

# Activity Reports by Materiality

## Realize Through Our Business



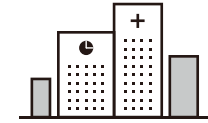
Protection of the Global Environment

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## Strategic Focus

### Aiming to develop a sustainable aquaculture business that does not pollute the oceans, and is not dependent on the oceans

Fish are disappearing from the world's oceans. The main reasons for this situation include the overfishing that has accompanied rising demand for marine products, and changes in ocean temperature and ocean currents, etc. The Conference of the Parties (COP) to the Convention on Biological Diversity (CBD) has set a goal of minimizing the pressure that human activity places on marine ecosystems. At this time when there is growing interest in methods that can realize sustainable aquaculture while safeguarding marine organisms and minimizing the load on the environment, Mitsui & Co. has decided that it is vitally important to commercialize land-based aquaculture, a production method that is not dependent on the oceans, and has invested in FRD Japan, Co., which possesses some of the most advanced technology in the world in this field.



**Tetsuro Sogo**

Business Innovation Department, Corporate Planning & Strategy Division / Director and Chief Operating Officer (COO), FRD Japan, Co.

#### A land-based aquaculture system that can be developed successfully as a business without harming the environment

Consumption of salmon\* has been growing steadily, and in global terms salmon is the third most widely farmed species for sea aquaculture. However, almost 90% of global production takes place in just two countries—Norway and Chile—and these two countries already have extensive fish-farms along their coasts, with little room for further expansion.

This situation has encouraged several companies in other countries to experiment with land-based aquaculture. In most cases, however, these land-based facilities discharge a quantity of wastewater equivalent to around 30% of the capacity of the fish-tanks every day, making it necessary for them to add an equivalent amount of seawater or underground water to the tanks; they also suffer from high electric power consumption because of the need to adjust the water temperature.

By contrast, FRD Japan farms fish using advanced bacteria-based filtration technology to cycle artificial seawater (made from ordinary mains water) through a 100% closed containment environment; this is the world's first land-based aquaculture system of its kind. The negative load on the environment is significantly reduced, and because the system does not use natural seawater or

underground water, the cost of electric power required for temperature regulation is also substantially reduced; in addition, a significant feature of this system is that, because all of the mains water used is recycled, with no waste-water being discharged, it makes for a business with an extremely small environmental load. Furthermore, if land-based fish-farms are established near the markets where the fish will be consumed, then the fish transportation costs will be kept low compared with importing salmon from sea aquaculture facilities in other countries, which in turn will reduce the negative environmental load from transportation.

In launching this business, our goal was to become the first team in the world to establish a commercially-viable land-based salmon-farming business, creating a sustainable business that will also contribute to environmental conservation.

\*Large-sized rainbow trout that are farmed in sea aquaculture facilities.

#### Making it possible for the salmon that people consume to be farmed locally

A pilot facility began operation in Kisarazu City in Chiba Prefecture, Japan in 2018; the goal is to ramp up to full-scale commercial production, with annual production volume of 1,500 tons of fish, by 2020.

Once we have achieved successful operation of a full-scale commercial facility in Kisarazu City, we aim to establish several large-scale land-based fish-farms in Japan and in other countries in the Asia region. With growing awareness in the retail sector of the need to prevent over-fishing and pollution of the oceans, and with more and more companies making an effort to procure sustainable marine products, our goal is to make it possible for the salmon that people consume in any given region to be farmed locally, so that this local sourcing model can become the norm in the future.

My own personal goal is to contribute to the transformation of aquaculture into a sustainable business model, and to help create a world in which people can continue to enjoy easy access to delicious, safe fish that they can eat with real peace of mind.






Pilot facility in Kisarazu City in Chiba Prefecture




## Activities for FY 2017 to Contribute to SDGs

Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

### Theme: Environmental Management

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 Ensure sustainable consumption and production patterns (12.2,12.8)	We promote sustainable procurement by actively obtaining certifications, including FSC® certification for forests and ASC certification for fisheries. In addition, we promote environmentally conscious business activities, and hold seminars on a regular basis for raising the environmental awareness of our officers and employees, as well as training relating to environmental laws and regulations.	<ul style="list-style-type: none"> <li>● Achievement of ASC certification for two salmon farming sites through investment and participation in Salmones Multiexport S.A. (Chile). (12.2, 14.7)</li> <li>● Maintenance of FSC® and SGEC certifications for 74 forests owned by Mitsui across Japan (approx. 44,000 ha) and continuation of responsible management and handling of forest resources. (12.2)</li> <li>● Achievement of “Good Point” assessment in independent ISO14001 inspection of environment management in the Head Office for the optimization of air conditioning operation in conjunction with the introduction of a staggered work hour system as part of Mitsui’s Work Style Innovation. (12.8)</li> <li>● Continuation of the efficient and effective integrated operation of business activities and environmental management in accordance with ISO 14001:2015. (13.3)</li> <li>● Implementation of climate change risk control methods, such as carbon pricing impact estimation, during deliberation on proposed projects. (13.3)</li> <li>● Implementation of environmental law seminars (2 seminars, approx. 130 attendees), environmental seminars relating to industrial waste (2 seminars, approx. 100 attendees), and a Mitsui Environment Month lecture (approx. 540 attendees) for officers and employees of Mitsui and its affiliated companies. (13.3)</li> </ul>
 Take urgent action to combat climate change and its impacts (13.3)		
 Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)		

### Theme: Initiatives toward Environmental Value Creation

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3, 7.a)	We develop environment-related business, having incorporated our contribution to providing industrial solutions to environmental issues in the Environmental Policy Action Guidelines. In the renewable energy field, we promote and strengthen related business and aim at increasing the proportion of renewable energy (including hydroelectric power) in the equity portion of our total power generating capacity to 30% by 2030. We are also promoting a wide range of initiatives for increasing the popularity of smart cities, modal shift, EV and other new energy efficient vehicles.	<ul style="list-style-type: none"> <li>● Global supply of automotive parts with excellent environmental performance through investment and participation in Gestamp Automoción, S.A. (Spain) (7.3)</li> <li>● Making investments to explore new applications for copper and to improve the efficiency of mine operations through a venture fund which was jointly established among Corporacion Nacional del Cobre de Chile (CODELCO) and Corporacion de Fomento de la Produccion (CORFO), etc. We have made investments in technology for improving fish farming efficiency that features copper-made fish farming cage, as well as recycling technology for waste tire from mine sites. (12.2, 12.4, 12.5)</li> <li>● Operation of renewable energy IPP business (in 8 countries; Mitsui’s share: 1.5 GW) (7.2)</li> <li>● Expansion of distributed solar power generation capacity and promotion of next-generation energy management services featuring storage batteries (U.S. and other countries). (7.2)</li> <li>● Promotion of energy-efficient smart city project (Malaysia). (7.3, 11.6)</li> <li>● Sale/ownership and operation of eco-ships that are highly energy-efficient. (7.3)</li> <li>● Contribution to the reduction of CO<sub>2</sub> emissions through investment and participation in EV battery pack manufacturing business (France) and EV bus manufacturing business (Portugal). (7.3, 12.4)</li> <li>● Assistance in the development of fuel cost-efficient aircraft and engines. (7.a)</li> <li>● Promotion of modal shift through rolling stock leasing. (11.6, 12.4)</li> <li>● Ordering of new ocean-going methanol carrier powered by clean-burning methanol fuel that can drastically reduce SO<sub>x</sub> and NO<sub>x</sub> emissions. (12.4)</li> <li>● Promotion of the reuse of used cars by improving transparency in the increasingly complex used car market through the introduction of a used car auction system that allows individuals to sell cars. (12.5)</li> <li>● Promotion of a green chemicals business in the field of oleochemicals that utilizes natural oils and fats. (12.4)</li> <li>● Investment and participation in a wood biomass power plant that utilizes an FIT (feed-in tariff) system for renewable energy and timber from forest thinning in Mitsui’s forests. (7.2)</li> <li>● Promotion of geological surveys, drilling and development for the launching of geothermal power business through Mitsui Oil Exploration Co. (Japan). (7.2, 7.a)</li> <li>● Investment and strategic engagement in new business that is developing next-generation fuel and chemicals from off gases that use microbial fermentation technologies, and development of new business for reducing greenhouse gases (U.S.). (7.a)</li> <li>● Launched the world’s first hydrogen supply chain project which will produce hydrogen and establish a transportation value chain for the resource as a promising next-generation clean energy asset. (12.2, 12.4)</li> <li>● Commencement of repair work on production facilities with the aim of reducing flare gas during the production of LNG through investment and participation in Flare Reduction Project (Qatar). (12.4)</li> <li>● Provision of operational maintenance services for solar and biomass power generation facilities by Mitsui &amp; Co. Foresight. (7.2)</li> </ul>
 Make cities and human settlements inclusive, safe, resilient and sustainable (11.6)		
 Ensure sustainable consumption and production patterns (12.2, 12.4, 12.5)		




**Activities for FY 2017 to Contribute to SDGs**

Business Area    ● Metals    ● Machinery &amp; Infrastructure    ● Chemicals    ● Energy    ● Lifestyle    ● Innovation &amp; Corporate Development    ● Corporate &amp; Others

