

Climate Change

Governance

Mitsui has positioned addressing climate change as a key management issue. The Sustainability Committee, a sub-committee to the Executive Committee, plans, formulates, and submits proposals to the Board of Directors for resolution and reporting.

In FY March 2024, the Sustainability Committee discussed a total of nine climate change-related topics, including expanding disclosure of Scope 3 GHG emissions, responding to the mandatory disclosure of sustainability information, reducing Scope 1, 2, and 3 GHG emissions, and deliberating on climate change response evaluation items as part of Performance-linked Restricted Stock-based Remuneration. These topics are being rolled out and disseminated throughout the Group through persons in charge of sustainability at the business units, each Corporate Staff Division, overseas regional business units, and regional blocs.

Risk Management

We have established an integrated risk management system that centrally manages company-wide risks and have positioned climate change risk (physical and transition) as one of our material risks. We have taken measures that include visualizing risks through scenario analysis and introducing an internal carbon pricing system to be used in making decisions on execution of investments and loans and in risk assessments of existing businesses.

Strategy

Scenario analysis

We conduct scenario analysis to prepare for changes in the global business environment. Particularly for businesses of high importance in terms of the amount of invested capital and the impact of climate change, we also analyze impact on profit as shown below and consider countermeasures.

| | |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subject of analysis | Impact on existing businesses based on our assumed base case, taking into account our understanding of the business environment and various scenarios |
| Target periods | FY March 2030, FY March 2040, FY March 2050 |
| Target businesses | Upstream oil and gas, LNG, metallurgical coal, thermal power generation |

For details on each business area, please refer to our sustainability data. In addition, we have established the following policy for the coal-fired power plant business and thermal coal mining.

Coal-fired Power Plant Projects and Thermal Coal Mine Projects Policy

Mitsui & Co., understands the governmental policies and targets that countries have set under the Paris Agreement and discussions taking place across the globe, and in that context we will conduct our business activities in accordance with the following policies.

- We will not invest in any new coal-fired power plant projects. We are studying plans to exit from our remaining coal-fired power assets* by 2040. We take into account the responsibility of the current owners to address the impact on local communities of power purchase agreements which will continue into the 2040s, and to ensure appropriate returns for our shareholders, as preconditions for proceeding with exit.
- We do not hold any thermal coal mine interests in the coal business. Our policy is not to acquire any new interests in thermal coal mines.

* Remaining coal fired power assets: Malaysia and Morocco

Mitsui endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2018, and discloses information pursuant to TCFD recommendations. For details, please refer to our Sustainability website.

Metrics and Targets

In addition to Scope 1 and 2 GHG emissions, we have been disclosing all Scope 3 categories since FY March 2023. For actual emissions figures for all categories, please refer to our Sustainability website.

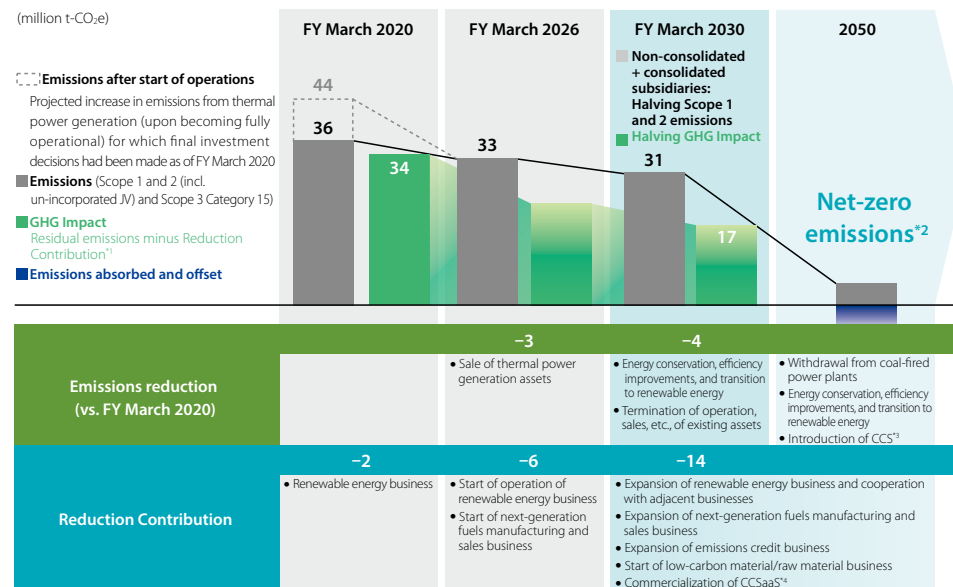
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| Metrics | Targets | FY March 2024 results | Scope 3 Emissions (Main Categories) (Million t-CO ₂ e) FY March 2024 | |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|------------------------------------------------------------------------------------|-------|
| Scope 1 and 2 (the Company and its consolidated subsidiaries, including un-incorporated joint ventures), and Scope 3 Category 15 (Investments) | 2050 Net-zero emissions | 34.0 million t-CO ₂ e | 1 Purchased goods and services | 33.5 |
| GHG Impact | 2030 Halving (vs. FY March 2020) | 29.3 million t-CO ₂ e | 10 Processing of sold products | 31.0 |
| Scope 1 and 2 (the Company and its consolidated subsidiaries) | 2030 Halving (vs. FY March 2020) | 0.6 million t-CO ₂ e | 11 Use of sold products | 98.8 |
| Renewable energy ratio | 2030 Over 30% | 29% | 15 Investments | 30.9 |
| | | | Total | 200.3 |

