

# Environmental Initiatives

Mitsui and Co. is promoting environmental management towards realizing sustainable development on a global Group basis.



Mitsui's Forests Niwan Forest

## A Message from Mitsui's Environmental General Manager

Society today faces complex, large-scale environmental issues on multiple fronts, including climate change, energy sustainability, water resource management and conservation of biodiversity.

The seriousness of all these issues is growing. Our role in helping resolve environmental issues is also growing, because our goal of sustainable growth for Mitsui & Co. is intrinsically connected with the sustainability of the world in which we live.

Mitsui's management is committed to proactively addressing environmental issues, and is driving environmental initiatives on a global basis throughout the Group. We are dedicated to helping create a sustainable society, not only through the development of specific environmental businesses, but also through comprehensive measures to reduce environmental risk and burden across the entire spectrum of our business activities.



Mitsui & Co.  
Representative Director, Executive Vice President, Environmental General Manager  
Masayuki Kinoshita



## 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.

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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

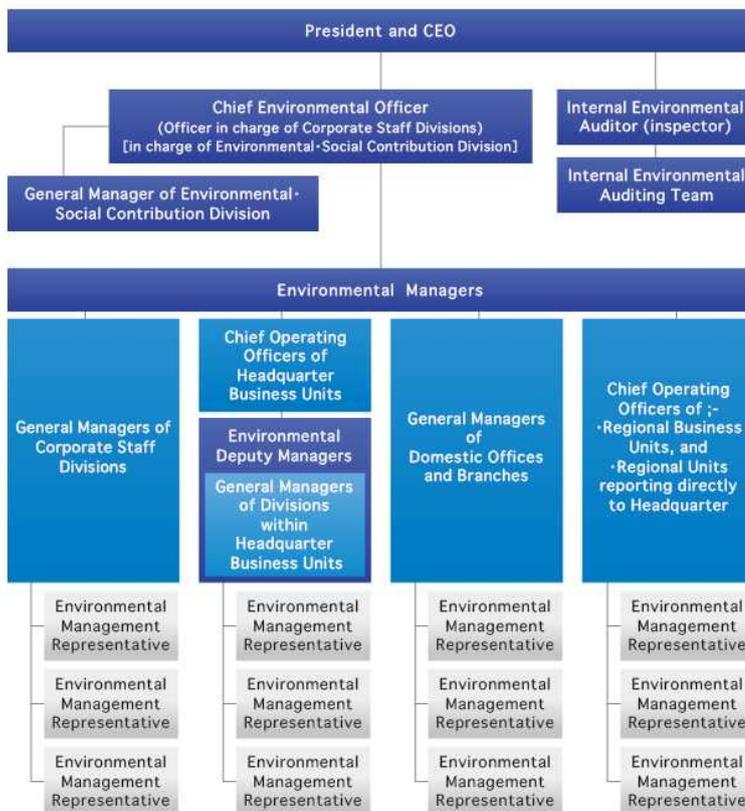
We will engage in business activities with the goal of providing rational and permanent industrial solutions, and contribute to the realization of "sustainable development" by exploiting our individual abilities and the collective strengths of our organization in cooperation with our global partners.



## Environmental Management System

To facilitate effective environmental management, Mitsui & Co. has implemented a global Environmental Management System across the entire Group, applicable to all operational areas.

A Chief Environmental Officer has been appointed to assist the President with his management responsibilities in relation to environmental issues, and the general manager of the Environmental-Social Contribution Division has been appointed to execute environmental management. In addition, a number of environmental managers have been appointed, including the Chief Operating Officers of each business unit, the general managers of each corporate staff division, the general managers of each branch and office in Japan, the chief operating officers of overseas regional business units and Chokkatsu (directly managed) area unit leaders. This organizational framework enables environmental management on a Group-wide basis. (Environmental Management System information as of April 2014)



## Improvement of the effectiveness with specialist personnel

Mitsui has appointed Standing Environmental Experts in the area of environmental/social risk management.

We are also supporting personnel at our principal business units and global environmental department in their efforts to qualify as ISO14001 Environmental Provisional Auditors, a qualification that allows them to monitor the environmental management status of subsidiaries and provide advice and guidance as necessary.