## Theme: Initiatives toward Environmental Value Creation (Continued)

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
		<ul style="list-style-type: none"> <li>● Development of, construction work relating to, and retail sales of renewable energy sources and other electric power sources by SymEnergy. In addition, provision of energy saving solutions. (7.2, 7.3)</li> <li>● Stable supply of energy through solar power generation monitoring services (196 sites), cloud-based energy-saving management services (564 sites), and other services (Japan). (7.2, 7.3)</li> <li>● Formation and sale of solar power infrastructure funds through Mitsui &amp; Co. Alternative Investments. (7.2)</li> <li>● Investment in renewable energy projects through the Emerging Markets Infrastructure Fund. (7.2)</li> <li>● Formation of an investment limited partnership that invests in renewable energy power generation projects across Japan through JA Mitsui Leasing. (7.2)</li> <li>● Improvement of energy efficiency through visualization of data from office buildings, factories, and other facilities, (U.S.), and utilizing IoT solutions such as online remote management and preventive maintenance of air conditioning systems, resulting in a reduction of power consumption by over 20% comparing with conventional operation (Japan). (7.3)</li> <li>● Contribution to global warming prevention through the optimization of fertilizer amounts on farmlands, leading to the reduction of N<sub>2</sub>O emissions (Canada, U.S., Brazil, etc.). (12.4)</li> <li>● Promotion of a sharing economy through mobile marketplace app business intended for smartphones (Japan, U.S., and U.K.). (12.5)</li> <li>● Implementation of a trial operation with the aim of reducing food waste loss through the launch of digital transformation initiatives at retail stores (Japan). (12.5)</li> <li>● Implementation of a trial operation for increasing the popularity of meal kits with the aim of reducing food waste loss in households (Japan). (12.5)</li> </ul>


## Theme: Initiatives to Reduce Environmental Load, Including Curbing Global Warming

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all (6.4)	With a target of reducing energy consumption at Mitsui and its domestic subsidiaries by an average of 1% or more per year, we are implementing measures to improve energy utilization efficiency to reduce greenhouse gas (GHG) emissions. In addition, we are also working to meet a target of achieving a recycling rate of 85% or more by 2020 and promoting the control, reuse, and recycling of waste materials.	<ul style="list-style-type: none"> <li>● Installation of solar power generation by Prifood at its Hosoya plant, where the company commenced the utilization of the generated power for a portion of the electricity used by the plant. (7.2)</li> <li>● Reduction of environmental load by MicroBiopharm Japan led by its potential investment to integrate its manufacturing process for an active pharmaceutical ingredient for anti-cancer drug. (7.3)</li> <li>● Conversion to a new treatment method for the waste plastics produced by Mitsui Bussan I-Fashion to utilize such plastic waste for RPF (Refuse Paper &amp; Plastic Fuel) processing as an alternative to fossil fuel, in a shift away from the previous residue processing method (which mixes waste plastics into cement) as a measure to reduce CO<sub>2</sub> and to prevent global warming. (7.3, 12.4)</li> <li>● Commercialization of chicken manure by Prifoods as a fertilizer and snow-melting agent (in carbon form), and the effective utilization of tea leaf residues as a compost ingredient by Mitsui Norin. (12.5)</li> <li>● Sale of recycled feed made from food manufacturing by-products and other raw materials, resulting in the effective utilization of previously unused resources which can contribute to the improvement of the feed self-sufficiency ratio. (12.5)</li> <li>● Ongoing Implementation of surveys of water use by subsidiaries in key countries and other locations. (6.4)</li> <li>● With a target of reducing energy consumption rate by an average of 1% or more per year, we are implementing measures to reduce greenhouse gas (GHG) emissions by improving energy utilization efficiency. Our new building project, including Mitsui's new Head Office, which is under construction, is designed to achieve high energy-utilization efficiency by , for example, effectively utilizing waste heat from cogeneration systems to generate heat source water for the district's heating and cooling facilities. (7.3)</li> <li>● Global-group promotion of GHG emission reducing measures by affiliated companies implemented in proper priorities based on output levels, with intensive management and monitoring of year-on-year changes for companies that have high GHG emissions (overseas affiliated companies). (7.3)</li> <li>● With a target of achieving a recycling rate of 85% or more by 2020 in our office activities, we are implementing activities that can contribute to the reduction of environmental load, such as rigorous efforts to control, reuse, and recycle waste materials. (12.5)</li> </ul>
 7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3)		
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns (12.4, 12.5)		


**Activities for FY 2017 to Contribute to SDGs**

 Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

**Theme: Initiatives for Preserving Biodiversity**

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (15.2, 15.4)</p>	<p>We have obtained FSC® and other certifications for all our company-owned forests, "Mitsui's forests", to drive our biodiversity-friendly papermaking resources business and food business using farming methods that encourage biodiversity. In addition, Mitsui has obtained FSC® and SGEC certifications for all of its 74 company-owned forestlands (approx. 44,000 hectares). We have designated our company-owned forests, "Mitsui's forests", into different management zones. Ten percent of all Mitsui's forests are designated as "biodiversity conservation forests" and are maintained and managed accordingly.</p>	<ul style="list-style-type: none"> <li><span style="color: red;">●</span> Launched a project that aims to prevent forest degradation and deforestation, and promote forest conservation activities through utilization of the Joint Crediting Mechanism, a Japanese government program that contributes to emissions reduction and addresses climate change. (Cambodia). (15.2)</li> <li><span style="color: yellow;">●</span> Maintenance of FSC®/CoC certification (Mitsui's Life Essentials Business Div., Forest Resources Marketing Dept.: FSC® C104107; Mitsui Bussan Woodchip Oceania Pty. Ltd.: FSC® C107463) and PEFC/CoC certification, to promote responsible management and handling of forest resources. (15.2)</li> <li><span style="color: yellow;">●</span> Maintenance of FSC®/CoC certification (by Mitsui Bussan Packaging: FSC® C009939) to ensure that the supply chain of certified paper promotes responsible forest resources management. (15.2)</li> <li><span style="color: yellow;">●</span> Support by Toho Bussan for the production and sales of rice grown using farming methods that encourage biodiversity (Japan). (15.4)</li> <li><span style="color: grey;">●</span> Mitsui has FSC® certification and SGEC for all Mitsui's Forests based on proper management and maintenance. Mitsui's Forests' carbon stocks and flows are approximately 560,000 tons per year (Mitsui's estimate based on "IPCC Guidelines for National Greenhouse Gas Inventories" Tier 1 method). (15.2)</li> </ul>

**Theme: Addressing Environmental Issues through Contribution to Society**

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development (17.16, 17.17)</p>	<p>We operate the Mitsui &amp; Co. Environment Fund to support and encourage donations, university research and NPO/NGO activities targeted toward solving environmental problems.</p>	<ul style="list-style-type: none"> <li><span style="color: blue;">●</span> Donations by Mitsui Iron Ore Development to volunteer organizations which are engaged in environmental restoration relating to fauna and flora, and soil (Australia). (17.16)</li> <li><span style="color: grey;">●</span> Provision of grants through the Mitsui &amp; Co. Environment Fund for university research and NPO/NGO activities that contribute to the solution of environmental issues (16 grants totaling ¥117 million), and employee participation in the activities of grant recipients (10 projects, approx. 180 participants). (17.16, 17.17)</li> <li><span style="color: grey;">●</span> Implementation of school-visits which utilize Mitsui's forests (designed for elementary school students; 5 visits, approx. 330 participants) and forest experience programs (designed for elementary school children and their parents, and employees and their families); (7 programs, approx. 250 participants). (17.17)</li> <li><span style="color: grey;">●</span> Supply of a portion of the cedar wood (SGEC certified wood) used in the main roof and eaves of the New National Stadium in Tokyo from Mitsui's forests. (17.17)</li> </ul>

## Environmental Management

### Environmental Policy

Policy

#### 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.
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

- |   |  |
|---|--|
| <p><b>1. Compliance with relevant environmental laws and regulations</b></p>                                  | <p>We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the company for promoting business activities.</p>   |
| <p><b>2. Efficient utilization of resources and energy</b></p>  | <p>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.</p>   |
| <p><b>3. Environmental care for products and services offered, as well as existing and new businesses</b></p> | <p>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.</p> |
| <p><b>4. Contribution to providing industrial solutions to environmental issues</b></p>                       | <p>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.</p>   |

### Environmental Management System

System

#### Environmental Management Philosophy

Mitsui & Co. maintains environmental management systems based on ISO14001 and various international guidelines as the basis for an active response to environmental and societal problems through the business activities of its global group. We acquired ISO14001 certification in 1999. Since the year ended March 2017, we have been working to strengthen our compliance with ISO14001:2015, including integration with business processes, initiatives in response to business risks and opportunities, and an increased emphasis on stakeholder perspectives.



#### 【Standards Covered】

ISO14001, ISO26000, the GRI Guidelines, the Equator Principles, the World Bank Procurement Policies and Guidelines, and the IUCN Guidelines

#### Environmental Management System

To facilitate effective environmental management, Mitsui has established the Environmental Management System on a global group basis. We have appointed an executive officer who is responsible for overall environmental management, while the General Manager of the Environmental-Social Contribution Division supervises the operation of the Environmental Management. Other organizations, such as business units, each have their own environmental management structures established by the divisional/departmental general managers. We set company-wide targets, and are continually improving our environmental and societal risk management framework by means of periodic reviews, including the Sustainability Committee meetings.

