seminars (2 seminars, approx. 100 attendees), environmental seminars relating to industrial waste (2 seminars, approx. 110 attendees), and a Mitsui Environment Month lecture (approx. 220 attendees), for officers and employees of Mitsui &amp; and its affiliated companies</li> </ul>
<b>Initiatives toward Environmental Value Creation</b>	<ul style="list-style-type: none"> <li>● Global supply of automotive parts with excellent environmental performance through investment and participation in Gestamp Automoción, S.A. (North and South American operations Spanish parent company)</li> <li>● Contribution to the supply of wind power related materials and equipment through investment and participation in GRI Renewable Industries, S.L. (Spain)</li> <li>● Business development of our joint venture for remanufacturing automotive parts by introducing Japanese technology</li> <li>● Launch of the project aiming to reduce environmental burden in iron ore operation by eliminating the need for a dam and ore trucks for tailings (low-grade ore), through investment and participation in Vale (Brazil)</li> <li>● Effective utilization of copper resources through copper concentrate blending business optimizing impurity level in complex conc blended with clean conc</li> <li>● Renewable energy IPP business (approx. 2GW in Japan and overseas), including the completion of a run-of-river type hydropower plant that will reduce CO<sub>2</sub> emissions by 600 million tons per year (Brazil), and commencement of operations at Wind Farm Hamada and Hamamatsu Solar Park</li> <li>● Implementation of energy-efficient smart city project (Malaysia)</li> </ul>

Theme	Business Activities
<b>Initiatives toward Environmental Value Creation</b>	<ul style="list-style-type: none"> <li>● Development of distributed solar power generation capacity, and development of next-generation energy management services (U.S. and other countries)</li> <li>● Modal shift promotion through rolling stock leasing</li> <li>● Promotion of green chemicals business, such as palm oil and other natural-oil derived oleochemicals business (Malaysia, China), and corn-derived glucose based biochemical business (Canada)</li> <li>● Investment and participation in a wood biomass power plant (Japan)</li> <li>● Commencement of geological surveys, drilling, and development for launching of geothermal power business through Mitsui Oil Exploration Co. (Japan)</li> <li>● Investment and participation in fuel and chemical product business based on the use of microbial fermentation technology (U.S.)</li> <li>● Construction completion and operation commencement of a jetty boil-off gas recycling plant through Qatar LNG project (Qatar)</li> <li>● Initiation of development of a manufacturing and transportation value chain for hydrogen as a promising next-generation clean energy resource</li> <li>● Implementation of a survey concerning the reduction of electric power consumption through the utilization of waste heat from a factory to power air conditioning in a neighboring housing complex (UAE)</li> <li>● Provision of operational maintenance services for solar and biomass power generation facilities by Mitsui &amp; Co. Foresight</li> <li>● Continued efforts to obtain Bluesign® and Global Recycle Standard (GRS) certifications for outdoor apparel fabrics through Mitsui Bussan I-Fashion, which resulted in the maintenance of compliance with those environmental standards. Promotion of development and sales of environment-friendly and highly functional textile products (Europe, U.S., etc.)</li> <li>● Investment in Alcantara, which has achieved carbon neutrality certification for all manufacturing processes and devotes around 30% of its total investment in sustainability-related facilities to promoting the sale of Alcantara products to automobile manufacturers</li> <li>● Driving sharing economy through C to C E-commerce business (Japan, U.S., UK)</li> <li>● Supply of lithium-ion rechargeable batteries for electric automobiles and other new-energy vehicles (China)</li> </ul>





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Activities for FY Ended March 2017 **Business Area >** ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
<b>Initiatives toward Environmental Value Creation</b>	<ul style="list-style-type: none"> <li>● Improvement of energy efficiency through visualization of data from office buildings, factories, and other facilities, (U.S.), contribution to power consumption savings of around 20% (depending on the facility) through remote management of air conditioning systems (Japan)</li> <li>● Support for reliable supply of energy through solar power generation monitoring services, cloud-based energy management services, and other services (Japan)</li> <li>● Contribution to global warming countermeasures through the optimization of fertilizer amounts on farmland, leading to the reduction of N<sub>2</sub>O emissions (Canada, U.S., Brazil, etc)</li> <li>● Formation and sale of solar power infrastructure funds through Mitsui &amp; Co. Alternative Investments</li> <li>● Investment in renewable energy projects through the Emerging Markets Infrastructure Fund</li> <li>● Shortening of transportation distance for logistics services (MGL) by utilization of local ports (Japan)</li> </ul>
<b>Initiatives to Reduce Environmental Load, Including Curbing Global Warming</b>	<ul style="list-style-type: none"> <li>● Effective utilization of waste products, including commercialization of chicken manure by Prifoods, as a fertilizer and snow-melting agent (in carbonized form), and utilization of tea leaf residues as a compost ingredient by Mitsui Norin</li> <li>● Sale of recycled feed made from food manufacturing by-products and other raw materials to compound feed manufacturers, resulting in the effective utilization of previously unused resources, and contributing to the creation of a recycling-based society and the improvement of the feed self-sufficiency ratio</li> <li>● Land, Infrastructure and Transport Minister's Award in the 36th Green City Awards won by Ikuta Green Space Management Consortium, for which Mitsui &amp; Co. Foresight is the representative company</li> <li>● Reduction of energy consumption and environmental burdens through the renewal of plant utilities at MicroBiopharm Japan, resulting in an 84.7% year-on-year reduction in energy use (crude oil equivalent) per unit of product</li> <li>● Acquisition of LEED certification by Acibadem Altunizade Hospital as a sustainable medical facility (Turkey)</li> </ul>

Theme	Business Activities
<b>Initiatives to Reduce Environmental Load, Including Curbing Global Warming</b>	<ul style="list-style-type: none"> <li>● Monitoring of CO<sub>2</sub> emissions, water use survey                             <ul style="list-style-type: none"> <li>• Group companies in Japan: Monitoring of changes in CO<sub>2</sub> emissions over time, identification of scope for reductions, and efforts to reduce GHG emissions based on a target of reducing energy consumption (including consumption at business facilities) by an average of 1% or more each year; Global group: Efforts to reduce CO<sub>2</sub> emissions by affiliated companies based on management levels adjusted according to output levels, with intensive management and monitoring of year-on-year changes for companies that have high CO<sub>2</sub> emissions (overseas affiliated companies); continuation of last year's survey of water use by subsidiaries in key countries and other locations</li> </ul> </li> <li>● Estimate of CO<sub>2</sub> absorption (approx. 160,000 tons/year) through the appropriate management and development of Mitsui's Forests</li> </ul>
<b>Initiatives for Preserving Biodiversity</b>	<ul style="list-style-type: none"> <li>● Support by Toho Bussan for production and sales of rice grown using farming methods that develop biodiversity (Japan)</li> </ul>
<b>Addressing Environmental Issues through Contribution to Society</b>	<ul style="list-style-type: none"> <li>● Provision of grants through the Mitsui &amp; Co. Environment Fund for university research and NPO/NGO activities that contribute to the solution of environmental issues (21 grants totaling ¥171 million), and employee participation in the activities of grant recipients (13 projects, approx. 200 participants)</li> <li>● Implementation of school-visit classes for elementary, middle, and high school students, utilizing Mitsui's Forests (13 visits, approx. 800 participants), and forest experience programs for elementary school children and their parents, employees and their families, and other participants (10 programs, approx. 300 participants)</li> <li>● Contribution to human resources development for the forestry and timber industries through the continuing endowment of a lecture program at Keio University (course completed by approx. 300 people)</li> <li>● Presentation of a special lecture program on the significance of forests owned by business corporations, in collaboration with the Tokyo University of Agriculture (approx. 100 participants)</li> <li>● Supply of FSC® certified timber from Mitsui's Forests in Mie Prefecture for use in a wooden building built for the Ise-Shima Summit</li> </ul>



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Protection of the Global Environment

## Message from Mitsui's Environmental Officer

**Satoshi Tanaka**

Representative Director, Executive Vice President,  
Environmental Officer



We have entered an era in which an international community with diverse values increasingly expects business corporations to play a key role in finding solutions for environmental and social issues relating to climate change, resource recycling, biodiversity, and harmony with local communities. Business activities that are not in tune with society's expectations are unlikely to survive long in this context.

"Sustainable development" is the key concept in the report of the Brundtland Commission, which was published by the United Nations in 1987 under the title "Our Common Future". Since then, the idea of "sustainability" has been embraced as a symbolic slogan for global environmental issues. Today the concept of sustainability has become a solid foundation for international initiatives, such as the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. We are witnessing the beginnings of a huge wave of change spanning multiple eras and generations, accompanied by an increasing awareness and focus on, environmental, social, and governance (ESG) perspectives.

As a company engaged in a wide variety of activities, Mitsui responds proactively to environmental and social issues, and creates opportunities to address those issues at the global level. Of course we will continue to strive toward sustainable growth by undertaking business activities that are based on genuine care for the environment and society. We draw attention to the work of the Sustainability Committee, and also our Specially Designated Business for environment-related project assessments. Our Environmental & Societal Advisory Committee comprises external experts whose input is invaluable. Finally, We should mention our Mitsui & Co. Environment Fund, which supports the activities of NPOs, NGOs and academic researchers undertaking work relating to global environmental issues, and numerous other social contribution initiatives and engagement with stakeholders.

## Environmental Policy

Policy

### Guiding Principles

1. Mitsui & Co. believes that one of its most important management themes involves providing a positive response to environmental issues on a global group basis, in order to contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.
2. Mitsui & Co. will make every possible effort towards realizing a "sustainable development" which is aimed at creating a harmony between the economy and the environment on a global group basis.

In view of the above principles, and in accordance with the Action Guidelines shown below, Mitsui & Co. will design, periodically evaluate, and continually improve an adequate risk management system, including response to matters such as global warming, nature conservation with consideration given to biological diversity, and the prevention of pollution, which will cover the wide range of activities that it undertakes on a global scale. At the same time, we will strive to ensure the development and dissemination of earth-friendly technologies and further reinforce our responsibility with respect to the environment on a global group basis.

### 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 within each of our workplaces and in our business activities through the efficient utilization of resources and energy, as well as the reduction, reuse, and recycling of waste 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 evaluating the impact that we have on the environment, not only in the prevention of pollution, but on such issues as global warming and the conservation of biological diversity as well.

#### 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.



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## Enhancement of Environmental Management System

### Environmental Management System

System

#### Environmental Management Philosophy

Mitsui maintains environmental management systems 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. Since the fiscal year ended March 2017, we have been working to strengthen our compliance with ISO14001:2015, including 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 Guidelines, the Equator Principles, the World Bank Procurement Policies and Guidelines, and the IUCN Guidelines

#### Environmental Management System

To facilitate effective environmental management, Mitsui has established the Environmental Management System on a global group basis. We have appointed an executive officer who is responsible for overall environmental management, while the General Manager of the Environmental-Social Contribution Division supervises the operation of the Environmental Management System. Other organizations, such as individual business units, each have their own environmental management structures established by the divisional/departmental general managers. We set company-wide targets, and we are continually improving our environmental and societal risk management framework by means of periodic reviews, including Sustainability Committee meetings.

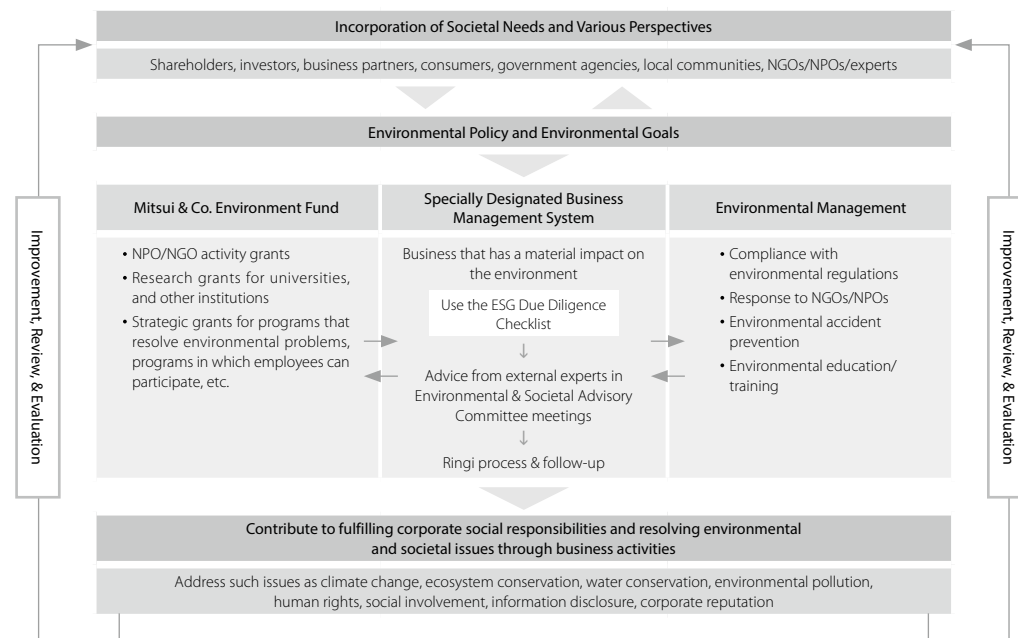
### Addressing Environmental and Social Risks and Opportunities in Business

System

Mitsui is expanding its business globally in six business areas: metals; machinery and infrastructure; chemicals; energy; lifestyle; and innovation and corporate development. In conducting business in each of these areas, we categorize our activities into "new business phase" and "existing business phase", and we have put in place mechanisms to ensure that the utmost consideration is given to the environment and society during our business activities in each of these phases.

Furthermore, in accordance with the SDG targets, we identify programs that are closely related to our business (such as biodiversity protection programs) as "opportunities", and we introduced an internal subsidy system for such programs in the fiscal year ended March 2017. Mitsui is seeking to build a sustainable society by simultaneously resolving environmental and societal issues and enhancing business value.

#### Responding to Environmental and Social Risks (as of March 2017)





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Environment**Enhancement of Environmental Management System****Environmental Management for New Business**

System

Activity

**Specially designated business management systems and the Environmental & Societal Advisory Committee**

New business projects are subject to internal screening during the new business phase. If necessary, we convene meetings of the Sustainability Committee and the Environmental & Societal Advisory Committee, which consists of external experts. Directors make final decisions regarding *ringi* approval after receiving reports and proposals from these committees as to whether or not a particular project should be promoted, or how it can be improved. The members of the Environmental & Societal Advisory Committee are selected mainly from among 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 protection in relation to the environment and other matters—as well as attorneys and other knowledgeable individuals.

**Use of ESG due diligence checklists**

New business investment projects that will have a significant impact on the environment are investigated by experts.

Before implementing these surveys, we first identify environmental and social risks, and create environmental, social and governance (ESG) due diligence checklists for each project. These lists, which are compiled with reference to international standards in relation to environmental and societal consideration, help us to focus on areas covered by expert surveys. They are shared within the company and used to ensure that ESG perspectives are taken into account in relation not only to pollution prevention but also to analysis of risk factors in connection with climate change, ecosystems, indigenous peoples, and water stress.

**Environmental Management for Existing Business**

System

Activity

In order to properly monitor and manage various environmental and social risks related to existing business operations, we urge our affiliated companies that are engaged in activities that could cause significant environmental impacts to establish environmental management systems based on the ISO14001 international environmental management standard, or on international guidelines relating to consideration for environmental and social factors. We encourage subsidiaries to establish their own autonomous environment management systems, while maintaining structures to achieve continual improvement by monitoring and reviewing preventive measures based on reports on environmental accidents and other problems.

**Interactions with NGOs and NPOs**

Communication with NGOs and NPOs is essential to the progression of our relationship with society, and helps us to monitor our positioning in society. We work with NGOs and NPOs to implement programs that contribute to the solution of environmental and societal issues.

**Management of subsidiaries**

We identify domestic and overseas subsidiaries that need to acquire ISO14001 certification based on comprehensive assessments that take into account such factors as the type of industry, environmental and ecosystem impacts, and input from stakeholders. We urge 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 2017, out of the 40 target companies, 35 subsidiaries have already acquired ISO14001 certification, and 5 companies have introduced environmental management systems in line with international guidelines.

**Response to environmental accidents**

During the fiscal year ended March 2017, there were no environment-related incidents at Mitsui and its subsidiaries. We employ various measures to prevent recurrence of environmental accidents, including the use of collections of case studies to raise employee awareness. Any accident is promptly reported to the relevant units, and comprehensive steps are taken to prevent recurrence, beginning with the identification of the true cause of the accident and an assessment to determine appropriate corrective and preventive measures.



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Enhancement of Environmental Management System

Acquisition of Environment-related Certification

System

Mitsui promotes sustainable procurement in partnership with suppliers throughout the world. We work actively to achieve environment-related certification in Japan and overseas, including FSC® certification for forests, and ASC and MSC certification for fisheries recognizing the importance of natural capital. We also develop procurement mechanisms that take into account the need to address global warming and conserve biodiversity.

Company-owned forests "Mitsui's Forests" (Japan)

In 2009, Mitsui obtained FSC® certification\*1 for all of its 74 forest-lands (approx. 44,000 hectares) throughout Japan. Our purpose in seeking certification under this international standard was to obtain verification, based on objective assessments, that our forests are being managed sustainably with proper consideration for environment, society and the economy. Mitsui was the first private company in Japan to obtain this certification for large-scale forests covering an area of over 10,000 hectares.

Among the different types of FSC® certification, Mitsui has received Forest Management (FM) certification, while Mitsui Bussan Forest, an affiliated company, has received Chain of Custody (CoC) certification for the processing and distribution of cut lumber. As a result, Mitsui became the largest supplier of domestic FSC®-certified wood in Japan.



\*1 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. Certification is provided for timber that was managed and produced in a way that preserves the forest environment and benefits local communities, while also ensuring economic sustainability.

Feed Business (Japan)

Our affiliated company, Feedone Co., Ltd., manufactures and sells organic animal feed products produced using methods designed to minimize the environmental burden, in compliance with the Japan Agricultural Standards (Notification 1607 of the Ministry of Agriculture, Forestry and Fisheries).



Palm Oil Import Business (Malaysia)

Wangsa Mujur Sdn. Bhd., in which Mitsui invests and participates, has acquired certification from the Roundtable on Sustainable Palm Oil (RSPO),\*2 a nonprofit organization that promotes the production and use of sustainable palm oil. The RSPO stipulates the legal, economic, environmental, and social conditions required for sustainable palm oil production in 8 principles and 43 criteria, and Wangsa Mujur operates in accordance with its policy.



\*2 RSPO certification aims to advance the production, procurement, and use of sustainable palm oil and lessen the impact and burden on the environment of producing countries and neighboring communities.

Salmon Farming Business (Chile)

Mitsui is a shareholder and participant in the business operations of Salmenes Multiexport S.A., a major salmon farming, processing, and sales company in Chile. This company has obtained certification as a sustainable aquaculture business under the Best Aquaculture Practices (BAP) system\*3, which focuses the five key areas of environmental conservation, social responsibility, animal welfare, food safety, and traceability. Salmenes Multiexport also achieved Aquaculture Stewardship Council (ASC) certification\*4 for four of its sites in 2015, and is now preparing to obtain certification for additional locations.



\*3 This certification system is planned and administered by the Global Aquaculture Alliance (GAA), a US-based NGO dedicated to the establishment and spread of responsible aquaculture. The system certifies each component of the aquaculture value chain including hatchery, feed mill, farm, and processing plant. The program, which is depicted by the BAP eco-label, is supported by numerous retailers and commercial food suppliers, especially in North America.  
\*4 The aim of the ASC certification system is to ensure that markets and consumers are supplied with responsibly produced aquaculture products, by certifying aquaculture businesses that show consideration for local communities and do not impose a major burden on the environment. Qualifying products are instantly recognizable thanks to the use of eco-labels.

Food Importation and Sales (U.S.)

Our subsidiary, Mitsui Foods, Inc. (MFI), imports and sells canned tuna certified under the Marine Stewardship Council (MSC) system\*5, the aim of which is to ensure the sustainable supply of seafood over the long-term future. MFI has also obtained MSC certification as an individual company for its careful management at the distribution stage.



\*5 The aim of this system is to ensure the sustainable utilization of marine resources. Certification is limited to marine products that are harvested appropriately in terms of catch size, timing, methods, etc., and that are processed and distributed appropriately. The MSC label (Marine Ecolabel, MSC Ecolabel) indicates that products have been produced responsibly from the perspective of marine resources and the ocean environment.

Shrimp Exporting Business (Vietnam)

As a shareholder, Mitsui participates in the management of Minh Phu Hau Giang Seafood Joint Stock Company, a Vietnamese company engaged in shrimp processing and exporting. The company has obtained environment-related certification, under the ASC, BAP and Global Good Agricultural Practice (GAP) systems\*6, to meet the needs of buyers and consumers seeking products that have been produced responsibly with care for the environment.



\*6 Aquaculture system indicates that a company has met global standards for food safety and sustainable production management. The full production chain is verified from broodstock, farming, feed and processing. Currently there are 35 countries implementing this standard for 30 species from the finfish, crustaceans and molluscs worldwide.





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Protection of the Global Environment

## Enhancement of Environmental Management System

### 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 and other methods to ensure that staff both in Japan and overseas understand and comply with various environmental laws and regulations.

At the start of each business year, environmental representative in each department use environmental law compliance checking tools to identify environment-related laws and regulations that are relevant to the operations of their units. They also assess compliance 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 itself, as well as any subsidiaries whose activities could have significant environmental impacts, acquires certification under ISO14001 or equivalent standards. We have established effective environmental law compliance mechanisms based on environmental management systems developed according to these standards.

#### Energy saving laws and regulations

With the idea of compliance and environmental conservation in mind, we abide by energy saving laws and regulations (laws related to rationalizing energy use), and we are promoting of energy conservation in office and developing environmentally friendly business activities.

With transportation operations in Japan in excess of 30 million ton-kilo-meters\* per year, Mitsui is classified as a "Specified Consigner".

We therefore calculate the total amount of freight based on Mitsui-owned cargo as well as freight arranged for transportation in Japan.

When Mitsui became a Specified Consigner, we began to carry out an array of company-wide initiatives to promote efficient energy use in our logistics business in accordance with the requirements of the Energy Savings Act. These initiatives included making improvements to our operating systems and arranging seminars and other information events.

\* Ton-kilo-meters are calculated by multiplying the number of metric tons of cargo by the distance they are transported (in kilometers).

#### Compliance with Waste Disposal Laws

Mitsui operates in compliance with the Waste Disposal and Public Cleansing Law (also referred to as "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 have prepared FAQ documents. These tools and documents have been utilized by relevant divisions and departments.

We also hold periodic seminars within the company 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.

#### Response to REACH regulations

REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) is legislation developed by the European Union (EU) that regulates the registration and assessment of chemicals and the permits required. The REACH legislation became effective on June 1, 2007, with pre-registration completed on December 1, 2008, the first full registration in November 2010, and the second full registration in May 2013.

All manufacturers and importers in the EU are subject to the REACH regulations.

In cooperation with its European offices, Mitsui has completed the establishment of a database covering all the relevant chemical substances, and has established a system for confirming compliance with REACH regulations prior to conclusion of a contract.

#### Other Applicable Environmental Laws and Regulations

In promoting business activities, we comply with various environmental laws and regulations, as well as other relevant laws and regulations.

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/Chemical Substances Control Law/Pollutant Release and Transfer Register Law/Poisonous and Deleterious Substances Control Act/Fire Service Act/Industrial Safety and Health Act



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Enhancement of Environmental Management System

Environmental Education/Communication

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 employees at all levels. We conduct seminars and training sessions to promote these messages internally.

Training Seminars on Environmental Laws and Regulations

We work to raise awareness of environmental issues among employees of Mitsui and its subsidiaries and affiliated companies through regular seminars, environmental law training sessions, and ISO14001 training programs. We also regularly publish in-house environment and social newsletters as a way of raising the environmental awareness of officers and employees.

Environmental education policy, planning, and aims			
Awareness activities (seminars, etc.)		Environmental auditor training	
<b>New Hires</b>	Induction Course (Environment)	<b>ISO14001</b>	Training Seminars on Environmental Laws and Regulations ISO14001 Provisional Auditor Training ISO14001 Lead Auditor Training
<b>Temporary Staff</b>	Induction Course for Temporary Staff (Environment) Induction Course for Contract Employees/Seconded working at Mitsui (Environment)		
<b>Continuing Education</b>	Environment Month (Seminars, lectures, etc.) Environment Seminar Environment-related Newsletter	<b>Environmental Management</b>	Environmental Representative in each department Induction Course Plant visits (learning key aspects of environmental management)

Training seminars on environmental laws and regulations

We hold seminars for employees of Mitsui and its subsidiaries and affiliated companies regarding environmental laws and regulations. Starting from the fiscal year ended March 2014, we began co-hosting these seminars with other trading firms, thereby helping to further environment-related compliance. In the fiscal year ended March 2017, approximately 100 people participated from Mitsui group companies. We also conducted a separate training seminar on the Waste Management and Public Cleansing Law, providing classroom training focused on precautions in regard to complying with the Law, as well as training that covered procedures for on-site checks at waste disposal facilities and actual visits to such facilities.



Employees attend lectures about industrial waste and visit disposal facilities and plants.

Seminars and training sessions held in the fiscal year ended March 2017

Title	Number of times per year	Target audience	Outline
Training Seminars on Environmental Laws and Regulations	Held three times Approx. 100 participants	Mainly officers and employees of Mitsui and its affiliated companies	Management methods based on ISO14001, recent environmental law trends, basic knowledge, key law amendments, etc.
Environment Seminar: "Lecture on Environmental Waste and Tour of Processing Facility"	Held twice Approx. 110 participants	Officers and employees of Mitsui and its affiliated companies	Lecture on the responsibilities of Generator (waste-disposing parties) and precautions related to industrial waste. The tour of the processing facility aims to promote understanding of the importance and efficacy of on-site verification.
New Staff Induction Training (Environment)	Held once Approx. 190 participants	New employees	The program includes explanations about the environmental and social risks in Mitsui's business operations, and the measures used to prevent those risks.
Temporary Staff Induction Training (Environment)	Held 9 times Approx. 40 participants	Temporary employees	The programs include explanations on the environmental policy of Mitsui as a part of introductory training provided by the Human Resources and General Affairs Division to inform newly hired employees about Mitsui's management philosophy (MW) and rules and regulations, the importance of compliance, and other matters
Induction Training for General/Seconded Contract Staff (Environment)	Held 4 times Approx. 90 participants	General and seconded contract employees	

Mitsui Environment Month

Mitsui has designated June each year as the "Mitsui Environment Month", during which a variety of programs for officers and employees of Mitsui and its affiliated companies are held as a part of Mitsui's environmental education activities. During Mitsui Environment Month 2016, we held the following lectures and "Forest School" presentations about company-owned forests.

**Lecture: Saving the Earth with New Lifestyles (Professor Masaru Kitano (Doctor of Engineering), College of Humanities, Shukutoku University, approximately 100 participants)**

Participants commented that their own lifestyles were changing steadily in step with changes in their environmental awareness, that they had realized that they could help to alleviate environmental problems by changing their attitudes and behavior, and that the lecture had been very informative, with specific explanations about issues confronting humanity, such as global warming and energy problems.