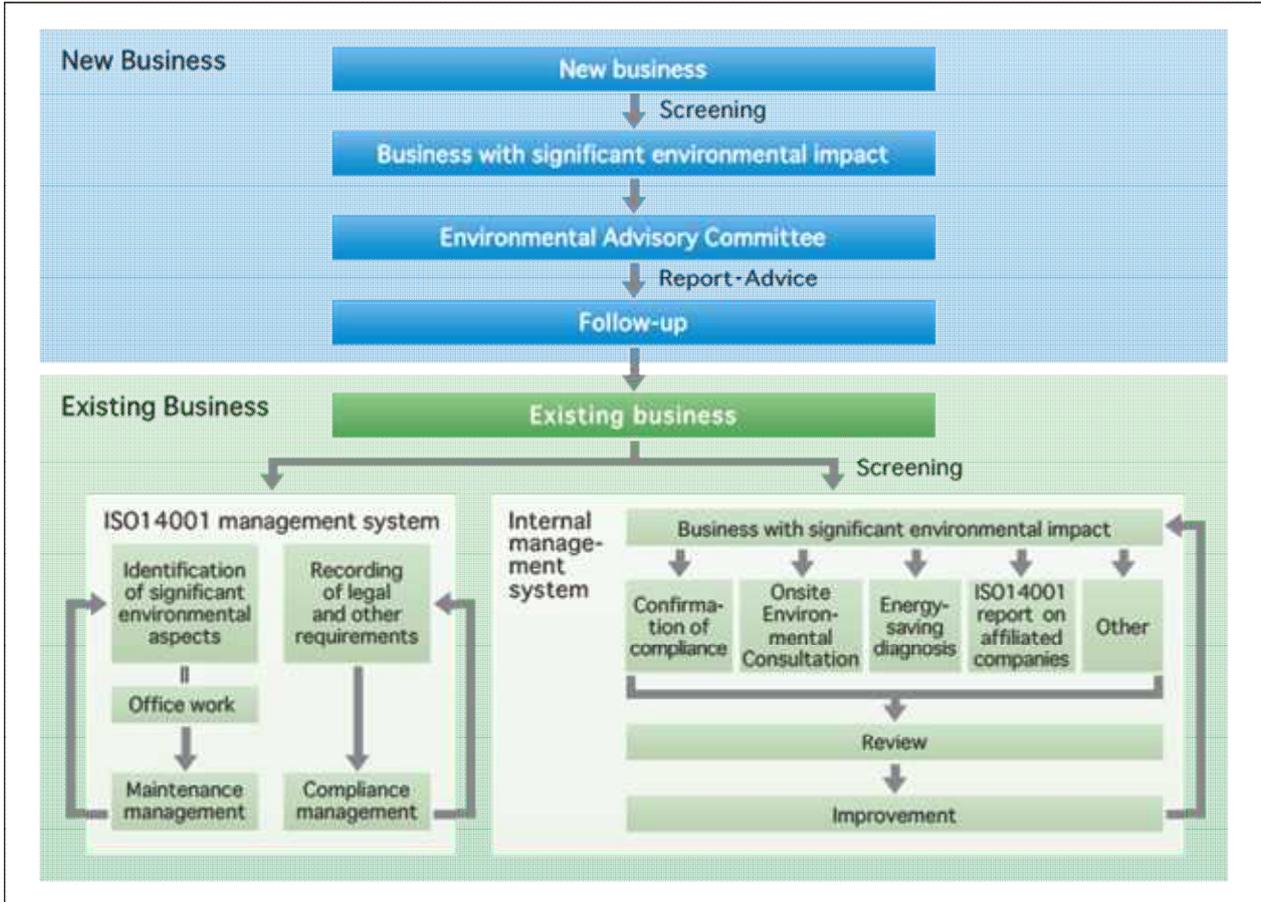
In order to provide our subsidiaries with specialist advice and guidance on environmental risk management, we are going forward with personnel to become certified ISO14001 Environmental Lead Auditors. To date, three personnel have acquired this qualification. Personnel with the Environmental Provisional Auditor qualification work as auditors during the internal environmental audits mandated by the ISO14001 standard, applying their expertise to promote more effective internal auditing.

# Consideration for the environment within our businesses



Mitsui & Co. is expanding its business globally through its six segments in metal, machinery and infrastructure, chemicals, energy, lifestyle, and innovation and cross function. Through initiatives in these segments, Mitsui is working to ensure the greatest possible consideration for the environment.

In order to best understand and manage the environmental risks for our various businesses, we operate a unified environmental management system on a global Group basis. The system includes environmental law research and onsite environmental consultations, as well as the application of the ISO14001 standard for continuous improvement under a PDCA approach.



## Environmental Management for New business

### Specially designated business management systems and Environmental Advisory Committee

New projects are examined internally, and must receive approval prior to their implementation. Reports will be made on an ad-hoc basis by the CSR Promotion Committee and the Environmental Advisory Committee, with final approval coming from the representative directors through Ringi approval. Members of the Environmental Advisory Committee will primarily be selected from external experts, lawyers, and others who possess a broad range of perspectives on measures in global warming, environmental restoration, ambient water and air pollution, soil contamination, environment impact assessment as well as stakeholders' concern.

## Environmental Management for Existing business

### Environmental management through Mitsui's original system

Environmental management is not limited to ISO14001 – it is also conducted through our original system, in existence prior to the introduction of ISO14001. We will continue to utilize both systems as we plan for the substantial reduction of our environmental burden and risk through continuous improvement in environmental management.

## Deciding on targets for management

The Global Group, consisting of Mitsui, domestic and overseas subsidiaries, and domestic and overseas affiliate companies, designates candidate areas for management. Through quantitative and qualitative analysis, the global Group designates Plans/Companies with Substantial Environmental Impact.