#### Environmental Management System (As of April 2018)



## Environmental Management

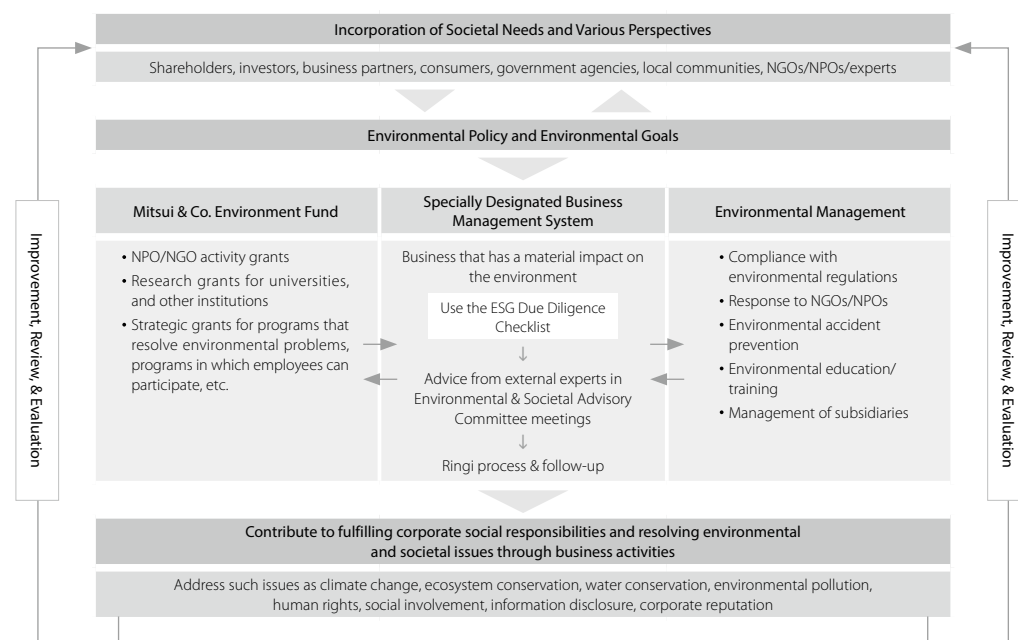
### Addressing Environmental and Social Risks and Opportunities in Business

System

Mitsui is expanding its business globally in six business areas: metals; machinery and infrastructure; chemicals; energy; lifestyle; and innovation and corporate development. In conducting business in each of these areas, we categorize our activities into “new business phase” and “existing business phase”, and have put in place mechanisms to ensure that the utmost consideration is given to the environment and society during our business activities in each of these phases.

Furthermore, in accordance with the SDG targets, we identify programs that are closely related to our business (such as climate change, biodiversity protection programs) as “opportunities”, and introduced an internal subsidy system for such programs in the fiscal year ended March 2017. Mitsui is seeking to build a sustainable society by simultaneously resolving environmental and societal issues and enhancing business value.

#### Responding to Environmental and Social Risks (As of March 2018)



### Compliance with Environment-related Laws and Regulations

System

Our efforts to meet our corporate social responsibilities and keep pace with the expansion of those responsibilities include the creation of compliance assurance mechanisms based on our environmental management system. We also use training and other methods to ensure that staff in Japan and overseas understand and comply with various environmental laws and regulations.

At the start of each business year, environmental representatives in each department identify environment-related laws and regulations that are relevant to the operations of their units. They also assess compliance every half-year. In addition, an internal environmental audit or environmental self-check process is carried out every year to confirm that environmental management systems are being applied effectively. Mitsui itself, as well as any subsidiaries whose activities could have significant environmental impacts, acquires certification under ISO14001 or equivalent standards. We have established effective environmental law compliance mechanisms. Furthermore, we utilize environmental law compliance checking tools to easily confirm our legal compliance.

#### Energy saving laws and regulations

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 we are promoting energy conservation in office and energy usage improvement related to transportations, thereby developing environmentally friendly business activities.

#### Compliance with Waste Disposal Laws

Mitsui operates in compliance with the Waste Disposal and Public Cleansing Law (also referred to as “Waste Disposal Law” or “Waste Law”). In order to properly manage disposal of industrial waste generated through logistics operations and general waste from business activities, we have formulated a workflow in connection with the handling of industrial waste and general waste from business activities and prepared FAQ documents. Such tools and documents have been utilized by relevant divisions and departments.

We also hold periodic seminars within the company to increase awareness and understanding of proper waste disposal practices, covering such matters as the selection of waste management subcontractors and manifest compilation and management.

#### Other Applicable Environmental Laws and Regulations

In promoting business activities, we comply with various environmental laws, regulations and other laws and regulations.

Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes, Act on Rational Use and Proper Management of Fluorocarbons, Water Pollution Prevention Act, Soil Contamination Countermeasures Act, Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, Air Pollution Control Act, Offensive Odor Control Law, Chemical Substances Control Law, Pollutant Release and Transfer Register Law, Poisonous and Deleterious Substances Control Act, Fire Service Act, Industrial Safety and Health Act, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations.

## Environmental Management

## Environmental Management for New Business

System Activity

**Specially designated business management systems and Environmental & Societal Advisory Committee**

New business projects are subject to internal screening during the new business phase. If necessary, we convene meetings of the Sustainability Committee and the Environmental & Societal Advisory Committee. Directors make final decisions about *ringi* approval after receiving reports and proposals from these committees about whether or not a project should be promoted, or how it can be improved. Members of the Environmental & Societal Advisory Committee are selected mainly from among external experts with knowledge of a wide range of fields, such as climate change, environmental restoration, water, air, and soil contamination, environmental policy (including environmental assessment), and stakeholder activities. Committee members also include attorneys and people with experience of government administration.

**Use of environmental, social and governance (ESG) due diligence checklists**

New business investment projects that will have a significant impact on the environment are investigated by experts.

Before implementing these surveys, we first identify environmental and social risks and create environmental, social and governance (ESG) due diligence checklists for each project. These lists, which are compiled with reference to international standards in relation to environmental and societal consideration, help to focus areas covered by expert surveys. They are shared within the company and used to ensure that ESG perspectives are taken into account in relation to not only pollution prevention but also analysis of risk factors in connection with climate change, ecosystems, indigenous peoples, and water stress.

## Environmental Management for Existing Business

System Activity

In order to properly monitor and manage various environmental and social risks related to existing business operations, we urge our affiliated companies that are engaged in activities that could cause significant environmental impacts to establish environmental management systems based on the international environmental management standard, ISO14001, or on international guidelines relating to consideration for environmental and social factors. We encourage subsidiaries to establish their own autonomous environment management systems, while maintaining structures to achieve continual improvement by monitoring and reviewing preventive measures based on reports on environmental accidents and other problems.

**Responding to Stakeholders**

We are identifying business-related risks and opportunities through dialogue with NPOs, NGOs, academia, and government agencies, and considering how we could respond. In the fiscal year ended March 2018, we decided to support a REDD+ project with an international NGO in Cambodia, as well as red tide countermeasures led by JICA through industry-government-academia collaboration between Japan and Chile. We are taking on the challenge of solving problems through transdisciplinary cooperation\*, actively promoting initiatives that will lead to business sustainability.

\*Initiatives spanning multiple fields across different sectors, such as industry, government, academia, and private sector.

**Management of subsidiaries**

We select domestic and overseas subsidiaries that need to acquire ISO14001 certification based on comprehensive assessments that take into account such factors as the type of industry, environmental and ecosystem impacts, and input from stakeholders. We urge these companies to introduce environmental management systems based on ISO14001, or on international guidelines, and we help them to build robust management systems.

As of the end of March 2018, out of the 36 target companies, 30 subsidiaries have acquired ISO14001 and 6 companies have introduced environmental management systems in line with the international guidelines.

**Response to environmental accidents**

During the fiscal year ended March 2018, there were no environment-related incidents at Mitsui and its subsidiaries. We employ various measures to prevent recurrences of environmental accidents, including the use of collections of case studies to raise employee awareness. Any accident is promptly reported to the relevant units, and comprehensive steps are taken to prevent recurrence, beginning with the identification of the true cause of the accident and an assessment to determine appropriate corrective and preventive measures.



## Acquisition of Environment-related Certification

System

Mitsui promotes sustainable procurement in partnership with suppliers throughout the world. We work actively to achieve environment-related certification in Japan and overseas, including FSC® certification for forests, and ASC and MSC certification for fisheries, recognizing the importance of natural capital. We also develop procurement mechanisms that take into account the need to address global warming and conserve biodiversity.

### Company-owned forests “Mitsui’s Forests” (Japan)

Mitsui has obtained forest certification for all 74 locations of Mitsui’s Forests (approximately 44,000 hectares) throughout Japan under two international standards: FSC® certification\*1 (License no. C057355) and SGEC certification\*2 (Certificate no. SGEC/31-21-1101). Forest certification is based on objective third party assessments of whether forest management methods meet economic, environmental, and social requirements (principles and standards). Currently Mitsui is the only private company with large-scale forest holdings in Japan covering over 10,000 hectares that has obtained certification under both of these systems. With respect to both FSC® certification and SGEC certification, Mitsui has received Forest Management (FM) certification, while Mitsui Bussan Forest, a subsidiary has received Chain of Custody (CoC) certification for the processing and distribution of cut lumber; Mitsui & Co. Group has thereby established a thoroughly inclusive chain of certifications that covers the entire supply chain. Notably, Mitsui is the largest supplier of domestic FSC®-certified wood in Japan.



- \*1 FSC® certification is based on international standards established by the Forest Stewardship Council®, a non-profit committee-type organization that administers an international forest certification system.
- \*2 This certification system was developed by the Sustainable Green Ecosystem Council, a general incorporated foundation, by adapting the sustainable forest management philosophy promoted globally as the “Montreal Process” to the situation in Japan. In 2016, it became possible to distribute SGEC certified timber as timber certified under another international forest certification, the Program for the Endorsement of Forest Certification Schemes (PFEC), following reciprocal recognition between the two systems.

### Feed Business (Japan)

Our affiliated company, Feedone Co., Ltd., manufactures and sells organic animal feed products produced using methods designed to minimize the environmental load, in compliance with the Japan Agricultural Standards (Notification 1607 of the Ministry of Agriculture, Forestry and Fisheries).



### Palm Oil Import Business (Malaysia)

Mitsui and our investee, Wangsa Mujur Sdn. Bhd. have acquired certification from the Roundtable on Sustainable Palm Oil (RSPO),\*3 a nonprofit organization that promotes the production and use of sustainable palm oil. The RSPO stipulates the legal, economic, environmental, and social conditions required for sustainable palm oil production in 8 principles and 43 criteria, and both Mitsui and Wangsa Mujur operate in accordance with its policy.



- \*3 RSPO certification aims to advance the production, procurement, and use of sustainable palm oil and lessen the impact and load on the environment of producing countries and neighboring communities.

