

Sustainability at Mitsui & Co.

Value Creation in Pursuit of Social Sustainability

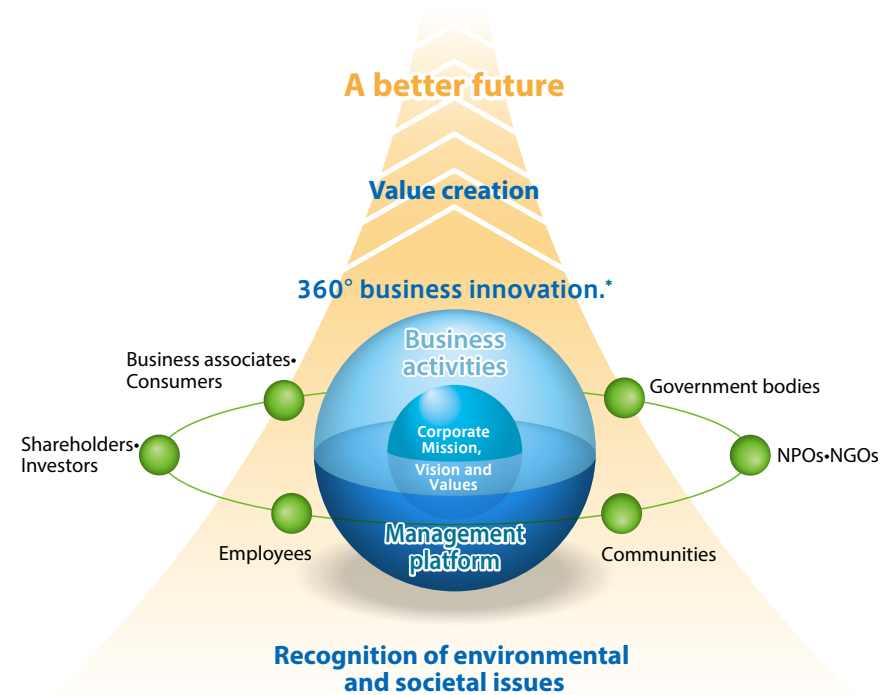
Mitsui & Co.'s Value Creation

Companies can only be sustainable if the societies they operate in are sustainable, and unsustainable companies cannot fulfill their social responsibilities. At Mitsui & Co., we try to anticipate changes in society with each era. We reflect on how we should advance our capabilities and ceaselessly challenge ourselves to express our potential in ways that bring the most benefit to society.

We believe that we must continually improve the way we engage with environmental and societal issues, listen closely to our stakeholders, and ensure that we have a clear understanding of key concerns, issues, and expectations. It is then our responsibility to contribute to addressing issues and meeting expectations in the most effective way possible.

We continue to ensure that all of our employees share our management philosophy, as expressed in our Mission, Vision, and Values, and to strengthen our robust management platform, including our governance and risk management systems. At the same time, working alongside our stakeholders, our aim is to pursue business in a manner expressed in our "360° business innovation." slogan.

This slogan indicates that one of our greatest strengths is our ability to connect ideas, information, customers, and business partners to create new value around the world so as to strive to contribute to the creation of a future where the aspirations of the people can be fulfilled. This is what Mitsui is expected to do and how Mitsui strives to create new value in pursuit of social sustainability.



* 360° business innovation. is our corporate slogan. It expresses our message of connecting ideas, information, customers, partners and business across the planet to create new possibilities.

Corporate Mission Vision Values

In 2004 Mitsui systematically and clearly set forth in written form the implicit values we share 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	<ul style="list-style-type: none"> ● 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.

Basic CSR Policy

Mitsui's Basic CSR Policy, which is built upon our management philosophy of Mission, Vision and Values based on the foundation of our business activities, was formulated in 2004 and reviewed in 2013 to reflect input from society and our stakeholders. In our CSR policies, our approach to sustainability as our social responsibility is clearly incorporated, and we earnestly continue to strive for its realization.