We expect GHG Impact* to be approximately 27 million t-CO₂e in FY March 2026, the final year of our current medium-term management plan. In addition, we achieved our target of a 30% renewable energy ratio ahead of schedule, reaching 33% in the first quarter of FY March 2025.

* GHG Impact refers to the amount of emissions minus emissions absorbed and offset and the GHG Reduction Contribution we achieved through our business activities.

Path to Halving GHG Impact and Achieving Net-zero Emissions



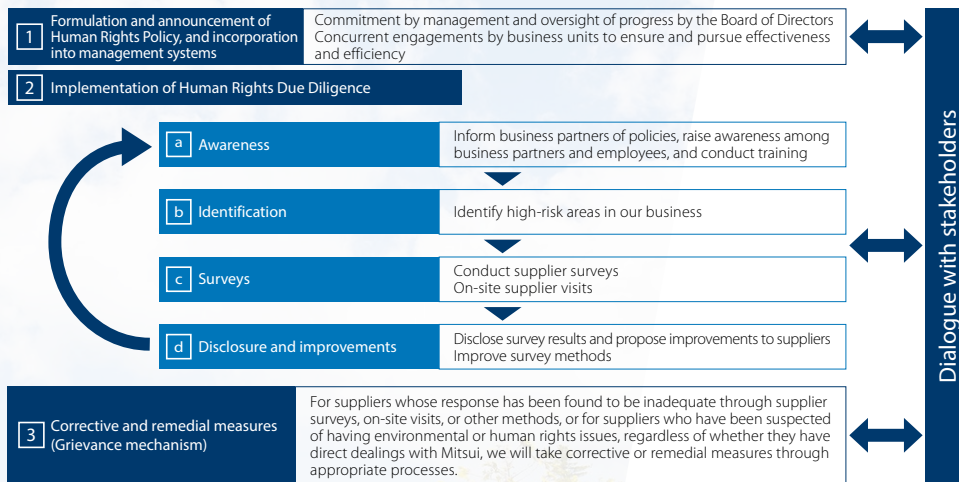
*1 Reduction Contribution in this graph includes figures for emissions absorbed and offset. *2 Reduction Contribution is not included in net-zero emissions.

*3 Carbon Capture and Storage *4 A business providing customers with Carbon Capture and Storage as a Service

Business and Human Rights, Supply Chains

Mitsui's Policies

We understand and support human rights as outlined in international standards*1 as a minimum standard. We have established a Human Rights Policy, Environmental Policy, and Sustainable Supply Chain Policy, and are working to capture and resolve environmental and social issues, including human rights issues, in the supply chain. With these efforts to respect human rights, we aim at reducing business risks and sustainable enhancement of corporate value.



*1 The International Bill of Human Rights, including the Universal Declaration of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the United Nations Global Compact, among others.

