Mitsui’s business activities include the following six areas: Metals, Machinery & Infrastructure, Chemicals, Energy, Lifestyle, and Innovation & Cross Function.

To fulfill our corporate social responsibility through our business activities, we are particularly focusing on four areas (human rights, the environment, consumer issues, and community involvement and development) out of the core subjects specified in ISO 26000.

*ISO 26000: An international standard related to social responsibility, established by the International Organization for Standardization, to encourage organizations in helping to achieve sustainable development. It consists of the following seven core subjects: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development
We present specific examples of CSR initiatives through our respective operations in each of Mitsui’s business fields, especially in the four subject areas we consider to be especially important: human rights, the environment, consumer issues, and community involvement and development.

Mitsui’s Business Activities 1

Meeting World Demand for Scarce Water Resources with Versatile Water Engineering

- Constructing the sewerage systems desired by citizens
- Protecting the environment through wastewater recycling
- Providing clean and safe water to communities
- Providing clean water and a sanitary environment

Mitsui’s Business Activities 2

Next-Generation Transportation Infrastructure Services that Supports Our Affluent Lifestyle

- Contributing to sustainable consumer behavior
- Listening closely to the voices of communities
- Offsetting carbon by planting trees in proportion to kilometers driven
- Car sharing supporting disaster recovery

Mitsui’s Business Activities 3

Realizing Diversity in the Procurement of Energy

- Striving for the highest level of environmental preservation on land and sea
- Pursuing a perspective of trust and harmony with indigenous people
- Interacting deeply with communities on multiple levels
- Earnestly working to supply stable energy

Mitsui’s Business Activities 4

Realizing What Customers Desire

- Furthering local production for local consumption through self-production for self-consumption
- Creating the first food recycling loop in the food service industry
- Bringing our strengths in service close to communities in public facilities
- Promoting independence of persons with disabilities
The earth is a planet full of water, which is estimated to be approximately 13.86 billion km$^3$. However, only 2.5% is fresh water, and the remaining 97.5% is sea water. The fresh water that can be obtained easily in daily life, such as water from rivers, lakes and underground sources close to the surface, only makes up 0.01% of all global water resources. Issues of uneven distribution of water resources and water contamination are becoming more serious on a global scale with increasing population and urbanization. Recycling and re-use of these limited water resources are going to become even more important day by day. Mitsui is presently contributing to solving these global water problems by utilizing its capabilities accumulated through infrastructure business, project development, financing, and the knowledge and experience obtained from its global water business and its global network.

Initiatives for Consumer Issues

Constructing the sewerage systems desired by citizens

Water problems are a common issue worldwide. However, each water project is an industrial solution closely coupled to the localized aspects of the region and is normally a long-term infrastructure service for 20 to 30 years. The water solution management truly needed by these areas cannot even be started without having a thorough knowledge of each country and each region. A strategic partner who is well acquainted with these regions is indispensable for the development of Mitsui’s global water business.

Atlatec is the largest water engineering company in Mexico. They have been involved in more than 80 water treatment projects in Mexico for nearly 60 years. Mitsui acquired Atlatec in 2008 and established a platform for full customer satisfaction by providing plant design, financing such as investment/loans, system procurement, plant construction, and operation and maintenance.

The development and maintenance of sewerage systems throughout all of Mexico is a pressing issue for the country and a longstanding desire of its citizens. Atlatec won the bid for the El Ahogado wastewater treatment plant in Guadalajara City in 2008 and, in 2009, the Agua Prieta wastewater treatment plant (capacity of 700,000 tons per day), which was the largest water treatment plant in Latin America at that time. Atlatec also won the bid for the Atotonilco wastewater treatment plant, the world’s largest wastewater treatment facility and only facility in Atotonilco, Hidalgo, a city north east of Mexico City. The processing capacity boosts an amazing 3.6 million tons per day. After the start of operations, the sewerage system coverage will increase from barely 40% to over 60%. Mexican citizens have extremely high expectations for this wastewater treatment plant, and regardless of the fact that the plant is still under construction, Mexican President Felipe Calderón visited the site to extend his encouragement and appreciation.
Environmental Initiatives

Protecting the environment through wastewater recycling

In protecting the environment, we try to provide as much clean water as we can. In parallel, we will treat all types of wastewater and return them as clean water. Without a doubt, the water business itself is contributing to environmental issues. Based on such understanding, we are looking to the future by recycling our limited global water resources.