From these designees, we further designate Business Sites of Importance in Environmental Themes, which become targets for management. These Business Sites of Importance in Environmental Themes are managed with emphasis on onsite environmental Consultations and environmental law research to reduce environmental risk.

## Onsite Environmental Consultation

Based primarily on the environmental impact evaluations of Business Sites of Importance in Environmental Themes, Mitsui's Global Environmental Department staff and Environmental Coordinator, together with environmental consultants from third party organizations, travel to the corresponding business sites. They conduct onsite environmental consultation for implementing specific improvement plans for observing environmental laws, reducing burden on the environment and preventing environmental pollution. In fiscal year 2013, we conducted consultations of 2 domestic and 3 overseas business locations. From the start of environmental consultations in 2001 through fiscal 2013, we have consulted over 200 companies in Japan and overseas.

### Example 1: ITOMIC KANKYO SYSTEM Co., Ltd. (Mitsui affiliated company)

We implemented an environmental survey on ITOMIC KANKYO SYSTEM, a manufacturer of heat pumps that use carbon dioxide as a refrigerant. Compared with our previous visit, we confirmed that there have been marked improvements in the 4 S's—standing for *Seiri* (orderliness), *Seiton* (neatness & tidiness), *Seiketsu* (cleanliness) and *Seiso* (cleaning)—in both the environmental facilities and inside and outside the buildings for daily management. An environmental management standard has been established, and with good communication between the top management and employees, employee proposals have been adopted, marking improvement in the area of the environment. The company's products have received strong recognition for their environmental performances, winning the "Heat Pump and Thermal Storage Technology Center of Japan's award" in two consecutive years, 2012 and 2013, thus garnering strong social recognition for a focus on the environment.



A Well-Organized Workplace



Nihon Itomic's Systems Heat Pump

### Example 2: COMPANIA DE OPERACION Y MANTIMIENTO VALLADOLID, S. DE R.L.DE C.V. (COMV) (Mitsui affiliated company)

COMPANIA DE GENERACION VALLADOLID, S. DE R.L.DE C.V. (CGV), in which Mitsui holds a stake, engages in long-term electric power wholesales to the CFE (Comisión Federal de Electricidad) in Mexico. We conducted an environmental survey on COMV, which runs and manages the natural gas combined cycle Valladolid III Power Station (525 MW) owned by CGV. This project received ISO14001 environmental management system certification in February 2013 by the regular audit and is incorporating environmental management practices in its power business. From the standpoint of on-site management, an operations procedure is in place to properly measure emissions and waste water, manage wastes, and control hazardous substances, such as nitrogen oxides, to maintain clean air and water as much as possible. Furthermore, through its stable supply of electricity, CGV and COMV have earned the trust of the nation and the local region as an electricity provider that supports Mexico's rapid industrial growth. Our environmental survey verified that it is also active in helping preserve the flora and fauna of the surrounding forests from the viewpoint of biodiversity conservation, thus doing all it can not only to preserve the status quo, but to carry out the best environmental management possible.



Combined Cycle Valladolid III Power Station, which is operated and managed ecologically

## Environmental accident response

During the fiscal year ended March 31, 2014, there were no environmental-related incidents at the parent company. There was, however, small environmental-related incident reported by one of our subsidiaries. This incident was quickly addressed, and, as a result, all related corrective and preventive measures have been completed. When a major environmental incident occurs, the Environmental Incident Response Committee convenes to identify the causes and consider appropriate corrective and preventive measures.

## Analysis of Greenhouse Gas (GHG) Emissions

Mitsui is carrying out initiatives to reduce greenhouse gas (GHG) emissions on a global Group basis. In Japan, since the fiscal year ended March 31, 2006, we have continuously monitored GHG emissions to ascertain our GHG emission volumes from year to year. In the fiscal year ended March 31, 2012, the Group announced a plan to reduce energy consumption at both its parent company and its domestic subsidiaries by an average of over 1% per year (based on basic units). The entire group is promoting the reduction of GHG emissions from energy sources. Overseas, we began surveying the GHG emissions of our subsidiaries from the fiscal year ended March 31, 2009, and we are continuing to consider new initiatives to reduce GHG on a global Group basis.

## ISO14001 (Environmental management through ISO14001)

A core element of our environmental management structure's existing business phase is the ISO14001 standard for continuous improvement under a PDCA approach.

Mitsui's Head Office, domestic branches and offices have retained ISO14001 certification since it was first granted in 1999. In fiscal year 2012 and 2013, we made increasing managers' environmental consciousness an environmental goal, and achieved this by establishing objectives appropriate for each department and branch.