Professor Masaru Kitano

**Lecture: Using the Sea to Prevent Global Warming, and Improving the Ocean Environment (Mr. Nobuyuki Furukawa, President, Yokohama Hakkeijima Inc., approximately 60 participants)**

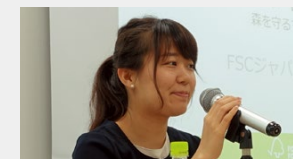
Participants said that they had gained a new awareness of the various roles played by the aquarium business, including education about the value of life, nutritional education, and contributions to environmental conservation and local communities. Others commented that this was the first time that they had heard about "blue carbon" concept, and that they had learned that the sea absorbs a higher percentage of carbon dioxide than forests.



Mr. Nobuyuki Furukawa

**Lecture: The Role of the FSC® in International Forest Certification—A Green Symbol Linking You with Forests (Ms. Emika Kono, Key Account Officer, Forest Stewardship Council Japan, approximately 80 participants)**

Participants felt that using the FSC® management standards as the starting point for a presentation about the management of company-owned forests was a novel approach. They said that the mini-lecture had reminded them about the importance of integrated management encompassing not only forests but also finished products. Others said that they had learned that certified products were sold and used in many places, and that in the future they would try to choose goods on the basis of environmental responsibility as well as price.



Ms. Emika Kono



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## Initiatives toward Environmental Value Creation

### Environment-Related Business

The increasing seriousness of climate change, population growth, resource depletion, and other issues is reflected in growing public interest in nature and biodiversity conservation, the low-carbon, recycling-oriented society, and renewable energy, as well as in an expanding range of initiatives targeting these issues.

Mitsui & Co. engages in a wide range of business in the world around us, and, under the Environmental Policy Action Guidelines, it positions active participation in finding industrial solutions for environmental issues as one of its highest management priorities. Accordingly, we carry out a broad spectrum of environment-related business activities on a global group basis.

In the renewable energy field, responding to global warming and building a sustainable society, Mitsui is pursuing and strengthening its initiatives related to renewable energy projects all over the world. As of March 31, 2017, renewable energy, including hydroelectric power, accounted for approximately 20% of Mitsui's total power generating capacity of 10.4GW.

In the modal shift field, we are contributing to building and improving transportation infrastructure

through our engagement in the development and operation of various railway projects, in addition to our long-term railway lease business. As of the end of March, 2017, the total railroad track network in which Mitsui is involved now amounts to 10,700 kilometers for freight services and 1,922 kilometers for passenger trains.

In the resource recycling field, in addition to development of underground resources, Mitsui has also positioned the recycling of aboveground resources as an area for emphasis within its comprehensive energy and environmental strategy. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.

In the paper manufacturing resource business, Mitsui has been engaged in afforestation projects on the scale of about 30,000 hectares with the aim of securing resources for pulp and paper manufacturing. By cultivating sustainable forests, these projects contribute to protecting valuable natural resources, absorbing and chemically immobilizing carbon dioxide, preserving biodiversity, and preventing soil erosion and salt pollution.



Bii Stinu Wind Project (Oaxaca, Mexico)



Siemens Electric locomotive in Europe



Precision Agricultural Solutions Business



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## Initiatives toward Environmental Value Creation

## Renewable Energy

## Activity

Project	Company name	Country	Generating capacity/Scale
Solar power generation business	Haneda Solar Power Co., Ltd.	Japan	2MW
	Tottori Yonago Solar Park	Japan	42.9MW
	Izumitsu Solar Park	Japan	19.6MW
	Tomato Abira Solar Park	Japan	111MW
	Kumamoto Arao Solar Park	Japan	22.4MW
	Omuta Miike Port Solar Park	Japan	19.6MW
	Hamamatsu Solar Park	Japan	43MW
	Tahara Solar-Wind Joint Project	Japan	50MW
	Brockville Solar	Canada	10MW
	Beckwith Solar	Canada	10MW
Solar thermal power generation business	Guzman Energia S.L.	Spain	50MW
Wind power generation business	NS Wind Power Hibiki	Japan	15MW
	Tahara Solar-Wind Joint Project	Japan	6MW
	Wind Farm Hamada	Japan	48MW
	Norway Wind	Canada	9MW

Project	Company name	Country	Generating capacity/Scale
Wind power generation business	SOP Wind	Canada	40MW
	West Cape Wind	Canada	99MW
	Caribou Wind	Canada	99MW
	Harrow Wind	Canada	40MW
	PAR Wind	Canada	49MW
	Plateau Wind	Canada	27MW
	ELSC Wind	Canada	99MW
	Erieau Wind	Canada	99MW
	Cape Scott Wind	Canada	99MW
	Brazos Wind	U.S.A.	160MW
	Eoliatec del Istmo	Mexico	164MW
	Eoliatec del Pacifico	Mexico	160MW
	Zajaczkowo Windfarm	Poland	48MW
	Biomass power generation business	Green Power Ichihara	Japan
Tomakomai Biomass Power Generation Co., Ltd.		Japan	5.9MW
Run-of-river hydroelectric power generation business	Energia Sustentavel do Brasil	Brazil	3,750MW
	Spanish Hydro	Spain	84MW



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Protection of the Global Environment

## Initiatives toward Environmental Value Creation

## Modal Shift

Activity

Business investment (Company name)	Main business	Country	Quantitative effects/project size
Mitsui & Co. Global Logistics, LTD.	Tokyo Bay barge transportation (Ichihara to Yokohama)	Japan	92.3% reduction in CO <sub>2</sub> emissions compared to truck transportation
MRC (Mitsui Rail Capital, LLC)	Freight wagon leasing business	U.S.A.	Four global basis (US, Brazil, Europe, Russia) Freight wagons: approx. 16,000 Locomotives: approx. 300
MRC-LA (Mitsui Rail Capital Participações)	Freight wagon rental business	Brazil	
MRCE (Mitsui Rail Capital Europe B.V.)	Locomotive leasing business	Europe	
MRC1520 (MRC1520 LLC)	Freight wagon leasing business	Russia	
VLI	Freight transportation business	Brazil	Operating a railway network of approx. 10,700 km and port terminals
SuperVia (Supervia Concessionária de Transporte Ferroviário S.A)	Passenger railway transportation business (Rio de Janeiro suburban railway)	Brazil	Transportation record: Approx. 620,000 passengers per day (December 2016)
Carioca (Concessionária do VLT Carioca S.A)	Passenger railway transportation business (Rio de Janeiro Light Rail Train)	Brazil	Transportation record: Approx. 30,000 passengers per day (December 2016)
Via Quatro (Concessionária da Linha 4 do Metrô de São Paulo S.A)	Passenger railway transportation business (São Paulo metro line no. 4)	Brazil	Transportation record: Approx. 630,000 passengers per day (December 2016)

## Recycling

Activity

Business investment (Company name)	Main business	Country	Business size
MM & KENZAI Corporation	Metal scrap collection and sales business	Japan	Handles 7 million tons/year of metal scrap
Kyoei Recycling Co., Ltd.	Industrial waste processing and gas production	Japan	Processing capacity of 27,000 mt/year, 140,000 Nm <sup>3</sup> /day
Mitsui Bussan Metals Co., Ltd.	Non-ferrous metal scrap and non-ferrous metal product trading business	Japan	Handles 100,000 tons/year of non-ferrous metal scrap
Sims Metal Management Ltd.	General recycling business (metal scrap, electronic device recycling, etc.)	North America, Europe, Australia, New Zealand, and elsewhere	Handles 12 million tons/year of metal scrap, etc.
Wuhan GHM Auto Parts Remanufacturing Co., Ltd.	Remanufacturing of automotive parts	China	360,000 units of remanufactured automotive parts per year

## Paper Manufacturing Resource Business

Activity

Business investment (Company name)	Country	Business size
BTP (Bunbury Treefarm Project)	Australia	9,400ha
GTP (Green Triangle Treefarm Project)	Australia	1,500ha
PTP (Portland Treefarm Project)	Australia	1,600ha
BFP (Bunbury Fibre Plantations Pty., Ltd.)	Australia	15,000ha





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Initiatives toward Environmental Value Creation

Other Environment-Related Business

Activity

Project	Main business
Materials for secondary battery use	Structuring systems for the stable production and supply of secondary battery materials, including principally those used in lithium-ion batteries
High-pressurized tanks for NGVs and FCVs	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells
Car-sharing business	Operation of a car-sharing business that utilizes high fuel-efficiency, low-pollution vehicles (Singapore)
Water treatment business in Mexico	Participation in four major water treatment projects (including one still under construction) in the State of Jalisco and other parts of Mexico through a consolidated subsidiary, Atlatec, S.A. de C.V. (headquartered in Mexico)
Water and sewer concession business in the Czech Republic	In September 2013, Mitsui and FCC Aqualia, a leading water management company in Spain, entered into a water concession business in Ostrava, Czech Republic. The project company is currently supplying drinking water, including bulk water, and a sewage water treatment service for approximately 1.3 million users
High-grade urea solution: AdBlue® business	Mitsui & Co. Plastics Ltd., a consolidated subsidiary, is building and expanding a nationwide network of sales and logistics locations and infrastructure for Mitsui Chemicals' AdBlue®, which converts the nitrogen oxides contained in exhaust gases into harmless water and nitrogen
Solar power generation monitoring service	Mitsui Knowledge Industry Co., Ltd., a consolidated subsidiary, offers cloud-based remote monitoring services to check the operation status of solar power generation facilities and detect any irregular behavior and malfunction
Cloud-based energy saving service	Mitsui Knowledge Industry Co., Ltd., a consolidated subsidiary, offers cloud-based energy saving management service with automatic and remote control of air conditioning operation in commercial facilities
Investment for the development of microbe gas fermentation technology	Mitsui invested in the venture company LanzaTech New Zealand Limited, which is developing technology to convert carbon monoxide (CO) and carbon dioxide (CO <sub>2</sub> ) into fuel and chemicals via the microorganism gas fermentation process
Precision agricultural solutions business	Mitsui has acquired an equity stake in Farmers Edge of Canada, a precision agriculture and independent data management solution provider which helps farmers to raise crop yields and reduce costs by assisting them with the implementation of efficient fertilizer application plans, which contributes to reducing environmental burdens
Lithium ion secondary cell business in China	Mitsui contributes to realizing a sustainable energy consumption society by providing solutions to save electricity via our business participation in Tianjin EV Energies Co., Ltd., which manufactures and sells rechargeable batteries for electric automobiles, hybrid automobiles, and plug-in hybrid automobiles in China
Japan-Australia demonstration project for oxyfuel and CCS technologies	Mitsui and other participants carried out a demonstration of the new oxyfuel technology in the Callide Oxyfuel Project, a public-private initiative by Japan and Australia. The project, using carbon capture and storage (CCS) technology, aims for zero-emission electricity generation at coal-fired power stations by recovering CO <sub>2</sub> from the stations and injecting the gases underground for storage. Demonstration operation at the Callide A Power Station in central Queensland was completed successfully, and we will utilize the technology in commercial projects

Global Warming Prevention Initiatives through Business

Activity

Forest Asset Management Business

With the aim of contributing to the development of a sustainable society through ensuring a stable supply of forest resources, Mitsui concluded an equity participation agreement with New Forests Pty Limited ("New Forests", Sydney, Australia), which has been engaging in forestry asset management business in Oceania, Asia, and North America.

New Forests was established in 2005. It has been entrusted with the control and management of forestry funds worth a total of 2.8 billion Australian dollars (approximately ¥240 billion) and manages forests covering 600,000 hectares. Forestry assets belonging to funds managed by New Forests in Oceania are used mainly to produce paper raw materials and construction timber. Having assets in Asia helps to ensure reliable supplies of wood-based materials to meet growing demand as living standards rise. Other investment targets include rubber plantations in Southeast Asia. In North America, New Forests manages not only forestry resources but also a fund that sells greenhouse gas emission rights to meet the needs of energy companies and other users. In addition to its global business development and management capabilities, New Forests has also adopted forestry asset investment and management policies that comply with the United Nations Principles for Responsible Investment (PRI)\*. Under these policies, in principle, all of its investments and business operations must be certified by independent bodies.

Through this investment, Mitsui will contribute to the sustainable development of forestry resources, which relates closely to the global environment and for which further demand growth is anticipated.



A forest plantation managed by New Forests in Australia

\* The six Principles for Responsible Investment were announced by the United Nations in April 2006. They call for the reflection of perspectives relating to the environment, society, and corporate governance (ESG) in the decision-making processes and in the shareholding policies of institutional investors.

Wood Biomass Power Generation Business

Mitsui has established Tomakomai Biomass Power Co., Ltd. in Tomakomai City, Hokkaido through a joint investment with Iwakura Corporation, Sumitomo Forestry Co., Ltd. and Hokkaido Gas Co., Ltd. The company has commenced power generation business using wood biomass fuel.

Wood biomass power generation is a carbon neutral method of supplying energy and is expected to contribute to the prevention of global warming. The plan is to utilize 100% of previously unused wood\* from forests in Hokkaido, including company-owned forests "Mitsui's Forests" to produce woodchip fuel. This will facilitate the improvement of forests in Hokkaido and contribute to the development of the forestry industry. The project also has considerable social significance, including contribution to community revitalization through job creation.

Mitsui has close links to the region through its Hokkaido Office, and is expanding its network with companies and local governments in the region. We will continue to use our experience with wood biomass power generation to identify new energy projects that can contribute to the stable supply of energy.



Tomakomai Biomass Power

\* Forest (timber) resources that have previously not been utilized, such as thinning timber and residual materials from forests.





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## Initiatives to Reduce Environmental Load, Including Curbing Global Warming (with Environmental Data)

Concerning the data marked with ★, an independent practitioner's assurance report in accordance with the international standards ISAE 3000 and 3410 established by the IAASB was provided by Deloitte Tohmatsu Sustainability Co., Ltd.

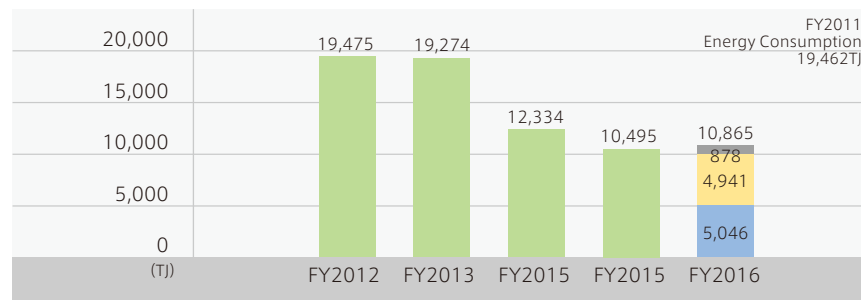
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### Management of Environmental Burden on a Global Group Basis

Activity

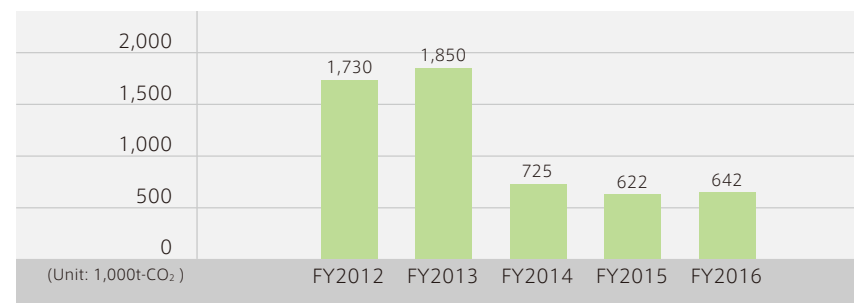
Mitsui is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions from energy sources on a global group basis. From the fiscal year ended March 2006, Mitsui has continually surveyed its domestic GHG emissions in order to understand its fixed quantity of emissions year by year. Mitsui has also announced its objective of reducing energy consumption for Mitsui itself as well as for its domestic subsidiaries, by an average of over 1% per year. The entire global group is working to achieve the goal through various measures, including improvement in energy efficiency. In addition, Mitsui has begun surveying the GHG emissions of its overseas subsidiaries since the fiscal year ended March 2009 and we are continuing to explore new initiatives to reduce GHG on a global group basis.

#### Energy Consumption ★



- Steam
- Electricity
- Fuels

#### CO<sub>2</sub> Emissions ★



#### Management of Greenhouse Gas (GHG) Emissions

(Unit: 1,000t-CO<sub>2</sub>)

	FY2012	FY2013	FY2014	FY2015	FY2016
SCOPE1 ★	1,364	1,460	384	284	314
SCOPE2 ★	366	390	341	338	328
SCOPE3*	—	—	—	42	37
Total	1,730	1,850	725	664	679

\* The sources include employees commuting, business trips, logistics amounts, and waste amounts.

#### Water Consumption

(Unit: Thousand m<sup>3</sup>)

Fiscal Year	Water Consumption (Thousand m <sup>3</sup> )
FY2015	25,846
FY2016	39,502

<Scope of coverage and calculation criteria>

The scope of coverage for energy consumption, CO<sub>2</sub> emissions, and water consumption includes Mitsui, domestic affiliated companies, and overseas affiliated companies:

- Figures for Mitsui are calculated in accordance with the computation criteria stipulated in the Act on the Rational Use of Energy (factories and workplaces). The scope of Mitsui includes not only its Headquarters, offices, and branches, but also buildings owned by Mitsui in Japan as well as buildings, offices, and training centers rented by Mitsui.
- Affiliated companies in Japan are domestic subsidiaries as specified in the Financial Instruments and Exchange Law. Calculation is carried out based on the computation criteria stipulated in the Act on the Rational Use of Energy.
- Overseas affiliated companies are overseas subsidiaries on a consolidated basis. Calculation is carried out based on the computation criteria stipulated in the GHG protocols "Emission Factors from Cross Sector Tools (April 2014).0" and "GHG emissions from purchased electricity (Version 4.7)" of the World Business Council for Sustainable Development (WBCSD) and the Act on the Rational Use of Energy.
- We expanded the scope of coverage (including estimates) for the results of FY2015 and onwards.
- Estimates are calculated by using CO<sub>2</sub> emission factors by country/region released by the International Energy Agency (IEA). The calculation method for the estimates has been changed since FY2016, and figures for the previous fiscal years are recalculated by the current method.



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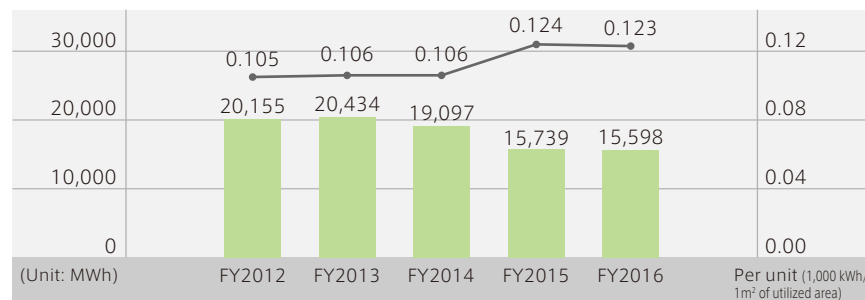
Initiatives to Reduce Environmental Load, Including Curbing Global Warming (with Environmental Data)

Reducing the Environmental Impact of Offices Activity

Activity

All employees at Mitsui strive to reduce the burden on the environment not only when conducting business, but also in their office activities through the efficient utilization of energy resources, as well as the reduction, reuse, and recycling of waste and its proper disposal, with the targets of "reduction of electricity consumption by 1% or higher on average per year" and "a recycling rate of 85% or higher by 2020".

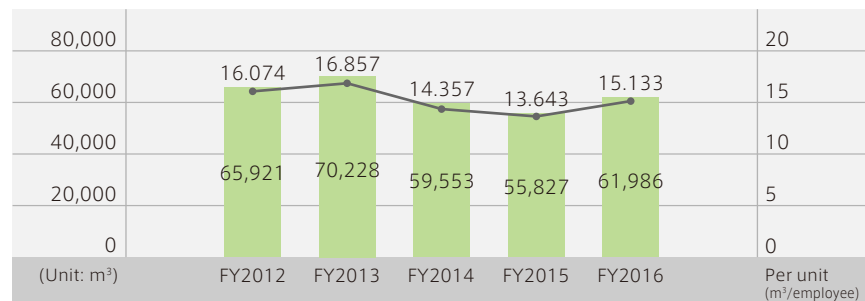
Electricity Consumption ★



Water Consumption ★

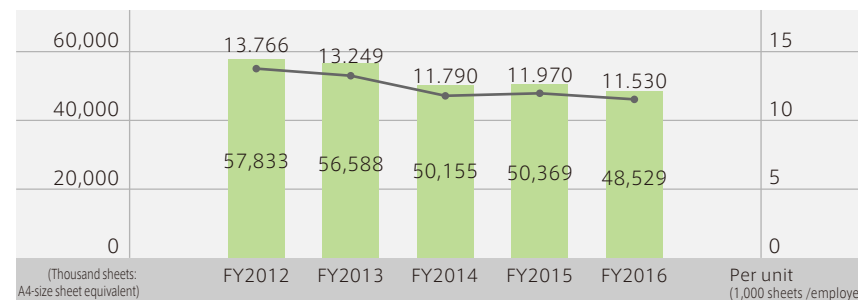
At the Headquarters, we use recycled water for toilet flushing in order to promote reduction in water consumption.

The wastewater amount for FY2016 was 61,986 m<sup>3</sup> (The amount of wastewater that cannot be measured is calculated on the premise that such amount is equal to the amount of water used).

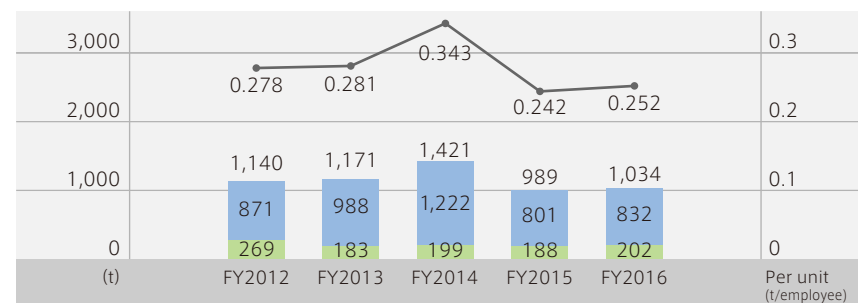


Paper Consumption ★

We promote reduction in paper consumption by initially setting up every multifunctional printer with double-face printing and other measures. We also promote use of recycled paper to reduce the environmental burden resulting from raw material procurement. The utilization rate of recycled paper for FY2016 was 99%.



Waste ★



■ amount of final disposal  
■ Amount recycled

	FY2012	FY2013	FY2014	FY2015	FY2016
Recycling rate (%) ★	76.4	84.4	86.0	81.0	80.5

<Scope of coverage and calculation criteria>

- The scope of coverage for electricity consumption and paper consumption includes all offices in Japan (Tokyo Headquarters, 6 Offices, and 5 Branches).
- The scope of coverage for water consumption and waste includes Tokyo Headquarters and Mitsui-owned buildings (Osaka and Nagoya).
- We changed the calculation method, and recalculated the figures for the previous fiscal years.



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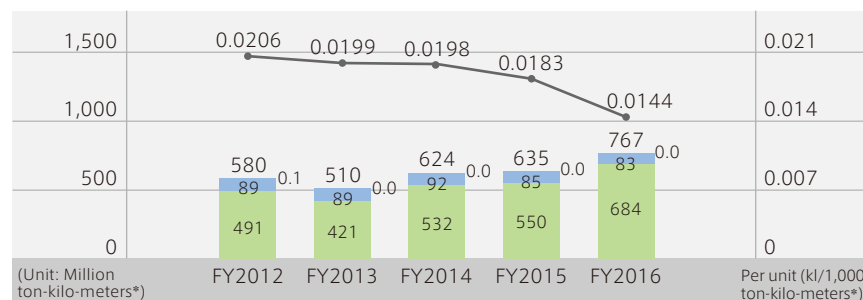
Initiatives to Reduce Environmental Load, Including Curbing Global Warming (with Environmental Data)

Initiatives toward 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, and reviewing transport routes, and modal shifts using rail and ship transport.

Freight Volumes Handled by Mitsui ★



Legend:  
 Ship (Green)  
 Truck (Blue)  
 Air/Rail (Yellow)

\* Ton-kilo-meters are calculated by multiplying the number of metric tons of cargo by the distance (kilometers) they are transported.

Initiatives toward Environmentally-friendly Logistics

Selection of transportation method	Use of railways, shipping (modal shift) Use of sophisticated freight services
Measures to improve transportation efficiency	Use of shared/mixed loading Selection of appropriate vehicle class Optimization of routing and method Scaling up of vehicle size Use of most efficient freight vehicles Review of schedules to avoid congestion
Alliances between transportation service providers and users	Review of distribution frequencies Adoption of coordinated logistics planning
Measures to increase fuel efficiency	Eco-drive driving techniques Installation of fuel-saving equipment

Environmental Accounting/Environmental Liabilities

Activity

Environmental Conservation Costs

The cost of environmental conservation during the fiscal year ended March 2017 is outlined below.

(Unit: 1,000JPY)

Category	Investments	Expenses
Business areas costs	632,787	817,982
Upstream/downstream costs	3,499	86,519
Administration costs	126	442,177
Social activity costs	0	452,707
Environmental remediation costs	0	53
Other cost	8,874	2,536
<b>Total</b>	<b>645,286</b>	<b>1,801,974</b>

<Scope of coverage and calculation criteria>

- The scope of coverage includes all offices in Japan (Tokyo Headquarters, 6 Offices, and 5 Branches).
- We calculated the figures based on the Environmental Accounting Guidelines (2005 version) published by the Ministry of the Environment of Japan.

Environmental Conservation/Economic Effects

Mitsui's environmental conservation and economic effects in the areas of paper consumption and energy consumption during the fiscal year ended March 2017 are shown below.

	Environmental conservation effects	Economic effects (Unit:1,000JPY)
Paper consumption	1,839 Thousand sheets	1,673
Electricity consumption	△15 MWh	32,541

<Scope of coverage and calculation criteria>

- The scope of coverage for paper consumption (Sheet: A4-size sheet equivalent) includes all offices in Japan (Tokyo Headquarters, 6 Offices, and 5 Branches).
- The scope of coverage for electricity consumption includes Tokyo Headquarters and Mitsui-owned buildings (Osaka and Nagoya).
- Environmental conservation/economic effects are calculated by subtracting actual numerical results for the current fiscal year from actual numerical results for the previous fiscal year.

Assessment of Environmental Liabilities

Currently, demands are being placed on corporate management to make proactive efforts regarding environmental issues. In addition to satisfying legal requirements, Mitsui understands the environmental risks (particularly asbestos, PCB, and soil pollution) related to tangible fixed assets such as the land and buildings owned by Mitsui itself, as well as those owned by its domestic group companies, through self-driven surveys, and in light of such risks, makes decisions and judgement related to management policies.



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## Initiatives for Preserving Biodiversity

### Conservation of Biodiversity through Business

Activity

#### Eucalyptus Tree-Planting Program

Mitsui is carrying out a eucalyptus tree-planting program in Australia, together with partners such as Nippon Paper Industries Co., Ltd., for the stable provision of wood chips (the raw material for paper). As of the end of March 2017, the total area planted stood at around 30,000 hectares, and the project was in its second rotation. We will continue to develop this business while ensuring appropriate management with proper consideration for the environment from a long-term perspective.

For tree-planting areas, we have acquired either FSC® (Forest Stewardship Council) certification or the Program for the Endorsement of Forest Certification (PEFC) (both of which are international certifications), in order to promote sustainable use and protection of forests. With periodic certification audits, we comply with the criteria set by the relevant certification bodies, and engage in business in consideration of biodiversity conservation.

