Five Material Issues in the CSR Field (Materiality)

Mitsui prioritizes corporate social responsibility (CSR) in its corporate management. We have identified Five Material Issues in the CSR Field for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of a future where the aspirations of the people can be fulfilled, as set out in our corporate mission.

We recognize these Five Material Issues as societal issues relevant to all of our business activities. We assess the risks and opportunities that arise from the effects of these issues and disclose our approach to each of them.

At the same time, as a management approach in line with the GRI Guidelines (G4 Guidelines), we define specific themes to work on and categorize each of our Five Material Issues accordingly and clearly indicate relevant policies and set targets. We strive to implement measures to address issues by identifying material aspects and boundaries, as indicated by the G4 Guidelines, through this approach.

Detailed reports on each of the themes addressed in “Five Material Issues in the CSR Field” (p. 14–16) can be found in “Activity Reports by Material Issue” (p. 17–79).
Recognition of societal issues

Main risks and opportunities

• Global warming, climate change
• Loss of biodiversity
• Energy and water shortage
• Environmental pollution

As a corporation that operates across countries and regions around the world, we recognize the importance of giving consideration to impacts on the global environment.

• Risks
  Negative impact on business activities brought about by abnormal weather due to climate change, and higher environmental costs resulting from ecosystem destruction, degradation, etc., as a consequence of business activities.

• Opportunities
  Expansion of environment-related markets due to increased environmental awareness and the tightening of regulations, and expansion of business domains as a result of energy diversification.

Mitsui & Co.'s Approach

We will comply with environment-related laws, regulations, and treaties. We will work to prevent environmental pollution and curb greenhouse gas emissions, and to maintain biodiversity. We will be alert to environmental impacts and work to mitigate those impacts. We will use our integrated strengths and work in cooperation with our partners to achieve rational, long-term industrial solutions to environmental problems. We will continue to provide grants, through the Mitsui & Co. Environment Fund, for research and activities by NPOs, universities, etc., relating to the solution of environmental problems, efficient resource utilization, and harmonious coexistence between ecosystems and human beings.

Recognition of societal issues

Main risks and opportunities

• Greater responsibility for human rights in the supply chain (security practices, labor practices, etc.)
• Consideration for indigenous people in conjunction with resources development

As a company with a diverse range of value chains in many countries and regions, we regard respect for human rights, including those of business associates and consumers, based on international standards as the foundation of CSR management.

• Risks
  Disputes or protests concerning human rights issues in every spectrum of business that could hinder the start-up or continuation of business.

• Opportunities
  Strengthening of the ability to ensure stable supply through consideration for human rights across all supply chains.

Mitsui & Co.'s Approach

Being aware of our role as a member of the international community, we will work to understand the culture, traditions, and practices of each country and region. We will also work to ensure that human rights are respected in the supply chain, and that there is no discrimination based on race, beliefs, gender, social status, religion, nationality, age, or mental or physical abilities. We will take action to rectify labor practices that violate human rights, such as forced labor and child labor.
Mitsui & Co.’s Approach

Enhancement of Local Industrial Bases & Quality of Life

Recognition of societal issues
- Ageing infrastructure in developed nations
- Infrastructure development in emerging countries
- Food safety and reliability
- Maintenance of health, securing of medical, nursing-care, and welfare services

Main risks and opportunities
- Risks
  - Loss of credibility due to safety or health problems affecting infrastructure users or final consumers of products and services.
  - Loss of local industries, development of the educational environment, and the creation of employment opportunities.

Mitsui & Co.’s Approach

Through our business activities, we will work to develop the infrastructure needed for growth and prosperity in countries and regions all around the world, including electric power, transportation and communications. We will strive to improve basic services, such as healthcare and care for the aged, to create new value, envisaging a future in the next-generation business domains that embody innovation, and to develop local industries and create employment. We will also contribute to developing human resources with global perspectives and improving the educational environment through the hosting of endowed lecture programs at major universities and through a variety of education funds and scholarships.

Stable Supply of Resources & Materials

Recognition of societal issues
- Population increase and expansion of demand for resources and materials
- Expanded responsibility for environmental and social aspects in supply chains

Main risks and opportunities
- Risks
  - Suspension of business operations and instability in the supply of energy and food resources because of climate change and population growth.