Domestic subsidiaries with high environmental burden and risk are recommended to gain ISO14001 certification, and 27 completed the procedure thus far. In order to maximize the efficacy of ISO14001 among subsidiaries and affiliates, we hold seminars providing information on next revisions of ISO standards and the latest environmental technology and equipment. We also held an ISO14001 study group for practical explanation of ISO standards. The study group helps to improve understanding by answering questions on the application of environmental management systems and audits. In addition, our Business Units observe and participate in subsidiaries and affiliates' ISO14001 internal audits and external audits, enabling us to understand the status of their environmental management and provide accurate guidance and support. The Business Units receive and verify the ISO14001 inspection reports, and are running an Subsidiaries and Affiliated Company ISO14001 Monitoring System that recommends improvements and examinations on matters judged to be important environmental themes.

### Subsidiaries with ISO14001 certification (27 companies in total)

Seikei Steel Pipe Corporation, Mitsui & Co. Nagoya Steel Center, MSS Stainless Steel Center Co., Ltd., Shin Sanko Koukan Corporation, Toyo Wire Ltd., Mitsui Bussan Kozai Hanbai Co., Ltd., Mitsui Bussan Metals Co., Ltd., Kanto Denko KK, Daito Chemical Co., Ltd., Mitsui Oil Exploration Co., Ltd., Chita Futo Co., Ltd., Prifoods Co., Ltd., San-ei Surcochemical Co., Ltd., Mitsui Norin Co., Ltd., B Food Science Co., Ltd., Mitsui & Co. Facilities Ltd., Bussan Real Estate Co., Ltd., Tri-net Logistics Co., Ltd., Toshinsoko Ltd., Konan Futo Co., Ltd., Mitsui & Co. Steel Ltd., Mitsui Bussan Machine Tec Co., Ltd., Mitsui Bussan Frontier Co., Ltd., Mitsui & Co., Plastics Ltd., Mitsui Knowledge Industry Co., Ltd., MKI Technologies Co., Ltd., Mitsui Electronics Inc.

Overseas subsidiaries with high environmental burden and risk are also making progress in obtaining ISO14001 or equivalent local environmental management system certification.

# Complying with environmental-related laws and regulations

Mitsui & Co. seriously strives to comply with environmental-related laws and regulations in conducting its business. As a global group, we conduct diverse training, research and site verification activities for our employees to gain full awareness of various environmental-related laws and regulations in domestic and international settings to ensure compliance with the laws and regulations.

## Training seminars on environmental laws and regulations

We hold seminars for employees at Mitsui & Co. and at domestic affiliated companies annually on environmental laws and regulations, including the latest amendments to laws, for them to have a deeper understanding of the subject. From fiscal year 2013, we began co-hosting these seminars with other *sogo-soshas*. In addition to Tokyo, a seminar was held in Osaka, with 103 participants from Mitsui & Co. group companies. We also conduct a separate training seminar on the Waste Management and Public Cleansing Act, as a majority of the affiliated companies are subject to the law. In addition to classroom training focused on precautions in complying with the Waste Management and Public Cleansing Act, as well as case studies on law violation incidents, the training included procedures for on-site checks at waste disposal facilities and actually visiting the facilities. The participants expressed their appreciation for the on-site visit as a valuable learning experience.



## Compliance status survey concerning environmental laws and regulations

We conduct surveys on the compliance status of our domestic subsidiaries regarding environmental laws and regulations. We work very seriously to achieve legal compliance by implementing measures in a number of ways. One example is creating checklists that include the latest amendments to the environmental-related laws and having subsidiaries answer each checklist question. Not only do we check for breaches of laws and regulations, we also aim to have the officers and employees of subsidiaries gain a deeper understanding of environmental regulations.

In the fiscal year 2013, we provided support to subsidiaries individually in building environmental management system to extend our legal and regulatory management horizontally between the subsidiaries.

## Confirming status of compliance with laws and regulations through onsite environmental surveys

We conduct onsite environmental surveys focused on business with a significant environmental impact. Through the environmental surveys, we check whether or not the operations comply with the environmental laws and regulations of the country and region where the business site is located. Please refer to “Onsite Environmental Survey” on the “Consideration for the environment within our businesses” page (p.71).

## Major issues associated with managing environmental-related laws and regulations

### Energy saving laws and regulations – work in environmental logistics

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 are involved in work related to environmental logistics and the implementation of energy saving use during shipping and logistics.

At present, we handle a diverse range of freight, including iron and steel, other metals, chemical products, and foods.

We handle a total of 510 million ton-kilometers\*<sup>1</sup> of domestic freight annually. About 83% is carried by ship, about 17% by truck, and the remainder by rail or airplane. Since we handle more than 30 million gross ton-kilometers of domestic freight annually, 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, to meet the requirements of the Energy Saving Act we began to carry out an array of company-wide initiatives to promote efficient energy use in our logistics business. These initiatives included making improvements to our operating systems and arranging seminars and other information events.

In each of our business units, we collaborate with our logistics partners and promote economical driving practices and other fuel saving techniques. We also work to raise efficiency by using larger transport vehicles, introducing cargo consolidation arrangements, and reviewing transport routes. We implement energy saving measures through modal shifts, making use of rail and ship transport.

