

CSR at Mitsui & Co.



Contribution to Society

While modern society is becoming increasingly diverse and dynamic, undergoing ever faster change and growth as globalization and the integration of information and communications technologies accelerate, it is also facing a long and varied list of economic, environmental, and societal challenges: climate change, food, energy, water, and other environmental and resource-related issues, problems with human rights, poverty, child labor, and educational inequality.

Our sustainable growth as a private corporation cannot be achieved without improvement in the sustainability of society as a whole. We believe that our duty as a member of society is to assist the local communities, nations, and international communities in which we operate as they take steps to overcome these challenges toward a better future.

Mitsui believes its corporate social responsibility is to continually contribute to society through its core business. As we launch businesses, create new value, and build interpersonal relationships, we hope to contribute directly and indirectly to the healthy growth of local communities—domestic and abroad—and the global economy, for better standards of living for everyone.

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Core Values: Originating in Mitsui's Founding Philosophy



The former Mitsui & Co., which was established in 1876, was disbanded as part of the dissolution of Japan's zaibatsu (industrial conglomerates) shortly after the end of World War II. The current Mitsui was founded by employees of the former Mitsui & Co. 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 & Co., and are reflected in our stance toward our work. The principles of Mitsui's CSR have always reflected its founder's values, a way of thinking unchanged to this day.

"Avoid infatuation with immediate advantage. To achieve enduring prosperity, harbor grand aspirations."

"I started Mitsui & Co. 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

Mitsui's Management Philosophy

For many years, Mitsui's way of thinking and the values it holds in business and work were never articulated on paper. So in 2004 we systematically and clearly set forth in written form the implicit values we shared, 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)

Mission Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

Vision Aim to become a global business enabler that can meet the needs of our customers throughout the world.

Values

- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.

Contributing to Society through Our Core Business

2006 was the 130th anniversary of the former Mitsui & Co.'s founding. During that year we embarked on a company-wide initiative called "Yoi-Shigoto! Our Origins, Your Future." This initiative encouraged each employee to look back on our spirit of the founding of the former Mitsui & Co. and ask him or herself the question, "What "Yoi-Shigoto" (good quality work) must Mitsui do for the future?" and "Can the work we are doing now really be considered good quality work?"

"Yoi-Shigoto" expresses the sense of the values that should be shared with every employee at Mitsui as it expands a broad-range of businesses globally. These values are (1) beneficial to society, (2) useful to and creating added value for our customers and partners, and (3) a worthwhile challenge for each employee. Mitsui's social responsibility, and the core of CSR at Mitsui, is to continually deliver value to society—that is, to practice *Yoi-Shigoto* day after day, year after year—through our core business.

As the requirements and expectations of society change rapidly with the times and as various issues grow more serious, relations between society and companies will also change. What roles should companies play, not just now but in the future? What is a company's purpose in being as far as society is concerned? And what does society require of its companies? People working in companies must understand and be sensitive to these changing relationships between companies and society and continue to rethink their roles.

A vital process in striving to make *Yoi-Shigoto* a reality is the personal process of heightening one's sensitivity to social and environmental issues, going beyond the minimum obligations that companies have of complying with laws and social ethics to ask the questions, "What significance does my work have in society?" and "How can I benefit society?" Of course, there is no one business or project that, in and of itself, represents *Yoi-Shigoto* or Mitsui's CSR. Our social responsibility, rather, is to ensure that we do good quality work that delivers value to our customers and to society at large.

Mitsui's CSR and Corporate Sustainability

If society is not sustainable, the companies in society will not be sustainable. Also, if a company is not sustainable, it cannot fulfill its social responsibilities. We believe that *Yoi-Shigoto*, the core of our CSR approach, creates value in society, and profits will follow as a result of fulfilling our responsibilities to society. Our view is that it is important to think of these issues in this order and that practicing *Yoi-Shigoto* will lead to the sustainability of Mitsui's activities.

Through Mitsui's many years of development as a company, we have constantly sought to anticipate what the future will bring, how society and the nation will evolve, and understand how Mitsui should change. In parallel with this, we have also been constantly concerned about how Mitsui should wield its potential and best draw on its resources, and how it should further advance its functions and capabilities.