### Salmon Farming Business (Chile)

Mitsui is a shareholder and participant in the business operations of Salmones Multiexport S.A., a major salmon farming, processing, and sales company in Chile. This company has obtained certification as a sustainable aquaculture business under the Best Aquaculture Practices (BAP) system\*4, which focuses on the five key areas of environmental conservation, social responsibility, animal welfare, food safety, and traceability. Salmones Multiexport also achieved Aquaculture Stewardship Council (ASC) certification\*5 for two of its sites in 2017, and is now preparing to obtain certification for additional locations.



- \*4 This certification system is planned and administered by the Global Aquaculture Alliance (GAA), a US-based NGO dedicated to the establishment and spread of responsible aquaculture. The system certifies each component of the aquaculture value chain including hatchery, feed mill, farm, and processing plant. The program, which is represented by the BAP eco-label, is supported by numerous retailers and commercial food suppliers, especially in North America.
- \*5 The aim of the ASC certification system is to ensure that markets and consumers are supplied with responsibly produced aquaculture products, by certifying aquaculture businesses that show consideration for local communities and do not impose a major load on the environment. Qualifying products are instantly recognizable thanks to the use of eco-labels.

### Food Importation and Sales (U.S.)

Our subsidiary, Mitsui Foods, Inc. (MFI), imports and sells canned tuna certified under the Marine Stewardship Council (MSC) system\*6, the aim of which is to ensure the sustainable supply of seafood over the long-term future. MFI has also obtained MSC certification as an individual company, thanks to its careful management at the distribution stage.



- \*6 The aim of this system is to ensure the sustainable utilization of marine resources. Certification is limited to marine products that are harvested appropriately in terms of catch size, timing, methods, etc., and that are processed and distributed appropriately. The MSC label (Marine Ecolabel, MSC Ecolabel) indicates that products have been produced responsibly from the perspective of marine resources and the ocean environment.

### Shrimp Exporting Business (Vietnam)

As a shareholder, Mitsui participates in the management of Minh Phu Hau Giang Seafood Joint Stock Company, a Vietnamese company engaged in shrimp processing and exporting. The company has obtained environment-related certification, under the ASC, BAP and Global Good Agricultural Practice (GAP) systems\*7, to meet the needs of buyers and consumers seeking products that have been produced responsibly with care for the environment.



- \*7 Certification under these aquaculture systems indicates that a company has met global standards for food safety and sustainable production management. The full production chain is verified from broodstock, farming, feed and processing. Currently there are 35 countries implementing this standard for 30 species of finfish, crustaceans and molluscs worldwide.

## Environmental Management

### Environmental Education/Communication

System    Activity

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.

#### Regular seminars and training sessions

We work to raise awareness of environmental issues among employees of Mitsui and its subsidiaries and affiliated companies through regular seminars, environmental law training sessions, and ISO14001 training programs. We also regularly publish in-house environment and social newsletters as a way of raising the environmental awareness of officers and employees.

Environmental education policy, planning, and aims			
Awareness activities (seminars, etc.)		Environmental auditor training	
<b>New hires</b>	Induction Course (Environment)	<b>ISO14001</b>	ISO14001 Provisional Auditor Training ISO14001 Lead Auditor Training
<b>Accepted</b>	Induction Course for Temporary Staff (Environment) Induction Course for Contract Employees/Secondees working at Mitsui & Co. (Environment)		<b>Environmental Management</b>
<b>Continuing Education</b>	Environment Month (Seminars, lectures, etc.) Environment Seminar Environment-related Newsletter		

#### Training seminars on environmental laws and regulations

We continually hold seminars for employees of Mitsui and its subsidiaries and affiliated companies regarding environmental laws and regulations. In the fiscal year ended March 2018, approximately 130 people participated from Mitsui & Co. group companies. We also conducted a separate training seminar on the Waste Management and Public Cleansing Law, providing classroom training focused on precautions in regard to complying with the Law, as well as training that covered procedures for on-site checks at waste disposal facilities and actual visits to such facilities.



Employees attend lectures about industrial waste and disposal facilities and plants

#### Seminars and training sessions held in FY 2017

Title	Number of times per year	Target audience	Outline
Environmental Law Training	Held twice Approx. 130 participants	Mainly officers and employees of Mitsui and its affiliated companies	Basic knowledge on environmental laws and regulations, recent trends, key law amendments, etc.
Environment Seminar "Lecture on Environmental Waste and Tour of Processing Facility"	Held twice Approx. 100 participants	Officers and employees of Mitsui 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.
New Staff Induction Training (Environment)	Held once Approx. 180 participants	New employees	The program includes explanations about the environmental and social risks in Mitsui's business operations, and the measures used to prevent those risks.
Temporary Staff Induction Training (Environment)	Held 9 times Approx. 40 participants	Temporary employees	The programs include explanations on the environmental policy of Mitsui & Co. as a part of introductory training provided by the Human Resources and General Affairs Division to inform newly hired employees about Mitsui & Co.'s management philosophy (MVV) and rules and regulations, the importance of compliance, and other matters.
Induction Training for General/Seconded Contract Staff (Environment)	Held 4 times Approx. 90 participants	General and seconded contract employees	

#### Mitsui Environment Month

Mitsui has designated June as the "Mitsui Environment Month" each year, during which a variety of programs for officers and employees of Mitsui & Co. and its affiliated companies are held as a part of Mitsui's environmental education activities. During Mitsui Environment Month 2017, we held the following lectures.

#### "The World from an Environmental Perspective"—Special Lecture to Commemorate the 10<sup>th</sup> Anniversary of Mitsui Environment Month Program (Akira Ikegami, a journalist and Institute Professor at the Tokyo Institute of Technology, attended by approximately 400 people)

Professor Ikegami was invited to present a lecture commemorating the 10<sup>th</sup> anniversary of the program this year. His comments, interspersed with humor, demonstrated his extensive knowledge of a wide variety of topics, including the aim behind President Trump's declaration that the U.S. would withdraw from the Paris Agreement. There were positive comments from those present, with one person saying that the speech provided very useful insights about future world trends from an environmental perspective. Another said his eyes were opened to the business opportunities created by a rise in environmental awareness in China as a result of the American withdrawal from the Paris Agreement. The Q&A session included some incisive questions that drew Professor Ikegami's trademark response: "That's a good question."



Professor Akira Ikegami

#### Mini-Lecture: "Learning More about the OH-1 Plan (provisional name)" (Shin Tsuchihara, Fumito Kamiya, and Shoji Shimada of the New Head Office Building Development Department, attended by approximately 140 people)

The "OH-1 Plan (provisional name)" is a large-scale composite project encompassing not only the construction of a new Head Office building, but also other multipurpose facilities, including tenanted offices, a hotel, a hall, and green areas. Topics covered in the mini-lecture included progress on the project, completion of which is scheduled for 2020, and initiatives to minimize its environmental load. Participants said that they gained a clear understanding about how consideration for the environment is being reflected in the project, both during construction and after completion. The event gave employees an opportunity to think about the environment in relation to the building in which they will work.



The speaker in the center is Deputy GM Tsuchihara (center)

## Initiatives toward Environmental Value Creation

### Environment-Related Business

The increasing seriousness of climate change, population growth, resource depletion, and other issues is reflected in growing public interest in nature and biodiversity conservation, in the low-carbon, recycling oriented society, and in renewable energy, as well as in an expanding range of initiatives targeting these issues.

Mitsui & Co. engages in a wide range of business in the world around us, and, under the Environmental Policy Action Guidelines, it positions active participation in finding industrial solutions for environmental issues as one of its highest management priorities. Accordingly, we carry out a broad spectrum of environment-related business activities on a global group basis.

In the renewable energy field, as part of its efforts to respond to global warming and build a sustainable society, Mitsui is pursuing and strengthening its initiatives related to renewable energy projects all over the world. As of March 31, 2018, renewable energy, including hydroelectric power, accounted for approximately 16% of Mitsui's total power generating capacity of 9.3GW and aim at increasing the proportion of renewable energy up to 30% by 2030.

In the modal shift field, we are contributing to the building and improving of transportation infrastructure through our engagement in the development and operation of various railway projects, in addition to our long-term railway lease business. As of the end of March, 2018, the total railroad track network in which Mitsui has participated in relation to railway operation amounts to 10,700 kilometers for

freight services and 1,922 kilometers for passenger trains.

In the resource recycling field, in addition to development of underground resources, Mitsui has also positioned the recycling of above-ground resources as an area to focus on within its comprehensive energy and environmental strategy. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.

In the paper manufacturing resource business, Mitsui has been engaged in afforestation projects on the scale of about 24,000 hectares with the aim of securing resources for pulp and paper manufacturing. By cultivating sustainable forests, these projects contribute to protecting valuable natural resources, absorbing and chemically immobilizing carbon dioxide, preserving biodiversity, and preventing soil erosion and salt pollution.

Water resources are becoming increasingly important from a global perspective. In this field as well, Mitsui has been engaged in efficient water infrastructure business in Mexico, Chile, and other locations, utilizing private sector financial resources and technology.