Enhancement of Human Rights Due Diligence

In FY March 2024, we reviewed high-risk areas subject to human rights due diligence with advice from external advisors. As a result, from FY March 2025 we will expand high-risk areas coverage, beyond the current scope that includes food materials, clothing, construction materials and others, to also include mining, metals, oil, gas, chemicals and other industries, as well as transactions involving products originating from emerging countries in Southeast Asia, Africa, South America, and other regions. We are also working to further enhance the effectiveness and efficiency of surveys by improving survey items, introducing an online survey system aimed at improving the number of effective responses by suppliers, and creating a process for the evaluation of survey results.



In FY March 2024, we sent our Sustainable Supply Chain Policy to 4,468 new suppliers, held training (for which we invited an attorney with expertise in human rights issues) for approximately 400 people, including external suppliers. We also sent questionnaire surveys to suppliers of Mitsui and its consolidated subsidiaries and obtained responses. In addition, a subsidiary accompanied a customer on a follow-up audit of a tea plantation in Sri Lanka. During the prior on-site visit by external experts appointed by the customer, it was confirmed that appropriate initiatives were being implemented in areas such as management, health, safety and environment (HSE) measures, and provisions for first aid. However, items requiring improvement were found in some areas, such as work rules, labor contracts, and wages. Together with the customer, we held a series of dialogues with the plantation management and thereafter confirmed that improvements had been made.



Tea plantation visited in Sri Lanka

We have also established a grievance mechanism and posted information on the Company website. During FY March 2024, we improved the content of the description, including the projected response time following receipt of a complaint. No complaints were received regarding human rights in the supply chain.

Environmental Assessments in the Supply Chain

Our questionnaire surveys cover environmental items in addition to human rights. For natural rubber, palm oil, lumber, and paper products, which can have high environmental impacts such as deforestation, we have formulated Procurement Policies for Specific Commodities, disclosed our targets and the results of traceability and procurement rates of certified products, and have made this information known to our business partners. In FY March 2024, Mitsui & Co. Seafoods, a consolidated subsidiary, formulated a procurement policy for marine products. Since the scope of environmental impact is wide-ranging, encompassing climate change, water resources, and biodiversity, we intend to increase the number of products subject to the Procurement Policies for Specific Commodities and will work with suppliers to promote environmental assessments in the supply chain.

Procurement Policies for Specific Commodities



Enhancement of Internal Processes and Measures to Raise Awareness

In FY March 2024, we introduced a system of human rights auditing in internal audits as well as voluntary audits of affiliated companies, conducted by our business units. Specifically, we worked to reduce human rights risks, including those in the supply chain, by adding human rights clauses to product purchase agreements. In addition, business and human rights content was added to career stage training programs (for new recruits and line managers) as a measure to spread awareness.

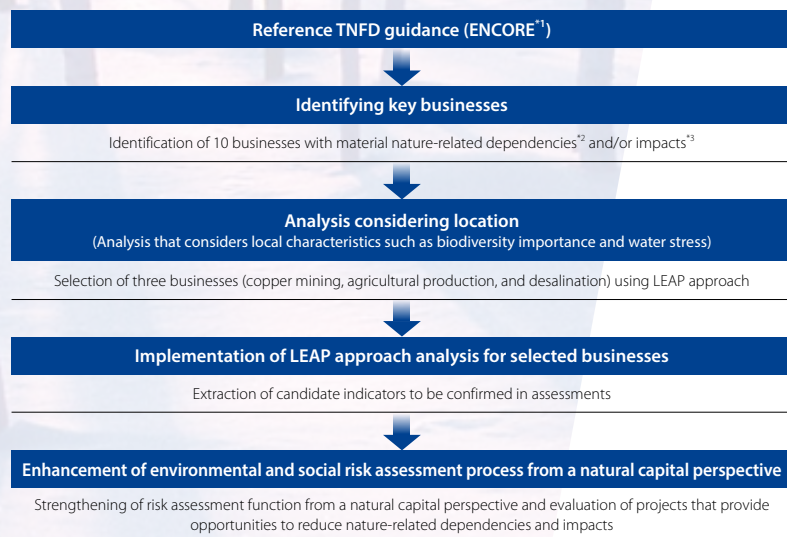
For details, please refer to our Sustainability website.
Human Rights: https://www.mitsui.com/jp/en/sustainability/social/human_rights/
Supply Chain Management: https://www.mitsui.com/jp/en/sustainability/social/supply_chain/

Natural Capital

Our Environmental Policy states that we will assess the environmental impact of our business activities and work to conserve biodiversity. In addition to this, we are aiming to contribute to the Nature Positive goal through our business activities.

