

The Fighting Against Forced Labour and Child Labour in Supply Chain Report (2023)

ABOUT THIS REPORT

Mitsui & Co. (Canada), Ltd. ("**Mitsui Canada**" or "**we**") has prepared this report (the "**Report**") being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ended March 31, 2024.

This Report describes the efforts being taken to enhance the transparency in our supply chains by outlining the steps taken between April 1, 2023, and March 31, 2024 (the "**Reporting Period**") to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.¹

COMPANY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Company Structure

Mitsui Canada was incorporated in Canada in 1956 and is a wholly owned subsidiary of Mitsui & Co., Ltd. ("**Mitsui Japan**"), headquartered in Tokyo, Japan. Mitsui Japan is one of the world's most diversified trading, investment, and services enterprises.

Mitsui Canada is headquartered in Toronto, Ontario, with an additional office in Vancouver. As of March 31, 2024, Mitsui Canada employed 40 employees.

Activities

Mitsui Canada engages in business activities such as business investment, and trading in various commodities such as energy, mineral & metals resources, foods & retail, steel, chemicals, and mobility. The company is involved in import, export, offshore trade, finance, and logistics across these sectors.

Mitsui Canada leverages a global network of 126 offices across 62 countries/regions and more than 500 subsidiaries/associated companies worldwide. This extensive network supports their market intelligence capabilities, the identification of new business opportunities, and the creation of new trade flows.

Iron & Steel Products

Mitsui Canada is a leading value chain provider, specializing in the trading of steel products, streamlining processes at each step of the value chain, managing inventory, process coordination, and focusing on further value creation through steel-related investment activities. Mitsui Canada maintains alliances with steel mills in USA, Japan, China, Korea, Taiwan, and Malaysia, and works closely with steel processors and major local customers in Canada and other international destinations.

¹ Mitsui Canada does not report in other jurisdictions under similar regimes.

Mineral & Metal Resources

We engage in the exploration, development, and production of a broad spectrum of mineral and metal resources, including iron ore, coal, ferrous and non-ferrous scrap, aluminum, copper, nickel, cobalt, manganese, petroleum coke, and direct reduced iron. The company is specialized in securing a stable supply of these resources through trading and investment activities.

Mitsui Canada is actively involved in trading, investment, and providing relevant business solutions in the commodities and environmental business areas. For example, the company coordinates the supply of mineral and metal resources to various markets such as Japan and China, and manages the supply chain of these resources, including domestic transportation and transoceanic distribution. This approach ensures a reliable supply and enhances supply stability for customers by investing in upstream operations such as mines, which help ease the tight supply of natural resources.

Infrastructure Projects

Mitsui Canada provides total project development and management services supported by decades of collaborative experience with regional and global customers and partners. Project development activities in our Decarbonization business including blue/green hydrogen/ammonia/methanol is one of the strategic focuses to address our customers' and industry's needs.

Our existing businesses include renewable power projects in Mexico and Argentina, hydropower plants in Brazil, distributed energy resources in US and Brazil, gas fired power plants in Canada, Mexico and Puerto Rico, oil & gas infrastructure projects in the USA, Mexico and Brazil (including gas distribution business and floating production storage offloading (FPSO) business), a portfolio of potable and waste water treatment facilities in Mexico, and seawater desalination and conveyance project in Chile.

Mobility

Mitsui Canada has established various business models with excellent partners to provide diverse solutions to customers in the automobile and machinery business space, including exploring new business in mining and transportation projects in collaboration with Mitsui Japan & USA.

In its business fields, Mitsui Canada acts as an automobile value chain solution provider through Mitsui affiliates, offering comprehensive solutions covering everything from import/export and transportation customer clearance to installation and civil works. Additionally, the company serves as a new technology business development enabler, utilizing Mitsui's global network to collaborate with Canadian universities and institutes to explore innovation in Canada.

Mitsui Canada has affiliates located in Canada, including Toyota Canada Inc., Penske Truck Leasing, and Penske Logistics.

Chemicals

Mitsui Canada specializes in a broad range of chemical product chains, from upstream, such as basic raw materials associated with petrochemicals, to mid-stream product categories including

plastics, inorganic chemicals, agricultural chemicals, and specialty chemicals. The company engages in domestic and international trade and logistical services for these chemicals, as well as investments in areas like chemical tank terminals, feed additives, fertilizers, crop protection, plastics, and photovoltaics.