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.

Mitsui & Co.'s Core Values

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 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, and are reflected in our stance toward our work. The principles of Mitsui's approach to sustainability as social responsibility have always reflected its founder's values, a way of thinking unchanged to this day.

* The current Mitsui was established through mergers of the various new companies that had been established after the disbandment of the former Mitsui by the order of GHQ, so legally speaking, there has been no continuation between the former Mitsui and the current Mitsui.

"Let not short term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations".
 "I started Mitsui 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, the first president of the former Mitsui

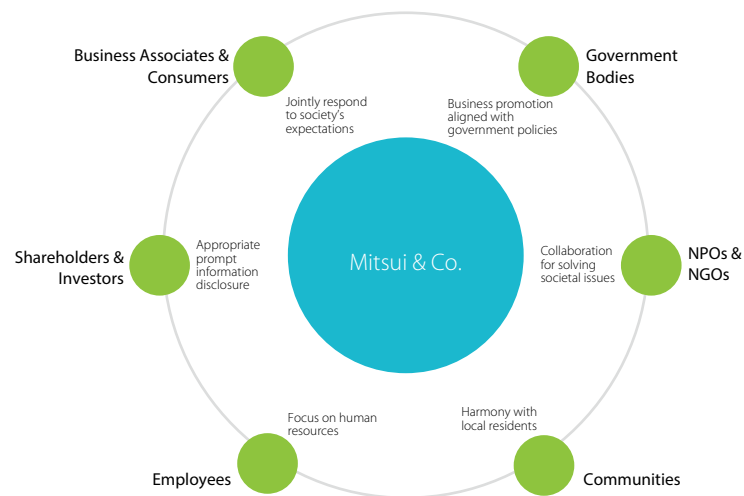
Interactive Communication with Mitsui & Co.'s Stakeholders

Mitsui & Co.'s Stakeholders

Mitsui puts emphasis on interacting with and having dialogue with society. For this reason, we closely assess the effects of its diverse and global business activities on society, identifies and acknowledges stakeholders of particular interest, and strives to have interactive communication with them in all areas of its business operations.

In particular, we are committed to the development of relationships based on mutual trust with a diverse range of stakeholders, including local communities, NPOs & NGOs, government bodies, business associates & consumers, shareholders & investors, and employees, through proactive information disclosures and continual communication with our stakeholders.

Through interactive communication with its stakeholders, each of Mitsui's employees and officers is endeavoring to acquire a firm understanding of what society expects from and requires of Mitsui. Based on this understanding, we strive to respond to changes in market environments, and constantly evolve to create new value through our business activities by exercising our unique capabilities, and thereby contribute to the realization of a sustainable society.



Initiatives in the Fiscal Year Ended March 2018

● Dialogue with Partners (Supplier On-site Surveys)

Mitsui conducts supplier on-site surveys each year under its Supply Chain CSR Policy. Any issues identified through on-site surveys and discussions are used to improve business operations.

In the fiscal year ended March 2018, we conducted on-site surveys at the plants of our supplier of oleochemical product in Malaysia, and palm plantation which is the supplier of the company. The company properly manage their operations in accordance with high standards in terms of labor practices and safety management, and through the introduction of a new system for quality management, they quickly conduct quality analysis and to enhance safety. The external expert who accompanied us advised on the importance of engaging in furthering initiatives for achieving a sustainable supply chain, including providing support for small-scale farmers.

● Dialogue and Collaboration with NPOs and NGOs

A business corporation cannot find solutions to complex and multi-layered societal and environmental issues solely through its own efforts alone. There are NPOs and NGOs that engage in specialized frontline efforts to solve problems, and cooperation with these organizations is essential. Mitsui holds dialogues with these organizations to gain an understanding of their perceptions of issues and expectations toward the business activities of corporations, and considers those points in deliberations about changes to our activities, or other actions that may be required.