Each business unit is responsible for formulating and implementing specific energy reduction plans\*<sup>2</sup>. These plans are gradually being implemented with the support of the Logistics Management Division as the administrative body, which consults with government and administrative agencies (Japan's Ministry of Economy, Trade, and Industry), compiling data, conducting checks based on the PDCA cycle, and holding in-house seminars, and the Environmental and Social Contribution Division, which is responsible for overall company-wide environmental management systems.

\*<sup>1</sup> Ton-kilometers are calculated by multiplying the number of metric tons of cargo by the distance they are transported (in kilometers).

\*<sup>2</sup> Plans are prepared on an annual basis, with monthly status reports

#### Freight Volumes Handled by Mitsui



#### Energy Reduction Policy

<b>Selection of transportation method</b>	Use of railways, shipping (modal shift) Use of sophisticated freight services
<b>Measures to improve transportation efficiency</b>	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
<b>Alliances between transportation service providers and users</b>	Review of distribution frequencies Adoption of coordinated logistics planning
<b>Measures to increase fuel efficiency</b>	Eco-drive driving techniques Installation of fuel-saving equipment

#### Result for Fiscal Year Ended March 31, 2014\*<sup>3</sup>

<b>Specific consumption*<sup>4</sup></b>	19.9
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\*<sup>3</sup> Results are as provided to the Kanto Bureau of Economy, Trade and Industry in June 2014.

\*<sup>4</sup> Specific consumption: An expression of energy efficiency, calculated as energy used (liters of oil equivalents) divided by thousand ton-kilometers, where a smaller number represents higher transportation efficiency.

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## Compliance with Waste Disposal laws

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Mitsui operates in compliance with the Waste Disposal and Public Cleaning Law (referred to as the Waste Disposal Law or Waste Law). Disposal of industrial and general waste generated through commercial activities is managed by Mitsui's Logistics Management Division, which prepares waste handling process flows, answers questions, and offers other ongoing support to business units within Mitsui. In addition, the Logistics Management Division holds periodic seminars to increase the awareness and understanding of proper waste disposal practices, covering such matters as the selection of waste management subcontractors, manifesto production and management, and other related issues. The division also holds seminars for associated companies, providing guidance from experienced personnel and offering other waste management related assistance with the aim of promoting appropriate handling of industrial waste.

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## Responding to REACH regulations (Registration, Evaluation, Authorization, and restriction of Chemicals)

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REACH is legislation developed by the European Union (EU) that places restrictions on the registration, assessment, and permits required for chemicals. The REACH legislation became effective on June 1, 2007, with pre-registration completed by November 30, 2008 and the first full registration by November 30, 2010.

Under these regulations, compliance with the REACH law is required of all related businesses manufacturing in or importing into the EU. Mitsui has worked in cooperation with its European offices to complete a database on all the relevant chemical substances and to structure systems to confirm compliance with REACH regulations.



In order to realize the goal of creating a sustainable society in which the economy and the environment are both considered in harmony, there must be cooperation between government, NGO/NPOs, individuals, and companies.

Mitsui strives to communicate its messages to a wide spectrum of stakeholders. We introduce our environmental initiatives on our website, support the development of environmental awareness and interest among our employees, and build networks. We also join assorted business parties etc. and are continuing opinion exchange or discussion for environmental issue with them.

## Internal environmental communication

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. We also join assorted business parties etc. and are continuing opinion exchange or discussion for environmental issue with them.

## Regular seminars and training sessions

At Mitsui, we work to raise awareness of environmental issues among employees of Mitsui, our subsidiaries and affiliated companies, through regular seminars, environmental law training sessions, and ISO14001 training programs.



## Seminars and training sessions held in fiscal 2013

Title	Number of Times per year	Target audience	Outline
Environmental law training (half-day course, 1-day course)	4	Mainly Mitsui, subsidiaries and affiliated company employees	Management methods based on ISO14001, recent environmental law trends, basic knowledge, and key law amendments, etc.
New environmental manager training	2	New environmental managers	An explanation of Mitsui Group's global environmental management system, environmental managers and their role, etc.
Internal environmental auditor training (ISO14001)	3	Mitsui, subsidiaries and affiliated company employees pursuing Internal environmental auditor certification	For the purpose of improving the Company's environmental management and support systems based on ISO14001
Internal environmental auditor practical training (ISO14001)	2	Internal environmental auditors, department representatives in charge of self checks	Roll-play based training which aims to improve the efficiency of internal audits and self checks
Plant visits	2	Mitsui, subsidiaries and affiliated company employees	A visit to the plant of a company leading the way in environmental management, to improve awareness among environmental managers, and improve management capabilities
Environment seminar "Lecture on Environmental Waste and Tour of Processing facility"	2	Officers and employees of Mitsui & Co. 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
ISO14001 study session	8	Mitsui, subsidiaries and affiliated company employees	Accurate explanations of ISO regulations