Mitsui's Approach Based on the TNFD

An approach to improving our business portfolio from the perspective of natural capital



*1 An online tool that helps organizations take the first steps to understanding their dependencies and impacts on nature, jointly developed by the UNEP Financial Initiative (UNEP FI) and others
 *2 Agricultural production, afforestation, production of wood-related products, livestock and dairy farming, aquaculture
 *3 Development, mining and production of metal resources, oil and gas exploration, development, extraction and production, ports and terminals, thermal power generation, petrochemical production, production of automotives, machinery, related components, etc.

Based on the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, we have been progressing with the analysis of the nature-related dependencies and impacts of our business with a view to integrating nature-related elements into our strategy, promoting nature-related initiatives, and disclosing information. Referencing the TNFD guidance, we identified 10 key nature-related businesses, taking into account the amount of capital invested and the scale of their revenue (sales). We have designated businesses that contribute to reducing our nature-related dependencies and impacts as businesses with nature-related opportunities. Because location is important for nature-related risks and opportunities, we also conducted an analysis that took into account the local characteristics of each business location, and the LEAP approach^{*1} recommended by the TNFD for three businesses.

We will strengthen our risk assessment function by adding indicators obtained through this analysis to the list of assessment items in our environmental and social risk assessment process for all new

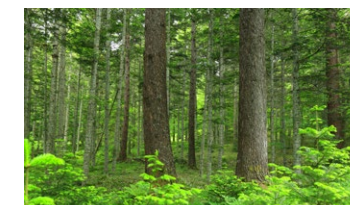
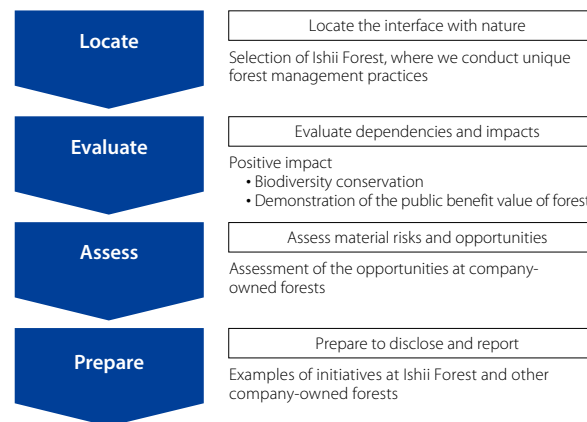
investments and loans. We will also expand evaluation of projects that provide opportunities to reduce nature-related dependencies and impacts. Furthermore, to utilize this information in project formation and assessments, we created a database of areas of high importance in terms of water risk and biodiversity, and have made a risk map available internally for use in natural capital risk analysis. Through these efforts, we intend to improve our business portfolio from perspectives of natural capital, while also contributing to achievement of Nature Positive^{*2} through business.

*1 An approach for identifying and assessing nature-related issues, consisting of the processes of Locate, Evaluate, Assess, and Prepare.
 *2 The goal of halting and reversing biodiversity loss through the reduction of dependence and impact on nature through the value chain, and by restoring and regenerating ecosystems.

Company-owned Forests: Mitsui's Forests

Mitsui owns approximately 45,000 hectares of forests in 75 locations throughout Japan. In FY March 2024, Kiyotaki Forest in Kyoto was certified as a Japanese "Other Effective Area-based Conservation Measures (OECM)" site, which will also contribute to the 30 by 30 global initiative. In addition, based on the results of applying the LEAP approach at Ishii Forest in Hokkaido, one of Mitsui's Forests in which we have achieved forest operations that enhance the value of natural capital, we evaluated its positive nature-related impact as well as its material risks and opportunities. We will continue to manage company-owned forests in a sustainable manner to contribute to ongoing biodiversity conservation and other positive impacts.

Main LEAP Approach Analysis Items for Mitsui's Forests



Ishii Forest in Hokkaido

For details, please refer to our Sustainability website.
 Natural Capital: https://www.mitsui.com/jp/en/sustainability/environment/natural_capital/
 LEAP Approach for Mitsui's Forests: https://www.mitsui.com/jp/en/sustainability/environment/natural_capital/biodiversity/leap/