Through dialogue with NPOs and NGOs, we identify environmental and societal issues in the regions where we engage in or plan on doing business, in order to formulate a CSR program that leads toward business sustainability through mitigating challenging environmental and societal issues. From the fiscal year ended March 2016 onwards, we have been undertaking forest conservation initiatives in collaboration with environmental NGOs, with the aim of halting forest destruction, which is a cause of global warming, through the formation of a program designed to raise quality of life in local communities.

In November 2017, a "Sustainable Palm Oil Conference" organized by JaSPOC (Japan Sustainable Palm Oil Conference) was held in Tokyo at the United Nations University with the theme "Procurement of Palm Oil aiming for 2020". JaSPOC is a new organization established with the aim of achieving a sustainable palm oil market for Japan. Mitsui participated in a panel discussion, and therein, introduced the initiatives implemented by palm oil users in the Japanese market, and delivered a message concerning a model sustainable palm oil procurement which should accelerate as we approach the Olympics and Paralympics year of 2020.

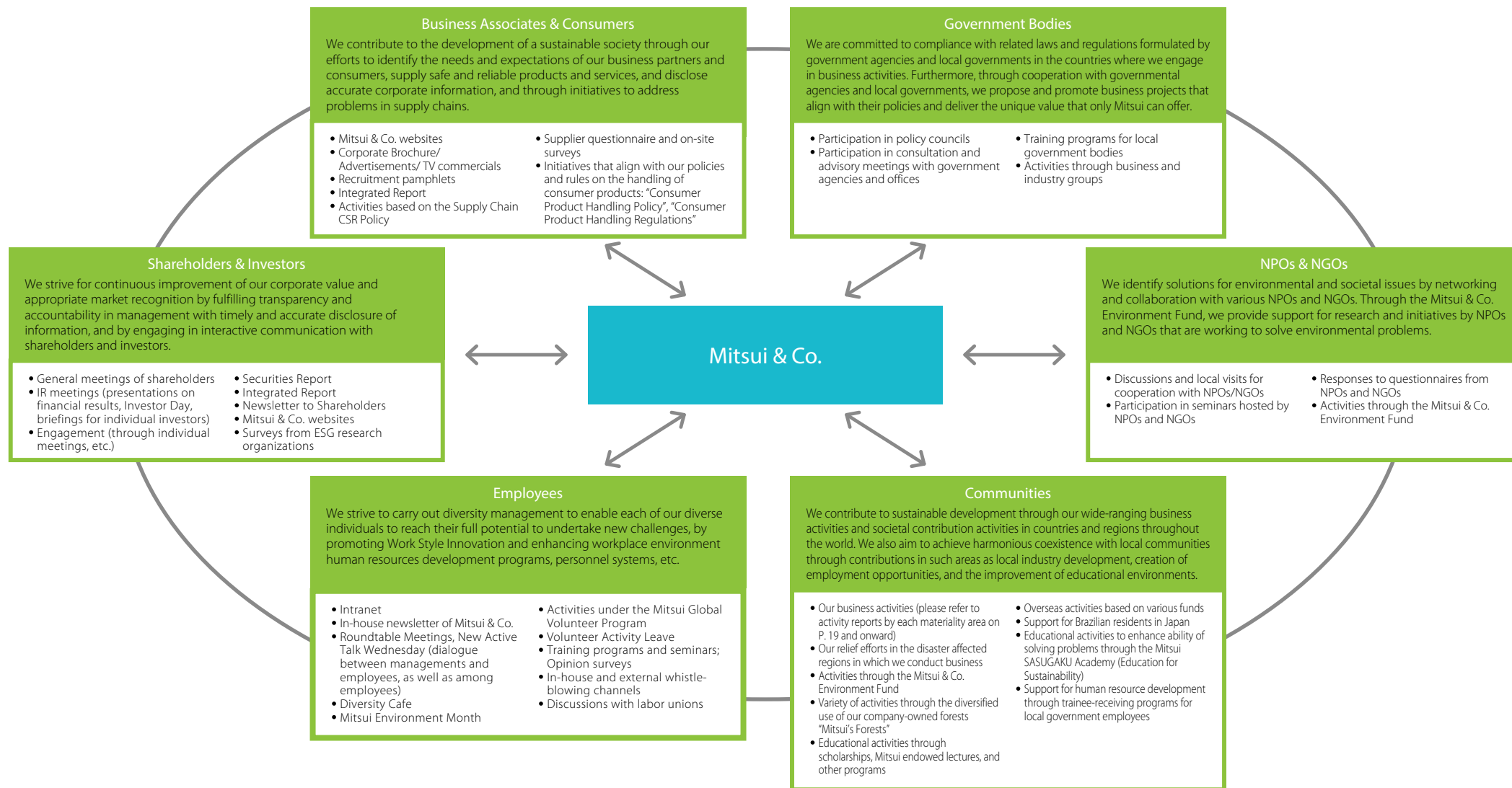
● Dialogue with Shareholders and Investors