Mitsui Environment Month(2013/06)	Target audience	Outline
Lecture: "Sharing the Light of Life" Screening: "The Future as Seen by Asahiyama Zoo-Save Borneo Elephant in the forest from the crisis of the extinction"	Officers and Employees of Mitsui & Co. and its affiliated companies	A lecture on the importance of preserving biodiversity with specific examples based on experience in zoo operations  Documentary: "The Reality of Environmental Destruction and the Asahiyama Zoo's Efforts to Protect Borneo Elephant, Which Is on the Border of Extinction after Being Hunted as a Destructive Animal Devastating Fields"
Lecture: "Protecting Water and the Future of Life on Earth with Natural Water Sanctuaries (Suntory)"	Officers and Employees of Mitsui & Co. and its affiliated companies	Lecture on the importance of water as an indispensable resource and environmental preservation through Suntory's activities known as "Bringing Water to Life"

## Mitsui Environment Month

At Mitsui, every June is known as Environment Month, during which a number of programs are held for officers and employees of Mitsui and its affiliated companies. During Mitsui Environment Month 2013, we presented a lecture and held a screening on the importance of preserving biodiversity, as well as a lecture on the importance of water an indispensable resource.

Lecture: "Sharing the Light of Life"

Screening: "The Future as Seen by Asahiyama Zoo—Save Borneo Elephant in the forest from the crisis of the extinction"

We invited the director of Asahiyama Zoo, Gen Bando, to give a lecture entitled "Sharing the Light of Life," which was attended by about 150 officers and employees from Mitsui & Co. and its affiliated companies. A week before the lecture, we held a screening on the reality of environmental destruction in Borneo, the home of the zoo's popular orangutans, as well as Asahiyama Zoo's challenge to preserve Borneo Elephant, which is on the brink of extinction. Around 120 officers and employees attended the screening. Opinions in the questionnaire following the screening included: "Seeing the reality that human achievement is built on the sacrifice of a great number of animals was an important realization for me" and "It is important for each one of us to do everything we can to be considerate of and be able to coexist in the natural environment."



Lecture: "Protecting Water and the Future of Life on Earth with Natural Water Sanctuaries (Suntory)"

It was the UN International Year of Water Cooperation in 2013. Suntory Holdings' Environmental Sustainability Strategy Division Chief Specialist Takeshi Yamada was invited to give a lecture on the theme of "Protecting Water and the Future of Life on Earth with Natural Water Sanctuaries (Suntory)." Around 120 officers and employees from Mitsui & Co. and its affiliated companies attended the lecture. Opinions in the questionnaire following the lecture included: "I was interested in the fact that efforts to create forests connect to areas such as biodiversity and human resource development" and "I learned that it takes a long time to create fresh water and about what should be done about the state of the forests."



## Building a network with NGOs and NPOs

Mitsui is working to build a network with NGOs (Non-Governmental Organizations) and NPOs (Non-Profit Organizations) who are positioned as some of the Company's key stakeholders.

Since July 2005, Mitsui & Co. has supported the activities and research of NGOs and NPOs through the Mitsui & Co., Ltd. Environmental Fund, which was established with the aim of contributing to the creation of a sustainable society and solving environmental problems. We also assist to interchange and to make networking through the gathering among the grant recipients.

## Initiatives conducted through financial circles

### Japan Foreign Trade Council: Global Environment Committee

Mitsui & Co.'s role as a member of the Japan Foreign Trade Council, includes such initiatives as ascertaining energy usage volumes across the entire trading industry, promoting the 3Rs (reuse, reduce and recycle), gathering information on new energy through its main business, and developing a "Voluntary Action Plan on Environment (global warming / recycle-oriented society)" for the trading industry. We also conduct study sessions and arrange expert presentations related to environmental laws and regulations, through which we work to actively promote environmental awareness and gather key information.

### Japan Business Federation: Committee on Nature Conservation, Committee on Environment and Safety

As a member of Nippon Keidanren (Japan Business Federation) Committee on Nature Conservation and Committee on Environment and Safety, Mitsui actively works on biodiversity conservation protection of the natural environment, and global environmental problems and solutions. We have seconded one Mitsui employee to this committee. We are also a participant in "Japan Business and Biodiversity Partnership", through which we work together with various organizations including business associations, NGOs and research organizations, and public institutions, and share information and experiences for the promotion of biodiversity, with the ultimate goal of creating a sustainable society which considers both the economy and the environment.



Mitsui & Co. is pursuing initiatives aimed at helping address a range of environmental issues, including the creation of a low carbon, recycling society, and the preservation of biodiversity. Here we introduce two key programs, one for preserving biodiversity and one for realizing a low carbon society.

## Initiatives for preserving biodiversity

### Activities to Conserve Biodiversity through Business: Tree-Planting Program in Australia

Mitsui is carrying out a eucalyptus tree planting program in Australia, together with Nippon Paper Industries Co., Ltd., for the stable provision of wood chips (the raw material for paper). Australia was chosen for its very flat land area compared to mountainous Japan, and because its tree planting areas are highly productive and intensively managed – so much so that they are often called tree farms. The trees grow for approximately 10 years between planting and harvest, known as one 'rotation'. After harvest, reforestation (or coppice regeneration) is done so as to grow subsequent rotations of trees in a sustainable manner.