In its business fields, Mitsui Canada deals with a variety of products within the chemicals industry, ranging from plastics and additives to agrochemicals and other advanced materials. The Chemicals Division is committed to providing customers with a wide array of chemical products through business endeavors in agrochemicals, additives, plastics, rubber, and other performance materials. This division also aims to expand Canada's chemical import/export markets, priding itself on the ability to source foreign suppliers that meet customers' needs and promote Canadian goods in Asia.

As an established global player in the sourcing of a variety of products, the Chemicals Division acts as a strategic investor within the chemical industry. It carefully researches suppliers with an emphasis on quality, production capabilities, and logistics opportunities. With access to Mitsui's global network across North and South America, Europe, Japan, and Asia, the Chemicals Division also provides expertise on import/export logistics for the products offered. The division caters to, but is not limited to, customer inquiries from the automotive, industrial, life sciences, packaging, and building sectors.

Energy

Mitsui Canada is actively pursuing the development of a well-balanced energy resource portfolio to enhance its investment, trading, and marketing activities, aiming to meet the dynamic needs of its global customer base. The company engages in the exploration, development, and production of oil and gas, coal, and other energy resources. Additionally, it is involved in the development of liquefied natural gas (LNG) projects and the trading of oil, petroleum products, LNG, coal, and other energy and mineral resources.

Mitsui Canada maintains a balanced portfolio and is actively involved throughout the energy value chain. This strategic approach not only enhances our trading and marketing activities but also ensures the provision of sustainable and reliable energy resources to our global customers. The company is developing energy projects worldwide, with a particular focus on the Americas, where it pursues business opportunities in the exploration, development, and production of various energy resources. Mitsui Canada has strategically positioned its energy and mineral resources business as a significant area of focus and continues to strengthen its business portfolio by acquiring attractive energy resource assets.

Food & Retail

Agriculture and Food Products

Mitsui Canada has been a prominent player in exporting a broad range of high-quality agriculture products and foodstuffs to overseas destinations since 1965. Thanks to solid business relationships with farmers, processors, and agronomic experts across the country, Mitsui Canada effectively meets the growing diversity of client needs and remains a strong contender in the global food business.

In its business fields, Mitsui Canada handles a variety of agriculture products, including canola, wheat, soybeans, peas, beans, and animal feed materials, as well as food products focusing on

meat and livestock. The company collaborates extensively with domestic suppliers, freight forwarders, terminal operators, and vessel owners to ensure a consistent flow of products to international customers. By selecting high-quality Canadian agricultural and food products for export, Mitsui Canada caters to the global demand for healthy, affordable nutrition. Our global network covers the foods value chain from up-stream to down-stream.

Among its main products, Mitsui maintains the largest market share in canola seed exports to Japan, facilitated by close relationships with Japanese oil crushers. Additionally, Mitsui Canada is expanding its presence in international wheat markets, currently exporting to countries like Korea and Japan. The company has also established an Identity Preserved Handling system for non-GMO (genetically modified organisms) food-grade soybeans. In the meat and livestock sector, Mitsui Canada is actively involved in exporting Canadian pork, duck, and livestock, primarily to major customers in Japan. Furthermore, the company's robust connections with major feed customers in Japan allow it to supply oats, rye, and beet pulp pellets to the Japanese market, enhancing its position in the feed sector.

Supply Chains

In the Reporting Period, we contracted with approximately 85 suppliers who supplied us with Steels, Aluminums, Foodstuff, office services and others ("**Suppliers**"). The majority of our Suppliers, approximately 25%, are based in North America (Canada, 14%; United States, 9%; and Mexico, 2%) and 75% are based in Asia (Japan, 38%; South Korea, 22%; Taiwan, 11%; and Vietnam, 4%).

POLICIES AND DUE DILIGENCE

At Mitsui Canada, we greatly value our reputation for integrity and high ethical standards. It is our policy to comply with all applicable laws and regulations, including, but not limited to, those pertaining to customs, antitrust, anti-boycott, international trade controls, employment and the environment. It is also our policy to conform to the highest ethical standards in conducting our business.

Mitsui Canada Policies

Business Conduct Guidelines To ensure that this policy is followed and to guide us, the Board of Directors of Mitsui Canada adopted the Statement of Policy and Business Conduct Guidelines. All officers, employees and agents are expected to comply fully with them. These guidelines are detailed in our "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., (Canada) Ltd ("**Guidelines**").