Solar Power Generation Business (Tottori Yonago Solar Park)



Bii Stinu Wind Project (Oaxaca, Mexico)



Electric bus developed by CaeranoBus, "e-City Gold" being deployed in Portugal

## Initiatives toward Environmental Value Creation

## Renewable Energy

## Activity

Project	Company name	Country	Generating capacity/Scale
Solar power generation business	Haneda Solar Power Co., Ltd.	Japan	2MW
	Tottori Yonago Solar Park	Japan	42.9MW
	Izumitsu Solar Park	Japan	19.6MW
	Tomato Abira Solar Park	Japan	111MW
	Kumamoto Arao Solar Park	Japan	22.4MW
	Omuta Miike Port Solar Park	Japan	19.6MW
	Hamamatsu Solar Park	Japan	43MW
	Tahara Solar-Wind Joint Project	Japan	50MW
	Brockville Solar	Canada	10MW
	Beckwith Solar	Canada	10MW
Solar thermal power generation business	Guzman Energia	Spain	50MW
	Juneda Solar	Spain	1MW
Wind power generation business	NS Wind Power Hibiki	Japan	15MW
	Tahara Solar-Wind Joint Project	Japan	6MW
	Wind Farm Hamada	Japan	48MW
	Canunda	Australia	46MW
	Norway Wind	Canada	9MW
	SOP Wind	Canada	40MW
	West Cape Wind	Canada	99MW
	Caribou Wind	Canada	99MW
	Harrow Wind	Canada	40MW
	PAR Wind	Canada	49MW
	Plateau Wind	Canada	27MW
	ELSC Wind	Canada	99MW
	Erieau Wind	Canada	99MW
	Cape Scott Wind	Canada	99MW
	Brazos Wind	U.S.A.	160MW
Eoliatec del Istmo	Mexico	164MW	
Eoliatec del Pacifico	Mexico	160MW	
Zajaczkowo Windfarm	Poland	48MW	

Project	Company name	Country	Generating capacity/Scale
Biomass power generation business	Green Power Ichihara	Japan	50MW
	Tomakomai Biomass Power Generation Co., Ltd.	Japan	5.9MW
	Hokkaido Biomass Energy Co., Ltd.	Japan	1,815kW
Run-of-river hydroelectric power generation business	Hokkaido Biomass Energy Co., Ltd.	Brazil	3,750MW
	Spanish Hydro	Spain	84MW

## Modal Shift

## Activity

Business investment/Company name	Main business	Country	Project size
MRC (Mitsui Rail Capital, LLC)	Freight wagon leasing business	U.S.A.	Four global bases (US, Brazil, Europe, Russia) Freight wagons: approx. 13,000 Locomotives: approx. 300
MRC-LA (Mitsui Rail Capital Participações Ltda)	Freight wagon rental business	Brazil	
MRCE (Mitsui Rail Capital Europe B.V.)	Locomotive leasing business	Europe	
MRC1520 (MRC1520 LLC)	Freight wagon leasing business	Russia	
VLI S.A.	Freight transportation business	Brazil	Operating a railway network of approx. 10,700 km and port terminals
SuperVia (Supervia Concessionária de Transporte Ferroviário S.A)	Passenger railway transportation business (Rio de Janeiro suburban railway)	Brazil	Transportation record: Approx. 550,000 passengers per day (December 2017)
Carioca (Concessionária do VLT Carioca S.A)	Passenger railway transportation business (Rio de Janeiro Light Rail Train)	Brazil	Transportation record: Approx. 50,000 passengers per day (December 2017)
Via Quatro (Concessionária da Linha 4 do Metrô de São Paulo S.A.)	Passenger railway transportation business (São Paulo metro line no. 4)	Brazil	Transportation record: Approx. 670,000 passengers per day (December 2017)
Abellio Transport Group Ltd.	Passenger railway transportation business (East Anglia)	UK	Transportation record: Approx. 200,000 passengers per day
	Passenger railway transportation business (West Midlands)		Transportation record: Approx. 180,000 passengers per day

## Initiatives toward Environmental Value Creation

## Recycling

Activity

Business investment/ Company name	Main business	Country	Business size
MM & KENZAI Corporation	Metal scrap collection and sales business	Japan	Handles 7 million tons/year of metal scrap
Kyoei Recycling Co., Ltd.	Industrial waste processing and gas production	Japan	Processing capacity of 33,000 mt/year, 90mt/day
Mitsui Bussan Metals Co., Ltd.	Non-ferrous metal scrap (including PCB scrap), recycled aluminum ingots, and nonferrous metal product trading business	Japan	Handles 250,000 tons/year of non-ferrous metal scrap and recycled ingots
Sims Metal Management Ltd.	General recycling business (metal scrap, electronic device recycling, etc.)	North America, Europe, Australia, New Zealand, and elsewhere	Handles 8.7 million tons/year of metal scrap, etc.

## Paper Manufacturing Resource Business

Activity

Business investment/Project	Country	Project size
BTP (Bunbury Treefarm Project)	Australia	7,100ha
GTP (Green Triangle Treefarm Project)	Australia	1,500ha
PTP (Portland Treefarm Project)	Australia	1,500ha
BFP (Bunbury Fibre Plantations Pty., Ltd.)	Australia	13,900ha

## Water Business

Activity

Project	Main Business
Water treatment business in Mexico	Participation in five major water treatment projects in the State of Jalisco and other parts of Mexico through a consolidated subsidiary, Atlatec, S.A. (headquartered in Mexico)
Desalination and Pumping Projects in Chile	Participation in desalination and pumping project for BHP Spence copper mine in Chile - By constructing, owning, and operating a desalination plant and a water conveyance system of approximately 150 kilometers in the area of Antofagasta in the north of Chile, the project will supply fresh water over a 20-year period.

## Other Environment-Related Business

Activity

Project	Main Business
Distributed power generation business	Contribution to electrification in rural areas by investing in OMC Power, a leading mini-grid power company that is mainly using renewable energy to reliably supply electric power in non-electrified regions in India
Local power generation for local use	Conclusion of a partnership agreement with Arao City and Global Engineering Co. on community development with a focus on effective utilization of local energy
Car-sharing business	Operation of a car-sharing business that utilizes high fuel-efficiency, low-pollution vehicles (Singapore)
Electric buses	Investment and participation in the Portuguese company CaetanoBus, which manufactures and sells electric buses
Battery systems	Investment and participation in the French company Forsee Power, which manufactures battery systems
Engineering services	Investment and participation in AZAPA for the purpose of exploring ways to provide functions needed by Japanese manufacturing industries in new fields of technology, such as electric and self-driving vehicles
Materials for secondary battery use	Structuring systems for the stable production and supply of secondary battery materials, including principally those used in lithium-ion batteries
High-pressurized tanks for NGVs and FCVs	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells
High-grade urea solution: AdBlue® business	Mitsui & Co. Plastics a consolidated subsidiary, is building and expanding a nationwide network of sales and logistics locations and infrastructure for Mitsui Chemicals' AdBlue®, which converts the nitrogen oxides contained in exhaust gases into harmless water and nitrogen
Business development utilizing gas fermentation technology	Mitsui invested in LanzaTech New Zealand, a venture company based in Chicago, which is developing technology to convert carbon monoxide (CO) and carbon dioxide (CO <sub>2</sub> ) into fuel and chemicals via a gas fermentation process
Japan-Australia demonstration project for oxyfuel and CCS technologies	Mitsui and other participants carried out a demonstration of new oxyfuel technology in the Callide Oxyfuel Project, a public-private initiative by Japan and Australia. The project, using carbon capture and storage (CCS) technology, aims to realize zero-emission electricity generation at coal-fired power stations by recovering CO <sub>2</sub> from the stations and injecting the gases underground for storage. The final project report, compiling a series of results of the project, is to be completed in March, 2018. The possibility of commercialization of the technology is currently being considered
Hydrogen supply chain business	Mitsui, together with Chiyoda Corp., Mitsubishi Corp., and NYK Line, have started conducting an international hydrogen supply chain demonstration project in Brunei. The hydrogen procured in Brunei will be transported by sea to Japan at ambient temperature and pressure and then restored to gaseous form in the coastal areas of Kawasaki. The plan is to supply up to 210 metric tons per year to consumers by 2020 (enough to replenish 40,000 fuel cell vehicles)
REDD+ project in Cambodia/JCM utilization	Mitsui is implementing the REDD+ project in Cambodia through the utilization of the Joint Crediting Mechanism (JCM), which is a bilateral emissions reduction mechanism. REDD+ is a scheme which provides economic incentives, such as the issuance of carbon credits, in exchange for the reduction of greenhouse gas emissions through efforts to mitigate climate change through deforestation and forest degradation in developing countries
Solar power generation monitoring service	Mitsui Knowledge Industry Co. a consolidated subsidiary, offers cloud-based remote monitoring services to check the operation status of solar power generation facilities and detect any irregular behavior and malfunction
Cloud-based energy saving service	Mitsui Knowledge Industry Co. a consolidated subsidiary, offers cloud-based energy saving management service with automatic and remote control of air conditioning operation in commercial facilities

Initiatives toward Environmental Value Creation

Other Environment-Related Business (Continued)

Activity

Project	Main Business
Precision agricultural solutions business	Mitsui has acquired an equity stake in Farmers Edge of Canada, a precision agriculture and independent data management solution provider which helps farmers to raise crop yields and reduce costs by assisting them with the implementation of efficient fertilizer application plans, which contributes to reducing the load on the environment
Air conditioning services	The Air as a Service (AaaS) business operated jointly by Mitsui and Daikin Air Techno reduces commercial electric power consumption by approximately 20% through the remote control of air conditioning (Results vary according to the building)
Data management for industrial customers	Facilitating improved energy efficiency by the visualization of operation data in various industries, such as power utility and oil & gas, through collaboration with OSisoft in the US, which develops and sells the PI System, its industrial data management software
Sharing economy	Driving the development of sharing economy through the Mercari flea market smartphone app business
Solar funds	Contributing to the spread of solar power generation by forming and selling solar funds through Mitsui & Co. Alternative Investments

Prevention of Global Warming and Conservation of Biodiversity through Business

Activity

Wood Biomass Power Generation Business

Mitsui, together with Iwakura Corporation, Sumitomo Forestry Co., Ltd., and Hokkaido Gas Co., Ltd, engages in the power generation business using wood biomass fuel. Wood biomass power generation is a carbon neutral method of supplying energy and is expected to contribute to the prevention of global warming. We utilize 100% of previously unused wood\* from forests in Hokkaido, including our company-owned "Mitsui's Forests," to produce woodchip fuel. This facilitates the improvement of forests in Hokkaido and contributes to the development of the forestry industry. The project also has considerable social significance, including contribution to community revitalization through job creation.

\*Forest (timber) resources that have previously not been utilized, such as thinning timber and residual materials from forests.