We now need to look ahead to understand what Japan and the world will be like in the future and determine what Mitsui can do to contribute in creating a better world by identifying impending issues as well as formulating a sound vision and planning steps to take in our day-to-day work. As we work toward making this vision a reality, creating new value through *Yoi-Shigoto* will enable us to contribute to the creation of a sustainable society as we put Mitsui's CSR into practice.

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.

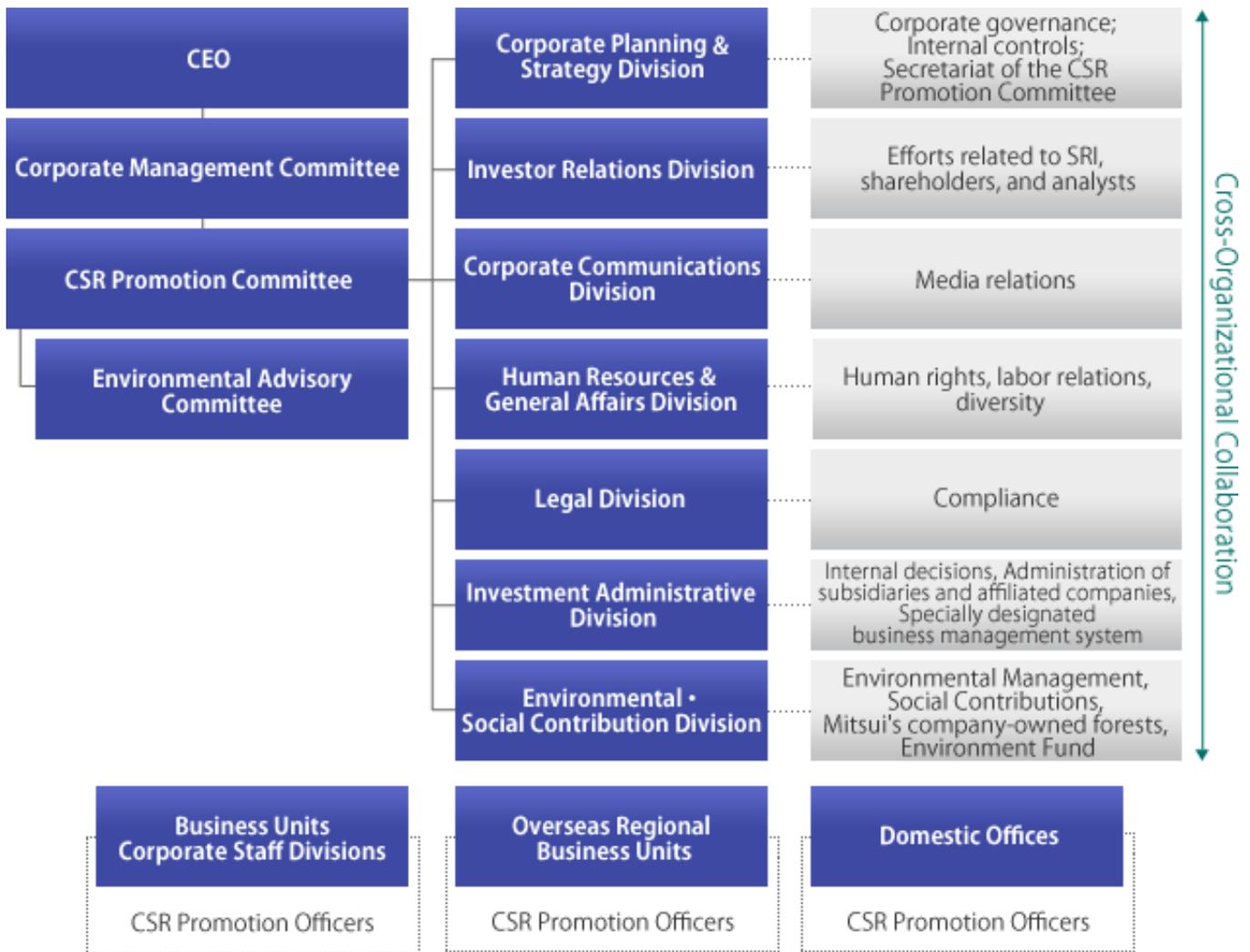
Recently, Mitsui has carried out a general review of its Basic CSR Policy. Mitsui's Basic CSR Policy is a philosophy clearly set forth in written form that has been passed down through the years along with our management philosophy (Mission, Vision, Value), which serves as a guidepost for all our business activities. Its core foundation remains unchanged and serves as the cornerstone for the CSR Mitsui aims to achieve. Meanwhile, globalization has advanced rapidly in the last 10 years, social problems have become more complex, and the circumstances surrounding businesses have changed steadily. In 2010, ISO 26000 (Guidance on Social Responsibility) was released, and in 2011 the OECD Guidelines for Multinational Enterprises were revised. With these shifts and others like them, the number of roles that corporations are expected to fulfill by the international society is likely to continue to increase in an effort to achieve sustainable societies. So, although its core remains unchanged, Mitsui has reviewed its Basic CSR Policy, which was originally formulated in 2004, based on recent changes in social awareness about CSR. Working groups were formed with each department related to corporate staff divisions, and the opinions of third parties including experts were integrated during the review of the Policy. Each and every one of us will assimilate our Basic CSR Policy and then continue to put it into effect and create value through its wide-ranging business activities.