As an example of our efforts, we preserve wetlands and headwaters in tree-planting areas where many kinds of flora and fauna live, in order to protect the ecosystem of such areas. We are also actively preventing the supplanting of native vegetation by controlling specific invasive weeds. In waterfront and tree-planting sites and surrounding areas, all forest management activities are carried out with reference to the database of rare species (for native reptiles, mammals, birds, fish, etc.) of Australia's Department of Sustainability, Environment, Water, Population and Communities. As a result, these activities also serve to protect native species, headwaters, and water quality.



A forest plantation in Australia

#### Jirau Hydroelectric Power Plant

Located on the Madeira River in Brazil's Rondonia State, the Jirau Hydroelectric Power Plant uses the run-of-the-river system, whereby the natural flow of the river is used to drive generators. By supplying power to approximately 10 million people in metropolitan Sao Paulo, the facility reduces the need to generate power by burning fossil fuels. As one of the biggest hydropower plants certified by the United Nations, the station also earns emission rights for 6 million tons of CO<sub>2</sub> per year. 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 but is also under serious threat from forest depletion. Because of its location, the Jirau project has been closely watched by local communities, NGOs, and other stakeholders, and every possible step is being taken to ensure that the plant is operated in an environmentally responsible way. As part of an approximately ¥60 billion environmental program, we conducted preliminary surveys to identify every possible impact that could affect the local environment and communities. We then built hospitals, schools, and new housing to improve the local living environment. Other initiatives include measures to protect wild flora and fauna, such as fish and mammals. Unlike hydropower schemes with reservoirs or pumped-storage systems, which require the construction of dams to block rivers, run-of-the-river hydropower schemes minimize the impact on local ecosystems resulting from the separation of upstream and downstream areas. The Jirau project also has a fishway, which effectively protects fish species that need to swim upstream in the spawning season. The huge scale of this project is matched by the scale of the environmental countermeasures undertaken. Knowledge and expertise gained from these countermeasures will be applied to future projects undertaken by Mitsui.



A panoramic view of the power plant

### About Initiatives at Mitsui's Forests

Policy

#### Overview of Mitsui's Forests

Mitsui owns forests in 74 locations in Japan, from Hokkaido in the north to Kyushu in the south. Company-owned forests "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's territory. In accordance with our Forest Management Policy, we have worked to protect and nurture these forests and make productive use of the benefits that they provide.

### Forest Management Policy

Policy

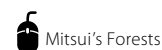
- 1. Guiding Principle**

In line with its Management Philosophy, Mitsui will actively contribute to protecting our irreplaceable Earth and fulfilling the dreams of its inhabitants, and we are committed to carefully nurturing our forests to pass them on to the next generation.
- 2. Management Policy**

Mitsui gives its forests the status of "assets with a high degree of public use that benefit the whole of society". As well as providing the reusable natural resource of lumber, forests can fulfill a range of socially beneficial functions if properly managed and enhanced on a consistent basis; for instance, they can purify the atmosphere by absorbing carbon dioxide to produce oxygen, and they can act as a reservoir that stores and purifies rainwater. On the other hand, if forests are neglected and not adequately maintained, they may increase the likelihood of natural disasters and develop into a source of other social problems. Aware of the social value that its forests possess, Mitsui regards their long-term ownership and maintenance as an important social responsibility. So as to maximize the socially beneficial functions of our forests, we work to enhance these functions based on the FSC's Forest Management Principles and Criteria, and also SGEC's Forest Management Certification Principles and Indicators.
- 3. Activity Policy**

In its concrete activities in the context of its forest holdings, Mitsui will act conscientiously on the basis of the management policy outlined above, giving full consideration to their social significance and maintaining a strong awareness of their environmental impact. Accordingly, we will redouble our efforts in the following areas:

  - Offering Forest Environmental Programs to stakeholders
  - Research work and concrete action to preserve biodiversity
  - Achieving sustainability in the production of wood materials as a reusable natural resource and promoting their utilization as wood biomass





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Initiatives for Preserving Biodiversity

Social Value of Forests

Activity

Appropriate forest management is just 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. We utilize Mitsui's Forest resources for a wide range of purposes, including the use of timber from our forests in our offices, and stable provision of wood biomass fuel for local biomass power generation projects.

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 Mitsui organization. We also provide "Visiting Lectures" at elementary and junior and senior high schools throughout Japan to present lessons about the functions and management of forests and the role of forestry. In the area of helping to protect culture, we have entered into an agreement with the Biratori Ainu Association and the town of Biratori in Hokkaido concerning the protection and fostering of Ainu culture.

In order to contribute to local communities, we also have started to promote the use of wood biomass as an alternative to fossil fuels. For example, we are providing steady supplies of wood biomass from Mitsui's Forests for a biomass power generation project in Tomakomai, Hokkaido, which became operational in December 2016.



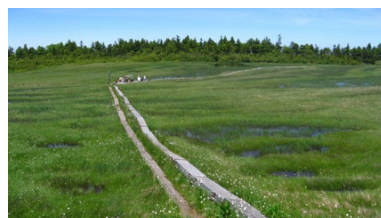
Forestry program (tree thinning experience) at the company-owned Kameyama forest

Cultivating Different Types of Forests: Forest Management Zoning

System

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, follow a repeated cycle of planting, cultivating, harvesting, and are utilized 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, for instance, to a natural disaster or tree-harvesting. Forests in these categories are maintained in their natural state. 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).

Mitsui manages Mitsui's Forests in accordance with the forest management zoning categories as shown below. Appropriate management is applied to each forest category.



Tashiro forest, which has been assessed as being of great significance in terms of its high level of biodiversity

Management zoning categories of Mitsui's Forests

Category		Definition	Area (ha)	
Forests for Regeneration and Harvest	Harvest-oriented Sustainable Cycle Forests	Forests for the production and supply of lumber resources through the repeated cycle of harvesting, planting, and cultivating.	6,839	
	Natural Restoration Forests	Forests to be restored as Naturally Regenerated Forests consisting of coniferous and broad-leaved trees.	10,631	
Forests for Regeneration and Harvest, Natural Forests and Naturally Regenerated Forests	Biodiversity Conservation Forests	Special Conservation Forests	Forests confirmed to support a large number of rare creatures whose habitat requires protection.	324
		Environmental Conservation Forests	Forests confirmed to support a large number of rare creatures whose habitat requires protection.	875
		Water and Soil Conservation Forests	Forests with plentiful water stocks that form a water resource, reduce the risk of natural disasters, or have other major socially beneficial functions that contribute to the safeguarding of the water supply and the preservation of ecosystems.	3,164
		Cultural Conservation Forests	Forests requiring protection due to the particularly high value of their "cultural services"—functions that nurture traditions and culture and form part of the "ecosystem services" that are dependent on biodiversity.	117
Naturally Regenerated Forests	Productive Naturally Regenerated Forests	Forests to be cultivated for tree species useful as a source of lumber.	1,814	
	General Naturally Regenerated Forests	Forests not composed of productive species but to be cultivated for increased social value.	19,149	
	Other Naturally Regenerated Forests	Naturally Regenerated Forests other than in the above categories.	1,504	
Total			44,417	

Forest Certification

System

For all of the Mitsui's Forests (approximately 44,000 hectares at 74 locations), Mitsui has acquired FSC® certification, which is an international forest certification, and Sustainable Green Ecosystem Council (SGEC) certification, which is a Japan-specific forest certification.

Forest certification is given based on assessments regarding whether fixed criteria are met concerning forest management methods. The spread of such certification prevents unregulated deforestation, preserves healthy forests, and helps protect the global environment.

In December 2009, we achieved certification for all Mitsui's Forests under the FSC® international forest standards. Mitsui was the first private company in Japan to obtain this certification for large-scale forests covering an area of over 10,000 hectares.

The FSC® certification is a type of certification established by the Forest Stewardship Council (FSC®), an international NGO with a membership system that operates an international forest certification system. FSC® has 10 principles and 70 criteria for forest management from perspective of environment, social, and economy. Certification criteria not only focus on whether the forest manager is carrying out appropriate management from an economic standpoint, but also look at consideration for the environment, maintaining favorable relationships with regional communities near the forest, and other factors. When Mitsui completed the certification procedures, a survey was given to stakeholders in our 74 forestlands across Japan. This survey confirmed that Mitsui and our subsidiary Mitsui Bussan Forest Co., Ltd., which manages the forestlands, have built a favorable relationship with all local communities.



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Protection of the Global Environment

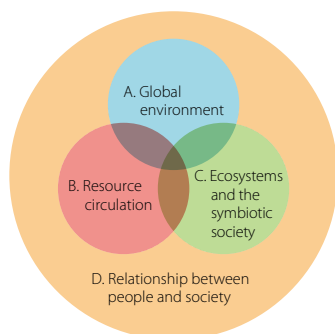
## Addressing Environmental Issues through Contribution to Society

### Overview of the Mitsui & Co. Environment Fund

System Activity

In July 2005, Mitsui launched the Mitsui & Co. Environment Fund as a grant program that aims to contribute to the sustainable development of society and address global environmental problems by supporting various activities and research projects pursued by NPOs, universities, and other entities. Since the fiscal year ended March 2012, when the Great East Japan Earthquake occurred, Mitsui has also been engaged in recovery efforts aimed at achieving the sustainable development of society through initiatives to mitigate and resolve environmental problems caused by the earthquake and the accompanying tsunami. In addition to its financial support for the activities and research conducted by NPOs, universities, etc., the fund is also encouraging Mitsui's officers, employees, and their families to participate in the activities conducted by the groups or organizations that received our grants, as volunteers. As of the fiscal year ended March 2017, we have awarded grants totaling ¥5.56 billion to 538 projects.

Launched	July 1, 2005
Screening structure	Sustainability Committee, Project Deliberation Panels, Project Selection Meeting (including external experts)
Grant program	<ul style="list-style-type: none"> <li>• Activity Grants</li> <li>• Research Grants</li> </ul> For practical activities or research providing concrete proposals, which contribute to the sustainable development of society and address global environmental problems.
Focus fields	A. Global Environment B. Resource Circulation C. Ecosystems and the Symbiotic Society D. Relationship between People and Society
Eligible groups or organizations	NPOs, NGOs, general incorporated associations and foundations, public interest incorporated associations and foundations, special civil foundations, universities, and national institutes of technology



Sustainable development of society

### Selection of Grant Recipients

System Activity

#### [Message from a Selection Committee Member]

The global social and economic situation relating to the environment is changing significantly, including the signing of the Paris Agreement as a response to climate change, the adoption of the SDGs by the United Nations, and the emergence of EGS investment. Every aspect of life is being affected by these changes. There has also been a significant shift of direction in the criteria used to select issues for the Mitsui & Co. Environment Fund.

In the past, we tended to prioritize the conservation of ecosystems and biodiversity. Our priorities today include the reduction of CO<sub>2</sub> emissions, the solution of societal issues, and the governance of all organizations in relation to these issues.

These changes were reflected in our approach when calling for applications for Mitsui & Co. Environment Fund grants in the fiscal year ended March 2017. We gave priority in our selection process to activities and research that would take up the challenge of finding solutions for issues that are regarded as socially significant. We will continue to emphasize these aspects going forward by striving to select proposals that demonstrate high aspirations toward our goal of contributing to the creation of a sustainable society for the future, and a commitment to social change.

#### Grants awarded

(Unit: number of projects, ¥million)

	Activity Grants		Research Grants		Total	
	Number	Value	Number	Value	Number	Value
FY2005	15	117	—	—	15	117
FY2006	18	217	—	—	18	217
FY2007	48	437	23	456	71	893
FY2008	51	523	24	368	75	891
FY2009	34	311	17	213	51	524
FY2010	28	244	22	285	50	529
FY2011*	52 (43)	528 (463)	46 (34)	603 (481)	98 (77)	1,131 (944)
FY2012*	36 (22)	237 (157)	14 (2)	112 (13)	50 (24)	349 (170)
FY2013	20	165	15	150	35	315
FY2014	21	118	8	85	29	203
FY2015	15	155	10	65	25	220
FY2016	11	92	10	79	21	171
Total	349	3,144	189	2,416	538	5,560

\* Figures in parentheses show the Great East Japan Earthquake Restoration Grants. However, since the fiscal year ended March 2014, we have continued to support restoration projects within the framework of regular programs, without providing a separate additional framework. The total value of the restoration projects since the fiscal year ended March 2012 is ¥1,308 million.



The Mitsui &amp; Co. Environment Fund





Respect for Human Rights

## Strategic Focus

Number of information leak incidents through cyber attacks and similar in 2016

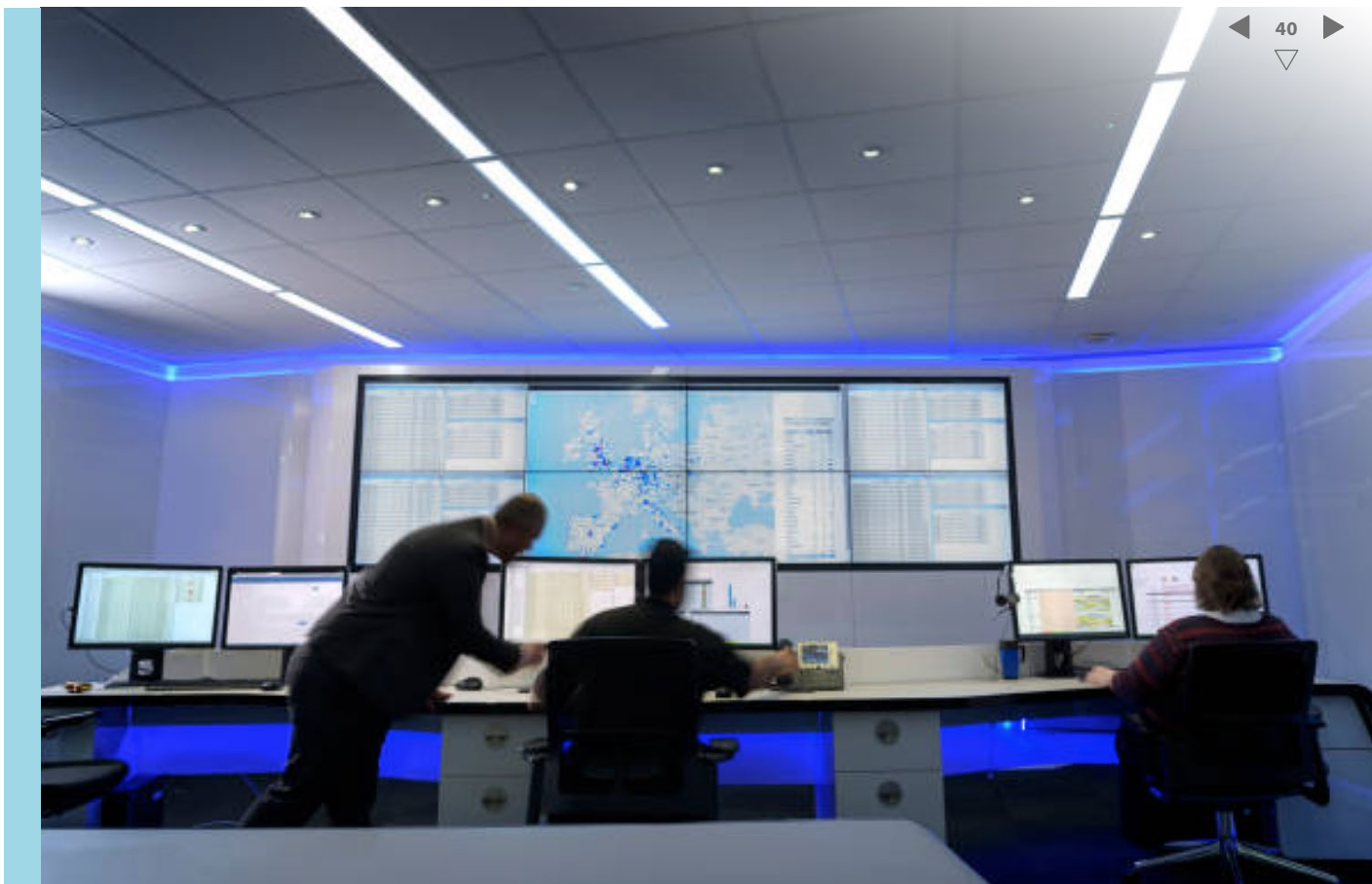
Over **4** billion

According to survey results obtained by IBM's security research organization "X-Force" from more than 8,000 client companies in 100 countries

Number of network connections possibly involving access by a malicious program occurring in 2016 (per day, per single IP address)

**1,692**

According to "Cyber Threat Trends" released by the National Police Agency on March 23, 2017



Related Product Segment: Innovation & Corporate Development

### Preventing illegal use of personal information by providing cybersecurity services for enterprises

In recent years, cyber attacks have become more sophisticated and ingenious, leading to an increased leakage risk for company-held data, including information identifying individuals. Such stolen data are actually being sold through sites on the so-called "dark web" which are not accessible by regular channels. In view of this situation, the amended Act on the Protection of Personal Information which took effect in Japan in 2017 introduced provisions that in principle prohibit the collection of information on race, creed, medical history, criminal record, etc. without the concerned individual's consent, in order to prevent unfair discrimination and prejudice. Such measures are aimed at strengthening the protection of human rights.

According to a survey conducted by the Ministry of Economy, Trade and Industry in 2016, the number of information security experts in Japan is lower than it should be by some 132,000 people. This personnel deficit is projected to increase to 193,000 by the time of the Tokyo Olympics in 2020. The fostering of human resources capable of responding to cyber attacks is therefore an urgent issue. Also, compared to other countries, it is evident that Japan lags behind on this issue. As of April 2017, there were 75,312 persons in the U.S. with Certified Information Systems Security Professional (CISSP) credentials, an internationally recognized qualification, while there were only 1,720 such persons in Japan.

In order to address this issue, Mitsui Bussan Secure Directions, Inc. harnesses the expertise of highly skilled cybersecurity professionals to offer a wide range of solutions including vulnerability assessment, illegal access monitoring, high-level security platform implementation and management, malware analysis, and more. In addition, through the discovery and reporting of vulnerabilities in widely used products and open source products, along with technical analysis of malware with the potential to cause significant harm, we are aiming to proactively prevent attacks that exploit vulnerabilities and unauthorized use of personal information. By doing so, we contribute to the creation of a society where human rights are fully respected and protected.



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Activities for FY Ended March 2017

Business Area >

- Metal
- Machinery & Infrastructure
- Chemicals
- Energy
- Lifestyle
- Innovation & Corporate Development
- Corporate & Others

Theme	Business Activities
<b>Support for International Standards</b>	<ul style="list-style-type: none"> <li><span style="color: red;">●</span> Maintenance and improvement of living environments and local job creation through global business activities relating to water, power generation, and gas</li> <li><span style="color: yellow;">●</span> Support for the sale of RSPO (Roundtable on Sustainable Palm Oil) certified palm oil</li> <li><span style="color: yellow;">●</span> Provision of healthy menu choices in employee cafeterias (operated by AIM Services), and donation of school lunches for children in developing countries through Table for Two International, a non-profit organization (approx. 570,000 meals donated)</li> <li><span style="color: yellow;">●</span> Collection of letters of agreement with the Supply Chain CSR Policy from 5,012 Japanese and overseas suppliers by Mitsui Bussan I-Fashion (MIF), and addition of new provisions to the policy in FY2016, including the prohibition of employment discrimination, respect for the right of collective bargaining, and the prohibition of excessive working hours</li> <li><span style="color: yellow;">●</span> Bluesign® certification obtained for outdoor apparel fabrics supplied by MIF, based on compliance with standards that include consideration for the environment, freedom of association, and labor health and safety, as well as the elimination of child labor, forced labor, and discrimination</li> <li><span style="color: grey;">●</span> Publication of an anti-slavery and human trafficking statement in response to section 54 of the UK Modern Slavery Act 2015. (Mitsui, affiliated companies)</li> <li><span style="color: grey;">●</span> Continuation of an agreement with the Biratori Ainu Association and the town of Biratori in Hokkaido, providing for cooperation in efforts to ensure that Ainu culture is protected and handed down to future generations through Mitsui's Forests, and signing of a related agreement with the Iwor Forest Development Group of the Nibutani Craft Cooperative Association, providing for cooperation in the development a forest environment for traditional Ainu cultural activities in the Mitsui-owned Saru Forest</li> </ul>

Theme	Business Activities
<b>Promotion of Management for Human Rights</b>	<ul style="list-style-type: none"> <li><span style="color: grey;">●</span> Collection of a commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations from all the applicable employees and officers</li> <li><span style="color: grey;">●</span> Implementation of compliance tests (e-learning) for persons who have not yet completed this process</li> <li><span style="color: grey;">●</span> Implementation of Compliance Review Week activities, including the dissemination of messages by the President and COOs, etc., as well as seminars, information-sharing, and discussions</li> <li><span style="color: grey;">●</span> Implementation of the Compliance Awareness Survey (for domestic employees and officers). Formulation and implementation of compliance activities based on the results of the Survey</li> <li><span style="color: grey;">●</span> Formulation of the plans for compliance activities for FY2017 based on the review of FY2016 activities undertaken by the Compliance Committee (twice annually)</li> <li><span style="color: grey;">●</span> Attendance at compliance meetings and seminars implemented by regional business units, etc.</li> <li><span style="color: grey;">●</span> Promotion of compliance-related activities at overseas subsidiaries and affiliated companies, in line with initiatives by the parent company</li> <li><span style="color: grey;">●</span> Visits to key affiliated companies to provide advice on the development and operation of compliance activities</li> <li><span style="color: grey;">●</span> Conveyance of alerting messages about compliance (via intranet, meetings, etc.). Sharing information about actual disciplinary cases through reporting lines</li> <li><span style="color: grey;">●</span> Improvement of the effectiveness of expert advice about environmental and social risks provided through the Environmental &amp; Societal Advisory Committee</li> </ul>



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Respect for Human Rights

## Support for International Standards

### Human Rights Initiatives

Policy

Conducting business globally in many countries and regions of the world, Mitsui considers the protection of human rights in accordance with international standards to be its sustainability management platform. Mitsui's Basic CSR Policy states, "make prudent efforts to understand the culture, traditions, and customs of countries and regions around the world" and "recognize the significance and importance of the human rights contained in international standards".

The "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." prescribe and require Mitsui employees and officers to observe: full consciousness of their role as members of international society; understanding of and respect for the cultures, customs, and history of individual nations; protection of human rights; and eschewing any form of discrimination based on race, creed, gender, social status, religion, nationality, age, or physical or mental ability. Furthermore, regarding measures to prevent any kind of discrimination and sexual harassment, we are raising employee and officer awareness by providing compliance seminars and other opportunities tailored to each job level.

We also support various international standards, such as the Universal Declaration of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work.

### Universal Declaration of Human Rights

Policy

The Universal Declaration of Human Rights is a common standard of objectives for all peoples and all nations to respect human rights and freedoms. The Declaration was proclaimed on December 10, 1948 at the third United Nations General Assembly and occupies an important position in the history of human rights.

Following this declaration, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) were adopted by the 21st United Nations General Assembly on December 16, 1966. They both recognize the majority of the rights indicated in the Universal Declaration of Human Rights. Japan ratified both treaties in June, 1979.

Mitsui supports the Universal Declaration of Human Rights, the ICESCR and the ICCPR.

### ILO Core Labour Standards

Policy

The International Labour Organization (ILO) was founded in 1919 as an international organization responsible for drawing up and overseeing international labor standards. The ILO is a tripartite agency that brings together representatives of governments, employers, and workers to shape programs together on the subjects of human rights, occupational safety and health, hiring policies, and the development of human knowledge for the adoption of ILO agreements and recommendations.

In 1998, the ILO established the ILO Declaration on Fundamental Principles and Rights at Work. As the basic rights of workers (ILO Core Labour Standards), they are defined in the 8 conventions in 4 fields (freedom of association and the right to collective bargaining C87/C98; the prohibition of all forms of forced labor C29/C105; elimination of the worst forms of child labor C138/C182 and non-discrimination in employment C100/C111).

Mitsui supports the 8 conventions constituting the ILO Declaration on Fundamental Principles and Rights at Work.

### Respecting Indigenous Peoples

System

Policy

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 its 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, in our forest resources business for pulp and paper manufacturing in Australia, we are exercising due diligence by assessing the level of impact that Mitsui's projects might have on the indigenous Aboriginal population. As part of our research into available solutions in the event that any problems are discovered, we conduct advance surveys from the viewpoint of cultural protection to ensure that our operations will not destroy Aboriginal historical sites. In our iron ore mining operation in Brazil, we maintain close communication with the indigenous Parketêjê people 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.



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Respect for Human Rights

## Support for International Standards

## Guidelines for Appointing a Security Firm

System

The UN Code of Conduct for Law Enforcement Officials was adopted in December 1979 so that the UN can promote and ensure that law enforcement authorities such as the police and the military in member countries take on appropriate roles as well as respecting and protecting human dignity. The Principles on the Use of Force and Firearms by Law Enforcement Officials was also adopted in August/September 1990 as the standard for the use of force and firearms by law enforcement officials.

Mitsui bases its appointment of security firms on these codes of conduct and principles.

## Promotion of Management for Human Rights

## Management System for Human Rights and Labor Conditions

System

Mitsui & Co. conducts an internal survey in alternate years concerning compliance with the UN Global Compact, to raise the awareness of management and employees regarding human rights and labor issues at its business units, corporate staff divisions, and domestic and overseas organizations (branch offices and consolidated subsidiaries).

1. Do you fully understand the UN Global Compact?
2. Have there been any violations of the 10 principles of the UN Global Compact? If so, report the details of the violation and what measures were taken to handle the situation.

As a consequence of this survey, if it is found that we have a unit, a division, or an organization that materially lacks an understanding of the UN Global Compact, we will take measures, such as providing additional training seminars.

In addition, we continue to hold e-learning courses and other training activities to remind employees of the importance of addressing and managing risks related to human rights and labor problems in the supply chain.

With regard to our main suppliers, we promote initiatives for improving our supply chain management by conducting supplier surveys which involve sending out questionnaires and carrying out on-site surveys based on a checklist. In the fiscal year ended March 2017, we sent questionnaires to 50 of our suppliers, and conducted on-site surveys at food material suppliers. Through these surveys, we confirmed their compliance with our Supply Chain CSR Policy, which covers human rights, labor conditions, and other aspects.

Moreover, through our participation in working groups of Global Compact Network Japan, such as the Human Rights Due Diligence (HRDD) Working Group and the Supply Chain Working Group, we are able to keep up-to-date with international trends related to human rights, and can make use of the information we obtain from other companies to enhance our sustainability promotion activities.

We continue to deepen our awareness of human rights and labor issues in reference to international guidance, such as the UN's Guiding Principles on Business and Human Rights, by measures such as inviting outside experts to hold seminars.