During the fiscal year ended March 2018, we held an Investor Day for the first time, as an event to explain company-wide, mid- and long-term strategies, taking the opportunity of the announcement of the Medium-term Management Plan. Also, in response to the increasing demands on companies to disclose their business strategies and future growth scenarios, including non-financial information about ESG and other areas, we exchanged views about the initiatives and disclosures required for companies, with the market through detailed dialogue from the perspective of ESG. We continue our efforts to maintain high standards of accuracy, timeliness, and quality in our disclosure of information, and to foster good communication with the investment community.

● Dialogue with Academics and Other External Experts

Mitsui actively engages in dialogue with academic experts involved in sustainability research. In the fiscal year ended March 2018, we sought opinions about the disclosure of our initiatives, especially in relation to the United Nations Sustainable Development Goals (SDGs), and obtained advice about the relevance of our identified Materiality to the SDGs, as well. We also received comments specifically about the need for the continual updating of our materiality in order to reflect opinions from a more diverse range of stakeholders. We are using this input to improve the disclosure of sustainability information.

Relationships with Stakeholders and Communication



Participation in Initiatives

United Nations Global Compact

The United Nations Global Compact is a set of voluntary action principles for corporations proposed by former UN Secretary-General Kofi Annan at the World Economic Forum held in Davos, Switzerland in January 1999. He proposed a means to harness the creative powers of the private sector to fulfill the wishes of underprivileged people and meet the needs of future generations. It is neither a regulatory means nor a legally binding code of conduct, but rather a strategic policy initiative that encourages corporations to come together as global citizens to solve the various problems that could arise as a result of economic globalization. Participating corporations are asked to support and put into practice ten universally-accepted principles in the areas of human rights, labor, environment, and anti-corruption. As of May 2018, over 13,000 corporations, labor unions, and civil society organizations from around the world are participating in the UN Global Compact.

In October 2004 Mitsui & Co. signed and pledged its support for the UN Global Compact. Mitsui has been participating as a member of the Global Compact Network Japan and is complying with the principles as part of its own corporate guidelines. Currently Mitsui conducts a companywide survey every other year in order to check compliance with the UN Global Compact principles, and is working to comply with and practice the principles on a global group basis.



Ten Principles of the UN Global Compact

<p>Human Rights</p> <ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses. 	<p>Environment</p> <ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to environmental challenges; 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally friendly technologies.
<p>Labor</p> <ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; 5. the effective abolition of child labor; and 6. the elimination of discrimination in respect of employment and occupation. 	<p>Anti-corruption</p> <ol style="list-style-type: none"> 10. Businesses should work against corruption in all its forms, including extortion and bribery.






Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are a clear statement of global priorities and visions that need to be realized so that poverty can be eliminated and all people can enjoy dignity and equality of opportunity, with consideration given to balancing sustainable growth and the limits of the Earth.

As a general trading company, Mitsui conducts a diverse range of business across nations and regions. We believe that this allows us to make a wide-ranging contribution to the achievement of the 17 goals set out under the SDGs.