Mitsui's joint tree planting program with Nippon Paper Industries is being carried out in four areas throughout Australia. As of December 2013, the total forested area was approximately 180 km<sup>2</sup>, equivalent to an area slightly larger than Washington DC. Tree planting commenced at two of these four areas in 1996, and these two areas are currently in their second rotation. For more than ten years now, each project has been managed with full consideration for the environment over the long term.

These tree-planting areas have all acquired Australian Forestry Standard certification, which is recognized under the international Program for the Endorsement of Forest Certification (PEFC). The PEFC promotes sustainable forest management, and its international forest certification system evaluates whether or not forests are being adequately managed.

To acquire this certification, a forest must satisfy the following four criteria, and have a positive impact on biodiversity:

1. Compliance with local laws and regulations
2. Monitoring of the forest's health, results of forestry operations, and production results
3. Creation of and adherence to long- and short-term forest management plans
4. Forest management that takes into consideration the environment and local communities

As an example of our adherence to these criteria, we are being careful not to disrupt the many kinds of flora and fauna that live in the wetland and headwater ecosystems of the land we manage. We are also actively preventing the supplanting of native vegetation by controlling specific invasive weeds.

All forest management activities near water and tree planting areas are carried out with reference to Australia's Department of Sustainability, Environment, Water, Population and Communities' database of rare species (for native reptiles, mammals, birds, fish, etc.). As a result, these activities also serve to protect native species, headwaters, and water quality.

The greatest threat to biodiversity is posed by bushfires. To prevent these we install mandatory firebreaks throughout the tree farms, maintain a fire truck response system, and operate a continuous monitoring network. In cooperation with neighboring farmers, we make use of the Australian location to allow sheep to graze the forest undergrowth, helping prevent the spread of fire at the same time as reducing the need for weed killers and other such chemicals.



Tree-Planting areas in Australia



Sheep that contribute to preventing the spread of fires

## Activities to Conserve Biodiversity through Mitsui's Forests

With the habits of a wide range of living organisms rapidly disappearing, businesses today need to take initiatives for the preservation of the biodiversity which is the foundation of our survival. Through appropriate management of its forests, Mitsui is committed to making the social contribution of nurturing biodiversity and passing on a rich forest environment to the future generations. For more information, Please refer to "Growing Forest to Protect Biodiversity", at p.96.

## Initiatives for a low carbon society

### Power saving measures at Tokyo head office

In the spring of 2011, Mitsui installed solar panels across an area of approximately 2,000 square meters on the roof of its head office building in Ohtemachi, Tokyo. The reduction in CO<sub>2</sub> emissions as a result of this initiative is equivalent to the amount that would be absorbed by 11.3 hectares of forest. Our efforts to reduce electricity consumption following the Great East Japan Earthquake resulted in a 20% reduction in the amount of electricity used in 2012 compared to 2011. The solar panels accounted for 1.5% of this saving. The amount of power being generated by these panels is presented in real time on a display in the head office building's first floor lobby. We will continue to pursue other steps to improve the environmental performance of our offices, including the installation of high-efficiency lighting, motion sensors and the use of inverter-type air conditioning equipment. We achieved to reduce 1.8% of electric consumption compared with the year before by these steps.



Solar panels installed on the roof of the head office building



Power savings are visible on a display in the lobby

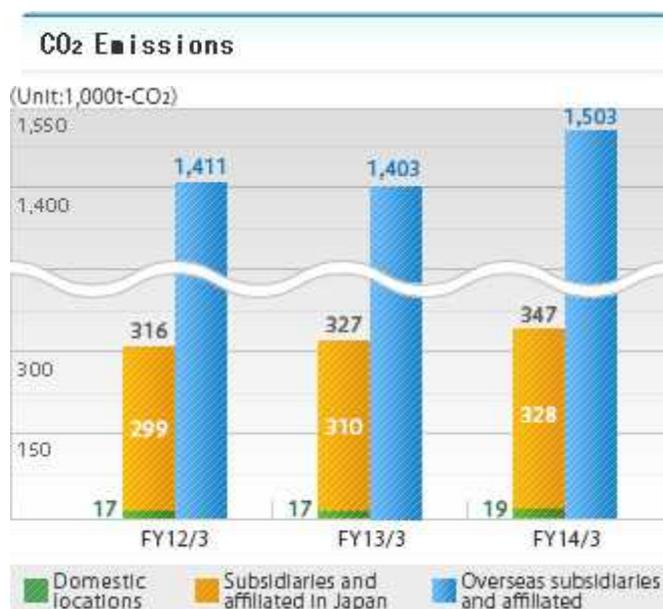


Workspace with high-efficiency lighting and motion sensors installed



## Management of Greenhouse Gas (GHG) Emissions

Mitsui is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions on a global Group basis. From the fiscal year ended March 31, 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 (intensity target) since the fiscal year ending March 31, 2012 for Mitsui itself as well as for its domestic subsidiaries, by an average of over 1% per year. In this way the entire group is promoting the reduction of GHG emissions from energy sources. In addition, Mitsui has begun surveying the GHG emissions of its overseas subsidiaries since the fiscal year ended March 31, 2009 and we are continuing to consider new initiatives to reduce GHG on a global Group basis.