Enhancement of Local Industrial Bases & Quality of Life

# Strategic Focus

Number of patients in the Asia-Pacific region receiving renal replacement therapy, such as hemodialysis

# 2,162,000

(forecast for 2030)\*

\* According to data published by a research group led by Dr. Thaminda Liyanage at the University of Sydney in Australia



Related Product Segment: Lifestyle

## Aiming to provide reliable high-quality dialysis medical services in Asia, where the number of patients with kidney failure is rising rapidly

In the emerging countries of Asia, lifestyle diseases, such as hypertension and diabetes, have become more prevalent in recent years due to population growth and the increased Westernization of dietary habits. The number of end-stage renal disease patients requiring dialysis treatment has risen significantly, but due to a shortage of dialysis clinics, many patients are unable to obtain suitable treatment. In August 2016 Mitsui & Co., Ltd. entered into an agreement with DaVita Inc. and a strategic investment fund of the government of Malaysia to participate in a joint venture operating dialysis clinics in the Asia-Pacific region.

The number of patients in Asia who undergo renal replacement therapy, such as hemodialysis, is forecast to reach 2,162,000 in 2030,\* which is more than twice the actual number in 2010 and would represent the highest rate of increase in the world. Improvements in medical insurance systems and the rise in income levels in various Asian countries have resulted in a supply-demand gap. Efforts are being made to close this gap, but dialysis operators capable of reliably providing high-quality dialysis treatment are always in high demand. In response to such needs, Mitsui has acquired a 20% equity stake in DaVita Care (Singapore), a company in the DaVita group operating dialysis clinics and bringing high-quality dialysis services developed in the United States to the Asian region.

The improvement of health and medical standards in emerging and developing countries is an important issue. In 2011 Mitsui invested in IHH Healthcare Berhad, the largest private healthcare group in Asia, and in 2015 we acquired the MIMS Group, which handled medical information services in Asia and Oceania. In 2016 we invested in Columbia Asia, the largest hospital group in Asia for middle-income earners, and we also cooperate with Panasonic Healthcare Holdings, Japan's leading medical device manufacturer, in which we acquired an equity stake in 2017. These efforts are aimed at building a healthcare ecosystem designed to evolve into a high-level, next-generation medical infrastructure oriented toward optimum patient care.





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Enhancement of Local Industrial Bases &amp; Quality of Life

## Activities for FY Ended March 2017

Business Area &gt;

● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Development of the Social Infrastructure	<ul style="list-style-type: none"> <li>● Promotion of water infrastructure business (Mexico, Czech Republic, Thailand), port container terminal operations (Indonesia), international cargo terminal operations at Haneda Airport (Japan), co-generation business (Thailand, Brazil), and other infrastructure business around the world</li> <li>● Promotion of energy-related infrastructure business in various countries, such as natural gas distribution business (Mexico, Brazil), and sales of electricity from gas-fired power generation and renewable energy sources (21 countries)</li> <li>● Providing stable transportation with low-price by supporting for operational efficiency through rolling stock leasing (U.S., Europe, Russia, Brazil)</li> <li>● Transportation cost reduction such as grains, fertilizers, steel products etc. through freight transportation services (Brazil)</li> <li>● Improvement of safe and reliable passenger transportation services by means of urban transportation infrastructure development (Brazil)</li> <li>● Remarkable logistic improvement by dedicated freight railways (India)</li> <li>● Eco-ship sales, owned and operation. LNG bunkering project promotion</li> <li>● Promotion of tank terminal business in distribution collection sites that serves as basic distribution infrastructure for the petrochemicals industry</li> <li>● Promotion of an urban redevelopment project in the Tamura-cho area (Nishi-Shimbashi 1-chome, Minato-ku, Tokyo) through Mitsui &amp; Co. Real Estate that contributes to the local community and improvement of urban functions through the creation of harmonious streetscape, the enhancement of local disaster-preparedness, the stimulation of community and business activities, and the installation of facilities that will help to enhance the community</li> <li>● Development of communications infrastructure and growth of internet use through engagement in high-speed mobile data communications business (Sub-Saharan Africa, Indonesia)</li> <li>● New shopping experience offering SmartCart (shopping cart with tablet device) to shoppers inside the store (Japan)</li> <li>● Provision of new lifestyles through TV shopping business (Japan, India, China), e-commerce business (Indonesia), meal kit business (Russia), and IT-based one-stop renovation service business (Japan)</li> <li>● Support for overseas market development (Asia, Latin America) by local companies and promotion of consumer goods logistics (Asia) through Mitsui &amp; Co. Global Logistics</li> </ul>

Theme	Business Activities
Development of the Social Infrastructure	<ul style="list-style-type: none"> <li>● Meeting demands for developing infrastructure through heavy lifting &amp; transport by Huatong Holdings (Southeast Asian countries)</li> <li>● Provision of insurance risk management and arrangement of insurance coverage for business-related risks through Mitsuibussan Insurance</li> <li>● Provision of reliable hedging measures, through investment and participation in New Ocean Capital Management, for catastrophic risks to primary insurance companies, by the management of funds that involve investment primarily in catastrophic risk</li> </ul>
Provision of Safe, Reliable Products and Services	<ul style="list-style-type: none"> <li>● Promotion of pharmaceutical development that contributes to enhancement of patients' quality of life through investment and participation in NovaQuest</li> <li>● Support for patients who need financial assistance, through investment and participation in IHH, by providing cancer education and free cancer checks to poorer inhabitants of local communities, as well as by providing medical services for patients who test positive (Singapore)</li> <li>● Support for events for diabetes patients and for breast cancer awareness-raising events through investment in Columbia Asia Hospital; through investment and participation in DaVita Care, provision of seminars for chronic kidney disease patients, provision of services, including free medical checks and voluntary cleaning services, for elderly people living alone (Malaysia)</li> <li>● Support for the development of pharmaceuticals, IT, and agrochemicals through investment and participation in NovaQuest and venture capital investment undertaken by Mitsui Global Investment</li> </ul>
Participation and Development in Communities	<ul style="list-style-type: none"> <li>● Support for community revitalization by holding the Mitsui Foods Food Show for the exhibition and sales of products from different regions throughout Japan</li> <li>● Continuous support for food education activities through the Kids Kitchen Association in collaboration with Mitsui Foods and Bussan Food Service</li> <li>● Promotion of the Sendai Umino-Mori Aquarium operations with partner companies (approx. 2,807,600 visitors between July 1, 2015 and March 31, 2017), and issuing of invitations to local schoolchildren to attend a memorial ceremony on March 11, 2017</li> <li>● Donation to the Sakura Namiki Network (a non-profit organization dedicated to planting cherry trees in areas affected by the Great East Japan Earthquake) by AIM Services, resulting in the planting of 40 cherry trees</li> </ul>



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Enhancement of Local Industrial Bases &amp; Quality of Life

## Activities for FY Ended March 2017

Business Area &gt;

● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Participation and Development in Communities	<ul style="list-style-type: none"> <li>● Creation of additional local jobs (for both mid-career recruits and new graduates) created under a siting agreement between MicroBiopharm Japan and a local government in preparation for investment in new facilities</li> <li>● Support for developing reliable, safe childcare environments via the promotion of the communication app "Kids Note" service business for childcare facilities, such as kindergartens and guardians (Japan)</li> <li>● Provision of scholarships for Brazilian students as part of our support activities for Brazilians living in Japan (440 students in 26 schools), implementation of extracurricular programs for Brazilian schools (6 programs, 197 participants), hosting of the Conference for a Future of the Children (11 cities, 750 participants), and financial support for related NPOs (14 organizations)</li> <li>● Continuation of support for human resources development of junior and senior high school students as part of our initiatives for recovery of the region affected by the Great East Japan Earthquake, including a "Visiting Lecture Project" featuring people who were profiled in the TV program "Textbook for Our Future", as the lecturers for the Project (6 schools in Iwate, Miyagi, and Fukushima Prefectures), and "English Conversation Class Project" for which employees are serving as volunteer teachers at the "Collaborative School" run by Katariba, a certified non-profit organization in Onagawa, Miyagi Prefecture (866 participants)</li> <li>● Support for a scholarship project in India through the Mitsui Global Volunteer Program (3,950 participants, donations totaling ¥3,950,000), and installation of a Panasonic solar power generation system in Myanmar (equipment purchased by the MFL Foundation using funds donated by Mitsui)</li> </ul>
Contribution to Developing People with an International Mindset	<ul style="list-style-type: none"> <li>● Continuation of personnel exchange training program with China Baowu Steel Group Corporation (BAOWU) (145 staff accepted from BAOWU and 526 staff sent to BAOWU since 1992; 14 staff accepted from BAOWU and 24 staff sent to BAOWU in FY2016)</li> <li>● Support for educational programs, including Japanese teaching, and activities to introduce the Japanese language and culture through Vale, etc. (Brazil)</li> <li>● Continuation of personnel exchange training program with Vale (275 participants since 2003; 4 trainees dispatched to Vale in FY2016)</li> <li>● Implementation of a science education program at primary schools near an iron ore development project operated by Mitsui Iron Ore Development (Australia)</li> </ul>

Theme	Business Activities
Contribution to Developing People with an International Mindset	<ul style="list-style-type: none"> <li>● Support for local communities and coal mine employees through a scholarship program and Japanese teaching program, etc., implemented by Mitsui Coal Holdings (Australia)</li> <li>● Continuing participation in scholarship program run by Takatuf Oman to support Omani students to study abroad (Oman)</li> <li>● Donation to education events held at the Petroleum Institute in Abu Dhabi (UAE)</li> <li>● Provision of scholarships to enable students from the University of Lurio to study in Japan (Mozambique)</li> <li>● Conclusion of a donation agreement with Qatar to support the renovation of facilities and the continuation of research that will contribute to food security (Qatar)</li> <li>● Teaching and training cybersecurity experts by dispatching lecturers to universities and devising curriculums (Japan)</li> <li>● Implemented the Young Professional Leadership Program for Japanese and U.S. professionals through participation in the TOMODACHI Initiative arranged by the U.S. government and other organizations (20 participants in total from Japan and the U.S.)</li> <li>● Continued implementation of Mitsui-endowed lecture programs at St. Petersburg State University and the Diplomatic Academy of the Russian Ministry of Foreign Affairs (2 times)</li> <li>● Support for short-term training programs in Japan for university students from Australia and Russia (11 trainees)</li> <li>● Support for Indonesian students in Japan through the Mitsui-Bussan Scholarship Program for Indonesia (12 participants)</li> <li>● Provision of scholarships and accommodation for overseas students in Japan through the Mitsui Bussan Trade Promotion Foundation (10 participants)</li> <li>● Continuation of SASUGAKU Academy classes (Education for Sustainability) to support children's "power to create a sustainable future" (30 participants)</li> </ul>



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Enhancement of Local Industrial Bases &amp; Quality of Life

## Development of the Social Infrastructure

### Initiatives Through Business

Activity

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, healthcare, and communications, by developing infrastructure that is essential for the growth and advancement of countries around the world and local communities.

In the area of electric power and renewable energy, while we engage in power generation and gas distribution, we recognize the reduction of greenhouse gas emissions as a material issue and are reinforcing our environmental business, such as solar photovoltaic and solar thermal power projects, wind power projects, and biomass related plant projects.

There is a growing need for improvements in convenience and safety, against the backdrop of growing population, rising living standards, and changing lifestyles. Mitsui is responding to that need by developing and operating sewage and water supply 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, and smart city development projects, to respond to changing societal needs.

In the Mobility domain, with regard to ship business, Mitsui is focusing on vessel ownership and operation and the LNG carrier business, to adapt to tighter environmental regulations and growth and change in maritime cargo traffic. As for 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, the general freight business, and passenger transportation.

Mitsui is also taking initiatives for basic services, such as medical care and nursing care, which address the problems posed by aging societies throughout the world, changes in disease incidence patterns, and other issues. In the Asia region, we are working to help build next-generation healthcare infrastructure "healthcare ecosystems" that will make a positive contribution to society by improving both the quality and efficiency of healthcare provision, by taking hospitals as the core platform and flexibly integrating related activities including specialist medical care provision, pharmaceuticals manufacturing, medical information systems, healthcare services, etc. We are also helping the pharmaceutical industry to develop and manufacture new drugs by providing solutions across the entire value chain, from drug development to manufacturing and distribution.

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 healthcare services, agriculture, and energy management.

## Provision of Safe, Reliable Products and Services

### Ensuring Safety and Consumer Confidence

Policy

System

The Consumer Affairs Agency was established in September 2009 in order to proceed with the measures to protect and enhance consumer benefits and deliver a society where every consumer can enjoy a safe, secure and prosperous life. Likewise, Mitsui & Co. is also well aware of that consumer safety, confidence and security are of major importance in conducting its business.

With such concerns in mind, Mitsui has established its Consumer Product Handling Policy and Consumer Product Handling Regulations, and has also prepared detailed regulations for each business unit to ensure the appropriate handling of consumer products.

Moreover, in the foods area, Mitsui works to secure food products to supply Japan, which has the lowest rate of food self-sufficiency among the industrialized countries. Food Business Unit Food & Retail Management Business Unit place maximum priority on food safety and security and accordingly has established internal rules and committee for food sanitation, maintains a food-safety database, and monitors related activities overseas down to the food production stages.

To manage the risk against food safety and security, we have been holding ongoing food safety seminars for our employees and those of Mitsui subsidiaries and associated companies, and have been redoubling efforts to ensure that details on labels such as country of origin, product quality, and product grade are accurate, and to facilitate product traceability.

When it comes to product safety and peace of mind, consumers can rest assured that the overriding priority that Mitsui places on ensuring the safety and security of consumer products and food extends to all of the items that we handle.

#### 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. This policy is aligned with our management philosophy comprising our Mission, Vision and Values (MVV).

##### 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.



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## Participation and Development in Communities

### Finding Solutions to Local Issues through Social Contribution

Policy

Today's increasing trend toward globalization, advances in IT, and other developments in society have brought considerable diversity and change to the world we live in; as we pursue greater convenience and enrichment in our lives, we also face a broad range of issues, including global warming and other environmental problems, poverty, and educational inequality.

Mitsui & Co. works to address local and global societal issues through various social contribution activities. Mitsui's Operational Guidelines for Social Contributions Policy specify three areas of focus: international exchange; education; and environment. Within these three areas, Mitsui utilizes its strengths and know-how by focusing its social contribution activities on multicultural symbiosis, human resource development with an international perspective, and the global environment. By continuing our initiatives in these fields, working together, and sharing our initiatives with society, we believe our activities will have follow-on effects that will lead on to solutions to larger-scale social issues.

In addition, we are planning and promoting volunteer programs with the hope of building interest and sensitivity toward social issues amongst our executives, management personnel, and other employees.

### Social Contributions Policy

Policy

#### Guiding Principles

We will build a congenial relationship with our stakeholders by striving to create harmony with the global community and local communities in accordance with the Mitsui & Co. Management Philosophy (Mission, Vision and Values), and we will actively contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.

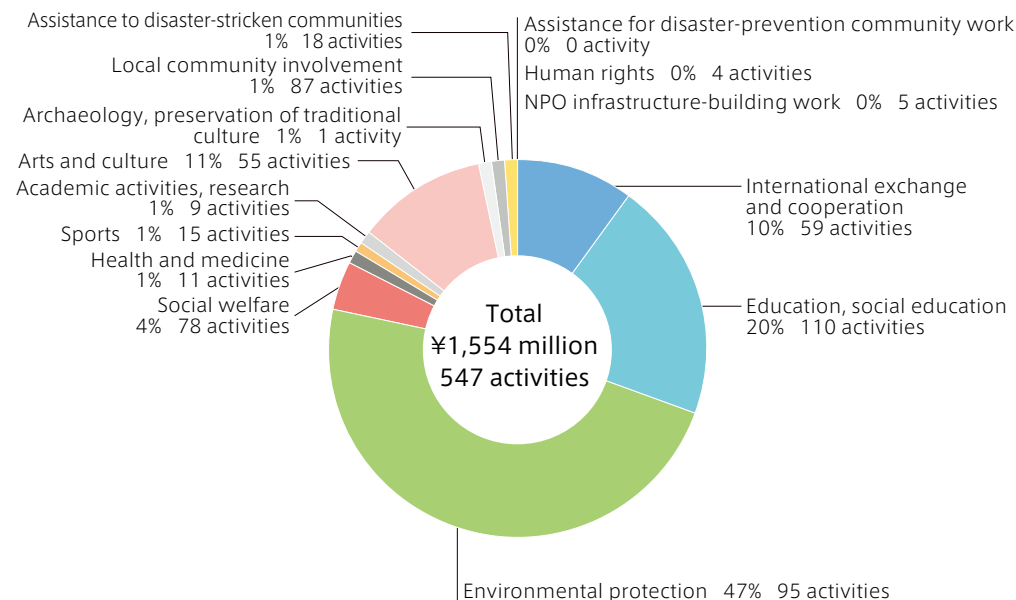
#### Action Guidelines

1. In order to respond in an appropriate manner to the needs of the global environment, and of international and regional society, Mitsui actively promotes social contributions.
2. Mitsui will establish the three important areas of "International exchange", "Education", and "Environment" for its social contributions, and will implement social contribution activities befitting of Mitsui & Co.
3. In addition to the making of economic contributions, such as donations, etc., Mitsui also aims to carry out proactive social contributions that involve the participation of its executives and employees.
4. Mitsui promotes social contributions with an emphasis on transparency and accountability in respect of its stakeholders. It also aims for the continued improvement of activities through communication and cooperation with its stakeholders.

### Social Contributions (the Fiscal Year Ended March 2017)

Activity

The breakdown of social contribution expenses, which totaled ¥1,554 million on 547 activities, is shown below. Percentages are based on monetary amounts.



Social contribution activities



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Participation and Development in Communities

Fostering Future Leaders to Drive Reconstruction in the Tohoku Region

System Activity

Mitsui is helping to foster future leaders to drive the reconstruction process in areas stricken by the Great East Japan Earthquake, in collaboration with local government and NPOs tackling issues in these areas. We are coordinating these efforts in line with the Reconstruction and Revitalization Period designated by the government in the Basic Guidelines for Reconstruction in Response to the Great East Japan Earthquake.

Under the "Visiting Lecture Project" launched in 2014, a textbook has been prepared featuring 12 individuals out of the roughly 300 people that have been profiled in the "Textbook for Our Future" program on the BS12 Channel, which is operated by a Mitsui subsidiary. The 12 selected individuals visit schools, where they act as teachers for a day and hold classes that encourage children to think about making a contribution to the region and regional revitalization as a key factor in their future career choices. To date, approximately 2,700 students at a total of 21 schools in Iwate, Miyagi, and Fukushima Prefectures have taken part in this project.

We are also supporting the "English Conversation Class Project" for junior and senior high school students at a "Collaborative School" run by Katariba, a certified non-profit organization, in the town of Onagawa, Miyagi Prefecture. Many children in Onagawa are currently living in temporary housing and have limited opportunities to attend coaching schools and extracurricular classes. The three curricula offered through our project are designed to awaken children's interest in different cultures and values and broaden their knowledge through the study of English. The students develop useful English-speaking ability through on-line conversational English classes via Skype provided by RareJob, Inc., a company with which Mitsui has a capital and business alliance. They also experience the wider world through a short-term summer study travel program in Japan. Under the career education class, students hear about personal stories of various overseas experiences from Mitsui staff acting as voluntary teachers. This encourages them to think about a future in which they can make use of the English they have learned. A total of 62 students have participated since the inception of the program in the fiscal year ended March 2015.



Visiting Lecture Project



English Conversation Class Project

Support for the Brazilian Community in Japan

System Activity

As a company with extensive business operations in Brazil, we provide the following support to foster reciprocal understanding between Japan and Brazil and find solutions to issues affecting the Brazilian community in Japan.

In 2009, we established a scholarship program for families that were finding it difficult to afford tuition fees at Brazilian schools because of the economic downturn or other factors. In the fiscal year ended March 2017, a total of 440 students received scholarships to attend 26 schools.

Since 2014, we have supported extracurricular classes, including visits to Mitsui facilities and museums in Tokyo, for children attending Brazilian schools in Japan. In the fiscal year ended March 2017, staff with experience of working in Brazil gave 6 classes to introduce Mitsui's business activities, with 197 children participating.

Brazilian schools are affected by a range of problems, including truancy and non-enrollment linked to long-term residence in Japan and other factors, and concerns about children's future careers. Mitsui is helping to find solutions to these problems by inviting psychologists and clinical psychotherapists from Brazil to attend informal meetings to discuss the future of Brazilian children. These meetings have been held in 11 cities with large Brazilian communities. In the fiscal year ended March 2017, around 750 people participated.

In addition, Mitsui supports a total of 14 NPOs that provide consultation services for general life issues affecting Brazilians living in Japan, including health and education problems.



An extracurricular class held at Mitsui Headquarters

Employee Participation Activities: Mitsui Global Volunteer Program (MGVP)

System Activity

We have been implementing the Mitsui Global Volunteer Program (MGVP) since October 2009, with the aim of encouraging all employees to participate in various social contribution activities with a sense of unity. Under the MGVP, every year we provide matching donations to an NPO or NGO dedicated to the solution of a social issue.

Funds donated through this program to the Mae Fah Luang (MFL) Foundation in the fiscal year ended March 2015 were used to install a solar power generation system manufactured by Panasonic Corporation in Yin Ma Chaung, a village in the Magway Division of Myanmar. The provision of this stand-alone electricity generator with support from Mitsui has enabled this village to take the first step toward becoming an independent, self-supporting community.



Solar power generation facility and local residents





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Enhancement of Local Industrial Bases & Quality of Life

## Contribution to Developing People with an International Mindset

### TOMODACHI-Mitsui & Co. Leadership Program

System Activity

Mitsui & Co. is participating in the TOMODACHI Initiative, a public-private partnership program established to foster the development of young people who will contribute to the strengthening of Japan-U.S. relations in the future.

In 2013, we launched the TOMODACHI-Mitsui & Co. Leadership Program with the aim of developing leaders who can drive the reconstruction process by encouraging potential leaders in the three prefectures affected by the Great East Japan Earthquake to participate in Japanese delegations. Under this program, we create opportunities for networking with American delegations visiting the earthquake-affected areas and tackle various issues, such as the promotion of inbound tourism and revitalization of industry. Through these activities, Mitsui is supporting the recovery of earthquake-affected communities.

In this program, 10 young professionals selected from Japan and 10 from the United States spend approximately one week visiting each other's countries. In addition to networking among delegates, there are also opportunities for dialogue with government officials, top business executives and young leaders, and tours of local sites. These activities allow participants to broaden their perspectives and knowledge and build diverse networks in preparation for their future global leadership roles. A cumulative total of 79 people have participated in the Japanese and American delegations.



Members of the Japanese and American delegations for 2016  
Photography by Kerry Raftis (Keyshots.com K.K.)

### Mitsui Bussan Scholarship Program for Indonesia

System Activity

Mitsui has built a close relationship with Indonesia through business. In 1992 we established the Mitsui-Bussan Scholarship Program for Indonesia, with the aim of nurturing talented human resources who can contribute to the further reinforcement of relations between Indonesia and Japan. Scholarship recipients are selected from among Indonesian high school students who are strongly motivated toward university study in Japan. They receive support that enables them to study and live in Japan for five-and-a-half years, including a period to prepare for Japanese university entrance exams. After arriving in Japan, the students spend 18 months learning Japanese and studying for entrance exams. They then sit exams for their desired faculties and subjects and continue their studies at the universities for which they qualify.

This scholarship program is not limited to the provision of funds. Our staff members also pay careful attention to detail, and provide extensive support for the students, including mental health care.

By the end of the fiscal year ended March 2017, a total of 40 people had been accepted under this program since its inception. Twelve are currently enrolled. Scholarship programs are also operated by the Mitsui Bussan Trade Promotion Foundation and the Mitsui U.S.A. Foundation.



Send-off party for the 19th scholarship intake in Jakarta



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Enhancement of Local Industrial Bases & Quality of Life

**Contribution to Developing People with an International Mindset**

**Contributing to Global Human Resource Development through Mitsui-endowed Lecture Programs at Overseas Universities and Training in Japan**

System Activity

Mitsui is working to foster reciprocal understanding with young leaders of the future, and contribute to human resource development on a global scale, through Mitsui-endowed lecture programs at universities in countries and regions where it is engaged in business activities. Mitsui also runs programs that provide opportunities for training in Japan.

In Russia, Mitsui has established endowed lecture programs at St. Petersburg University in 2007 and at the Diplomatic Academy of the Russian Ministry of Foreign Affairs in 2016. We also run a Japan studies program for university students. In the fiscal year ended March 2017, three university students participated in the Japan studies program and spent two weeks visiting Tokyo, Kyoto, the Tohoku region, and Hiroshima. They toured the facilities of companies involved in Mitsui projects, including member companies of the Kesenuma Shishiori Processing Cooperative and the Sendai Umino-Mori Aquarium in the areas devastated by the Great East Japan Earthquake in the Tohoku region, as well as the Mazda Museum and Kanda Shipbuilding in Hiroshima, and also gained a deeper understanding of Mitsui.

Mitsui has endowed lecture programs at John Carroll University, the City University of New York, and Columbia University in the United States, Peking University and Fudan University in China, and the University of Warsaw in Poland.



Russian students learn about the activities of Kanda Shipbuilding in Hiroshima.

**Mitsui SASUGAKU Academy 2016**

System Activity

The program named "SASUGAKU" (education for sustainable development) by Mitsui helps children who will play an important role in creating a sustainable future to develop their learning, thinking, and communication capabilities. Mitsui designed Mitsui SASUGAKU Academy in 2014; this is a 5-day capacity building program for primary schoolchildren in upper grades, which uses Mitsui's business activities as teaching materials.

The theme for activities in 2016 was "Let's create future lifestyles and work styles". Participants imagined future cities, such as a "desert city" and a "space city", and considered the issues that might affect those cities and solutions to those issues. During a study period, participants learned about a power-assist suit project on which Mitsui is working. The children actually tried on the suits and imagined the role of robots in the society of the future. Participants also visited the National Museum of Emerging Science and Innovation to view a permanent exhibit entitled "Mission Survival: 10 Billion". This led to enthusiastic debate about the various risks that affect cities, and measures to prevent those risks. On the final day, each group shared their achievements over the course of the five-day program through presentations that included video content.

As a result of presentations at academic conferences and other venues, these sustainability education initiatives by Mitsui have attracted considerable interest and praise as progressive examples of education for sustainable development (ESD). In the fiscal year ended March 2017, the program was selected by the Japan Association for Human and Environmental Symbiosis for its environmental activity award, and also won the Judging Panel's Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (MEXT).



Participants visiting the National Museum of Emerging Science and Innovation



MITSUI &amp; CO.



Stable Supply of Resources &amp; Materials

## Strategic Focus

Estimate of market size of  
global hydrogen infrastructure

Approx. JPY **40** trillion  
(2030) \*

\* According to the "NEDO Hydrogen Energy White Paper"



Courtesy of Chiyoda Corporation

Related Product Segment: Energy

### Participating in a pilot project to transport and store hydrogen in bulk, contributing to a stable supply of energy

With a view toward the diversification of energy sources and reduction of CO<sub>2</sub> emissions, efforts to realize a "hydrogen society" are currently being actively pursued. Combustion of hydrogen has the advantage of not producing any CO<sub>2</sub> emissions. Consequently, the scale of the hydrogen infrastructure market is expected to reach 40 trillion yen worldwide by 2030. At the same time, however, in order to realize a commercial hydrogen energy utilization system on the large scale such as hydrogen power generation, establishing a suitable supply chain that includes production, storage, and transport of hydrogen from unused resources abroad to Japan represents a major challenge.