PEMEX, a Mexican state-owned petroleum company, owns petroleum-related plants, such as refineries and tank facilities, throughout Mexico. Mitsui and Ataltec are striving for and succeeding in what is called “zero liquid discharge”, which means 100% recycling of water for PEMEX by processing every drop of wastewater produced in each area, including industrial wastewater received from those plants as well as wastewater derived from the daily life of the neighboring community. The wastewater is separated and processed at the appropriate level for each purpose, and we are even purifying black murky water from smelly crude oil to water where fish can live, through advanced water treatment technology.

The importance of wastewater recycling does not vary between Eastern and Western culture. River pollution caused by industrial wastewater has become a social issue with the rapid industrialization of China. Mitsui established Galaxy NewSpring Pte. Ltd. with Hyflux Ltd. (headquarters in Singapore), a major water business company versed in China, and starting from 2010, we have added 24 water assets in the areas of water treatment and supply, wastewater treatment, and wastewater treatment and recycling.

Initiatives for Community Relations and Development

Providing clean and safe water to communities

Mitsui is developing its business in collaboration with CH. Karnchang Public Company Limited, one of Thailand’s leading general contractors and basic infrastructure developers, as well as the Thai Tap Water Supply Public Company Limited, a tap water supply company, currently supplying clean and safe water to more than one million people every day through the Provincial Waterworks Authority. The major flooding that struck in September 2011 caused extensive damage throughout Thailand, and one of the most serious problems, oddly enough, was a lack of water. Groundwater which was still utilized by many people could not be used as drinking water as a result of the muddy rivers and contaminated water filling the city. Mineral water instantly disappeared from shelves in large supermarkets and shop storefronts as people scrambled to grab hold of bottles of drinking water. The regions surrounding Bangkok, whose water was supplied by Thai Tap Water Supply Public Company Limited, was no exception. The clean and safe water supplied from water treatment facilities was a “lifeline” throughout this flooding.

Employees commuted by boat every day and kept an eye on the water treatment facilities, even during when 2 m of flood water surged upon the facilities during the peak of the flooding. These employees protected the facilities, building levees with sandbags, and also brought drinking water as well as other provisions to neighboring residents almost every day using boats and jeeps. We once again felt the weight of our responsibility as well as fulfillment through this experience of stably supplying clean water and providing a sanitary environment to the community.

Human Rights Initiatives

Providing clean water and a sanitary environment

We believe foresight on human rights, following international standards, is fundamental to CSR management as our business grows in countries and communities around the world. Water business providing clean water and a sanitary environment is capable of improving health issues in communities that do not have tap water or sewerage systems, and it is also linked to protecting human rights. Based on these beliefs, we supported efforts of a Thai financial group to construct a mountain water supply system for Arunothai Village in Chiang Rai Province in 2011. This system currently provides water for use in daily life to a mountain tribe of approximately 20,000 people living a traditional lifestyle.
Car sharing is available for multiple club members to use collaboratively. Car sharing, which is prevalent in Switzerland, the EU and the U.S., is a new transportation system allowing easy 24-hours a day access to a vehicle instead of owning a personal or corporate vehicle. Mitsui established the wholly-owned subsidiary Car Sharing Japan Co., Ltd in Japan (CSJ) in August 2008, positioning its response to motorized society trends for a car sharing business that is moving away from “ownership” to “usage” as the next generation of regional transportation infrastructure. CSJ is expanding the membership car sharing service so that it is more convenient than rentals or personal cars, focusing on Tokyo, Kanagawa, Chiba and Saitama with the brand “Careco Car Sharing Club” (441 stations and 516 vehicles as of April 2012).

Initiatives for Consumer Issues

Contributing to sustainable consumer behavior

The shift from car ownership to car sharing is showing rapid growth in Japan. In data from 2012, the number of people using the service was approximately 2.3 times higher than the previous year, reaching about 168,000. The number of vehicles is expected to reach 25,000, with 375,000 people using those vehicles in Japan by 2014. This accelerating growth is due to concern about increase in carbon emissions and oil prices, as well as a shift in the Japanese social perspective away from a generation feeling satisfaction from car ownership to a life of affluence based on individual values. Car Sharing Japan aims, as its corporate mission, to create a fun and smart lifestyle through establishing next-generation transportation services in response to the need for environmentally friendly social infrastructures. CSJ wants to create a service that makes car sharing as convenient to use as a mobile phone and as close to daily life as a convenience store in the hopes of realizing a life of affluence in a generation with diversifying values about living standards. Careco Car Sharing Club can offer every person using the service more fun and a smarter daily lifestyle which contributes to environmental issues through sustainable consumer behavior by providing a new style of automotive use. This connects to maximizing customer satisfaction, which is one of the corporate values of Car Sharing Japan.
Initiatives for Community Relations and Development