The Guidelines apply to all officers, employees, and agents of the Company and apply to all transactions between employees, with customers, and with suppliers. Some rules are based on Canadian federal laws which penalize individuals, as well as companies, for violations and were created to highlight our goal to have all employees adhere to proper legal and ethical standards in their business relationships.

A failure to observe the policy with respect to full compliance with laws and regulations or the Guidelines or Manual (as defined below) will subject an employee to disciplinary action, up to and including termination of employment. In addition, disciplinary action will apply to any officer or manager who directs or approves a violation or who has knowledge of it but does not take prompt action to correct a violation.

Code of Conduct for Employees and Officers (Ethics and Business Conduct Manual)

The Ethics and Business Conduct Manual (“**Manual**”) provides that, in our global supply chain, there is no place for any type of human rights violations, including child exploitation, physical punishment, forced labor, or human trafficking. We are vigilant defenders of human rights and expect the same of our employees, as well as those who do business with us. We expect any current or prospective vendor, supplier, agent, consultant, or any other person conducting business on our behalf to uphold these rights.

Any suspicion or evidence of human rights abuses in our operations or in the operations of our vendors can be reported by employees to their general manager or supervisor, or the Compliance or Legal departments.

Employee Handbook

The Employee Handbook (“**Handbook**”) sets out Mitsui Canada’s commitments to its employees, including its commitment to ensuring that all of our employees are able to work in an environment that is free from discrimination because of race, colour, religion, sex, sexual orientation, gender identity or expression, age, marital status, disability or any other prohibited ground that is protected by the human rights laws in the relevant province. This non-discrimination policy applies to all terms and conditions of our employee’s employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation and training.

Statement of Policy

Mitsui Canada follows a Statement of Policy that expressly states it is the strict policy of Mitsui Canada to comply with all Canadian laws and regulations. Without limitation, Mitsui Canada will comply fully with the laws and regulations pertaining to customs, antitrust, international trade controls, employment, and the environment. It is also the policy of Mitsui Canada to conform to the highest ethical standards in conducting business to preserve the company’s integrity and reputation.

Mitsui Canada Reporting System

Employees may contact EthicsPoint, a phone and Internet-based reporting system, which provides an anonymous and confidential method to ask questions, hear suggestions and concerns or any report of misconduct. The information provided will be sent to Mitsui Canada by EthicsPoint on an anonymous basis if requested. Employees may also submit a report online through the EthicsPoint website.

The reporting lines are anonymous, if requested by the employee and we encourage the reporting of all potential violations and do not tolerate punitive or retaliatory action taken against any employee for making a report in good faith.

Additional Mitsui Group Policies

In addition to the Mitsui Canada policies, the following policies of Mitsui Japan and Mitsui USA apply to Mitsui Canada. For the purposes of this section, Mitsui Japan and its subsidiaries constitute the “Mitsui Group”.

With Integrity – Mitsui & Co. Group Conduct Guidelines([Conduct Guidelines](#))

At Mitsui Canada, we understand that business is built on a foundation of trust, and compliance is necessary to maintain and foster such trust. In our pursuit of compliance, it is not enough simply to obey laws, regulations, and norms. It is also extremely important that we continually verify the appropriateness of our words and actions against our sense of integrity. Mitsui Japan and each of the Mitsui Group companies, including Mitsui Canada, have individually established their own corporate philosophy and business conduct guidelines. While such company-level initiatives remain very important, Mitsui Japan has put together the Mitsui & Co. Group Conduct Guidelines —With Integrity— to share the approach towards integrity and compliance on a global group basis and to continue achieving sustainable growth as a group. As a member of the Mitsui Group, Mitsui Canada and its employees are expected to fully understand these guidelines and use them as the basis for judgment in their day-to-day work.

Compliance Framework ([Compliance Framework](#))

The Compliance & Integrity Department of the Mitsui Group's Strategic & Administrative Legal Division leads compliance-related initiatives on a global group basis under the direction and supervision of Chief Compliance Officer and in collaboration with Compliance Supervising Officers appointed in each of the Mitsui Group's units and offices in Japan and overseas. The Mitsui Group Compliance Administrators are appointed at each business unit to aid in the fulfillment of duties by Compliance Supervising Officers. At a working level, Compliance Administrators also accelerate activities to raise awareness of integrity and compliance within a business unit, as well as activities to develop and reinforce compliance frameworks at each affiliated company supervised by said business unit.