Mitsui & Co., in collaboration with Chiyoda Corporation, is aiming to establish a hydrogen supply chain using a technology developed by Chiyoda, known as the organic chemical hydride method. This involves hydrogenation to fix hydrogen to the widely used industrial solvent toluene, thereby producing methylcyclohexane (MCH), which can be handled at ambient temperature and pressure. Storage and transportation occur in MCH form, and at the end point, dehydrogenation is performed to obtain hydrogen and toluene. The toluene that was used to transport hydrogen can be reused repeatedly.

In 2015, a Chiyoda project entitled "Demonstration of the Hydrogen Supply Chain by Organic Chemical Hydride Method Utilizing Unused Energy" was selected as a New Energy and Industrial Technology Development Organization (NEDO) support program. Mitsui joined this project as a one of research partners led by Chiyoda.

Aiming for the establishment of a large-scale hydrogen supply chain, a demonstration project is planned for 2020 to verify fundamental technologies, once again in collaboration with the same partners. Mitsui intends to continue contributing to the stable supply of energy and the improvement of economic efficiency, to reduce the environmental burden and help bring about the realization of a fully-fledged hydrogen society and low carbon society.





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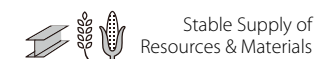
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## Activities for FY Ended March 2017

Business Area &gt;

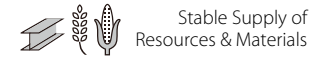
● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Resource Development, and the Securing and Stable Supply of Materials and Food	<ul style="list-style-type: none"> <li>● Stable supply of materials, such as rails, steel pipes, steel sheets, rebar, etc. required for infrastructure projects around the world</li> <li>● Continuation of iron ore project development and securing of a stable supply of iron ore (Australia, Brazil)</li> <li>● Participation in the Moatize coal mining project and engagement in development activities (Mozambique)</li> <li>● Continuation of copper project development and securing the stable supply of copper (equity-share production: 125,000 tons) (Chile)</li> <li>● Implementation of investments that contribute to the development of new applications of copper and the improvement of mining efficiency through a fund established jointly with the Chilean state-owned copper companies Codelco and Corfo; in FY2016, approval was obtained for investments in copper aquaculture fish nets, the recycling of waste tires at mines, and ore grading sensors for selective processing</li> <li>● Stable supply of raw materials, such as nickel, cobalt and lithium, for rechargeable batteries for eco-cars, hard metals for automobile manufacturing</li> <li>● Stable transportation for grain, coal etc. through freight transportation services (Brazil)</li> <li>● Efficient transportation for natural resources, oil &amp; gas by stable supply of international ship's space</li> <li>● Securing of material ingredient sources for fertilizers and selling products by engaging in phosphorus ore deposits development, etc. (Peru)</li> <li>● Promotion of fertilizer distribution business (Japan), manufacture and sales of raw materials and products for feed (U.S.), and agrochemicals (U.S., Europe)</li> <li>● Global, highly sophisticated hybrid distribution of sulfur</li> <li>● Securing a diverse, stable supply of energy resources such as crude oil, petroleum products, and LNG around the world. Upstream oil and gas assets production : 243,000 boe/day (equity-share production in FY2016)</li> <li>● Promote the development of LNG projects (Mozambique, U.S., etc.)</li> <li>● Promotion of E&amp;P business via affiliated companies (Australia, the Middle East, Asia, Europe, U.S., etc.)</li> <li>● Securing a stable supply of food [grain trading volume: 18 million tons/year (FY2015) → 20 million tons (FY2016) ]</li> <li>● Promotion of large-scale agriculture through equity investment in Agricola Xingu, etc. (Brazil)</li> </ul>

Theme	Business Activities
Resource Development, and the Securing and Stable Supply of Materials and Food	<ul style="list-style-type: none"> <li>● Initiatives by MicroBiopharm Japan: <ul style="list-style-type: none"> <li>• Development of key materials for new drugs designed to curb antibiotic resistance (Japan)</li> <li>• Development of technology for targeted cancer drugs with reduced side-effects (Japan)</li> <li>• Exploration of compounds from natural microbial resources that have potential as new therapeutic drugs for intractable diseases (Japan)</li> </ul> </li> <li>● Stable supply of wood products from T.M. Baikal (Russia) for the Japanese, Chinese, and Russian markets (approx. 110,000 m<sup>3</sup>)</li> <li>● Maintenance of FSC®/CoC certification (Mitsui's Life Essentials Business Div., Forest Resources Marketing Dept.: FSC® C104107; Mitsui Bussan Woodchip Oceania Pty. Ltd.: FSC® C107463) and PEFC/CoC certification, to promote responsible management and handling of forest resources</li> <li>● Maintenance of FSC® CoC certification (by Mitsui Bussan Packaging: FSC® C009939) to ensure that the supply chain of certified paper promotes to sustainable forest resources management</li> <li>● Increased supply of food resources through providing precision agricultural solutions (Canada, U.S., Brazil, Russia, etc.)</li> <li>● Promotion of international transportation services and warehousing business through Mitsui &amp; Co. Global Logistics and other affiliated companies (China, Singapore, Thailand, Vietnam, Dubai, Brazil, etc.)</li> <li>● Provision of hedging functions through commodity derivatives business (Japan, U.K., U.S., Singapore)</li> <li>● Continuation of forest management and lumber production in accordance with FSC® certification and SGECC for all Mitsui's Forests (74 locations in Japan, approx. 44,000 ha)</li> <li>● Stable supply of ligneous resources through production of round raw timber from Mitsui's Forests, which constitutes about 0.1% of Japan's entire wood consumption in terms of round timber (approx. 62,000 m<sup>3</sup> )</li> <li>● Supply of round raw timber from Mitsui's Forests as fuel for the wood biomass power generation plant in Tomakomai, which commenced electricity sales in February 2017 (cumulative total of approx. 58,000 m<sup>3</sup> as of March 2017, representing approx. 47% of total volume)</li> </ul>



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Activities for FY Ended March 2017

Business Area >

- Metal
- Machinery & Infrastructure
- Chemicals
- Energy
- Lifestyle
- Innovation & Corporate Development
- Corporate & Others

Theme	Business Activities
Promotion of Supply Chain Management	<ul style="list-style-type: none"> <li>● At Mitsui Bussan I-Fashion, expansion of the scope of suppliers from whom it obtains written consent to observe its "Supply Chain CSR Policy", by including vendors with whom it has a transaction history of 3 years or more, in addition to its new suppliers (252 companies for FY2016, and a cumulative total of 5,012)</li> <li>● Implementation of supplier questionnaire surveys concerning our Supply Chain CSR Policy (50 suppliers)</li> <li>● Implementation of supplier on-site surveys of food raw materials</li> </ul>





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Stable Supply of Resources &amp; Materials

## Resource Development, and the Securing and Stable Supply of Materials and Food

### Initiatives through Business

Activity

Mitsui has built optimal supply chains, spanning all stages from upstream to downstream, including production, distribution, processing, and logistics, and contributes to the stable supply of energy, metals, food, chemicals and other resources and materials.

As part of its efforts, Mitsui engages in investment and trading business in such areas as oil, natural gas/LNG, and coal, to secure and supply the energy resources needed by industrial society. In particular, we participate in natural gas/LNG development projects in various parts of the world to ensure stable supplies of this clean energy resource. Our extensive involvement covers the entire value chain, from production to marketing. We are also strengthening our oil trading capabilities through our business in Asia. In addition, looking ahead toward the realization of the low-carbon society, we are engaging in the commercialization of renewable energy technologies, such as bio-fuels, and the creation of business models for hydrogen transportation and storage.

Mitsui actively participates in the development of iron and steel raw materials and non-ferrous metals resources. We endeavor to ensure stable supplies of mineral and metal resources, such as iron ore and copper, for Japan and other markets around the world. We are also building a supply network of metal scrap and rebuilt automotive parts 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 for a wide range of industrial sectors, including the motor vehicle industry and the energy sector.

In the automotive sector, we not only export vehicles, but also conduct local logistics business in respective regions, and have built a stable global chain spanning 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 food business, 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. We place particular importance on traceability management for grain crops, such as wheat, corn, and soybeans, starting at the production and harvest stages.

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.

## Promotion of Supply Chain Management

### Supply Chain CSR Policy

Policy

Mitsui 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 business partners. In conducting business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving comprehensive consideration to reduction of the environmental burden, and ensuring safety for products and services and consumer confidence. Together with our business partners, we endeavor to solve various issues present in our supply chains in order to meet society's demands.

In order to correctly assess and solve CSR-related issues in the supply chains, Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since worked to ensure that all of Mitsui's business partners fully understand our standards and cooperate in the implementation of the policy. We are working to ensure compliance with and implementation of this policy while continuing to review the policy based on society's changing expectations and demands. We are making every effort to enhance our supply chain management by identifying potential problems in our supply chains and identifying key CSR issues based on the characteristics of each business model, country, and industry.

### Supply Chain CSR Policy

1. Mitsui & Co. will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of its businesses, consistent with the wishes of its stakeholders.
2. Mitsui & Co. will strive to support improvements in the supply chains by seeking understanding and implementation of the following principles by its business associates:
  1. To engage in fair trade, prevent corruption, and comply with all applicable laws and regulations
  2. Not to be complicit in human rights abuse and violations
  3. To prevent discrimination with respect to hiring and employment
  4. To respect the rights of employees to associate freely and bargain collectively
  5. To appropriately monitor employees' working hours, holidays, and leaves of absence, and prohibit unlawful excessive work
  6. To prevent forced labor, child labor, unlawfully-cheap labor, physical discipline, and physical, sexual and other forms of harassment
  7. To ensure a safe and sanitary work environment
  8. To reduce and mitigate business impact on the global environment
  9. To ensure the safety and reliability of products and services
  10. To disclose adequate and timely information relevant to the above



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Stable Supply of Resources &amp; Materials

## Promotion of Supply Chain Management

## Current State of Implementation of Supply Chain CSR Policy

System

Activity

We attach great importance to interactive communication with suppliers. We also conduct supplier questionnaire surveys and on-site surveys based on our Supply Chain CSR Policy.

## 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 suppliers of Mitsui's business units, overseas offices, and subsidiaries (more than 45,000 suppliers in total) requesting their understanding and cooperation in regard to our Supply Chain CSR Policy, in a move to ensure that all Mitsui suppliers are fully aware of this policy. In addition, we conduct internal examinations in alternate years, to verify that the letters were dispatched to the suppliers.

## Supplier questionnaire 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 questionnaire surveys targeting the suppliers of Mitsui and its subsidiaries to confirm (1) the status of their adherence to our Supply Chain CSR Policy, and (2) whether they have CSR policies related to such areas as "human rights and labor practices", "health and safety", "business ethics", and "environmental management".

In the fiscal year ended March 2012, Mitsui conducted supplier questionnaire surveys for coffee, cocoa, and other agricultural products (39 companies), as well as for consumer products such as apparel (153 companies). In the fiscal year ended March 2015, as part of a new initiative, we selected our main suppliers from all our business domains for the survey (72 suppliers in the fiscal year ended March 2015, 39 suppliers in the fiscal year ended March 2016, and 50 suppliers in the fiscal year ended March 2017).

## Supplier on-site surveys

In addition to the above-mentioned supplier questionnaire surveys, we also conduct supplier on-site surveys in order to conduct interviews with responsible persons and check the situation at the operation sites, in accordance with the checklist for compliance with the Supply Chain CSR Policy.

In the fiscal year ended March 2015, we conducted on-site surveys of coffee bean farms in Brazil, and in the fiscal year ended March 2016, suppliers of pulp and paper manufacturing resources. In the fiscal year ended March 2017, our targeted suppliers were food material suppliers, and we visited a fruit juice processing company (Mitsui's supplier), their factory, and fruit farms from which fruit is procured. We conducted on-site surveys together with an external expert to check operation site situations with regard to such areas as "legal compliance", "environmental management", "human rights and labor practices", and "quality control and traceability". No violations of our Supply Chain CSR Policy were found.

## Future Actions

System

Activity

We will continue taking appropriate measures to ensure that all suppliers of Mitsui and its subsidiaries understand our Supply Chain CSR Policy, and that we grasp the actual situation of the business, with regard to how the supply chain follows our CSR Policy. We will also continue sending out letters to new suppliers to obtain their agreement to follow our Supply Chain CSR Policy prior to starting business relationships with them. In the event that we discover violations of this policy in our supply chain, we will urge the supplier to remedy and improve the situation, while providing support to the suppliers as needed. However, if there are no improvements to the situation by the suppliers, we will determine carefully whether to continue our business with that supplier.

To increase the sensitivity of all employees with respect to human rights, labor, and other issues in our supply chains, and to prevent problems, we will continue to heighten employee awareness and provide training seminars (101 participants in the fiscal year ended March 2017).

Moreover, through our participation in the working groups of Global Compact Network Japan, such as the Supply Chain Working Group, we are deepening our understanding of the CSR aspect of the entire supply chain in cooperation with about 60 participating companies in said working group, and continue to strive for enhancement of our supply-chain management.



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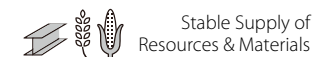
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Promotion of Supply Chain Management

Summary of Supplier On-site Surveys (Procurement of food & beverage materials)

System	Activity
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Mitsui conducts interviews with supplier representatives and carries out on-site surveys in accordance with the checklist prepared under our Supply Chain CSR Policy, and reviews the status of suppliers' sustainability initiatives.

In September 2016, we visited a fruit juice processing company (Mitsui's supplier), their factory, and fruit farms from which fruit is procured, in Shandong Province, China, and carried out on-site surveys. China is the world's largest apple producer, accounting for approximately half of global apple production by volume, and is also one of the major producing regions from which Mitsui procures concentrated apple juice.

As part of the surveys, we inspected a variety of workplaces, including a fruit farm, fruit transportation equipment, juice extraction factories, chemicals storage facilities, quality inspection rooms, filling factories, low-temperature

warehouses, wastewater treatment facilities, control centers, canteens, and dormitories. During interviews with factory supervisors and farmers, we carried out checks on "environmental management", "human rights and labor practices", "legal compliance", and "quality control and traceability".

As a result of the on-site surveys, it was confirmed that all matters are being handled correctly, and no matters were identified that failed to satisfy the requirements of the Supply Chain CSR Policy.

We will continue to carry out on-site surveys in relation to supply chain CSR.



Apple fruit transportation equipment that uses water currents to deliver apples into the factory

Results of Supplier On-site Surveys

Environmental management

- Reusing residue: Extracts from the residue (apple pomace) are reused in the manufacture of pectin (a food additive).
- Use of chemicals: No chemicals are used to clean the apples. Only listed chemicals are used to clean the production line. All other efforts are taken to minimize the use of chemicals and to strictly control chemicals.
- Use and discharge of water: The process that uses the most water is the apple cleaning process, which uses tap water. The materials contained in the wastewater consist of only organic substances (dust, mud, and leaves). Part of the wastewater is recycled, while the rest is discharged to a wastewater treatment plant after being subjected to effluent treatment. Efforts are being made to reduce water usage by streamlining the manufacturing process and by other means.
- Exhaust gas: Government standards are met in an environmentally friendly way through the installation of exhaust sensors and filters, and by other methods.



A wastewater treatment facility for purifying factory waste generated in the fruit cleaning process, etc.

Human rights and labor practices

- Hiring: Most of the fulltime and temporary staff are local people; migrant workers and foreign workers are not hired.
- Working hours: During the peak production season, the factory is operational on a 24-hour basis, but a three 8-hour shift system has been adopted, and there is no overtime work.
- Management of labor safety and health: It was confirmed that safety and hygiene in the factories and warehouses are ensured, and that fire extinguishers and other safety equipment have been installed.
- Creation of a pleasant working environment: The canteen is large and clean, with sufficient tables and chairs, allowing the entire staff to eat together at the same time. The dormitories are bright, clean and hygienic.



Apple orchard

Legal compliance

- It was confirmed that the suppliers are complying with local laws and regulations relating to the environment, working hours, employment, and other matters, and that they possess the required operating licenses. The company has received the commendation of the advanced enterprise from the government.

Quality control and traceability

- Quality control: The fruit selection process is carried out by manual workers with the utmost care. It was confirmed that quality control and insect management are also being carried out appropriately in subsequent processes, for which only machines are used.
- Traceability: Records of the status of deliveries from neighboring contracted fruit farms are managed appropriately to ensure traceability.

Carrying Out the Supplier On-site Surveys

Dr. Naoki Adachi, CEO of Response Ability, Inc.

To carry out these surveys, we visited the main supplier of apple juice handled by Mitsui & Co. and a contracted fruit farm, which are located in Shandong Province, China.

The supplier carries out management under HACCP\*. Accordingly, there were no hygiene-related issues. In terms of occupational health and safety, the supplier appeared to be implementing management in accordance with international standards. Regarding hiring practices, large numbers of employees are hired from local neighborhoods, and there do not appear to be any issues often associated with the use of migrant labor. Final consumers in Japan take a particularly strong interest mainly in quality, and it would be advisable to raise awareness of the fact that high quality

can be achieved by pursuing these high standards in the course of management.

Meanwhile, in terms of medium- to long-term management, there is a need to work alongside the factories and farms to come up with ways of preparing for and responding to potential risks, including recently-emerging risks related to climate change and global water risks, as well as China's rapidly declining birthrate and ageing society.

\* This is a process management method for carrying out ongoing monitoring and recording of particularly important processes that can help to prevent harm, by predicting, for example, microbial contamination and mixing of metal fragments, in all processes, from acceptance of raw materials through to the finished product. By adopting the HACCP system, it becomes possible to implement appropriate measures across all processes at the stage when issues are likely to arise, and to ensure the safety of products by preventing harm resulting from food poisoning (including microbes and chemical substances) or foreign objects.



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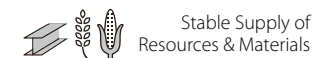
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Promotion of Supply Chain Management

Examples: Assessing and Solving Supply Chain Issues

Supply Chain CSR Initiatives

Apparel Operations

Mitsui Bussan Inter-Fashion Ltd., a Mitsui subsidiary engaged in the production and procurement of apparel and fashion goods, and Mitsui Bussan Techno Products Co., Ltd., another Mitsui subsidiary engaged in trading in textile raw materials, industrial raw materials, and woven and knitted fabrics, merged in October 2016 to form Mitsui Bussan I-Fashion Ltd. (MIF). MIF aims to achieve sustainable growth in ways that allow it to exist in harmony with society. The company is making a determined effort to find solutions to various issues by continuing the supply chain CSR activities of the two original companies, by conducting business that creates environmental value, and by pursuing initiatives relating to human rights management.

As a member of the Mitsui group, MIF undertook the following supply chain CSR activities in the fiscal year ended March 2017 with an eye on becoming a company worthy of earning the trust of all stakeholders, including shareholders, suppliers, customers, employees, consumers, and local communities.

1. The number of items in the Supply Chain CSR Policy formulated in October 2008 was increased from 7 to 10 to reflect changes in the external environment and the expectations of society.
2. Since the formulation of the Supply Chain CSR Policy, suppliers, including contract manufacturers in Japan and overseas, have been asked to provide written confirmation of their understanding of the policy ("written confirmation of understanding"). In 2014 this approach was taken a step further by changing the content of these documents to state that suppliers understand the policy and observe it ("written consent to compliance"). Such written consent to compliance was obtained from new suppliers. As for the main suppliers from which written confirmation of understanding had been obtained, the confirmation letters were replaced with "written consent to compliance". A total of 252 written consents were obtained in the fiscal year ended March 2017.
3. MIF implemented an e-learning program targeted at all officers and employees, as well as CSR procurement seminars by external experts. The purpose of these activities is to raise awareness of supply chain CSR and ensure that the policy is understood by all officers and employees.



Visit to the manufacturing plant of a supplier

In addition to these initiatives, MIF engages in the development and sale of environment-friendly textile-related products with advanced functionality that are kind to and safe for the Earth and people. MIF has also obtained certification and registration under bluesign® and the Global Recycle Standard (GRS) 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, upholding of freedom of association, and occupational safety and health.

If an infringement of the Supply Chain CSR Policy or related laws and regulations has occurred at a supplier, MIF has a system in place to support and follow up on remedial action and improvements by the supplier to ensure the overall soundness of the CSR management framework throughout its supply chains. MIF also regards support for the development of appropriate working environments at suppliers in Japan and overseas through day-to-day communication with them as an important part of its role as a sustainable company in its supply chains.

Supply Chain CSR Activities at MIF

October 2008	MIF established its Supply Chain CSR Policy. The company began sending notices to its suppliers, including contracted manufacturers in Japan and overseas, to request their understanding of and support for MIF's policy and obtaining their written confirmation.
August 2014	MIF conducted a questionnaire survey of its 93 main suppliers concerning the utilization of the Technical Intern Training Program. MIF started to require its suppliers to understand and comply with its Supply Chain CSR Policy and to obtain written consent from its 26 main suppliers and new suppliers.
January 2015	MIF required the aforementioned 26 suppliers to conduct a CSR self-check concerning their compliance with the policy.
September 2015	MIF asked the 241 suppliers from which it had obtained "written confirmation" to replace this expression with "written consent".
February 2017	The Supply Chain CSR Policy formulated in October 2008 was expanded from 7 items to 10.
As of March 31, 2017	MIF had obtained "written confirmation" and "written consent" from a total of 5,012 (1,463*) suppliers: 3,896 (1,044*) in Japan, and 1,116 (419*) overseas.

\* Figures in parentheses indicate the number of "written consents" obtained.



mitsui & co.

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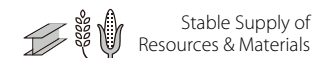
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Stable Supply of Resources & Materials

Promotion of Supply Chain Management

Examples: Assessing and Solving Supply Chain Issues

Initiatives designed to ensure a stable supply of green coffee beans

Food & Beverage Materials

The production volume of coffee, a product enjoyed by people throughout the world, is greatly affected by natural events including frosts and droughts, as well as climatic conditions such as rainy and dry seasons, and this has a major effect on the market price. Thus, it is difficult to purchase coffee at a stable price and maintain a balance between supply and demand.

Mitsui plays the role of liaison between producers and consumers in the supply chain. Mitsui works to improve relations with suppliers around the world in order to guarantee a stable supply of high-quality green coffee beans carefully selected from regions around the world, such as Central and South America, Southeast Asia, and Africa.

In particular, our base of operations in Brazil, Mitsui Alimentos (a wholly owned subsidiary), has built alliances with superior producers, and, by ensuring traceability, transparency and identifiability at all stages of business in the supply chain, has created a stable supply system for high-quality green coffee beans.

For example, Mitsui is cooperating with Mitsui Alimentos to provide comprehensive marketing and sales support to Bau Farm in the Cerrado region. We have maintained an excellent relationship with Bau Farm for over 20 years by providing financial support as needed for the development of new plantations, and by entering into long-term agreements as the basis for stable business. Leveraging this excellent relationship, we are devising new initiatives for further expansion of the business.

Bau Farm is owned by Mr. Tomio Fukuda, a second-generation Japanese-Brazilian. As a former engineer, Mr. Fukuda is totally committed to the production of excellent coffee based on the quality control concepts of kaizen and "5S". This approach has allowed Bau Farm to become one of Brazil's leading specialty coffee farms. With



assistance from Mitsui, Bau Farm is building new sales channels in Asian and European countries, as well as Japan.

Bau Farm values its employees and improves the quality of its products by improving the quality of the labor. Mr. Fukuda believes that "careful work comes from motivation, and motivation is created by the good treatment and education of employees". The owner's philosophy is reflected in the efforts made by the employees themselves to improve the working environment and consistently apply the 5S methodology. Employees also gain a deeper understanding of the world of coffee through training and workplace education, giving them relevant knowledge and experience of the product and about trends in coffee-consuming countries. This commitment to high-quality employee education has enabled Bau Farm to maintain a stable workforce, giving it an important advantage over other coffee farms.

Moreover, under the slogan of "kaizen", the Farm actively introduces new technologies to produce even better coffee. Bau Farms' another distinctive characteristic is its commitment to constantly trying new ideas that utilize new methods and kinds of coffee trees. For example, by installing an irrigation system for avoiding drought damage, Bau Farm also increases the efficiency of its workforce by controlling the flowering period of the plants in order to stagger the harvest periods. It has also introduced GPS for effective soil improvement.

The green coffee beans that Mitsui supplies to consumers embody the producer's determination to grow high-quality beans through initiatives such as these. We bring the owner of Bau Farm to Japan once every two years to engage in direct dialogue with coffee shop proprietors and beverage manufacturers. These visits provide excellent opportunities to gain a deeper understanding about the needs of consumers. Similarly, when Mitsui customers who handle Bau Farm coffee visit Brazil, we create opportunities for them to visit the farm so that they can learn more about the place where the coffee is grown. Through initiatives such as these, Mitsui works to bring producers and consumers together in a value chain based on face-to-face communication.

Mitsui will continue its efforts to provide consumers throughout the world with stable supplies of high-quality coffee, and to contribute to the success of producers through its business activities.



Bau Farm is owned by the Fukuda family.





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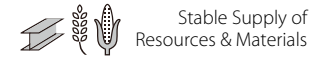
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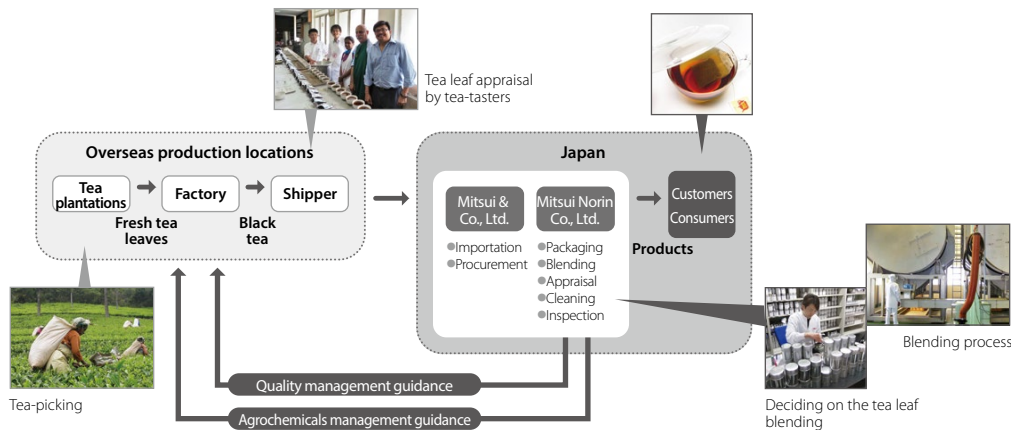
Tea Leaves Procurement in Consideration of Quality, Safety, the Environment and Work Conditions Food & Beverage Materials

Mitsui Norin Co., Ltd., our subsidiary, markets "Nittoh Black Tea", which is a very familiar brand in Japan. The company procures tea leaves from tea producers around the world to meet a wide range of customer needs. At present, it procures tea leaves from approximately 450 tea producers in eight countries, including India, Sri Lanka, Kenya, and Indonesia. Mitsui Norin designates as its preferred suppliers those tea producers which give appropriate consideration to quality and safety, the environment, and work conditions, for example by carrying out controls based on Rain Forest Alliance certification and Hazard Analysis and Critical Control Point (HACCP) certification, being committed to Fair Trade, and engaging in organic cultivation.