**Listening closely to the voices of communities**

Each community has its own local personality and different requirements that need to be fulfilled. Car Sharing Japan works to reflect these needs correctly in its services by listening closely to the voices of car users. Specific examples of activities demonstrating this belief are Careco member surveys and member roundtable talks. CSJ is able to receive the candid opinions of members in a friendly atmosphere at these member roundtable talks which are held twice each year. The need for car sharing services has been changing, as the Careco membership that began with individuals and double-income-no-kids families (DINKS) has expanded to families raising children. We have received comments such as, “We want to go on drives not only with our children in a regular 5-seat vehicle, but also with our parents” and “A larger car for leisure would be convenient.” Among the major car sharing companies, Car Sharing Japan was the first to introduce mini vans for 7 to 8 people to respond to these requirements. At the same time, CSJ equipped some of the mini vans with child seats for children up to 3-years old (junior car seats for 4 to 6-year olds are standard equipment in all vehicles) to meet the needs of our membership. In the same manner, CSJ introduced vehicles suitable for winter use, based on the requests for leisure driving in winter time. Environmentally-friendly electric vehicles (EV) have also been introduced. In addition to our own operations, we are also assisting EV sharing by both local public and private entities, such as Chiyoda and Shinagawa wards as well as Fussa city in Tokyo and Saitama city in Saitama prefecture.

**Environmental Initiatives**

**Offsetting carbon by planting trees in proportion to kilometers driven**

Car sharing aims to contribute to reducing CO₂ emissions through efficient use of vehicles in line with the shift from car-ownership to car-sharing. The Foundation for Promoting Personal Mobility and Ecological Transpiration of the Ministry of Land, Infrastructure, Transportation, and Tourism has confirmed through research a drastic reduction in driving distance and a decrease in the number of owned vehicles through using car sharing in combination with public mass transportation as well as walking and bicycling, and car sharing is perceived as an environmentally-friendly transportation service. As a further environmental contribution, Car Sharing Japan has also started an initiative to plant a tree, such as Quercus serrata, or Japanese Cypress, for every 10,000 km driven per year by each of its car sharing vehicles. CSJ initiated this project in forests maintained as “Mitsui’s Forests” in Japan. Furthermore, CSJ purchases J-VER® as carbon offsetting credits to balance out a portion of CO₂ emitted by its service vehicles.

※J-VER: “Offset Credits (J-VER),” promoted by the Ministry of the Environment, can be used for carbon offset as well as be distributed in the market and have monetary value.

**Human Rights Initiatives**

**Car sharing supporting disaster recovery**

The large earthquake and tsunami that struck eastern Japan on March 11, 2011 left deep and lasting scars on the lives and hearts of the Japanese people. Car Sharing Japan started a car sharing project in Ishinomaki, Miyagi, in October 2011 in the hopes of restoring transportation infrastructure in the affected areas more quickly. The number of vehicles destroyed in the Great East Japan Earthquake is said to be between 300,000 to 400,000, which means many people lost their mode of personal transportation. This project has four locations and a total of 9 vehicles near Ishinomaki and provisional housing facilities with approximately 1,200 units. Aiming to support the restoration, this recovery car sharing has set usage fees at one-fourth the standard rate, and people affected by the disaster as well as those who are working toward restoration can use these vehicles.
Oil is considered the blood of industry, but 90% of Japan’s oil is dependent on oil imports from the Middle East. Diversifying the suppliers of energy resources, including oil, is obviously connected to the stability of the Japanese economy and national life. Sakhalin is across from Hokkaido tucked in the La Pérouse Strait. A drastic amount of crude oil and natural gas is known to be hidden in the land and coastal areas of the island. The establishment in 1994 of Sakhalin Energy Investment Company Ltd., a consortium of companies from Japan, the United States, England and Holland was formulated to focus on natural gas and crude oil development in Sakhalin gave Mitsui the greatest possible strategic advantage in the stable supply of energy. Since then, Mitsui has consistently promoted projects for over a quarter of a century, while many of the participating companies have changed.

Environmental Initiatives

Striving for the highest level of environmental preservation on land and sea

Sakhalin Energy Investment Company Ltd. is striving to be the best even in environmental preservation initiatives. The crude oil and natural gas uncovered offshore in the northeastern area of the island is supplied over land using a pipeline to the southern harbor 800 km away, and every precaution is taken to ensure the natural environment of the island, including coastal areas, is not affected. For example, ensuring zero emissions of sediment or muddy water produced when drilling oil wells. The environmental burden is eliminated by re-injecting this waste into a well dug specifically for waste. Precious marine life, such as devilfish, which are small whales, thrive in the ocean around the island. Sakhalin Energy is continuing to implement a marine environmental monitoring program for the areas which could be affected by its plant on the coast. Sakhalin Energy is responding in every way possible to sustain biodiversity. Sakhalin is also the breeding ground for sea eagles, which are specified as a rare endangered species in Japan. In a workshop with 30 participants held in April 2011, the fact that the manufacturing facilities of Sakhalin Energy have had no negative effect on biodiversity or the protection of bird life was clearly shown.