The biomass power station in Tomakomai, Hokkaido

Forest Asset Management Business and Eucalyptus Tree-Planting Program

With the aim of contributing to the development of a sustainable society through ensuring a stable supply of forest resources and realizing appropriate forest management by the forests fund including acquisition of carbon credit, Mitsui has invested and participated in New Forests Pty Limited (Australia: forestry funds under management totaling approximately ¥350 billion), which has been engaging in forestry asset management business in Oceania, Asia, and North America.

New Forests has been entrusted with the management of forests covering 700,000 hectares. With these forest resources, Mitsui will contribute to the prevention of global warming.

In an eucalyptus tree-planting program (the total area planted stood at around 24,000 hectares as of March 2018) in Australia, which Mitsui conducts together with partners such as Nippon Paper Industries Co., Ltd. for the stable provision of wood chips (the raw material for paper), we have acquired either FSC® (Forest Stewardship Council®) certification or Program for the Endorsement of Forest Certification (PEFC) certification, and engage in business that takes sustainable use and protection of forests and biodiversity conservation into consideration.



A forest plantation managed by New Forests in Australia

Jirau Hydroelectric Power Plant

Located on the Madeira River in northern Brazil, the Jirau Hydroelectric Power Plant uses the run-of-the-river system, whereby the natural flow of the river is used to drive generators. By supplying power to approximately 10 million people in metropolitan Sao Paulo, the facility reduces the need to generate power with fossil fuels. As one of the biggest hydropower plants certified by the United Nations, the station also earns emission rights for 6 million tons of CO<sub>2</sub> per year. The Madeira River is a tributary of the Amazon River and forms part of the Amazon Basin, a region that is known for its rich biodiversity but is also under serious threat from forest depletion.

Because of its location, the Jirau project has been closely watched by many parties, including local communities and NGOs, and every possible step is being taken to ensure that the plant is operated in an environmentally responsible way. As part of an approximately ¥60 billion environmental program, we conducted preliminary surveys to identify every possible impact that affects the local environment and communities. We then built hospitals, schools, and new housing to improve the local living environment. Other initiatives include measures to protect flora and fauna, such as fish and mammals.



A panoramic view of the power plant

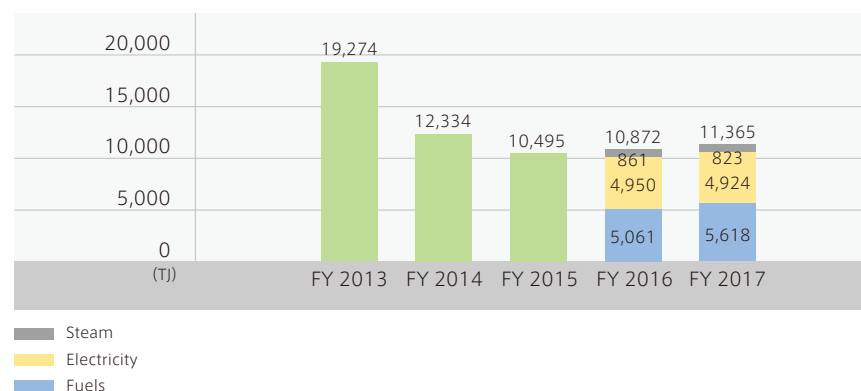
## Initiatives to Reduce Environmental Load, Including Curbing Global Warming (with Environmental Data)

### Management of Environmental Load on a Global Group Basis

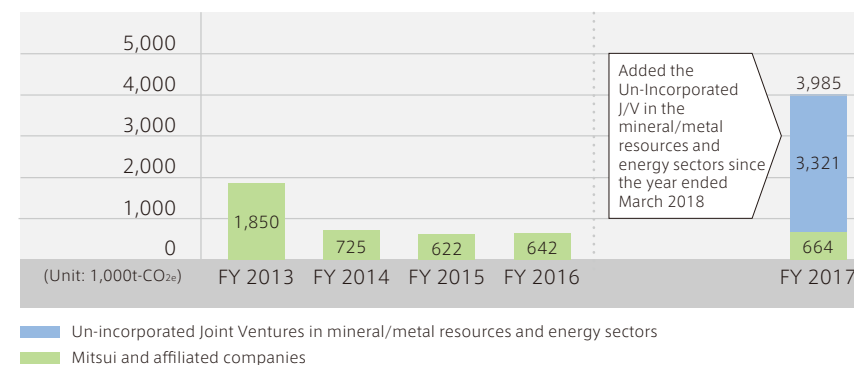
Activity

Mitsui & Co. is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions from energy sources on a global group basis. From the fiscal year ended March 2006, Mitsui has continually surveyed its domestic GHG emissions in order to understand the amount of its emissions year by year. Mitsui has also announced its objective of reducing energy consumption for Mitsui itself as well as for its domestic subsidiaries, by an average of over 1% per year. The entire global group is working to achieve the goal through various measures, including improvement in energy efficiency. In addition, Mitsui has begun surveying the GHG emissions of its overseas subsidiaries since the fiscal year ended March 2009 and from the fiscal year ended March 2018 onward, the scope of the survey has been expanded to include un-incorporated joint ventures in the mineral/metal resources and energy sectors. We will continue to monitor the GHG emission amount and explore new initiatives to reduce GHG on a global group basis.

### Energy Consumption ★



### Greenhouse Gas (GHG) Emissions ★



### Management of Greenhouse Gas (GHG) Emissions

 (Unit: 1,000t-CO<sub>2</sub>e)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SCOPE1 ★	1,460	384	284	314	3,448
SCOPE2 ★	390	341	338	328	537
SCOPE3*	—	—	42	37	35
Total	1,850	725	664	679	4,020

\*The sources include employees commuting, business trips, logistics amounts, and waste amounts.

### Water Consumption

 (Unit: Thousand m<sup>3</sup>)

Fiscal Year	FY 2015	FY 2016	FY 2017
Water Consumption	25,846	39,543	59,936

<Scope of coverage>

- Energy Consumption: Mitsui, domestic/overseas affiliated companies
- Water Consumption: domestic/overseas affiliated companies
- Green House Gas (GHG) Emissions: Mitsui, domestic/overseas affiliated companies, Un-incorporated Joint Ventures in the mineral/metal resources and energy sectors

<Calculation criteria>

- Figures for Mitsui are calculated in accordance with the computation criteria stipulated in the Act on the Rational Use of Energy (factories and workplaces). The scope of Mitsui includes buildings owned by Mitsui in Japan as well as buildings, offices, and training centers rented by Mitsui.
- Affiliated companies in Japan are domestic subsidiaries as specified in the Financial Instruments and Exchange Law. Calculation is carried out based on the computation criteria stipulated in the Act on the Rational Use of Energy.
- Overseas affiliated companies are overseas subsidiaries on a consolidated basis. Calculation is carried out based on the computation criteria stipulated in the GHG protocols "Emission Factors from Cross Sector Tools (March 2017)" and "GHG emissions from purchased electricity (Version-4\_8\_0)" of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and the Act on the Rational Use of Energy. The emission factors by county/sector defined by the International Energy Agency are adopted in some estimations.
- As for the un-incorporated joint ventures in the mineral/metal resources and energy sectors, in addition to the computation criteria for overseas affiliated companies listed above, the "IPCC Guidelines for National Greenhouse Gas Inventories, 2006" is adopted for the calculation of fugitive emissions with production.
- According to data calculation carried out for the fiscal year ended March 2018, the data for the fiscal year ended March 2017 was reviewed.

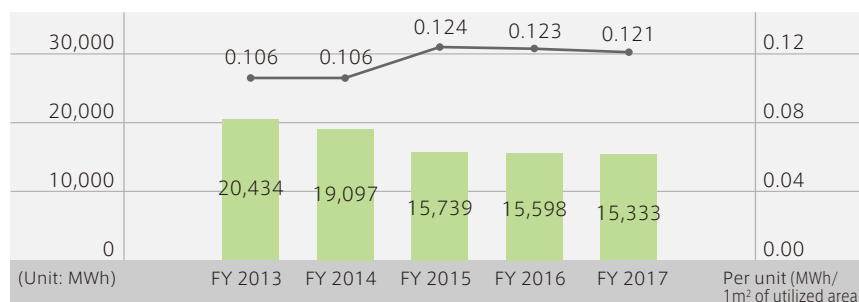
## Initiatives to Reduce Environmental Load, Including Curbing Global Warming (with Environmental Data)

### Reducing the Environmental Impact of Offices Activity

Activity

All employees at Mitsui strive to reduce the load 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, with the targets of "reduction of electricity consumption by 1% or higher on average per year" and "a recycling rate of 85% or higher by 2020".

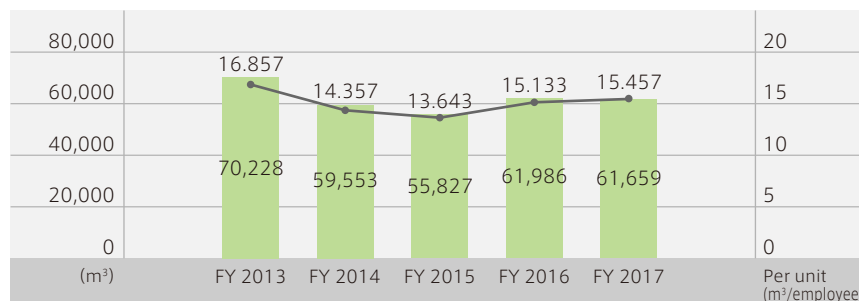
#### Electricity Consumption ★



#### Water Consumption ★

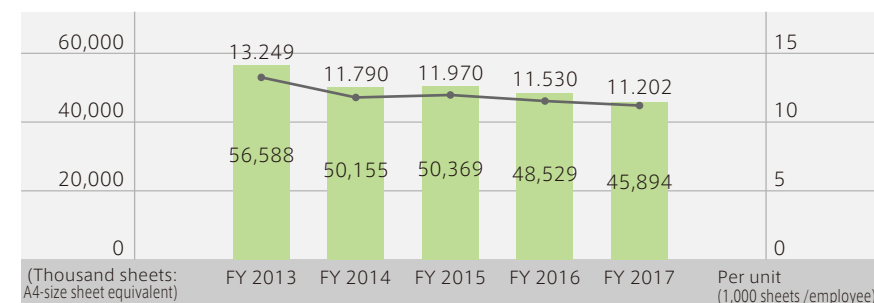
At the Headquarters, we use recycled water for toilet flushing in order to promote reduction in water consumption.