In the Darjeeling district of India, for example, one producer makes various efforts to improve both the work conditions of employees and the profitability of the business, for example by introducing a small hydroelectric generator on the farm, entrusting its management and operation to the workers, growing and selling organic produce such as ginger and oranges, and producing honey. The producer also raises cows on the farm to provide milk to children to enhance the quality of life of the workers and their families, and uses the manure as fertilizer for organic cultivation to contribute to reducing environmental load.

Mitsui and Mitsui Norin undertake comprehensive quality control in all phases of the value chain. To ensure complete traceability in all product stages from procurement of raw materials to manufacturing, inspection, shipment, and delivery, both companies together created an original traceability system. In tea producing regions, Mitsui and Mitsui Norin periodically visit tea farms to conduct on-site surveys of tea growing environments, quality control, and agrochemical controls and other aspects. As regards agrochemical controls, both companies conduct tests for residue agrochemicals on the tea leaves at a third party contract institution, in addition to on-site visits and confirmations at the tea farms.

The Black Tea Manufacturing and Sale Business Value Chain



Improving Procurement Reliability Through Legal Compliance and the Forest Certification System Lumber Procurement

Significant deforestation and reduction and degradation of biodiversity and forest ecosystems caused by illegal logging have become major environmental issues globally. In 2006, as a countermeasure against illegal logging, the Japanese government enacted the Green Purchasing Law, which requires that government agencies only purchase lumber that is certified to have come from legal logging in sustainably managed forests.

As one of Mitsui's missions is to ensure the stable supply of building materials, paper resources, and other wood products, we cooperate with suppliers from around the world to ensure that our purchases contain no illegally logged lumber.

For example, in our forest resources business for pulp and paper manufacturing in Australia, Mitsui implements environmental management and operation procedures based on the two major forest certifications, the Forest Stewardship Council (FSC®) and the Programme for the Endorsement of Forest Certification Schemes (PEFC), and we conduct regular checks to ensure that only reputable plantation operators are used, that operations do not result in environmental destruction, for example through chemical soil contamination, and that the obligation to replant logged areas is being fulfilled. In addition to Australian companies, in 2014 Trans Pacific Fibre, a forest resources business for pulp and paper manufacturing joint venture company in Chile, obtained both FSC® and PEFC certification.

Increased awareness of environmental conservation has led to increased numbers of companies and consumers who choose products with the above-mentioned forest certifications when they purchase wood and paper products. Mitsui cooperates with its partners and manufacturers to increase the use of FSC® and PEFC certified products in the supply chain, in order to create products that are in accordance with higher awareness of environmental conservation.



Woodchip processing plant (Bunbury Port in Western Australia)



Corporate Governance  
& Human Resources

## Strategic Focus

From Mitsui Employee Opinion Survey on Work Styles 2016

Ratio of employees feeling motivation  
in their work **70.7** %

Ratio of employees feeling personal growth  
through work **73.4** %

Ratio of employees feeling proud  
to be working for this company **84.1** %



### Realizing diversity management by building an environment in which individual employees can fully display their abilities

In a business environment where global competition is further escalating, a wide palette of human resources with diverse values is required in order to respond to various changes as a general trading company and seize risks as business opportunities.

From this perspective, Mitsui & Co. has been actively attracting human resources from diverse backgrounds, including nationality, gender, and sense of values. Our diversity management aims at improving corporate competitiveness by bringing new value to the business and creating innovation through the dedicated efforts of our employees.

In order to realize these goals, we designated 2016 as “year zero for work-style innovations”. We are reviewing conventional work styles from the points of view of efficiency and productivity and are actively introducing new patterns and initiatives where appropriate. While referring to the data reported in the “Employee Opinion Survey on Work Styles 2015”, we made workplaces and time allocation more efficient in the fiscal year ended March 2017 by introducing such initiatives as annual paid leaves on an hourly basis and mobile work, and we also implemented on a trial basis an individual-based staggered working hour scheme.

We will continue to conduct periodical surveys and use the results to implement improvements and enhance productivity according to the plan-do-check-act (PDCA) cycle. We also plan to introduce various other measures so as to build a workplace environment that, through the realization of varied work patterns with high levels of efficiency and productivity, enables employees to engage in their jobs with greater motivation and dedication, thus strengthening the competitiveness of the company as a whole.



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## Activities for FY Ended March 2017

Business Area &gt;

● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Corporate Governance & Internal Controls	<ul style="list-style-type: none"> <li>● Implementation of highly transparent disclosure of information and disciplined employee conduct related to internal controls</li> <li>● Implementation of assessment of the effectiveness of the Board of Directors in response to the adoption of the Corporate Governance Code</li> <li>● Full explanation of business plans, results, management strategies, etc. for FY2016 as an integral part of communication with investors</li> </ul>
Reinforcement of Sustainability Governance	<ul style="list-style-type: none"> <li>● Utilization of a food safety management database to strengthen the traceability of food and food products, and to ensure strict safety controls</li> <li>● Improvement of food hygiene knowledge, and continual implementation of food safety awareness-raising activities through the holding of committee meetings and seminars for employees (11 of each type of event)</li> <li>● Based on the Specially Designated Business Management System, promoting the business with potential-risk analysis related to the environment, society, and governance, and implementation of measures to increase the internal penetration level of the System and the level of understanding at the business frontline</li> <li>● Increase in the applicability of expert advice on environmental and social risk management issues through the work of the Environmental &amp; Societal Advisory Committee</li> </ul>
Compliance & Risk Management	<ul style="list-style-type: none"> <li>● Reinforcement of compliance through the implementation of e-learning programs, questionnaire surveys, and other initiatives in collaboration with affiliated companies</li> <li>● Reinforcement and development of the risk management framework by carrying out drills arranged by the Emergency Response Headquarters pursuant to the Rules on Safety Measures</li> <li>● Collection of a commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations from all the applicable employees and officers</li> <li>● Implementation of Compliance Review Week activities, including the dissemination of messages by the President and COOs, etc., as well as seminars, information-sharing, and discussions</li> <li>● Implementation of Compliance Awareness Survey (for domestic employees and officers). Formulation and implementation of compliance activities based on the results of the survey</li> </ul>

Theme	Business Activities
Compliance & Risk Management	<ul style="list-style-type: none"> <li>● Formulation of the plans for compliance activities for FY2017 based on the review of FY2016 activities undertaken by the Compliance Committee (twice annually)</li> <li>● Promotion of compliance-related activities at overseas subsidiaries and affiliated companies, in line with initiatives by the parent company</li> <li>● Visits to key affiliated companies to provide advice on the development and operation of compliance activities</li> <li>● Formulation and publishing of the MITSUI &amp; CO., LTD. Anti-Corruption Policy</li> </ul>
Human Resources to Translate into Assets Human Resources Development	<ul style="list-style-type: none"> <li>● Changes to existing assessment systems to ensure that such aspects as achievements and new business challenges are fairly reflected in assessments</li> <li>● Cross-organizational reallocation of human resources to drive initiatives of high strategic significance (approx. 40 people)</li> <li>● Reinforcement of recruitment advertising with the aim of securing diverse human resources, and implementation of employee-led recruiting events (over 200 times, more than 400 employees involved); continued strenuous efforts aimed at recruiting global human resources including new graduates, mid-career hires, global staff, Ph.D.-level personnel, etc.</li> <li>● Continuing implementation of various programs designed to strengthen global human resources development (approx. 1,300 participants in total)</li> <li>● Streamlining and value enhancement of human resources development programs aimed at creating new business.</li> <li>● Provision of training programs to group companies, and regular implementation of human resources information sharing meetings for group companies, with the aim of strengthening global group management (2 meetings, 103 participants from 62 companies)</li> <li>● Implementation of summer and winter internship programs to offer interns working experience (3 programs, approx. 150 participants)</li> </ul>



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Corporate Governance &amp; Human Resources

## Activities for FY Ended March 2017

Business Area &gt;

● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Promoting Diversity Management	<ul style="list-style-type: none"> <li>● Implementation of initiatives to enable our diverse human resources to take on more active roles</li> <li>• Continued implementation of the employee opinion survey on work styles, and promotion of Work Style Innovation initiatives, such as the introduction of the annual paid leave on an hourly basis and a mobile work system, a trial of individual-based staggered working hours (Head Office and domestic branches and offices, 1,400 participants) (the decision was made to introduce this system formally at the beginning of FY2017), and establishment of a dedicated work-style innovation intranet page</li> <li>• Diversity management training for managerial staff (Head Office and domestic branches and offices) (6 programs, 160 participants)</li> <li>• Enhancement of family care measures through various initiatives, including distribution of a family care handbook based on the results of a questionnaire on the balancing of work and family care, seminars on the company's family care system (Head Office) (2 times, 57 participants) and holding of family care seminars (Head Office and domestic branches and offices) (2 times, 77 participants)</li> <li>• Enhancement of childcare support measures through various initiatives, including regular seminars on the company's childbirth and childcare systems (2 times, attended by 12 male employees and 36 female employees) and partial subsidization of babysitting costs</li> <li>• Implementation of Female Business Staff Training (Head Office, domestic branches and offices) (2 programs, 39 participants) and a Diversity Cafe (Head Office) (2 times, 22 participants) to help female employees to on take more active roles</li> <li>• Selection as a Nadeshiko Brand company by METI and the Tokyo Stock Exchange for two consecutive years, followed by selection as a Semi-Nadeshiko Brand company in FY2016</li> <li>● Promotion of various revitalization measures such as training programs targeting senior human resources (11 programs, 235 participants)</li> <li>● Promotion of employment of people with disabilities</li> <li>• Continued employment of people with disabilities, including new hires, which resulted in keeping the employment rate of people with disabilities exceeds the statutory employment rate (2.48% as of March 2017)</li> </ul>

Theme	Business Activities
	<ul style="list-style-type: none"> <li>• Development of the working environment for disabled employees by installing automatic doors at a special-purpose subsidiary for the employment of people with disabilities</li> <li>• Held a Seminar regarding the employees with disabilities (for Head Office and domestic affiliated companies), (Held once, there were 56 participants from 34 domestic affiliated companies)</li> </ul>
Occupational Health, Safety and Work Environment Initiatives	<ul style="list-style-type: none"> <li>● Promotion of Health Management leading to productivity improvements through maintenance and enhancement of employee health</li> <li>• Stress checks, seminars, and training (health management when working overseas, mental health, low-carb diets, safe alcohol consumption) (total of 30 events, 873 participants)</li> <li>• Recognition as a 2017 Certified Health and Productivity Management Organization by METI</li> <li>• Establishment of the Health Promotion Committee</li> <li>● Deepening of internal communication</li> <li>• Continued holding of meetings with unions, attended by the CFO, branch and office managers, and business unit COOs, about management policies, the administration of human resources management systems, human resources development, and other topics (12 meetings)</li> <li>• Launch of new "Active Talk Wednesday" to facilitate dialogue between management and employees (Head Office) (7 sessions, approx. 1,700 participants)</li> <li>• Dialogue between the President and employees through the Kurumaza (roundtable meetings) program (30 sessions in Head Office, 6 in branches and offices; also held at overseas branches and offices in a total of 26 countries)</li> <li>● Formed of the interior design and the concept behind the floor layout for increasing productivity in the new Head Office building</li> <li>● Creation of safe, comfortable working environments</li> <li>• Implementation of security measures in Head Office and domestic branches and offices, provision of in-house services, and implementation of workplace patrols</li> <li>• In accordance with business continuity planning (BCP), continued implementation of emergency drills arranged by the Emergency Response Headquarters</li> <li>● Integration of the chain of command for safety and security measures</li> </ul>





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## Corporate Governance & Internal Controls

### Corporate Governance Approach

Policy

We are making efforts to enhance our corporate governance framework and develop and improve our internal controls on a global group basis, to make sure that Mitsui & Co. is a company that is trusted by society.

We recognize that ensuring thorough compliance with respect to internal controls is a particularly important issue.

### Corporate governance and internal control: Systems and implementation

System

#### Corporate governance framework

Mitsui & Co. has chosen to base its corporate governance framework on a corporate auditor system, headed by the audit & supervisory board. To achieve effective corporate governance for shareholders and other stakeholders, the Company has established the following governing bodies:

1. The Board of Directors is Mitsui & Co.'s ultimate decision-making body for business execution and oversight. To ensure that those functions are fulfilled, Mitsui appoints no more than the number of directors necessary to enable effective deliberations, and conducts an annual assessment of the Board in order to validate its effectiveness and discloses a summary of the results. The company has also established the Governance Committee, Nomination Committee, and Remuneration Committee as advisory bodies to the Board of Directors, with external directors and external audit & supervisory board members serving as members of these committees.
2. The audit & supervisory board members audit the execution of the duties of the Board of Directors as an independent body and report to shareholders. In pursuit of this objective, the audit & supervisory board members carry out multifaceted, effective auditing activities, such as attending important internal meetings and auditing various types of reports, and develop necessary measures in a timely manner.

To ensure transparency and accountability, which are key requirements of corporate governance, we are endeavoring to strengthen management oversight and supervision, taking into account the perspectives of external directors and external audit & supervisory board members. At the same time, the Company is developing its internal control framework with respect to information disclosure, and, based on the general rules of fair disclosure, executives and employees are responsible for ensuring accountability. Furthermore, to separate the functions of business execution and oversight, Mitsui has broadly transferred the authority for business execution to the Company's executive officers, and the Board of Directors is responsible for overseeing the execution of business by the executive officers. The chief operating officers of the Company's 16 Headquarters business units and 3 overseas regional business units also serve concurrently as executive officers, supporting a dynamic approach to business execution across Mitsui & Co. global group.

At the time of the General Meeting of Shareholders in June 2017, there were 14 directors, five of whom were external directors.

We have five audit & supervisory board members, two full-time and three external, and we have established the Audit & Supervisory Board Member Division as a framework to provide added support to the audit & supervisory board members in the execution of their duties. Audit & supervisory board members attend the meetings of the Board of Directors and other important in-house meetings, overseeing procedures and resolutions, and visit offices in and outside Japan and important affiliate companies.

#### Business execution and internal control system

In the fiscal year ended March 2012, we adopted the so-called "J-SOX" standards defined in Japan's Financial Instruments and Exchange Act as the basis for the evaluation of our internal control systems. We are determined to maintain highly effective internal control systems that are compliant with the new global standards and in keeping with the values of Mitsui & Co., and to ensure that all employees, including those working for affiliated companies, are fully aware of and comply consistently with the basic principle that "without compliance there will be no work and no company".

At the core of our internal control system, the Internal Control Committee, chaired by the president, establishes basic internal control policy and carries out company-wide internal control evaluations and improvements. The Compliance Committee, Disclosure Committee, and J-SOX Committee all operate under the Internal Control Committee.

Furthermore, to respond to the increasingly diverse kinds of risks associated with our business, we have established the Portfolio Management Committee, which monitors the Company's entire portfolio, makes proposals on the Company's overall portfolio strategy, and conducts individual discussions on important projects. In addition, we have formed the Crisis Response Headquarters, an ad-hoc body reporting directly to the president, which exercises swift, precise decision-making when there is a need for a swift response, and the Sustainability Committee, which promotes management with greater emphasis on the sustainability of both society and Mitsui & Co., and the Business Innovation Committee, which promotes initiatives for next-generation innovation business. Moreover, we have formed the Information Strategy Committee, which formulates policies related to company-wide information and IT strategies and prepares major policies related to promoting the enhancement of the management platform and information strategy and monitors the implementation of those policies, and the Diversity Promotion Committee, which analyzes and addresses current issues to realize the full mobilization of our diverse workforce.





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Corporate Governance & Internal Controls

Current status of the internal auditing structure

The Internal Auditing Division, which reports directly to the president and has a staff of about 60, conducts regular audits, including audits of subsidiaries inside and outside Japan. Internal auditors make independent and objective evaluations of such areas as management and operational effectiveness, compliance, and the reliability of financial reporting. The audit results are reported to the president, and follow-up reports from the audited department are requested on items where improvement is deemed necessary.

Furthermore, we have established an internal auditing section in each business unit. Such internal auditing sections carry out self-auditing of their business units on their own initiative, and combined with the Internal Auditing Division's audits, this contributes to further improving the effectiveness of our internal controls.

Initiatives to enhance corporate governance over the last fiscal year

As we have terminated our registration with the US Securities and Exchange Commission (SEC), the current fiscal year is the sixth year that we have adopted the J-SOX standards as the basis for the evaluation of our internal control systems. As with last year, we took great care to maintain the same high level of transparency, information disclosure, and internal control discipline as under the US standards. In line with the Corporate Governance Code put into force in June, 2015, we are continuing to provide direct briefings to shareholders and others concerning our corporate governance systems.

Corporate Governance and Internal Control Principles

Mitsui & Co. enacted the following "Corporate Governance and Internal Control Principles" in April 2006 (Revised: November 2015)

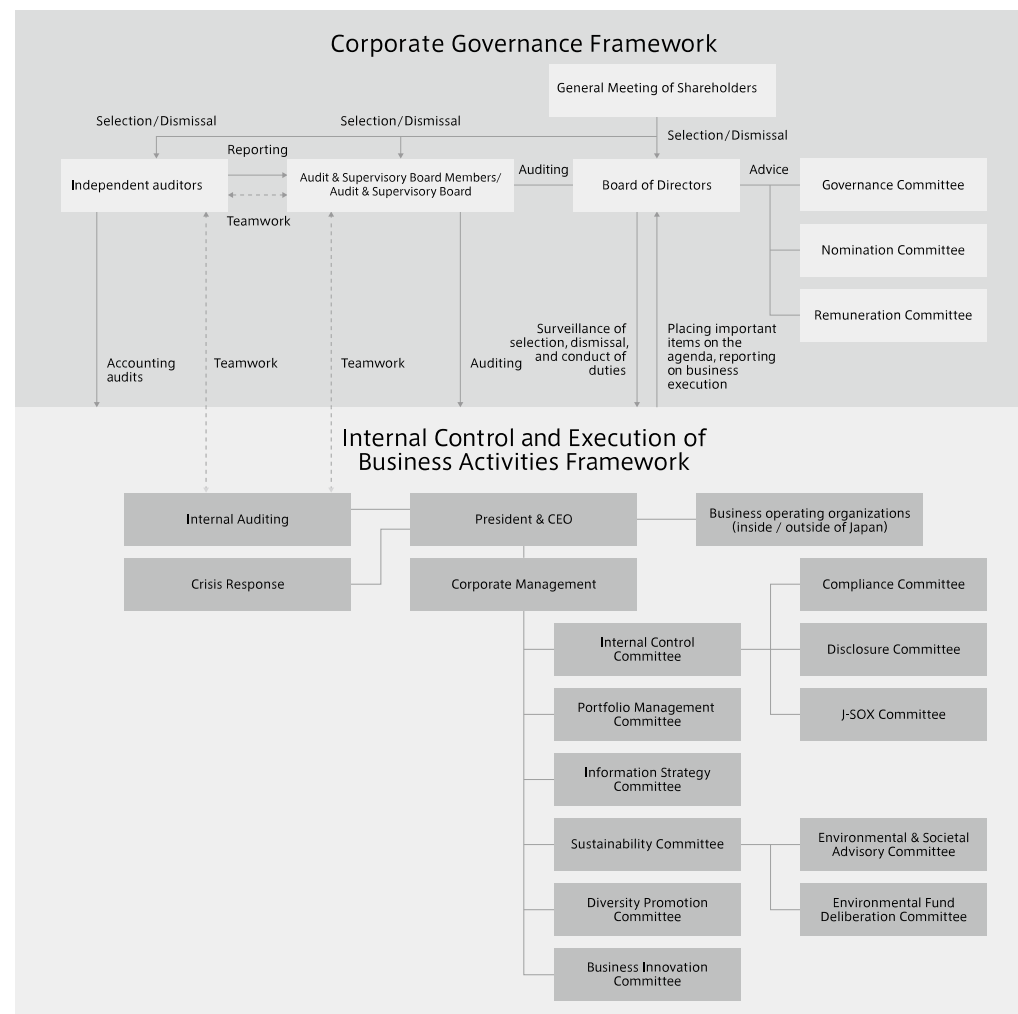


Risk Management

The Chief Operating Officers of business units and regional business units manage risks arising from Mitsui's business operations within the authority delegated to them by the management. When a business unit or a regional business unit takes risks greater than the scope of authority delegated to the Chief Operating Officers, it is necessary to obtain approval of the Corporate Management Committee or a representative director in charge, or a senior managing officer in charge in accordance with the standards of the internal approval system. In business fields considered typically to have higher levels of risks, including environment-related business and business with a high public profile, a particularly careful investigation is carried out through the Specially Designated Business Management System.

Construction and maintenance of the risk management systems and response to significant risks on a companywide level are handled by such organizations as the Portfolio Management Committee, the Internal Control Committee, the Sustainability Committee, and the Crisis Management Headquarters. The corporate staff divisions are

responsible in their respective fields for surveillance of the risk position of the Company as a whole, risk control within the prescribed range of their authority, and assistance of the relevant representative directors and managing officers.





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Corporate Governance & Human Resources

## Reinforcement of Sustainability Governance

### Developing the Sustainability Framework

System

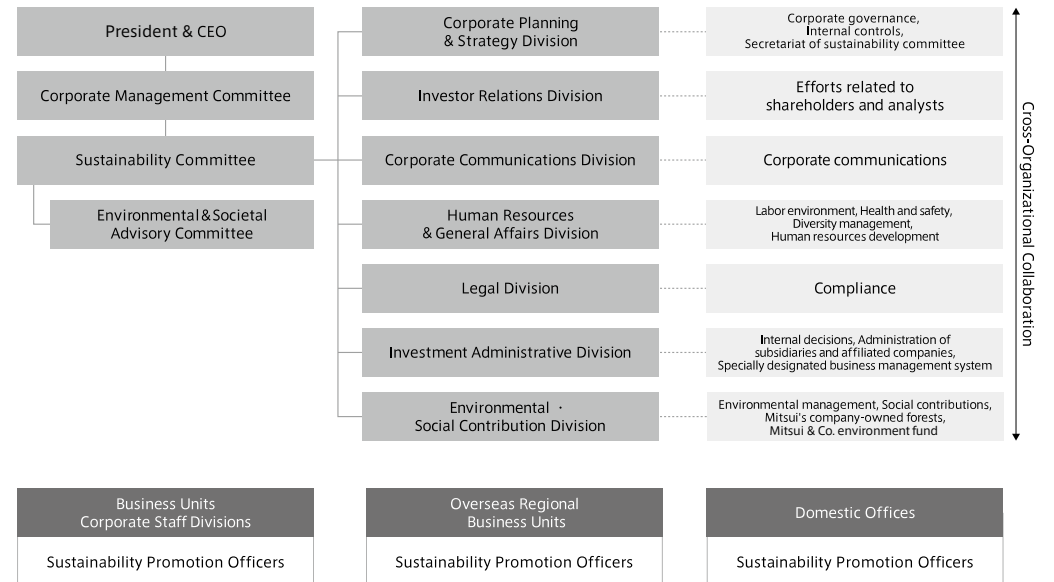
Activity

In 2004, Mitsui & Co. formed the CSR Promotion Committee (current the Sustainability Committee) as an organization under the Corporate Management Committee to develop Mitsui's internal framework with respect to sustainability, and to work to raise sustainability awareness among employees. Mitsui also 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.

As a measure to facilitate planning and promotion of sustainability activities, such as supporting the practice of sustainability management and raising sustainability awareness at each organization, together with the staff in the workplaces of each unit, we continue to appoint CSR Promotion Officers (current Sustainability Promotion Officers) in each of the corporate staff divisions, Headquarters business units, overseas regional business units, and domestic offices, and we are building our internal network.

In the fiscal year ended March 2017, CSR Promotion Officers meetings (current Sustainability Promotion Officers meetings) continued to be held quarterly, where we shared new policies relating to our sustainability-initiatives and other important information discussed and formulated by the CSR Promotion Committee (current the Sustainability Committee), and gave reports on surveys and measures related to supply chain management. In addition, working groups were held to consider society's needs and expectations, and our responsibilities to society, using case studies of Mitsui's business from the perspective of Mitsui's identified materiality.

Moreover, Mitsui CSR Promotion Officers in business units and corporate divisions have taken the initiative in organizing various sustainability awareness-raising programs, such as in-house sustainability seminars and lectures by people from partner companies and external experts, and sustainability-themed workshops through employees' day-to-day work. In this way, we are urging employees to consider sustainability issues in their everyday business.





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## Reinforcement of Sustainability Governance

## Sustainability Committee

System

Activity

In recent years, there has been growing interest in the United Nations' "Sustainable Development Goals" (SDGs) and in "Environmental, Social, and Governance" (ESG) investing. In order to send a clearer message about Mitsui & Co.'s unchanging commitment to the creation of new value for society through our business activities and our continual pursuit of the mutual sustainability of society and our company, we launched the Sustainability Committee on May 1, 2017.

The Sustainability Committee will assume a stronger and broader role than its predecessor, the CSR Promotion Committee. It will submit proposals to the Corporate Management Committee regarding sustainability-related management policies and business activities (identifying risks and opportunities in business), company-wide policies relating to the environment, conduct deliberations on effective information disclosures to stakeholders, inculcates the importance of sustainability management throughout the Company, make proposals in relation to Specially Designated Businesses, and engage in other sustainability related matters.

The committee's chairman is the executive officer in charge of corporate staff divisions (overseeing the Corporate Planning & Strategy Division), and its deputy chairman is the executive officer in charge of corporate staff divisions (overseeing the Human Resources & General Affairs Division and the Legal Division). The general managers of each corporate staff division — the Corporate Planning & Strategy Division (secretariat), the Investor Relations Division, the Corporate Communications Division, the Human Resources & General Affairs Division, the Legal Division, the Investment Administrative Division, and the Environmental-Social Contribution Division - serve as committee members. 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 viewpoint 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 on the effective disclosure of information to stakeholders, and the content, methods, and means of transmission thereof.
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 the proposals from internal applicants for the Environment Fund grants.
13. Select the proposals from external applicants for the Environment Fund grants.
14. 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 Guidelines on the acquisition of a new forest and disposal of company owned forests, based on Rules on the Management of Company Owned Forests.

Furthermore, the Environmental & Societal Advisory Committee has been established under the Sustainability Committee. Committee members are selected mainly from among 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 other matters—as well as attorneys and other knowledgeable individuals.

#### CSR Promotion Committee (now the Sustainability Committee) Meetings in the Fiscal Year Ended March 2017

##### Meeting 1 (May 13, 2016)

A report was given of the response to GRI G4 in the CSR Report 2016, and deliberations were held.

##### Meeting 2 (August 26, 2016)

Deliberations were held on the response to Article 54 of the UK Modern Slavery Act (MSA) in the following fiscal year and onwards, and a report was given on our response to the ESG questionnaire surveys.

##### Meeting 3 (December 22, 2016)

Reports were given on the review of our CSR promotion framework and our response to the ESG questionnaire surveys.

##### Meeting 4 (March 3, 2017)

Deliberations were held on proposed revisions to the CSR Promotion Committee and the proposed new committee, and on the results in the fiscal year ended March 2017 and action plan for the fiscal year ending March 2018 in respect to our sustainability promotion activities and the Mitsui & Co. Environment Fund. Reports were given on the results in the fiscal year ended March 2017 and action plan for the fiscal year ending March 2018 in respect to environmental and social contribution activities.