Human Rights Initiatives

Pursuing a perspective of trust and harmony with indigenous people

Sakhalin Energy strives to have the utmost communication with the few indigenous people who are living in Sakhalin and takes various measures to coexist with them. At the heart of these measures is the Sakhalin Indigenous Minorities Development Plan (SIMDP). Sakhalin Energy listens sincerely to the indigenous people and formulates plans which will generate the best results based on trust and harmony. For example, a specialized board for notices, including Sakhalin Energy job postings, is available in all villages in which indigenous people are living. Regular information related to the SIMDP is disclosed through various media, pamphlets, booklets, etc. Further communication is further reinforced through meetings held two to three times each year. Disclosure meetings were held in fiscal 2011 in over 20 villages where indigenous people were living, with more than 100 people participating. In addition to facilitating employment at Sakhalin Energy, they also support people hoping to start their own business through contributions from funds set aside in the budget. Sakhalin Energy makes sure to always gain the understanding of the indigenous people whenever starting something new.
Interacting deeply with communities on multiple levels

All information and records related to our business activities are disclosed. This is the pledge of Sakhalin Energy to society, especially the local communities, and at the heart of this pledge are the information centers. Information conveying an overall picture of projects, to the progression of construction and messages from society is provided through a wide range of media, such as local newspapers, posters, fliers and message boards. They encourage independent participation in island projects by deepening awareness and understanding of projects. In 2011, local community disclosure meetings were held ten times near the head office. More than 100 local residents joined in actively exchanging opinions. Having a dialogue with employees is also vital. As in the past, a discussion entitled “100 Workshop” is held to discuss activities mainly related to improving corporate value for the following year. The corporate executives all gather and discuss a wealth of visions. Public relations representatives visit Japan for meetings that are held to listen to the opinions of stakeholders, such as those related to the fishing industry in Hokkaido, which is surrounded by La Pérouse Strait. Sakhalin Energy takes action as a member in good standing of local communities and international society and participates in the United Nations Global Compact to create a framework for realizing sustainable growth. Sakhalin Energy undertakes business as a member of the LEAD program of the United Nations Global Compact, in which 56 companies worldwide are participating.

Initiatives to Consumer Issues

Earnestly working to supply stable energy

Natural gas is environmentally-friendly energy with minimal CO₂ and NOX emissions and no SOX emissions. In Japan, natural gas is primarily used for power generation and urban gas, and the amount imported, which is currently 80 million tons, is expected to increase. Crude oil imports from the Middle East, which currently exceed 90% of the oil used in Japan, can be considered a problem from a risk management perspective for a country where securing stable energy resources that support industry as well as people’s lives is most vital. The Middle East and Japan are separated by 13,000 km, and a journey by ship takes 15 to 20 days. In comparison, shipments from Sakhalin only take 2 to 4 days. The stable supply of crude oil and natural gas in the long-term to Japan and Far East Asian countries is possible through the Sakhalin II project. Efforts to build energy infrastructure are taking hold based on a long-term vision, which is contributing to comfortable lifestyles. This is the mission of Mitsui.
Mitsui is expanding its service business through private finance initiatives (PFIs). Its affiliated company Aim Services utilizes commercial know-how in social business projects. Aim Services, which started in Mitsui’s staff cafeteria, has a 36-year history of providing premium-quality food that is safe, affords peace of mind and is healthy and delicious in places that serve the public, such as companies, schools, hospitals and welfare institutions. In recent years, Aim Services has provided 1.2 million meals per day at about 3,400 locations in Japan. After the Great East Japan Earthquake, a large amount of food was secured with the help of suppliers throughout Japan. Food services were offered in the eastern regions of Japan, without missing a meal, by arranging land and air routes different from the normal ones, which were in disarray.

### Initiatives to Consumer Issues

#### Furthering local production for local consumption through self-production for self-consumption

Food provided to the community uses ingredients from the community as much as possible. The self-production and self-consumption project, which started through contracts with farms in Kanagawa prefecture and Chiba prefecture, was formulated to advance this philosophy even further. This project, with Aim Services employees at its core, assists vegetable production using facilities provided by neighborhood farms by inspecting the crops at least once a week. Differing from contracts that leave cultivation up to farms, this involves project staff participating in on-site vegetable production, and such quality management improves awareness of ingredients through experiencing the cultivation process. The harvested vegetables are called Smile Vegetables, and explanations about them are displayed at service locations, such as employee cafeterias, which have made Smile Vegetables quite popular.