The wastewater amount for FY 2017 was 61,659 m³ (The amount of wastewater that cannot be measured is calculated on the premise that such amount is equal to the amount of water used).

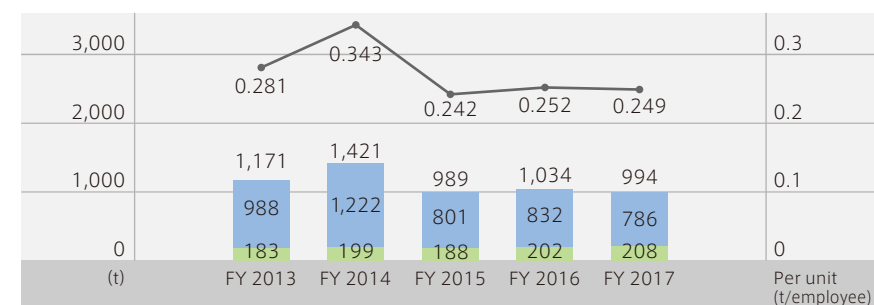


#### Paper Consumption ★

We promote reduction in paper consumption by initially setting up every multifunctional printer with double-face printing and other measures. We also promote use of recycled paper to reduce the environmental load resulting from raw material procurement. The utilization rate of recycled paper for FY 2017 was 98%.



#### Waste ★



■ Amount of final disposal  
■ Amount recycled

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Recycling rate (%) ★	84.4	86.0	81.0	80.5	79.1

<Scope of coverage and calculation criteria>

- The scope of coverage for electricity consumption and paper consumption includes all offices in Japan (Tokyo Headquarters, 6 Offices, and 5 Branches).
- The scope of coverage for water consumption and waste includes Tokyo Headquarters and Mitsui-owned buildings (Osaka and Nagoya).



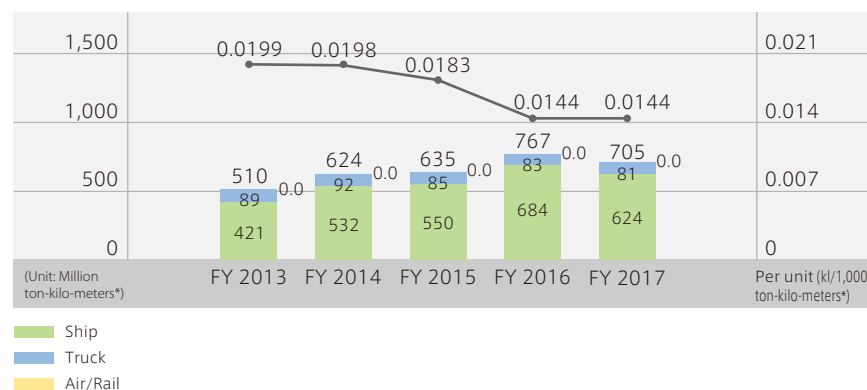
Initiatives to Reduce Environmental Load, Including Curbing Global Warming (with Environmental Data)

Initiatives toward Environmentally-friendly Logistics

Activity

In collaboration with our logistics partners, we implement energy saving measures, including promotion of economical driving practices and other fuel-saving techniques, improvement in transportation efficiency by using larger transport vehicles, introducing cargo consolidation arrangements, and reviewing transport routes, and modal shifts using rail and ship transport.

Freight Volumes Handled by Mitsui ★



\* Ton-kilo-meters are calculated by multiplying the number of metric tons of cargo by the distance (kilometers) they are transported

Initiatives toward Environmentally-friendly Logistics

Selection of transportation method	Use of railways, shipping (modal shift) Use of sophisticated freight services
Measures to improve transportation efficiency	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
Alliances between transportation service providers and users	Review of distribution frequencies Adoption of coordinated logistics planning (optimized cargo-handling preparation to be timed with ships' arrival in port, and the reduction of fuel usage through the shortening of ship standby times, etc.)
Measures to increase fuel efficiency	Eco-drive driving techniques Installation of fuel-saving equipment

Environmental Accounting/Environmental Liabilities

Activity

Environmental Conservation Costs

The cost of environmental conservation during the fiscal year ended March 2018 is outlined below.

(Unit: 1,000JPY)

Category	Investments	Expenses
Business areas costs	620,483	819,669
Upstream/downstream costs	0	101,363
Administration costs	92	453,110
Social activity costs	0	451,034
Environmental remediation costs	0	52
Other cost	6,338	2,536
Total	626,913	1,827,764

<Scope of coverage and calculation criteria>

- The scope of coverage includes all offices in Japan (Tokyo Headquarters, 6 Offices, and 5 Branches).
- We calculated the figures based on the Environmental Accounting Guidelines (2005 version) published by the Ministry of the Environment of Japan.

Environmental Conservation/Economic Effects

Mitsui's environmental conservation and economic effects in the areas of paper consumption and energy consumption during the fiscal year ended March 2018 are shown below.

	Environmental conservation effects	Economic effects (Unit: 1,000JPY)
Paper consumption	2,635 Thousand sheets	1,479
Electricity consumption	269,000 kWh	848

<Scope of coverage and calculation criteria>

- The scope of coverage for paper consumption (Sheet: A4-size sheet equivalent) includes all offices in Japan (Tokyo Headquarters, 6 Offices, and 5 Branches).
- The scope of coverage for electricity consumption includes Tokyo Headquarters and Mitsui-owned buildings (Osaka and Nagoya).
- Environmental conservation/economic effects are calculated by subtracting actual numerical results for the current fiscal year from actual numerical results for the previous fiscal year.

Assessment of Environmental Liabilities

Currently, demands are being placed on corporate management to make proactive efforts regarding environmental issues. In addition to satisfying legal requirements, Mitsui understands the environmental risks (particularly asbestos, PCB, and soil pollution) related to tangible fixed assets such as the land and buildings owned by Mitsui itself, as well as those owned by its domestic group companies, through self-driven surveys, and in light of such risks, makes decisions and judgement related to management policies.

Concerning the data marked with ★, an independent practitioner's assurance report in accordance with the international standards ISAE 3000 and 3410 established by the IAASB was provided by Deloitte Tohmatsu Sustainability Co., Ltd.

## Initiatives for Preserving Biodiversity

### About Initiatives at Mitsui's Forests

Policy

#### Overview of Mitsui's Forests

Mitsui & Co. owns forests in 74 locations in Japan, from Hokkaido in the north to Kyushu in the south. Mitsui's Forests cover a total area of approximately 44,000 hectares, which is equivalent to about 70% of the area of Tokyo's 23 wards, or 0.1% of Japan's territory. We have worked under our Forest Management Policy to protect and nurture these forests and make productive use of the benefits that they provide.

### Forest Management Policy

Policy

**1. Guiding Principle** In line with its Management Philosophy, Mitsui will actively contribute to protecting our irreplaceable Earth and fulfilling the dreams of its inhabitants, and we are committed to carefully nurturing our forests to pass them on to the next generation.

**2. Management Policy** Mitsui gives its forests the status of "assets with a high degree of public use that benefits the whole of society". As well as providing the reusable natural resource of lumber, forests can fulfill a range of socially beneficial functions if properly managed and enhanced on a consistent basis; for instance, they can purify the atmosphere by absorbing carbon dioxide to produce oxygen, and they can act as a reservoir that stores and purifies rainwater. On the other hand, if forests are neglected and not adequately maintained, they may increase the likelihood of natural disasters and develop into a source of other social problems. Aware of the social value that its forests possess, Mitsui regards their long-term ownership and maintenance as an important social responsibility. So as to maximize the socially beneficial functions of our forests, we work to enhance these functions based on the FSC®'s Forest Management Principles and Criteria, and also SGE's Forest Management Certification Principles and Indicators.

**3. Activity Policy** In its concrete activities in the context of its forest holdings, Mitsui will act conscientiously on the basis of the management policy outlined above, giving full consideration to their social significance and maintaining a strong awareness of their environmental impact. Accordingly, we will redouble our efforts in the following areas:

- Offering Forest Environmental Programs to stakeholders
- Research work and concrete action to preserve biodiversity
- Achieving sustainability in the production of wood materials as a reusable natural resource and promoting their utilization as wood biomass

### Mitsui's forests accumulates and absorbs 560,000 tons of carbon dioxide annually

It is estimated that Mitsui's Forests currently accumulate and absorb approximately 560,000 tons\* of carbon dioxide per year. We contribute to the mitigation of climate change risk through sustainable forest management.



\*This estimation is based on "IPCC Guideline for National Greenhouse Gas Inventories" Tier 1.

### Cultivating Different Types of Forests: Forest Management Zoning

System

Mitsui's Forests are divided into "Forests for Regeneration and Harvest" (approximately 40%) and "Natural Forests and Naturally Regenerated Forests" (approximately 60%). Forests for Regeneration and Harvest are forests that have been planted and cultivated by human hands, and follow a repeated cycle of planting, cultivating, harvesting, and utilization for the production and supply of lumber resources. Natural Forests are forests that have been cultivated through natural action, while Naturally Regenerated Forests are forests that have grown back mainly through natural action following deforestation due, for instance, to a natural disaster or tree-harvesting. Forests in these categories are maintained in their natural state. Areas within these forests that are particularly important from the viewpoint of biodiversity are designated as "Biodiversity Conservation Forests" (approximately 10% of all Mitsui's Forests).