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Reinforcement of Sustainability Governance

ESG-Related Risk Management

System Activity

Business opportunities and the risks associated with doing business have increased and are becoming more diverse due to economic globalization, progress in information technology, and the increasing awareness of the corporate social responsibility. Based on this understanding, Mitsui & Co. recognizes the necessity of comprehensively managing risk from both quantitative and qualitative perspectives, by responding appropriately to changes in social conditions and business models. With this awareness, we have designated the business domains listed in the table below, which have high qualitative risks, including risks related to the natural environment, society, and governance, as specially designated business, and we have been endeavoring to develop such businesses with due caution under our Specially Designated Business Management System. Specifically, when beginning new projects, we conduct internal assessments and, wherever necessary, approach the Sustainability Committee as well as the Environmental & Societal Advisory Committee for advice as to whether or not to proceed with the proposed projects and for recommendation on how improvements can be made. Ultimately, the final decisions on whether or not to proceed with any given project are made by representative directors after respective proposal documents have been circulated to the relevant departments. The members of the Environmental & Societal Advisory Committee are selected mainly from among 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 other matters—as well as attorneys and other knowledgeable individuals.

In the fiscal year ended March 2017, 26 projects were individually assessed under the Specially Designated Business Management System. By business domain, 7 of these projects were the environment-related business, 3 were the medical, healthcare and bioethics related business, 14 were the projects receiving subsidies, and 2 were the businesses harboring other unusual reputation risks.

In this fiscal year, we conduct a comprehensive and well balanced management of risks on specially designated business at the earlier stage of business development process and up to the follow-up stage in view of the ESG investment with support from those units.

Furthermore, we have established the Rules on ODA Business Management for promoting ODA business, which has a high public profile and, therefore, requires operation processes that are highly transparent.

Under this system, as necessary, Mitsui's ODA Projects Evaluation Committee considers these projects and engages in appropriate risk management practices.

Business Domains Subject to Specially Designated Business Management System

Business Domain		Key Points for Screening
		<p><b>Applicable to All Four Business Domains</b></p> <ul style="list-style-type: none"> <li>Significance and social value of the business itself</li> <li>Significance of Mitsui engaging in respective business</li> </ul>
1	<p><b>Environment-related business</b></p> <p>All business that have large impact on environments Examples: coal fired power plant business, offshore oil field business, etc.</p>	<ul style="list-style-type: none"> <li>Contribution of such business to the environment and society</li> <li>Measures to mitigate environmental impact (incl. Climate change, Biodiversity loss, Water risk), and safety assurance</li> <li>For development business, appropriate consideration and understanding of human rights belonged to local residents and other related parties</li> <li>Compliance with environmental laws, regulations and guidelines, etc.</li> </ul>
2	<p><b>Medical, healthcare and bioethics related business</b></p> <p>Businesses related to the fields of medical and healthcare, and that engage in the development of technologies relating to the human genome, genetic analysis, genetic recombination, and other relevant matters, or businesses that handle products to which these technologies are applied. Examples: Business with a high public profile in the medical and healthcare fields (a dialysis, pharmaceutical drug manufacturing business), development of new drugs using genetic analysis technology, etc.</p>	<ul style="list-style-type: none"> <li>Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI)</li> <li>Approval by the ethics committee of the research institute, acquisition of informed consent, checking of processes, etc.</li> </ul>
3	<p><b>Projects receiving subsidies</b></p> <p>All projects that directly or indirectly receive subsidies from governmental and administrative agencies within and outside of Japan.</p>	<ul style="list-style-type: none"> <li>Evaluation in light of Mitsui's management philosophy (MVV)</li> <li>Social impact and ensuring accountability and process transparency</li> <li>Determination of interests of stakeholders, and resultant considerations and responses</li> <li>Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile</li> </ul>
4	<p><b>Business harboring other unusual reputation risks</b></p> <p>Businesses that may be in conflict with public order and morality, Mitsui's management philosophy, etc. and businesses with a high public profile. Examples: business with sensitive personal information, social infrastructure businesses, etc.</p>	<ul style="list-style-type: none"> <li>Evaluation in light of Mitsui's management philosophy (MVV)</li> <li>Social impact and ensuring accountability and process transparency</li> <li>Determination of interests of stakeholders, and resultant considerations and responses</li> <li>Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile</li> </ul>



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## Compliance & Risk Management

### Compliance Approach

Policy

Our sound reputation is the foundation of our business. As such, we recognize that it is only through compliance that we can maintain that reputation and gain even more trust from our customers.

To that end, we are working to heighten awareness among all management and staff of the importance of upholding high ethical standards and are accordingly striving to build a global compliance framework that advances best business practices.

### Building a Better Compliance Framework

Policy

System

Activity

#### Business Conduct Guidelines for Employees and Officers

The "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." specify how every Mitsui employee should act in his or her daily activities, from the perspective of compliance with laws, internal regulations, and corporate ethics. The Business Conduct Guidelines help us fulfill our corporate social responsibility (CSR) and win the trust of our stakeholders. They have been revised from time to time since their enactment in February 2001, to reflect changes in the law and best practices.

Our aim is to ensure that all Mitsui employees develop a broad awareness of the Business Conduct Guidelines through training and e-learning opportunities, and to see that all employees have pledged to comply with them. We have also introduced bespoke business conduct guidelines for each of Mitsui & Co. Group companies, which are based on the Business Conduct Guidelines but tailored to the specific business structures of those companies. In addition, we have put in place the Business Conduct Guidelines in each of our overseas offices, reflecting the local laws, regulations, and customs of the countries in each region.

#### Business Conduct Guidelines for Employees and Officers

1. Compliance with the Law and Respect for Human Rights
2. Office Environment and Harassment
3. Compliance with Antitrust Law
4. Conflicts of Interest between Employees and the Company
5. Gifts and Favors
6. Treatment of Company Information
7. Compliance with Procedures for Export and Import and Other Applicable Laws
8. Company Fund and Financial Reporting
9. Political Donations and Other Contributions
10. Social Contributions
11. Protection of the Environment
12. Action against Corporate Racketeering and Industrial Espionage
13. Reporting and Sanctions

### The Compliance Program

The Compliance Department of the Mitsui Legal Division leads compliance efforts on a global and Group-wide basis under the direction and supervision of the Chief Compliance Officer (CCO) and with the support of the Compliance Supervising Officers appointed in each of Mitsui's domestic and overseas business units, in Mitsui branches and offices, and in other such entities. The objectives of these efforts are to: (i) heighten awareness of compliance issues, (ii) strengthen and improve compliance programs and systems within Mitsui, and (iii) respond to specific compliance issues that arise. In addition, a Compliance Committee has been established as a forum for discussions relating to the promotion of compliance with laws and ethical standards across the Group as a whole. With the participation of external attorneys, the Compliance Committee discusses various issues that have arisen in the wider Group, and discussion outcomes are made available on the company intranet.

Specific measures carried out with compliance in mind include conducting thoroughgoing supervision at the working level, preventing corruption through management of business entertainment for public officials and appointment of agents, strengthening systems to comply with applicable competition laws, strengthening business process controls, and promoting the rotation and movement of personnel. Such initiatives are implemented on an ongoing basis, and with the aim of preventing misconduct. With respect to anti-corruption, we have published MITSUI & CO., LTD. Anti-Corruption Policy.



MITSUI &amp; CO., LTD. Anti-Corruption Policy





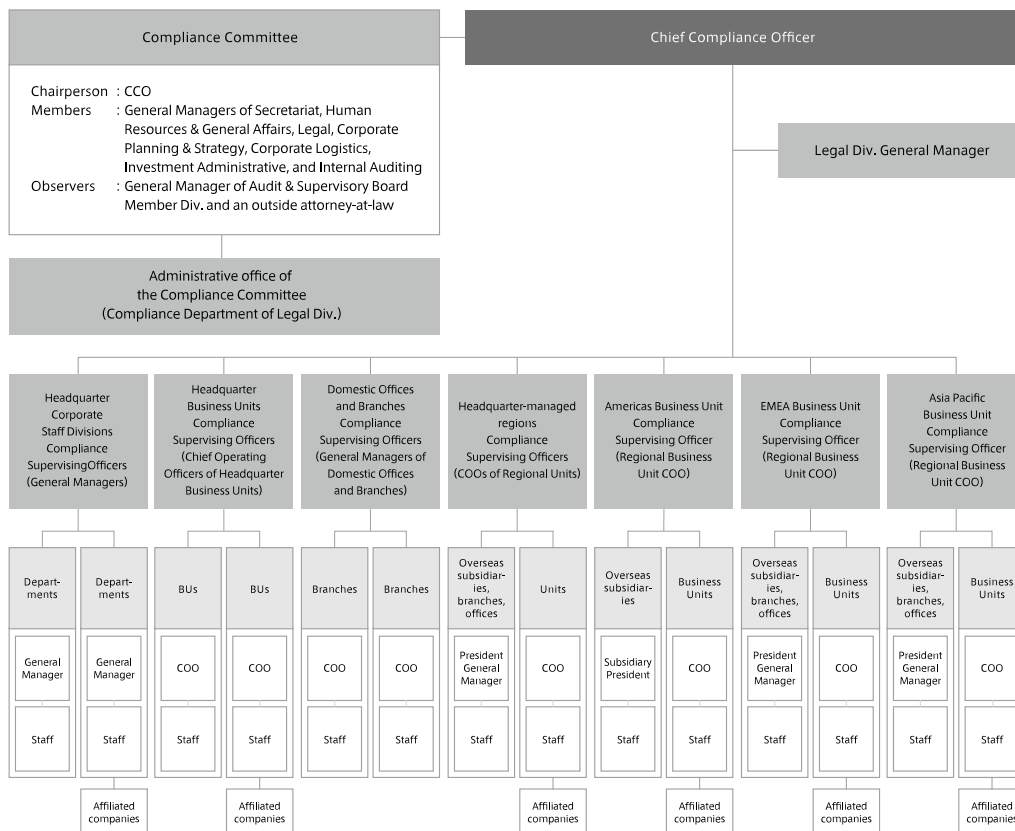


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**Compliance & Risk Management**



### Facilitating Communication and Improving the Internal Whistleblowing System

We believe that the compliance function essentially calls for us to prevent compliance-related incidents from arising by maintaining an open working environment that is facilitated by transparent and open communication within the Mitsui community, and which reflects our management philosophy and values. Accordingly, we require that employees who have concerns about possible misconduct promptly raise those concerns with their supervisors or other managers, and duly seek their guidance, in an appropriate and timely manner.

Mitsui offers eight channels for raising compliance concerns, including internal reporting lines and reporting routes involving external attorneys or third-party hotline service providers that promise anonymity. Mitsui has published Whistleblowing System Regulations clearly stipulating that no employee will suffer any form of retaliation or prejudice for raising any compliance concern. Furthermore, we have made it possible for Group companies in Japan to refer compliance reporting to Mitsui's designated external attorneys and third-party hotline service providers as their own external reporting channels, and we are enhancing our system to allow employees of Group companies to raise concerns without fear of retaliation through providing guidance to Group companies on how to set up and manage internal whistleblowing channels.

Overseas, our regional Compliance Supervising Officers are chiefly responsible for overseeing the implementation of reporting channels that make it possible for employees in overseas offices and affiliated Group companies in each region to report and seek guidance on compliance concerns in line with local laws and customs.

### Effective Education and Training

Mitsui & Co. provides employees with a wide range of compliance training programs to promote a high degree of awareness of business ethics throughout Mitsui and to ensure that all employees have the necessary skills and information available to them to ensure that work practices remain in compliance.

In the fiscal year ended March 2017, we provided such training for employees at all levels, including new employees and line managers, as well as for Mitsui employees moving overseas or being seconded to Group companies. Mitsui also provides an extensive program of compliance training for executives and employees of Group companies. In November 2016, we conducted the "Compliance Review Week", in which we held a seminar about compliance issues that everyone may come across, in addition to sharing information and exchanging opinions.

In addition, during the fiscal year ended March 2017, we provided lessons involving the Compliance Handbook for Mitsui employees which explains the contents of the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.", and also conducted online testing to ensure that employees in Japan who had not taken the testing last year understood the Handbook content. Through such activities, we are working to ensure that all management and employees have adequate knowledge related to compliance that they need to conduct of day-to-day business activities. Moreover, we newly prepared "Compliance Handbook for Mitsui Group companies" and distributed it to domestic Group companies upon request.

We also provide overseas operations and Group companies specifically-tailored compliance training that takes into account particularities of the regions in which they are located.



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**Compliance & Risk Management**

**Compliance Awareness Survey**

In order to understand and monitor the level of compliance awareness among executives and employees, we have conducted Compliance Awareness Surveys as appropriate not only in Mitsui & Co., Ltd., but also in our overseas offices and major subsidiaries. We use the survey results to address issues and implement a variety of measures to promote further compliance awareness and to reduce compliance problems.

**Other Initiatives**

In addition to the previously mentioned initiatives, we also visit individual key subsidiaries and associated companies to ensure adherence to best compliance practices at the Group level. In so doing, we gain a better understanding of compliance issues facing each company, thereby enabling us to offer advice geared toward helping those companies design and implement compliance programs that can be run autonomously and independently.

Throughout the fiscal year ending March 2018, we will continue initiatives that call for even better communication needed to support more effective and more fully-instilled compliance program design and implementation in order to further make compliance an integral part of daily Group-wide operations.

**Global Tax Management Policy**

We are committed to meeting our tax compliance and simultaneously managing our global tax expenses. Our Global Tax Management Policy is available below.



Global Tax Management Policy

**Protecting Personal Information and Information Risk Management**

System

**Protecting Personal Information**

We appointed a Chief Privacy Officer (CPO) and established a CPO office to work for heightening awareness among all management and staff of the importance of personal information protection in accordance with our Personal Information Protection Guideline and Regulations 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 B-to-C (business to consumer) business fields. Accordingly, we take extreme care to ensure that all data is protected. From the perspective of accident prevention, in addition to our education and training system, we appoint Personal Information Management Officers in each division. The Officers regularly review the status of personal information management in the daily course of business and enhance it as needed.

**Information Risk Management**

Based on the understanding that the proper management of information, which is an important business resource, is indispensable to us, we established the Information Risk Management Subcommittee under the Information Strategy Committee, which the Chief Information Officer (CIO) chairs. In accordance with our Information Security Policy, we have streamlined our Rules on Information System Management and the same on IT Security, so that we could maintain and keep enhancing Information Risk Management Systems.

**Cyber Security**

With the advancement of ICT in business, both of our own and our affiliates, we established a dedicated department for cyber security dealing with cyber risks. It implements countermeasures and reviews consolidation of emergency systems.



Information Security Policy



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## Human Resources to Translate into Assets

### Human Resources Approach

Policy

We regard our employees as one of our most important stakeholders. Our human resources are Mitsui & Co.'s most important asset. We have developed a variety of human resources development programs with the aim of training highly creative people not only with business skills and know-how but also with essential qualities such as integrity, ambition, humility, gratitude, and diligence to contribute to a better society. We are also promoting diversity further, including expanding opportunities for female employees.

Our goal is to create an environment in which all employees are motivated to work with vitality and achieve growth as the company grows.

### Basic Policy

Policy

Mitsui & Co., with its long history and traditions, has held the belief that human resources are its greatest asset and has always maintained its objective of training and developing human resources who can contribute to society. This is where the phrase "Mitsui is people" came from. To implement its management philosophy and to realize one of its mission statements, "We're building a better future for people and planet", Mitsui considers it most important to continue to raise the quality of individual personnel through human resources training and development activities.

### Key Elements of Mitsui & Co.'s Human Resources System

Policy

Mitsui & Co. has long maintained its belief that "human resources are our greatest asset" (focusing on human resources) and embraced the values of "Focus on Human Resources", "Open-mindedness", and "Challenge and Innovation". Mitsui's human resources system emphasizes such philosophy and values as it strives to be a company where employees are motivated to work with vitality. Mitsui positions its human resources system as a "means for fulfilling its corporate mission and realizing its management philosophy" and focuses on the following three key policies.

#### Three key policies of human resources system

- 1. Dissemination of Mitsui's Management Philosophy Comprising Its Mission, Vision and Values (MVV)**

Through introducing an appraisal standard that does not focus simply on short-term quantifiable performance, but places importance on how an employee's work contributes to achieving our management philosophy over the medium-to-long term in the personnel system, we will ensure thorough dissemination and sharing of our MVV broadly among employees.
- 2. Development of Human Resources**

We will develop human resources who can take the leadership in implementing our management philosophy.
- 3. Appropriate Appointment and Allocation of Personnel**

We appoint and allocate human resources effectively from a company-wide perspective, based on appropriate human resources management.



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## Human Resources Development

### Mitsui & Co.'s View on Human Resources Development

Policy

From its initial stages, employee training at Mitsui & Co. is designed to foster human resources that are capable of global group management.

Throughout its long tradition, Mitsui 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 talented human resources by encouraging each individual to create business. 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 by various forms of training to support and supplement human resources development through OJT.

### Human Resources Development Programs

System

To achieve the goal of fostering human resources capable of global group management, we have built a wide variety of human resources development program for every job grade and band, from new employees through to leadership level employees, including milestone training, optional training, and training by invitation. While deepening these grade-rank based training programs, we are also working to expand and enhance business skills training and professional training programs with the aim of increasing our employees' specialist knowledge in various fields. An introduction to each training program can be found on the company's intranet, along with an explanation and overview of our human resources training philosophy, and we encourage our employees' self-motivated participation.

We have numerous overseas dispatch programs that are designed to enable employees to conduct business on a global basis. Programs include Foreign Language & Business Culture Training and Business School Dispatch. We also dispatch young employees under the Overseas Developmental Dispatch system, enroll promising employees in the Harvard Business School Global Management Academy (GMA), which is designed to foster next-generation leaders with the capacity for global management, and Executive Education (EE), which is a short-term program for dispatching managerial-level employees to business schools in Europe and the US.

### Main Human Resources Training Programs and the Number of Participants/Dispatched Employees

System

Activity

Category	Training Programs	Outline	Number of participants FY2016
Compulsory training	Management Tr, Line Manager Tr, Leadership Tr, Managerial Staff Preparation Tr, Administrative Staff Tr, Female Business Staff Tr, New Hire Induction Tr, Mid-career Hire Tr	The aim is to foster global group management resources. Participants acquire the management approach, business skills, and mindset required for each milestone, such as new grades and bands.	2,129
Bussan Academy	Marketing, Management Strategy, Finance, Logical Thinking, Mindset, Communication, Philosophy, History	Professional training with the aim of improving self-development and specialist knowledge. This is optional training that can be taken as needed from options in a broad range of fields.	2,507
Subject to selection criteria	Career Design Tr	Training programs for senior employees, which are designed to support them in devising the direction of their career autonomously and to adapt to the change of environment and their roles.	368
Optional/ by invitation training	Project Manager Development Academy, Cross-industrial Exchange Program, MOC (Mitsui Open College)	A variety of training programs, including a cross-industrial exchange program (which aims to promote understanding of different corporate cultures, expand horizons, and build human networks).	4,875
Mitsui Global Leadership Program	Foreign Language & Business Culture Tr, Business School Dispatch, Overseas Developmental Dispatch, GMA, EE	This is a practical program operated on an invitation/ optional basis. Program participants are sent overseas and are surrounded by talented people from around the world, with the aim of developing the mindset and skills needed to become next-generation leaders in global group management.	173

P.82 Hours of Training and Expenditure on Training (Non-consolidated)



Human Resources Development Program (FY17/3)



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## Human Resources Development

## Development of Human Resources Capable of Global Group Management

System

Activity

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

Since 2002, we have offered employees of our overseas trading subsidiaries a well-developed program of both short-term and medium to long-term training at the Mitsui Headquarters. Short-term programs include JTP (Japan Trainee Program), GMP (Global Managers Program), and GLP (Global Leaders Program), which are offered as milestone training in three stages: the first few years after joining the company; prior to appointment as a manager; and after appointment as a manager. Medium to long-term programs are held for a period of one to three years, and include LBP (Japan Language and Business Program), which provides Japanese language lessons and practical business training, and BIP (Business Integration Program), which provides strictly practical business training.

In order to support human resources development at each group company, and the building of human networks, Japanese group employees are given milestone training, such as Division General Manager Training, Department Manager Training, and New Hire Induction Training, in addition to the optional training offered through the Bussan Academy as described above.

Since 2011, in partnership with the Harvard Business School, we have held the Harvard Business School Global Management Academy (GMA) described above, with the goal of integrating employees of the Headquarters, overseas offices, and group companies, and a diverse program has been implemented. Participants have included global group employees, as well as the employees of overseas partner companies.

## Appraisal

System

We have given a boost from a personnel affairs aspect, in order to rouse our employees' tenacity and willingness to take on challenges, so that each of them can work with vitality and high motivation. The objectives of conducting the appraisal process are not only to enhance employee understanding of Mitsui's management philosophy and motivate employees to meet management objectives, or to provide input for fixing compensation or assigning new positions, but also to promote human resources development through the appraisal process. Employees meet periodically with their managers for appraisal meetings and receive comprehensive feedback on their performance and specific contributions. These meetings create an effective framework for human resources development.





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## Promoting Diversity Management

### Mitsui & Co.'s Diversity Management Vision

Policy System

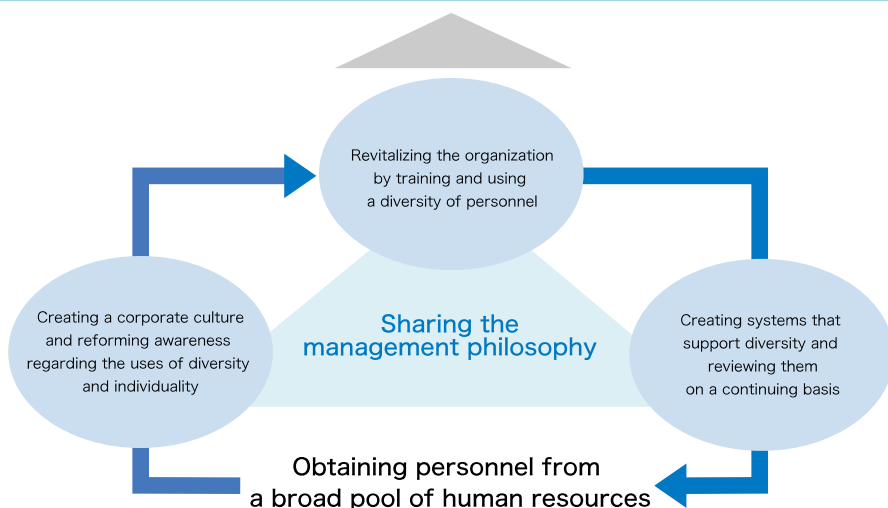
People who work for Mitsui & Co. come from a wide variety of backgrounds in terms of gender, nationality, values and other attributes. We carry out diversity management initiatives to enhance Mitsui's competitiveness through its continued evolution as a company within which people can generate new value in business and create innovations by stimulating one another, with mutual understanding and respect for diversity.

We strive to build a foundation on which we can realize this vision, primarily through the sharing of our management philosophy, by fostering a corporate culture within which diverse individuals can reach their full potential, by reforming employee mind-set, and by creating and continually reviewing work-related systems to support diversity, while training and deploying diverse human resources and working to enhance our corporate competitiveness by realizing the full strategic mobilization of our diverse workforce.

#### The Diversity Management that Mitsui is Aiming for

##### Increasing Competitiveness by Combining the Capabilities of Diverse Human Resources

- Development of personnel who promotes innovation with strong capabilities for flexibly adapting to and coping with change in an environment characterized by the globalization of business activities and expansion of business domains.
- To be a company that can attract human resources, draw out the individuality, and maximize potential of each and every staff member.



These diversity management initiatives are coordinated by the Diversity Management Department, which was established in October 2005. The Diversity Promotion Committee, which was formed in April 2006 to advise the Corporate Management Committee, regularly deliberates and makes decisions on diversity management policies and measures.

### Work Style Innovation

Policy

In order to continue evolving our diversity management initiatives, we review our traditional work styles from the perspectives of productivity and efficiency, and where necessary we introduce innovations based on new policies implemented across our entire corporate organization.

By implementing Work Style Innovations, we aim to create workplace environments in which diverse individuals can reach their full potential and are strongly motivated about their own work. The ultimate goal is to strengthen our overall competitiveness as a company.

### Employee Opinion Surveys on Work Style

Activity

We conducted an employee opinion survey on work styles in October 2016. The objective was to first gain an accurate understanding of the actual practices implemented in workplaces and individual employees' views on work styles. In this survey, we placed a greater focus on work styles, while referring to the contents of previous regular employee surveys aimed at enhancing our management and organizational strengths. The questions and responses in the employee opinion survey cover a variety of topics, including individual employees' view on work styles in general, work styles trends in workplaces, as well as factors that could hinder highly efficient and productive ways of working. The responses were then analyzed.



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Promoting Diversity Management

Initiatives Based on Employee Opinion Survey Results on Work Style

System Activity

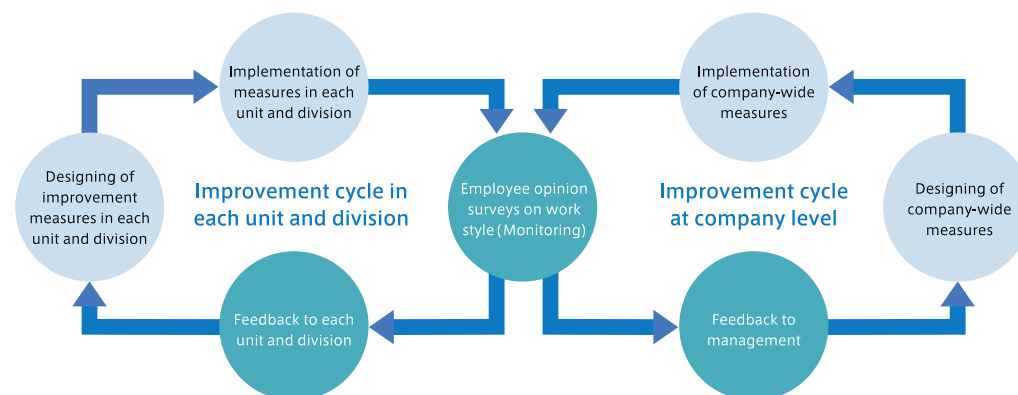
As a result of the first employee opinion survey conducted in October 2015, we identified two company issues. One is the need to improve efficiency in terms of working place and working hours, and the other is the need to increase business process efficiency. In response to the former issue, we introduced new company-wide systems of "annual paid leaves on an hourly basis" and "mobile work", and also implemented on a trial basis an individual-based staggered working hour scheme in the fiscal year ended March 2017. For the latter issue, practical improvement measures were implemented as required in each workplace, after discussions and reviews on business process among employees at respective units.

New company-wide measures that were introduced

Measures	Time of introduction	Description of measures	Effect and Aim
Annual paid leave on an hourly basis	From April 2016	Employees can choose to take hourly-based paid leave up to the accumulated number of such hours equivalent to 5 days per fiscal year as part of their annual paid leave. (For nursing care for a child and family leave, employees can take them in units of one hour for 10 days per fiscal year.)	Being able to take leave for just the hours needed allows employees to better concentrate on their work. 80% of employees used this hourly leave system in the fiscal year ended March 2017.
Mobile work	From June 2016	Employees are permitted to take their company computers with them after regular working hours or for customer visits, in order to work outside the company (including at their homes).	By eliminating unproductive time, such as unnecessary travel time, employees can work with high levels of efficiency and productivity. 70% of users of this scheme appreciated the improvement in efficiency and productivity in their work.
Individual-based staggered working hours	<ul style="list-style-type: none"> <li>From June 2016: Trial done with 1,400 employees</li> <li>From June 2017: Officially implemented</li> </ul>	While maintaining the prescribed daily working hours, employees can individually choose on a daily basis to start working anytime between 90 minutes before and 90 minutes after the normal work starting time.	By urging each individual employee to seriously consider the working hours that maximize not only their own performance, but also that of the organization, we aim to develop organizational units that achieve the best performance.