Self-produced and self-consumed vegetables are only a small portion of the vegetables that Aim Services provides. However, they symbolize the company’s goal to provide premium-quality food that is safe, affords peace of mind and is healthy and delicious, and Aim Services plans to establish one self-production and self-consumption farm in a city in each prefecture in the future. Quality management includes thorough traceability, including knowing the faces of the farmers who grow the vegetables, as well as educating Aim Service employees on manners and quality service.

#### Environmental Initiatives

**Creating the first food recycling loop in the food service industry**

Japan’s Food Recycling Law was formulated with the aim of building a closed-loop economy. The closed-loop model, which is part of the recycling business plan, is called the food recycling loop. Aim Services acquired the first certification in the food service industry in 2011 by completing this model with the cooperation of associated companies. Roughly 170 tons of food waste produced by 11 locations in Tokyo and Kanagawa each year was made into animal feed, and upwards of 60% of the eggs from hens raised on that feed were then used as ingredients at Aim Services locations throughout Japan. The range of the food recycling loop needs to be expanded in the future to realize sustainable use of resources. The recycling rate, which was 28% in fiscal 2010, increased to 30% in fiscal 2011. In the future, Aim Services aims to reach 40%, which is the goal the food service industry is striving to reach. Recycling of waste edible oil also started in 2010. The waste edible oil produced in service locations in Nagoya City in Aichi prefecture is reused as soap powder for laundry and fuel for diesel engines by businesses in the city. Some of the soap powder for laundry is used for laundering dish towels and other items used primarily in kitchens at businesses throughout Japan.
Initiatives for Community Relations and Development

Bringing our strengths in service close to communities in public facilities

The Private Finance Initiative (PFI) Act, enacted in Japan in 1999, is aimed at utilizing private funds and know-how for formation, operation and maintenance of public institutions and other facilities as well as services needed there. In 2007, Mitsui & Co., Ltd. established a special purpose company (spc), Kitsuregawa Rehabilitation Program Center, with SECOM CO., LTD., TOKYO BISO KOGYO CORP., Shogakukan–Shueisha Production Co., Ltd. and, since then, has been performing its operational responsibilities there in cooperation with Mitsui & Co. Facilities Ltd. and AIM SERVICES CO., LTD. We also have been in charge of partial operation of three existing corrective facilities, Kurobane Prison, Shizuoka Prison and Kasamatsu Prison, since 2010. We thus contribute to preventing second offence and creating a safe society by providing job training programs and employment supports matching the real vocational needs of societies within those prisons under the conditions of PFI Act and other related acts.

As an example of business that directly serves the public, Aim Services has been responsible for comprehensive food service operations at the New Hiroshima Municipal Stadium since it opened in April 2009. We provide food services that fit the community based on the know-how of ARAMARK Corporation®, which has a proven track record of food service operations at 13 Major League Baseball stadiums in the U.S. Everyone who visits the stadium in Hiroshima praises the enhanced facilities and services, which had never been seen in a Japanese stadium before. There is a wide range of spectator seats, from sports bars where the game can be watched right next to the field, to party rooms for friends to get together in, to seats from which you can enjoy meat and vegetables cooking right in front of you, as well as many more. The shops in the stadium that have been loved for a long time remain, while we furnish the stadium with easy-to-view menus and locations that are easy for customers to access. The fresh vegetables used in the restaurants and bento boxes at the stadium are produced locally.

※ ARAMARK CORPORATION: Our business partner since its establishment 36 years ago and America’s largest service management company.

Human Rights Initiatives

Promoting independence of persons with disabilities

Aim Services actively employs people with disabilities at locations throughout Japan to promote their independence. There are already more than 300 people with disabilities working for us, and Aim Services was ranked 2nd in Japan in the employment ranking of persons with disabilities announced by the Ministry of Health, Labour and Welfare (from over 5,000 employers in 2008; not announced after 2009). Furthermore, to support the independence of persons with disabilities through means other than offering employment, suppliers of starch to a business we outsource in Japan started in 2010 to standardize their workplaces to accommodate persons with mental disabilities. These employment support services involve separating large bags of starch into smaller ones, enhancing commercial value. As a result, Aim Services bulk purchases a large amount of starch, and the increase in income for these services supports the independence of persons with mental disabilities through stable wages.