Sustainable Supply Chain Policy ([Supply Chain Policy](#))

The Mitsui Group strives to understand the issues associated with its supply chains, in accordance with its global Supply Chain Policy, and is working with suppliers and other business partners to achieve a sustainable supply chain.

Under the Supply Chain Policy, the Mitsui Group does not tolerate human rights abuses and expect its suppliers to not tolerate them either, including those relating to child and forced labour. Further, the Mitsui Group expects its suppliers to understand and implement principles that show a commitment to international standards, human rights, and environmental issues.

If a business partner acts in violation of the Supply Chain Policy and causes an adverse impact on the environment or on human rights, the Mitsui Group will provide remediation guidance to the business partner. If it is determined that the situation has not improved despite ongoing guidance, further measures will be taken, including a potential reconsideration of the business relationship.

POTENTIAL RISKS OF FORCED LABOUR OR CHILD LABOUR IN OUR OPERATIONS AND SUPPLY CHAINS

As part of Mitsui Canada's ongoing efforts to prevent and reduce the risk of child and forced labour in our supply chains, MCAN conducts screening of suppliers and import partners through the credit risk screening and Import Commodity Record (ICR) system whereby commodity is assessed with proper Harmonized Tariff Classification, Valuation, Free Trade Agreements, Anti-Dumping and other regulatory audits to properly import the goods and comply with Canada Border

Services Agency (CBSA) and other Government Agencies. The mentioned screenings are done before concluding any trade contracts.

Potential Risks in Our Operations

Mitsui Canada considers the risk of child and forced labour occurring within its operations to be low considering our workforce and our policies and procedures that govern our employment relationships. From a geographical risk perspective, our employees are located in Canada only, which has a low prevalence of child and forced labour, a low risk of vulnerability to child and forced labour and a fairly robust governmental response addressing child and forced labour.²

Potential Risks in Our Supply Chain

We recognize that the risk of child and forced labour may be higher within our supply chains than in our operations. We understand that particular regions, products and raw materials carry a higher risk of child and forced labour because of the prevalence of child and forced labour in particular countries. There are also risks linked to certain industries even in countries considered to have lower risks of child and forced labour. We actively assess these risks by engaging third-party audits and compliance checks to ensure adherence to our strict standards against child and forced labour.

We are not aware of any instances of child or forced labour in our operations or supply chains. Accordingly, no steps were required to remediate child or forced labour, or the loss of income associated with remediation efforts.

Management and Mitigation of Potential Risks

Mitsui Canada employs a vendor onboarding and continuous monitoring processes to manage and mitigate risks. Our supply chains are scrutinized for adherence to our standards, which include compliance with international human rights and labour laws.

We intend to continue to evaluate our compliance measures in place that are designed to prevent and reduce the risk of child and forced labour in our operations and supply chains.

TRAINING

Our commitment to maintaining ethical supply chains is reinforced through our training programs. The training is designed to educate our employees about the importance of compliance with Canadian laws and our internal standards, including those related to child and forced labour.

Mitsui USA coordinates and provides various seminars and educational programs designed to educate the officers and employees of Mitsui Canada about the importance of complying with applicable laws and regulations and maintaining the highest ethical standards and distributes explanatory materials to assist in ensuring Mitsui USA's compliance with all applicable laws and regulations.

Beginning in May 2024, the new compliance schedule includes a module titled, "The Ethical and Legal Choice" which includes a topic on forced and child labour.

² Walk Free, Global Slavery Index 2023, found [here](#).

ASSESSING EFFECTIVENESS

The Mitsui Canada president is responsible for developing and implementing compliance programs and for maintaining and improving the effectiveness of such programs. As we continue to evaluate our compliance measures in place that are designed to prevent and reduce the risk of Modern Slavery, we intend to consider, where appropriate, implementing measures to assess the effectiveness of any of our processes.

BOARD OF DIRECTORS APPROVAL AND ATTESTATION

This Report was Approved by the Board of Directors of Mitsui & Co. (Canada), Ltd. Mitsui & Cie. (Canada) Ltée, pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Mitsui & Co. (Canada), Ltd. Mitsui & Cie. (Canada) Ltée

DocuSigned by:

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5/30/2024

Takeshi Mitsui

Director, Mitsui & Co. (Canada), Ltd. Mitsui & Cie. (Canada) Ltée