These initiatives are gradually showing some targeted results. In the second employee opinion survey on work styles conducted in 2016, there was an increased individual consciousness toward business process efficiency and productivity as well as an improvement in excessive internal reporting, which in the previous survey was considered to be one of the main factors reducing productivity. As shows in the diagram below, with continual focus on the results of employee opinion surveys, we will implement a plan-do-check-act (PDCA) cycle aimed at improving productivity and accelerating our pursuit of measures and implementation of work style innovations that contribute to enhancing the competitiveness of the company as a whole.

Improvement activities in each unit and division      Developing measures at company level



Career Development Initiatives for Female

Policy System

We regard career advancement for female as a particularly urgent priority under our diversity management policy, the aim of which is to enhance corporate competitiveness by realizing the full strategic mobilization of its diverse workforce. We strive to develop an environment in which female employees can reach their full potential, implementing initiatives for human resources development and their career advancement. Under "Voluntary Action Plan on promotion of women to managerial and board position", we set a target to increase the number of female managerial staff from 67 as of July, 2014 to 201 (more than three times) by the fiscal year ending March 2021. These activities have won Mitsui recognition as a company that has achieved outstanding performance in promoting the career development of female employees; Mitsui has been selected as a "Nadeshiko Brand" and "Semi-Nadeshiko Brand" company by the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE), and has also been awarded "Eruboshi" status by the Ministry of Health, Labor and Welfare.

P.82 Performance Data Related to Diversity

P.84 Evaluation by Society



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Promoting Diversity Management

Initiatives

Activity

Training for female business staff (career-vision training)

This training is provided for female business staff during their 5th through 7th years after entering Mitsui & Co. The most important aim of the training is to help participants to prepare for the diversification of options in anticipation of life events and other factors by developing specific ideas about their future career paths through dialogue with senior executives and discussions with colleagues working in the same environment, so that they can build long-term careers with Mitsui.

Female mentor system

The female mentor system has been introduced to provide a venue for helping female employees learn about the significance of working for Mitsui, and discover new ideas about career formation, through communication with more experienced female coworkers. The system provides a way to seek advice about matters ranging from minor problems relating to day-to-day activities to career planning. A wide range of female employees are selected as mentors from those who have worked overseas, have experienced various life events, and are active in frontlines in the sales divisions or as secondees. Employees can choose their mentor depending on the type of advice that they need (Mitsui has also established mentor systems for non-Japanese employees and young employees).

Diversity Cafe

Accompanying changes in the social milieu, such as a greater diversity in people's sense of values, the number of dual income households where husbands and wives both hold jobs, and the demographic aging of the population, there has been an increase in the number of employees seeking new kinds of career paths and wanting to maintain a balance between their work and their private lives. We provide venues such as the Diversity Cafe for employees to come together and have the opportunity to learn from each other's experiences and to discuss and share information on matters of common interest. The theme for discussion in 2016, mainly for our female employees, was "The experience of Administrative Overseas Trainees".



The 21st session of Diversity Cafe in progress

Childcare and Family Care Support

System

Activity

We support the concept of "Work-Life Management" in which individual employees fulfill their responsibilities in their personal lives and maximize their potential and play a greater role in their work. As part of our support system, in addition to the existing leave system, we have introduced systems of shortened and staggered working hours to help employees balance their work life with childcare and family care needs. From 2007, we started to provide partial pay for childcare leave, thereby creating an environment that has encouraged male employees to take childcare leave. Furthermore, to support a smooth return to work, we have contracted with an outside nursery school located near the office and offer childcare services to employees. Before returning to work, a three-party meeting is arranged between the employee, his or her supervisor, and staff from the Human Resources & General Affairs Div. This way, the employee receives advice about career planning and learns about the support systems available to facilitate the balancing of work and caring for children. From fiscal year ended March 2017, in addition to existing measures, in the area of childcare we started providing partial support for the expense of a baby-sitter. In the area of family care, we conducted a questionnaire on the balancing of work and family care. Based on strong request from employees, we also distributed a handbook aimed at assisting employees in balancing work and family care and held explanatory sessions on the company's family care system, as well as seminars on family care to provide information to help employees establish the balance between work and family care. As a result of this series of policies and initiatives, we have been recognized three times (for fiscal years 2008, 2011, and 2015) by Japan's Minister of Health, Labour and Welfare as a company that is actively providing childcare support with respect to caring for children.



Kurumin logo

The "Kurumin" logo may be placed on the products of businesses that have been officially recognized by Japan's Minister of Health, Labour and Welfare as actively providing childcare support. The logo shows an infant safe and sound, wrapped in a protective blanket, which represents the concern and care of the workplace and society.

P.83 Employees Taking Childcare or Family Care Support (Non-consolidated) ★



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Promoting Diversity Management

Work-life Management Support Systems

System

	Name of System
Pregnancy	Pregnancy Leave Late arrival at work or early departure from work Exemption from overtime work Re-assignment other job duties that are less strenuous
Childbirth	Maternity Leave Childbirth Attendance Leave
Childcare	Childcare Leave Nursing Care for Child Leave (a full-day basis, a half-day basis, an hourly basis) Short-time working for childcare Exemption from overtime work Restrictions on overtime work Exemption from late night work
Family Care	Family Care Leave Nursing Care for Family Leave (a full-day basis, a half-day basis, an hourly basis) Short-time working for family care Exemption from overtime work Restrictions on overtime work Exemption from late night work
Career Support	Re-employment system for ex-employees who had to resign due to the transfer of their spouse
Others	Long-term leave for self-development Volunteer Activity Leave Jury Duty Leave Special Support Leave (a full-day basis, a half-day basis, an hourly basis) (From April 2017) Mobile work Individual-based staggered working hours (From June 2017)

Re-employment system for ex-employees who had to resign due to the transfer of their spouse

System

A re-employment system was introduced in 2007 that enables employees who had to resign from Mitsui & Co. due to the transfer of their spouse to become re-employed.

Year of Retirement/Registration		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Number of registered ex-employees	Business staff	1	3	2	3	2	4	3	3	7	5
	Administrative staff	6	3	4	1	1	5	7	16	11	11
	Total	7	6	6	4	3	9	10	19	18	16

Supporting the Active Participation of Senior Personnel

System

Mitsui & Co. has introduced a "re-employment system" that provides employees who wish to continue working after reaching the mandatory retirement age of 60 the opportunity to continue working up to a maximum age of 65. We are working to build an environment that enables active participation of senior personnel by continuing to make use of their work experience, knowledge, and skills even after reaching the mandatory retirement age.

Furthermore, we offer training, including career design training, and one-to-one interviews, etc., to our senior personnel aged over 50 in order to support their more active participation and promote self-directed career-building.

Hiring of disabled persons

System

In 1981, in accordance with the then Law for the Employment Promotion of the Disabled, we established Mitsui Bussan Business Partners Co., Ltd. (formerly Bussan Service Co., Ltd.), a trailblazing special-purpose subsidiary for the employment of people with disabilities. A large number of disabled persons are currently employed and posted in accordance with the "normalization" policy, co-working with non-handicapped persons in a variety of personnel and administrative capacities including printing, mailing, various kinds of data processing, business travel arrangement and settlement, personnel, payroll and benefits administration and office layout management. Employees with disabilities represented 2.48% of our workforce as of March 2017. For over 20 years we have exceeded the statutory employment rate for people with disabilities.

We will continue to promote hiring disabled persons with the objective to exceed the legally mandated level.



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## Occupational Health, Safety and Work Environment Initiatives

### Core Principles

Policy

Employee is the most important asset for Mitsui & Co. We implement measures to ensure a work environment where our employees can exercise their abilities to the full and work in safety and good health, unaffected by changes in the social and business environment. We will implement initiatives to firmly establish a structure to promote health management of our employees and respond to emergencies, such as accidents and disasters, as well as to energize the work environment.

### Basic Policy on Health Management

Policy

1. We promote health and productivity management. We place great importance on the maintenance and enhancement of employee health, and position health management as a management priority. By putting this commitment into practice, we aim to maintain and enhance employee health and improve corporate productivity.
2. We create workplace environments in which employees can work safely, healthily, and energetically.
3. We build an organization with high health literacy, in which individual employees are aware of the need to protect their own health themselves, and take the initiative to maintain and enhance their own mental and physical health.
4. We ensure that personal health information is handled in compliance with the laws and regulations and appropriately used and managed.

### Health Promotion Committee

System

In February 2017, Mitsui & Co. launched 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 the employees' health through implementation of "Health and Productivity Management"; and (3) improving the company's productivity. As part of our "collaborative health" program, through which we aim to implement effective measures in enhancing employees' health under a partnership between the health insurance union and the company, Mitsui & Co. and Mitsui Bussan Health Insurance Society will work together to plan and decide policies aimed at maintaining and enhancing employees' health, and execute these policies.

### Employee Health Management

System

Activity

We have established a clinic in our Tokyo Head Office and a medical treatment room in the Osaka Office. The clinic in the Tokyo Head Office covers a diverse range of specialist areas, including internal medicine, surgery, ophthalmology,

E.N.T. and radiology, and is equipped to provide medical consultations for employees. It also provides comprehensive medical examination and medical check-ups for employees who are about to travel overseas or have returned from overseas assignments, as well as inoculations. In addition, managerial dietitians help employees to avoid lifestyle diseases and metabolic syndrome by providing nutritional guidance. We have also enhanced support for female employees through the establishment of women's and motherhood health advisory service allowing access to individual consultation with female doctors.

We provide useful health-related information as well as guidance on access to various types of health advice via the intranet. Employees can also view their own health check histories.

Also, for the sake of the health preservation of employees, we hold a monthly Hygiene Committee composed of members recommended by management and labor, and discuss ways to improve working environment, ways to develop an appropriate framework, and other related matters based on the advice provided by qualified industrial physicians and hygiene experts.

We also place great importance on health management for both employees stationed overseas and their families. Consultation services are available at any time if employees on overseas assignment or members of their family experience physical or mental health issues.

Inoculations and medical check-ups are provided for employees and their families before they leave for overseas assignments. They also participate in training programs about health management while overseas, including the prevention of infectious diseases and the maintenance of physical and mental health. These programs are designed to raise each individual's awareness of health management, and to provide information about access to medical services and support systems while overseas.

We also support health management for employees working overseas, and their families, in partnership with emergency health care service companies.

### Mental Health

Policy

System

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

In addition, we carry out 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).





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**Occupational Health, Safety and Work Environment Initiatives**

**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 to FY March 2020.

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 ratio of 100% of employees undergoing regular health consultations.

**Health-related Training and Seminars**

System Activity

In addition to mental health training for line managers, as well as training for health management overseas, and health management training for new-graduate employees as they become independent business persons for the first time, we also hold other health-related seminars as part of our efforts to build an organization with a high level of health literacy.

Results in the fiscal year ended March 2017 (number of attendees in parentheses): Mental Health Training for Line Managers (159); Managing Health Overseas (369); Health Management as Business Persons (187); A Paradigm Shift in Nutritional Science – The Truth Behind Sugar Restriction (100); Having a Good Relationship with Alcohol (58)

**Medical Examinations**

System Activity

Regular medical examinations are implemented in-house at multiple times to make it easier for employees to take such medical examinations. We are working to ensure the prevention or early discovery of lifestyle diseases and other conditions, and to provide enhanced advisory services through a fine-tuned approach that includes comprehensive medical exam at outside medical institutions for employees aged 35 and older under a program operated collaboratively with Mitsui Bussan Health Insurance Society. Also in collaboration with Mitsui Bussan Health Insurance Society, we provide special health maintenance advice to employees aged 40 and older.

Certified Health and Productivity Management Organization 2017  
The Ministry of Economy, Trade and Industry has established a system to recognize large enterprises and SMEs that carry out particularly outstanding health and productivity management. Under the system, Mitsui & Co. received accreditation in 2017 as a Certified Health and Productivity Management Organization.

**Working Hours Management**

System Activity

To reduce total working hours, we have periodically created and distributed status reports of each division on overtime working hours and remaining annual paid leave so as to reduce overtime hours and encourage taking annual paid leaves, including use of the planned leave system. We set a target of achieving the acquisition rate of annual paid leave as 70% or higher by the fiscal year ending March 2021. Further, we provide guidance about proper labor management and raise awareness, especially to managers through training session. We also provide access to on-site medical advisors for employees whose overtime working hours exceeds a specific limit and develop proposals for improving the situation, based on the Occupational Health and Safety Law of Japan, which leads to reduce total working hours and prevent health problems.

P.83 Paid Leave Taken Days and Usage Ratio (Non-consolidated) ★

**Security Management**

System Activity

Mitsui & Co. promotes various kinds of businesses through its 137 points of global operations (as of April 1, 2017), and a large number of employees go on a business trip to many parts of the world almost every day. It is one of the most important tasks for the company to ensure the security of employees and families home and abroad.

In cooperation with domestic and foreign offices, and security companies concerned, Mitsui obtains and analyzes the latest situation about politics, the peace and order of each place changing every day, and shares such information with the related staff, in order for the employees to raise awareness of the security.

Mitsui has also prepared the system corresponding to the situations such as accidents, injuries, and diseases, in cooperation with emergency health care service companies.

For the employees, as well as families, who will be dispatched to the overseas, the company has the programs for security measures.

Assuming a large-scale disaster, Mitsui regularly performs trainings for Business Continue Plan placing human life as a first priority, and the company makes efforts to raise the crisis response capabilities by solving problems extracted through the training.



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## Occupational Health, Safety and Work Environment Initiatives

### Joint Efforts with Labor Unions

System

Activity

To create an environment in which each and every employee is able to work energetically and in which the employees and company can continue to grow together, we actively discuss a variety of common issues with the Mitsui & Co. Labor Union. Mitsui & Co. also holds labor-management dialogue to confer on, business activities and plan, various personnel-related systems and human resources development, and provides a venue for exchanging views on a variety of matters with managements in each Branch and each Business Unit (in total 12 times in 2016), with the aim of maintaining a healthy and cooperative relationship between management and labor.

### Promoting Internal Communication

Activity

With the aim of making Mitsui & Co. an even more vibrant, dynamic, and vigorous company, we actively create opportunities for dialogue between the management and employees. For some time, we were regularly holding so-called Active Talk Wednesday (ATW) sessions as employee gatherings, with the aim of stimulating internal communication. The way in which ATW is conducted was partially changed in 2016, and "New ATW" dialogue sessions, with a greater focus on stimulating communication between management and employees, were held at the Head Office 7 times in the fiscal year ended March 2017. In addition, Kurumaza (roundtable meetings), where the president meets with employees for open discussions, was held on 30 occasions at the Head Office and also took place at 6 domestic offices and branches and at overseas offices in a total of 26 countries and regions. 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 will endeavor to create an organization with an atmosphere of openness.

## Data of Personnel Affairs

### Figures Concerning Employees (As of March 31) ★

	Non-consolidated				
	Total employees (persons)	Male (persons)	Female (persons)	Average age of employees (years old)	Average number of years of service (years)
2015	6,085	4,447	1,638	42.4	19.0
2016	6,006	4,377	1,629	42.4	18.9
2017	5,971	4,337	1,634	42.4	18.9

### Number of Employees by Operating Segments (As of March 31, 2017)

(Unit: persons)

	Non-consolidated	Consolidated
Iron & Steel Products	321	1,374
Mineral & Metal Resources	245	440
Machinery & Infrastructure	791	15,497
Chemicals	598	2,658
Energy	378	724
Lifestyle	824	10,466
Innovation & Corporate Development	398	3,398
Americas	217	2,457
Europe, the Middle East and Africa	164	964
Asia Pacific	226	1,271
Others	1,809	3,067
Total	5,971	42,316



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### Number of Employees by Region (As of March 31, 2017)

(Unit: persons)

	Headquarter-hired staff (HS) ★	Non-Headquarter-hired staff (NS)
Japan	4,766	—
Americas	322	596
Europe, the Middle East and Africa	230	772
Asia Pacific	488	1,733
Others	165	—
Total	5,971	3,101

### NS Dispatched to the Head Office (As of March 31, 2017)

(Unit: persons)

Japan Business Integration Program trainees (BIP)	10
Japan Language & Business Program trainees (LBP)	1
Intra-company transferees	9
Total	20

### Number of Hires by Gender (Non-consolidated) ★

(Unit: persons)

	New-graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
FY2015	94	57	151	35	6	41	192
FY2016	113	78	191	29	1	30	221
FY2017 *1	103	80	183*2				—

\*1 Figures as of April 1, 2017

\*2 Includes employees who will join us on October 1, 2017 (Male: 2, Female: 1)

### Hours of Training and Expenditure on Training (Non-consolidated)

	Average hours of training per employee	Average training expenditure per employee
FY2016	15.7 hours	JPY 339,915

### Average Personnel Turnover (Non-consolidated) (Over the last three years)

Average personnel turnover	4.72%
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### Performance Data Related to Diversity

#### Proportion of Female Permanent Staff and Managers (Non-consolidated) (As of July 1) ★ (Unit: persons)

	Permanent staff			Managerial staff			Business staff			Administrative staff
	Total	Female	Percentage of Female	Total	Female	Percentage of Female	Total	Female	Percentage of Female	Total
2015	6,021	1,648	27.4%	3,353	126	3.8%	4,841	468	9.7%	1,180
2016	5,952	1,653	27.8%	3,472	168	4.8%	4,791	492	10.3%	1,161
2017	5,917	1,674	28.3%	3,514	200	5.7%	4,748	505	10.6%	1,169

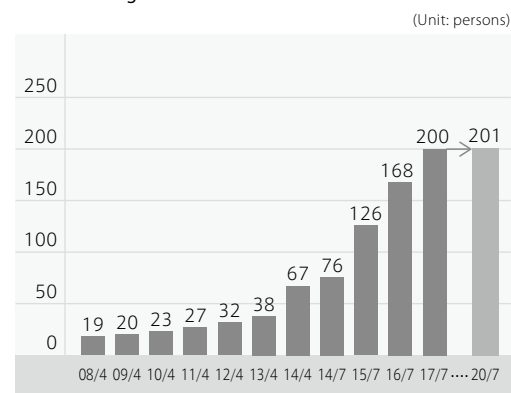
\* Includes 1 female General Manager (M1).

#### Proportion of Female and Non-resident Executive Officers (Non-consolidated) (As of July 1) ★ (Unit: persons)

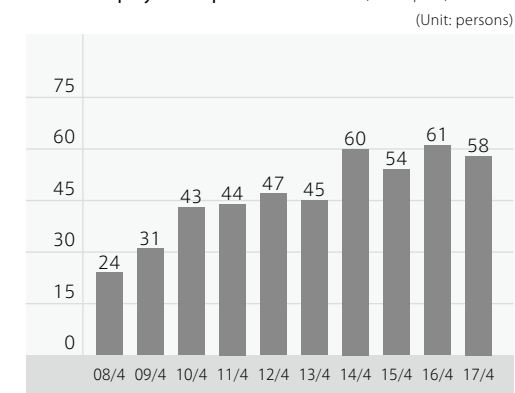
	Director					Corporate Auditor		
	Total	Female	Percentage of Female	Non-resident	Percentage of Non-resident	Total	Female	Percentage of Female
2015	14	2	14.3%	1	7.1%	5	1	20.0%
2016	14	2	14.3%	1	7.1%	5	1	20.0%
2017	14	2	14.3%	2	14.3%	5	1	20.0%

### Actual Status of Promoting Career Advancement for Female (Non-consolidated)

#### Female Managerial Staff



#### Female Employees Dispatched Overseas (As of April 1)





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## Average Age and Average Length of Service of Full Time Employees (Non-consolidated) (As of March 31)

	Average age (years old)			Average length of service (yy-mm)		
	Male	Female	Total	Male	Female	Total
2015	42.6	40.6	42.1	19-2	17-10	18-9
2016	42.5	40.6	42.0	18-11	17-10	18-7
2017	42.5	40.5	41.9	18-10	17-7	18-6

## Employment Ratio of People with Disabilities (As of June 1)

	Employment ratio of people with disabilities	Legally stipulated ratio
2015	2.45%	2.00%
2016	2.51%	2.00%
2017	2.53%	2.00%

Concerning the data marked with ★, an independent practitioner's assurance report prepared in accordance with the international standard ISAE 3000 was given by Deloitte Tohmatsu Sustainability Co., Ltd. Please refer to independent practitioner's assurance report at the link below for details.

## Employees Taking Childcare or Family Care Support (Non-consolidated) ★

(Unit: persons)

		FY2014			FY2015			FY2016		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Child care	Childcare Leave	12	40	52	13	49	62	13	50	63
	Nursing Care for Child Leave	47	111	158	42	107	149	64	138	202
	Short-time Working for Childcare	13	135	148	11	137	148	7	162	169
	Staggered Working Hours for Childcare	4	1	5	7	1	8	5	0	5
	Childbirth Attendance Leave	91	—	91	93	—	93	102	—	102
Family Care	Family Care Leave	0	1	1	1	0	1	1	0	1
	Nursing Care for Family Leave	31	52	83	42	59	101	50	74	124
	Short-time Working for Family Care	0	0	0	0	0	0	0	0	0
	Staggered Working Hours for Family Care	0	0	0	0	0	0	0	0	0

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

	FY2012	FY2013	FY2014	FY2015	FY2016
Average paid leaves taken (day)	11.2	11.0	11.2	11.8	12.8
Average paid leave usage ratio (%)	58.2	57.3	58.3	61.4	66.6



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## Evaluation by Society

### External Recognition

ESG (environmental, social, and governance) investment involves, in addition to conventional financial analyses, the evaluation of corporations from the environmental, social, and governance aspects, whereby the level of fulfillment of corporations' social responsibilities is regarded as an integral part of investment standards. Mitsui & Co. has been selected for inclusion in major world ESG investment indices — the Dow Jones Sustainability Indices and the FTSE4Good Index Series. Mitsui has also earned recognition under the Carbon Disclosure Project (CDP), in which companies are assessed in relation to climate change and the environment. In addition, we were selected in the Competitive IT Strategy Company Stock Selection, and as a Semi-Nadeshiko Brand and Eruboshi (L Star) company for being exceptional in encouraging women's success in the workplace.



#### Dow Jones Sustainability Indices

The Dow Jones Sustainability Indices is a global stock index 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 2016, 316 companies (which included 26 Japanese companies) were selected for the World Index and 146 companies (which included 68 Japanese companies) were selected for the Asia Pacific Index. Mitsui was selected for both the World Index and Asia Pacific Index in 2016.



#### RobecoSAM Sustainability Award

RobecoSAM carries out surveys and analyses for the Dow Jones Sustainability Indices. From each industry, it recommends companies that have undertaken outstanding environmental, social, and economic initiatives. A total of 466 companies (including 53 Japanese companies) were selected worldwide for the RobecoSAM Sustainability Awards 2017. In the Trading Companies & Distributors category, Mitsui was selected as one of the companies to be ranked Silver Class, which is awarded to companies that are within a 1%–5% range of the score of the industry leaders.



#### FTSE4Good Index Series

The FTSE4Good Index Series is a stock index 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 aspects 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 fulfilled the criteria of the index and was selected in the FTSE4 Good Index Series.



FTSE Blossom Japan

#### 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 in 2017.



#### Carbon Disclosure Project (CDP)

CDP is a London-based non-profit organization operated collaboratively by institutional investors. Its purpose is to urge leading companies (in terms of aggregate value) in major countries to disclose their environmental strategies and greenhouse gas emissions. In 2016, Mitsui was granted the top-level rating, "Leadership Level A-", in relation to climate change.



#### 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) for companies that undertake outstanding strategic IT utilization initiatives, from among all the enterprises listed on the TSE. In assessments for year 2017, increased emphasis is being placed on initiatives to create value through new business models based on the use of advanced technologies, such as AI and IoT. Mitsui has been selected for inclusion for three consecutive years, since year 2015.



#### Nadeshiko Brand

The Nadeshiko Brand is a designation jointly awarded by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) to companies listed in all TSE sections that have shown excellence in promoting career advancement for women. Mitsui was awarded this status in the fiscal years ended March 2015 and March 2016, and in the fiscal year ended March 2017 it was selected under the newly established category of Semi-Nadeshiko Brand.



#### Eruboshi (L Star)

Eruboshi status is awarded to 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. Requirements for certification include the fulfillment of specific standards, and the implementation of outstanding initiatives to promote the advancement of women in the workplace. In September 2016, the Minister of Health, Labour and Welfare certified Mitsui as having achieved the second of three levels under the Eruboshi system.





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## Awards Received in Past Five Years

### Fiscal Year Ended March 2017

- Hiroko Koshino Prize and Hiroshi Yagyu Prize in the 22nd National Geographic Japan Advertising Awards (Mitsui & Co. Environment Fund)
- Japan Association for Human and Environmental Symbiosis Award for Environmental Activities (Mitsui SASUGAKU Academy)
- 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)

### Fiscal Year Ended March 2016

- Ranked second in the 18th Nikkei Annual Report Awards (2015) by Nikkei, Inc.

### Fiscal Year Ended March 2015

- Ranked first in the "Toyo Keizai CSR Ranking" Wholesale Category by Toyo Keizai Inc.
- Ranked first in the "18th Environmental Management Survey" Trading Company category by Nikkei, Inc.
- Ranked first in the "2014 Award for Excellence in Corporate Disclosure" (Commerce industry category) by the Securities Analysts Association of Japan
- Received the "2014 IR Special Award" by the Japan Investor Relations Association
- Received the 20th Nikkei BP Advertising Award's Excellent Business Expert Award (2014) by Nikkei Business Publications, Inc. (Mitsui's Forests)

### Fiscal Year Ended March 2014

- Ranked first in the "Toyo Keizai CSR Ranking" Wholesale Category by Toyo Keizai Inc.
- Ranked first in the "17th Environmental Management Survey" Trading Company category by Nikkei, Inc.
- Received the Award for Special Merit in the 48th Industrial Advertising Award (2013) in the Newspaper Category by Nikkan Kogyo Shimbun Ltd. (Mitsui's Forests)
- Received the 19th Nikkei BP Advertising Award's National Geographic Japan Award (2013) by Nikkei Business Publications, Inc. (Mitsui's Forests)

### Fiscal Year Ended March 2013

- Ranked first in the "Toyo Keizai CSR Ranking" Wholesale Category by Toyo Keizai Inc.
- Ranked first in the "16th Environmental Management Survey" Trading Company category by Nikkei, Inc.



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(TRANSLATION)

### Independent Practitioner's Assurance Report

July 28, 2017

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

Masahiko Sugiyama  
Representative Director  
Deloitte Tohmatsu Sustainability Co., Ltd.  
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the sustainability information (the "sustainability information") indicated with ★ for the year ended March 31, 2017 ("Proportion of Female Permanent Staff and Managers" and "Proportion of Female and Non-resident Executive Officers" as of July 1, 2017), included in the "Sustainability Report 2017" and "Data of personnel affairs" 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). CO<sub>2</sub> quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

#### 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 Company's 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.

Member of  
Deloitte Touche Tohmatsu Limited

MITSUI & CO., LTD.