Mitsui & Co.’s Approach

We will work with suppliers, users, and business partners in Japan and overseas to engage in resource development, production, product distribution, processing, and recycling initiatives in various parts of the world. We will also build optimized supply chains through the improvement of infrastructure and logistics, including the development of railroad transportation and port facilities. At the same time, we will work to identify CSR priorities and achieve comprehensive improvements and solutions across the supply chain as a whole.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Related policies and guidelines, and targets set</th>
<th>GRI specific standard disclosures</th>
<th>Boundary</th>
<th>Identified material aspects</th>
<th>Within the organization</th>
<th>Outside the organization</th>
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<tbody>
<tr>
<td>Development of the Social Infrastructure</td>
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<td>Indirect Economic Impacts</td>
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<td>Consumer Product Handling Policy</td>
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<td>Participation and development in communities</td>
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<td>Social Contributions Policy</td>
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<td>Contribution to Developing People with International Mindset</td>
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<td>Social Contributions Policy</td>
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<tr>
<td>Resource Development, and the Securing and Stable Supply of Materials and Food</td>
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<td>Supplier Environmental Assessment</td>
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<td>Promotion of Supply Chain Management</td>
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<td>Supplier Assessment for Labor Practices</td>
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<td>Supplier Assessment for Impacts on Society</td>
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<td>Supplier Human Rights Assessment</td>
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<td>Freedom of Association and Collective Bargaining</td>
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<td>Child Labor</td>
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<td>Forced or Compulsory Labor</td>
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Mitsui & Co.'s Approach

Corporate Governance & Human Resource Development

Recognition of societal issues
• Malfunctioning of corporate governance and internal controls
• Stagnation in productivity due to cookie-cutter working styles
• Diversification and globalization of human resources

Corporate governance is the foundation for our efforts to make a continuing contribution to society through our business activities and maintain our status as a company trusted by society. We regard the enhancement of corporate governance and internal controls as key priorities, in addition to the fostering of human resources who support these efforts and constitute the foundation for all of our company’s business activities.

In order to maintain our status as a company trusted by society, we will work to maintain effective governance, ensure fair business practices, and prevent corruption. We will review working styles from the perspectives of productivity and efficiency, while creating an environment in which diverse individuals can reach their full potential. In this way, we will enhance our corporate practices, and prevent corruption.

Main risks and opportunities
• Risks
  Corruption in business of high public significance in emerging countries and other markets, and suspension of business operations due to information security problems.
• Opportunities
  Contributions to labor productivity improvement via innovation in working styles, promotion of fair and equitable treatment and meaningful human resources training, enhancement of individual competitiveness through promotion of diversity management, and creation of new business opportunities focusing on the solution of societal issues through heightened employees’ CSR awareness.

In specifying CSR Material Issues, Mitsui & Co. has taken into account its ongoing dialogue with business associates, NGOs & experts, and others. Also, we have verified compatibility with international frameworks, such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, GRI Guidelines, and ISO26000, as well as with Mitsui & Co.’s key corporate initiatives and the strategy for each of the business domains.

Then, through discussions at the CSR Promotion Officer meetings and CSR Promotion Committee meetings, five CSR Material Issues (materiality) were identified as important management indices. These were approved by the Corporate Management Committee in March 2015 and then shared with all officers and employees.

The Material Issues will be periodically reviewed in order to meet the changing needs and expectations of society. We will strive to resolve societal issues through all of our business activities by creating value in a way that is unique to Mitsui & Co., and in doing so contribute to the realization of a sustainable society.

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<tbody>
<tr>
<td>Corporate Governance &amp; Internal Controls</td>
<td>Corporate Governance and Internal Control System</td>
<td>Identified material aspects</td>
<td>Within the organization</td>
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<tr>
<td>Reinforcement of Sustainability Governance</td>
<td>Special Designated Business Management System</td>
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<td>Compliance &amp; Risk Management</td>
<td>Business Conduct Guidelines for Employees and Officers</td>
<td>Anti-corruption</td>
<td>Speech</td>
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<td></td>
<td>Personal Information Protection Guideline</td>
<td>Public Policy</td>
<td>Speech</td>
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<td>Rules on Information Management</td>
<td>Anti-competitive Behavior</td>
<td>Speech</td>
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<td>Rules on IT Security</td>
<td>Compliance</td>
<td>Speech</td>
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<tr>
<td>Human Resources to Translate into Assets</td>
<td>Three key policies of human resource system</td>
<td>Training and Education</td>
<td>Speech</td>
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<tr>
<td>Human Resource Development</td>
<td>Action plan for the Act of Promotion of Women’s Participation and Advancement in Workplace</td>
<td>Diversity and Equal Opportunity</td>
<td>Speech</td>
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<td></td>
<td>Voluntary action plans on promotion of women to managerial and board position</td>
<td>Equal Remuneration for Women and Men</td>
<td>Speech</td>
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<td></td>
<td>Basic Policy on Health Management</td>
<td>Employment</td>
<td>Speech</td>
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Examples of how Mitsui & Co., Ltd. creates value for society through its business activities