Developing the CSR Promotion Framework

In 2004, Mitsui formed the CSR Promotion Committee as an advisory body to the Corporate Management Committee to develop Mitsui's internal framework with respect to CSR and work to raise CSR awareness among employees. Mitsui also promotes CSR-related activities based on cross-organizational collaboration to meet the needs and expectations of society in relation to the company's social values and initiatives.

As a measure to facilitate planning and promotion of the CSR activities, such as practicing CSR management and penetration of "Yoi-Shigoto" concept in the organization, together with the staffs in the workplaces of each Unit, we appoint CSR Promotion Officers in each of the corporate staff divisions, business units, overseas regional business units, and domestic offices; and are building our internal CSR network. We also hold a CSR Promotion Officers Meeting once per quarter as a place for officers to share information.

CSR Promotion Framework



CSR Promotion Committee

The CSR Promotion Committee submits proposals to the Corporate Management Committee on CSR-related management policies and business activities, inculcates the importance of CSR management throughout the Company, makes recommendations with respect to "Specially Designated Businesses", and conducts other related activities.

The committee's chairman is the executive officer in charge of corporate staff divisions (oversees the Corporate Planning & Strategy Division), and its deputy-chairman is the executive officer in charge of corporate staff divisions, including 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 its members. The committee has the following duties:

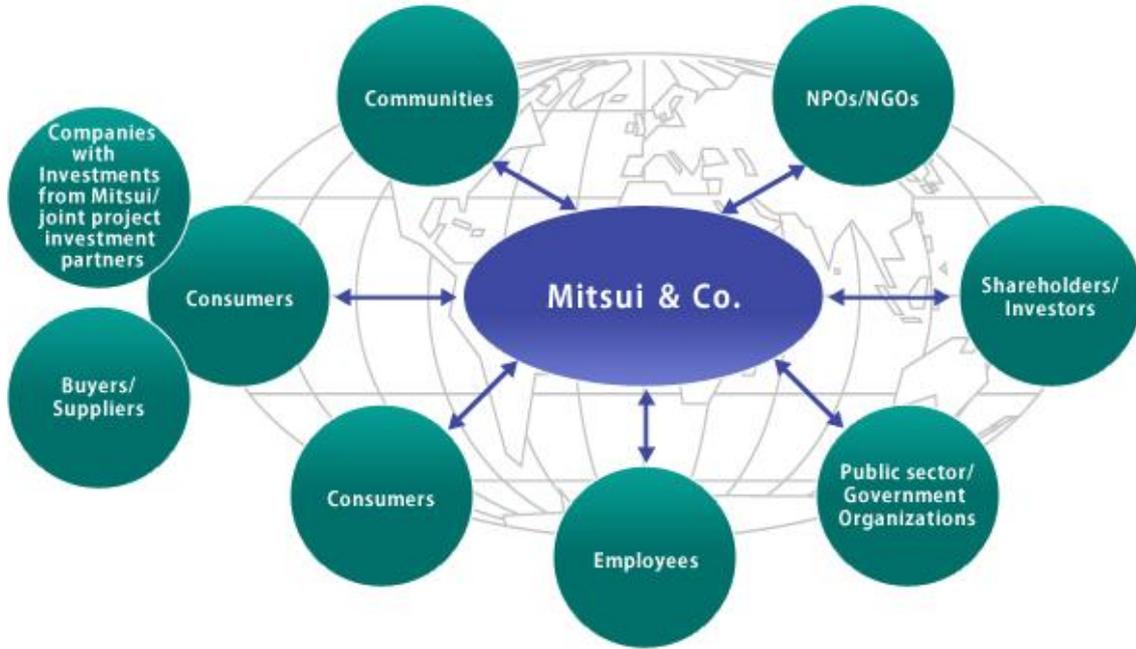
1. Develop fundamental policies on the management of the Company's CSR and fundamental plans for activities promoting CSR
2. Configure and establish an internal corporate structure for the management of the Company's CSR
3. Determine the key issues to focus on each year for activities to promote the CSR measures of the Company and ensure progress on these
4. Respond to issues related to CSR, both within and external to the Company
5. Decide whether to support individual proposals qualified as Specially Designated Businesses, and determine necessary precautions for projects that will be supported