<Scope of coverage>

1 Estimates of electric power usage: It is based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy. The scope includes not only Mitsui's Head Office, subsidiaries, and branches, but also buildings owned in Mitsui's name in Japan as well as rental buildings, offices, and training centers.

2 The volume of CO<sub>2</sub> emissions:

\* Domestic locations are based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy. The scope includes not only Mitsui's Head Office, subsidiaries, and branches, but also buildings owned in Mitsui's name in Japan as well as rental buildings, offices, and training centers.

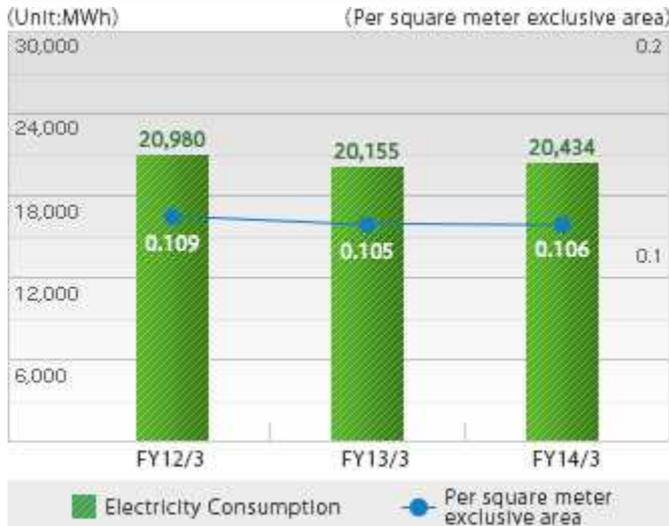
\* Subsidiaries and affiliated companies in Japan are domestic subsidiaries as specified in the Financial Instruments and Exchange Law. Estimates are based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy. Also we reviewed the data in FY12/3 in accordance with surveying in FY13/3.

\* Overseas subsidiaries and affiliated companies are overseas subsidiaries included within the scope of consolidation. Estimates are based on the computation criteria stipulated in the World Business Council for Sustainable Development (WBCSD) and GHG protocols (2004).

## Reducing the Environmental Impact of Offices

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.

### Electricity Consumption



### Water Consumption



### Paper Consumption



### Waste



	FY12/3	FY13/3	FY14/3
Recycling rate(%)	73.7	76.4	84.4

\* Figures for Electricity Consumption and Paper Consumption are all offices in Japan (Mitsui & Co., Head Office Building (Tokyo), 6 Offices, 5 Branches).

\* Figures for Water Consumption and Waste recycling are for the following Mitsui-owned buildings: (Mitsui & Co. Head Office Building; Nagoya Building (Chubu Office); and Osaka Building (Kansai Office)).

## Environmental Accounting/ Environmental Liabilities

### Environmental Conservation Costs

The cost of environmental conservation for all of Mitsui's domestic Offices during the fiscal year ended March 31, 2014 is outlined below.

(Unit:1,000JPY)

Category	Investments	Expenses
Business areas costs	893,631	1,054,293
Upstream/downstream costs	0	142,336
Administration costs	29,922	627,681
Social activity costs	0	910,051
<b>Total</b>	<b>923,553</b>	<b>2,734,361</b>

\* Based on the Environmental Accounting Guidelines (2005 version) published by the Ministry of the Environment of Japan  
Scope of coverage: All offices in Japan  
Target period: April 1, 2013 – March 31, 2014

### Environmental Conservation Benefit

Mitsui's environmental conservation and economic benefits for paper consumption, energy consumption, and waste output during the fiscal year ended March 31, 2014 are shown below.

	Environmental preservation effects	Economic effects (Unit:1,000JPY)
Paper consumption	1,246sheets	695
Electricity consumption	△281Wh	△41,069
Waste recycling	△31 t	△1,096

Environmental preservation/Economic effects are calculated by Actual numerical results for the previous year – Actual numerical results for this year

Scope of coverage:

Paper: All offices in Japan / Sheet: A4-size sheet equivalent

Consumption of the electric power used and of the waste emissions: Buildings owned by and in use by Mitsui in Japan

### Assessment of Environmental Liabilities

Currently, demands are being placed on corporate management to make proactive efforts regarding environmental issues. Mitsui endeavors to understand the environmental risk—particularly asbestos, PCB, and soil pollution—of tangible fixed assets such as the land and buildings of Mitsui itself, as well as those of its domestic group subsidiaries, through on-site investigations. It also works to respond in a timely manner in order to ensure its usefulness during decisions and judgments related to management policies, in addition to responding to legal requirements.

Environmental  
Initiatives