As a corporate member of Global Compact Network Japan, we will continue to raise awareness of the SDGs in our business organizations, to reflect the SDGs in our business strategies, and to ensure that our business activities are always guided by a determination to contribute to the achievement of the SDGs.

We also explain the themes set out under Mitsui & Co.'s Materiality and SDGs, and how we have linked these to the SDGs to focus our efforts on tackling the SDGs' 17 goals and 169 targets. We also introduce some of the specific activities we implemented during the fiscal year ended March 2018.

-  **P.21** Protection of the Global Environment
-  **P.49** Enhancement of Local Industrial Bases & Quality of Life
-  **P.61** Corporate Governance & Human Resources
-  **P.40** Stable Supply of Resources & Materials
-  **P.58** Respect for Human Rights

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Mitsui SASUGAKU: Hosting of a sustainability workshop for increasing awareness of the SDGs – “Risks and Opportunities from the Future”

In December 2017, we hosted a workshop using the workshop-style methods used in “SASUGAKU”^{*} entitled “Mitsui SASUGAKU - Risks and Opportunities from the Future”, with the aim of increasing understanding of the SDGs.

There were 35 participants on the day of the workshop, mostly Sustainability Promotion Officers. Sustainability Promotion Officers assigned to each organizational unit are responsible for supporting the implementation of sustainability management through our business activities. The participants used the “SASUGAKU Compass for Creating the Future” (“the Compass”) and “Future Chronology”, which are the main teaching materials of the SASUGAKU. In 2030, society will be facing many issues with numerous and complex causes, and to start with the participants recognized that these societal issues will affect us all directly. They then split into groups to share their thoughts and carry out group activities. By the end of the workshop, the participants had gained a real sense of how their own ideas can become connected to the approaches taken to Mitsui & Co.’s Materiality and the SDGs.

We will continue to work together with the Sustainability Promotion Officers to deepen our understanding of the SDGs, and we will engage in initiatives leading to solving many of the challenges that society will face through our business activities.

^{*}SASUGAKU (meaning “Sustainability Learning”) was designed with the goal of developing recognition among people that the many challenges facing the society in which we live are issues that affect us all directly, and of finding the best ways of overcoming these challenges. Since 2014, Mitsui has offered new learning opportunities for upper-grade elementary school children, who will create the future, in the form of the Mitsui “SASUGAKU” Academy. In recognition of these activities, we received, in 2016, the Japan Association for Human and Environmental Symbiosis Award for Environmental Activities and, in 2017, the Judging Panel’s Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology.



World Economic Forum

The World Economic Forum is an independent international organization that engages leaders from the worlds of business, politics, academia, and other sectors of society to shape global, regional, and industry agendas in the spirit of global citizenship, through cooperation between the public and private sectors, for the improvement of the world situation.

As a partner company, Mitsui attends the annual meeting of the World Economic Forum held in Davos, Switzerland every January, as well as attending regional meetings.

Japan Foreign Trade Council, Inc.: Global Environment Committee, CSR Study Committee

As a member of the Global Environment Committee of the Japan Foreign Trade Council, Mitsui monitors energy use for all trading companies (shosha) and promotes reduce/reuse/recycle (“3R”) activities. We also gather information about new energy technology through our business activities, and contribute to the development of the trading company sector’s voluntary action plan for environmental initiatives for a low-carbon, recycling-oriented society.

Mitsui is also a member of the Japan Foreign Trade Council’s CSR Study Committee, which studies CSR-related issues and conducts surveys and research about trends in Japan and overseas. We work with other members on such activities as the formulation and review of the Supply Chain CSR Action Guidelines based on the principles of the Shosha’s Corporate Code of Conduct (code of conduct for trading companies). In the fiscal year ended March 2018, we joined the Working Group for the upgrading of said Code of Conduct and engaged in its revision.