Furthermore, the Environmental Advisory Committee has been established under the CSR Promotion Committee, with the objective of responding to various CSR related issues.

Mitsui's Stakeholders

Mitsui closely monitors the effects of its diverse and global business activities on society and works to identify its stakeholders who are especially interested.

Through interactive communication with our stakeholders, each of Mitsui's employees and officers is endeavoring to acquire a firm understanding of what society expects from and requires of them. Based on this understanding they will strive to respond to changes in market environments, constantly develop themselves, and through Mitsui's core business, create new value that is useful to society and befitting of the Mitsui name.



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Stakeholder Engagement

“We hope to continue to create value through our business activities, vitalize Japan and enrich the world.” In order to achieve this goal, it is absolutely necessary to consider the needs of and what we can do for everyone around Mitsui, including our staff, business partners, shareholders, partner companies, and the end users of our products. Mitsui endeavors to listen to the opinions of stakeholders, and to understand social trends.

Past Activities

January 2013: *Yoi-Shigoto* Roundtable

Masayuki Kinoshita—Senior Executive Managing Officer and chairman of the CSR Promotion Committee—and Koichi Tanaka—Executive Managing Officer and vice-chairman of the committee—joined our six young employees to discuss *Yoi-Shigoto*. Various opinions were expressed regarding the meaning of *Yoi-Shigoto*, including that it is “something with no right answer to *Yoi-Shigoto* but that is a constant learning process”, that it means employees should “regularly stop and take the time to think about *Yoi-Shigoto* because they all work so frantically”, or that it means “contributing by playing a supportive role.” The dialogue served as a chance to again realize the importance of thinking in the moment for each and every employee.



December 2012: “CSR from our origins into our future”

Participants:

Iwao Taka Professor in the School of Economics and Business Administration, C. Hiroike School of Graduate Studies
Kazutaka Okubo CSR Promotion Officer at Ernst and Young ShinNihon LLC, Certified Public Accountant, and Certified Fraud Examiner
Toru Suzuki Managing Officer, and Chief Operating Officer of the Performance Chemicals Business Unit

Facilitator:

Tatsuo Yasunaga General Manager of the Corporate Planning and Strategy Division



Experts reflected on Mitsui’s CSR initiatives and offered their opinions on issues that employees should be aware of currently, as well as what will be required of the company in the future. The dialogue touched a wide variety of topics, including dialogue with stakeholders, innovation, the supply chain, abilities at workplace, and the types of leaders the company needs. Furthermore, the sharing of information was promoted by publishing the details of the dialogue in the company magazine “*MBK LIFE*” as well as on the company intranet, with employees gaining hints that they can utilize in their daily work.



June 2012: Mitsui Environment Month“Lecture : A talk on the ocean and the environment – the impact of global warming on the marine ecosystem and on us”

Please refer to p.68.

November 2011: “Initiatives in the real estate business field for consumers”

Participants:

Takako Ide Professor in the Faculty of Economics at Seikei University
Atsuko Tsuchida Chief Researcher at the Nippon Association of Consumer Specialists
Members of the Mitsui Urban Planning & Development Division, Consumer Service Business Unit

Professor Ide offered her opinions based on current trends in the government and academic circles, and Chief Researcher Tsuchida provided a variety of suggestions from the perspective of consumers. Mitsui will utilize the opinions and suggestions offered in this dialogue in future business activities.