Japan Business Federation (Keidanren): Committee on Corporate Behavior & Social Responsibility, Committee on Gender Diversity, Committee on Environment and Safety, Committee on Nature Conservation

Mitsui is a member of Keidanren’s Committee on Corporate Behavior & Social Responsibility, which works to ensure ethical behavior by businesses, promote CSR, and expand and encourage social contribution activities by businesses and businesspeople, including support for disaster recovery efforts. We are also a member company of the Committee on Gender Diversity, which implements the Action Plan on Women’s Active Participation in the Workforce, urges employers to promote women to managerial and executive positions, and promotes initiatives for realizing a society in which a diverse range of human resources, including LGBT people, are able to take on active roles.

In addition, we belong to the Committee on Environment and Safety, which works toward the implementation of environmental policies designed to be compatible with economic activities, including the promotion of voluntary action plans and countermeasures relating to global warming, waste, recycling, and environmental risks. Moreover, since 2012 a Mitsui employee has been seconded to Keidanren’s Committee on Nature Conservation, which works to conserve biodiversity and protect the natural environment. In the fiscal year ended March 2018, we joined the task force for reviewing the Keidanren Charter of Corporate Behavior and engaged in activities directed towards realizing a sustainable society (the aim of said Keidanren Committee) through participation in the reviewing process.

Council for Better Corporate Citizenship (CBCC)

As a member of the Council for Better Corporate Citizenship (CBCC), which was established by Keidanren, Mitsui engages in activities that help Japanese companies to be accepted as good corporate citizens by the countries and regions in which they conduct business, in accordance with the purpose of CBCC. Mitsui works to ascertain the views of various stakeholders, including overseas CSR-related organizations, by participating in presentations, seminars and business dialogue on CSR-related themes.

Japan Forum of Business and Society (JFBS)

As a GOLD member of the Japan Forum of Business and Society (JFBS), Mitsui is engaged in connecting theory and practice in the business world concerning issues relating to sustainable growth, which affect the relationship between businesses and society, through wide-ranging collaboration and cooperation with academia, industry, government, labor, and NPOs/NGOs. We are engaged in academic research and discussions on sustainability management, corporate governance, environmental management, social contribution, labor, human rights and other aspects, as well as in human resources development that embodies sustainability education.

Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was established through a collaborative initiative by the Keidanren, the Japan Chamber of Commerce and Industry, and Keizai Doyukai (Japan Association of Corporate Executives) with the aim of promoting private-sector initiatives on biodiversity. As a member company, Mitsui promotes biodiversity conservation initiatives in partnership with NPOs, NGOs, research institutions, and other related entities in Japan and overseas. Furthermore, Mitsui contributes to conservation of biodiversity in its supply chains by promoting a sound resource-cycle policy in its business management focusing on the lifecycle of products and services.

Forest Stewardship Council® (FSC®)

The Forest Stewardship Council® (FSC®) is an international nonprofit organization with members including environmental NGOs, private business corporations, and organizations representing indigenous communities. It promotes the responsible management and use of the world's forests in consideration of environmental and societal aspects by certifying forests and the processes involved in the distribution and processing of lumber taken from those forests.

Mitsui has obtained FSC® forest management (FM) certification at all 74 of its forests, which total approximately 44,000 hectares, while Mitsui Bussan Forest Co., Ltd., a Mitsui subsidiary, has obtained Chain of Custody (CoC) certification for the processing and distribution of cut lumber. Mitsui is the biggest supplier of Japanese-grown lumber with FSC® certification. As a member of FSC Japan's Board of Directors, Mitsui is helping to promote the FSC® in Japan and to study and prepare principles, standards, and risk assessments for Japan.

Roundtable on Sustainable Palm Oil (RSPO)

The Roundtable on Sustainable Palm Oil (RSPO) is a nonprofit organization established to promote the sustainable production and utilization of palm oil through the conservation of tropical rain forests and biodiversity. Mitsui supports the RSPO's philosophy of contributing to sustainability through industry, and has been collaborating on various business-based initiatives since joining the organization in 2008.