Mitsui manages Mitsui's Forests in accordance with the forest management zoning categories as shown below. Appropriate management is applied to each forest category.



Tashiro forest whose value in biodiversity has been highly evaluated

#### Management zoning categories of Mitsui's Forests (As of December 31, 2017)

Category		Definition	Area (ha)	
Forests for Regeneration and Harvest	Harvest-oriented Sustainable Cycle Forests	Forests for the production and supply of lumber resources through the repeated cycle of harvesting, planting, and cultivating.	6,852	
	Natural Restoration Forests	Forests to be restored as Naturally Regenerated Forests consisting of coniferous and broad-leaved trees.	10,609	
Forests for Regeneration and Harvest, Natural Forests and Naturally Regenerated Forests	Biodiversity Conservation Forests	Special Conservation Forests	Forests judged to have irreplaceable biodiversity value at the regional and national level and requiring stringent protection.	324
	Environmental Conservation Forests	Forests confirmed to support a large number of rare creatures whose habitat requires protection.	875	
	Water and Soil Conservation Forests	Forests with plentiful water stocks that form a water resource, reduce the risk of natural disasters, or have other major socially beneficial functions that contribute to the safeguarding of the water supply and the preservation of ecosystems.	3,164	
	Cultural Conservation Forests	Forests requiring protection due to the particularly high value of their "cultural services"—functions that nurture traditions and culture and form part of the "ecosystem services" that are dependent on biodiversity.	117	
Naturally Regenerated Forests	Productive Naturally Regenerated Forests	Forests to be cultivated for tree species useful as a source of lumber.	1,822	
	General Naturally Regenerated Forests	Forests not composed of productive species but to be cultivated for increased social value.	19,384	
	Other Naturally Regenerated Forests	Naturally Regenerated Forests other than in the above categories.	1,270	
Total			44,417	

## Initiatives for Preserving Biodiversity

### Forest Certification (FSC® and SGEC)

System

Mitsui has acquired forest certification for all 74 of Mitsui's forests throughout Japan (approx. 44,000 hectares) under two international standards: the FSC® (License No. C057355), and the SGEC (Certification No. SGEC/31-21-1101).

Forest certification is given based on assessments by an independent institution regarding whether fixed criteria are met concerning forest management methods. The spread of such certification prevents unregulated deforestation, preserves healthy forests, and helps protect the global environment.

Mitsui is currently the only private sector company with large-scale forest holdings in excess of 10,000 hectares in Japan that has obtained both of these certifications. This status allows us to respond to demand for a various types of certified timber. For the G7 Ise-Shima Summit in May 2016, FSC-certified cypress timber from a forest owned by Mitsui was used for the main table. In the fiscal year ended March 2018, Mitsui supplied some of the cedar (SGEC-certified) for use in the roof and eaves of the New National Stadium.

While FSC® certification is a type of certification established by the Forest Stewardship Council (FSC®), an international NGO with a membership system, the SGEC certification system is unique to Japan and was established by the general incorporated association Sustainable Green Ecosystem Council. However, in 2016 following approval of reciprocal certification with PEFC, which is another international certification system, SGEC became an international forest certification system. Both FSC® and SGEC certification provide basic principles, standards, and indicators for conducting appropriate forest management from environmental, social, and economic perspectives. The certifications require forest managers to not only conduct forest management on an economically sustainable basis, but also give proper consideration to the environment and the develop good relationships with local communities near forests. We have continued building good communication with local communities. In the fiscal year ended March 2018, we conducted questionnaire surveys and interviews with five Ainu organizations in Hokkaido on the preservation of Ainu culture and other topics.

### Social Value of Forests

Activity

Appropriate forest management is just part of our commitment. We are also actively engaged in initiatives to utilize forest resources on various levels. As part of our contributions to society and to local communities, we use our forests for environmental education activities. Resources from our forests are also used to support cultural activities and traditional events in surrounding areas, as well as reconstruction in areas affected by the Great East Japan Earthquake of 2011. Mitsui supports the campaign to promote the use of Japanese-grown timber as a way of revitalizing the Japanese forestry industry and providing additional impetus for regional development. For example, we make use of our company-owned forests in our office space, or as a stable supply source of wood biomass fuels for local biomass power generation

business. In the fiscal year ended March 2018, part of the cedar timber (SGEC certified) to be used in the roof and eaves of the New National Stadium was supplied from Mitsui's forests.

In the area of environmental education, Mitsui's forests are used for field studies that teach people about the role of forests, for forestry experience programs, and for various other activities within and beyond the Mitsui organization. In the area of helping to protect culture, we have entered into an agreement with the Biratori Ainu Association concerning the protection and fostering of Ainu culture. In order to contribute to local communities, we also have started to promote the use of wood biomass as an alternative to fossil fuels. For example, we continue to steadily supply timber fuel to a biomass power generation plant in Tomakomai, Hokkaido in which we have invested (commercial operations started in April 2017). We are planning to supply timber fuel reliably also to another biomass generation project at Shimokawa-cho, Hokkaido.



Forestry program (tree thinning experience) at company-owned Kameyama forests

### Biodiversity Conservation Activities in Cooperation with NPOs/NGOs

Activity

#### Conserving the Prey Lang Forest in Cambodia (REDD+\*)

Prey Lang, located in the northeast of Cambodia along the west bank of the Mekong River, is the largest tropical lowland evergreen forest in Indochina. It is inhabited by many wild animals, including endangered species, and is also an important source of water for Cambodia. However, illegal logging, along with reclamation of land for farming by local communities, has resulted in progressive deforestation, loss of wildlife habitats, and an increase in greenhouse gas emissions that would normally be concentrated in the forests.

In partnership with Conservation International, an international NGO, Mitsui aims to use the REDD+ mechanism established under the Paris Agreement to contribute to forest and biodiversity conservation in the Prey Lang Forest, in cooperation with the Cambodian Ministry of Environment. These activities include reinforcing forest patrols to prevent illegal logging and providing local communities with alternative sources of livelihood to avoid reliance on logging.



Near Prey Lang Village

\* REDD+ (Reducing Emissions from Deforestation and forest Degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries): A scheme which provides economic incentives such as carbon credits through the mitigation of deforestation and degradation of forests in developing countries.

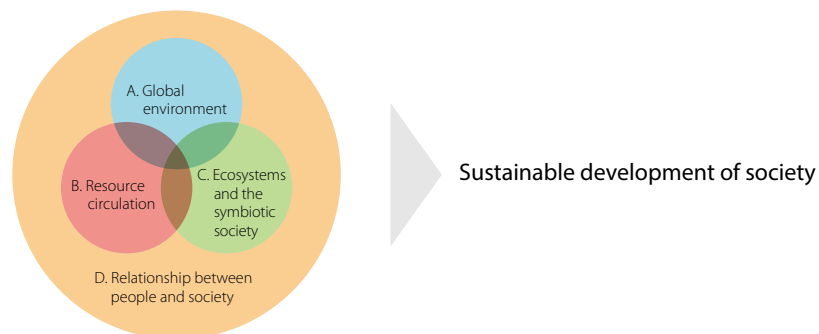
## Addressing Environmental Issues through Contribution to Society

### Overview of the Mitsui & Co. Environment Fund

System Activity

In July 2005, Mitsui & Co. launched the Mitsui & Co. Environment Fund as a grant program that aims to contribute to the sustainable development of society and address global environmental problems by supporting various activities and research projects pursued by NPOs, universities, and other entities. Since the fiscal year ended March 2012, when the Great East Japan Earthquake occurred, Mitsui has also been engaged in recovery efforts aimed at achieving the sustainable development of society through initiatives to mitigate and resolve environmental problems caused by the earthquake and the accompanying tsunami. In addition to its financial support for the activities and research conducted by NPOs, universities, etc., the fund is also encouraging Mitsui's officers, employees, and their families to participate in the activities conducted by the groups or organizations that received our grants, as volunteers. As of the fiscal year ended March 2018, we have awarded grants totaling ¥5.68 billion to 554 projects.

Launched	July 1, 2005
Screening structure	Sustainability Committee, Project Deliberation Panels, Project Selection Meeting (including external experts)
Grant program	<ul style="list-style-type: none"> <li>• Activity Grants</li> <li>• Research Grants</li> </ul> For practical activities or research providing concrete proposals, which contribute to the sustainable development of society and address global environmental problems.
Focus fields	A. Global Environment B. Resource Circulation C. Ecosystems and the Symbiotic Society D. Relationship between People and Society
Eligible groups or organizations	NPOs, NGOs, general incorporated associations and foundations, public interest incorporated associations and foundations, special civil foundations, universities, and national institutes of technology



### Selection of Grant Recipients

System Activity

#### [Message from a Selection Committee Member]

The global social and economic situation relating to the environment is changing significantly, including the signing of the Paris Agreement as a response to climate change, the adoption of the SDGs by the United Nations, and the emergence of ESG investment. Every aspect of life is being affected by these changes. There has also been a significant shift of direction in the criteria used to select issues for the Mitsui & Co. Environment Fund.

In the past, we tended to prioritize the conservation of ecosystems and biodiversity. Our priorities today include the reduction of CO<sub>2</sub> emissions, the solution of societal issues, and the governance of all organizations in relation to these issues.

These changes were reflected in our approach when calling for applications for Mitsui & Co. Environment Fund grants in the fiscal year ended March 2018. We gave priority in our selection process to activities and research that would take up the challenge of finding solutions for issues that are regarded as socially significant. We will continue to emphasize these aspects going forward by striving to select proposals that demonstrate high aspirations toward our goal of contributing to the creation of a sustainable society for the future, and a commitment to social change.

#### Grants awarded

(Unit: number of projects, ¥million)

	Activity Grants		Research Grants		Total	
	Number	Value	Number	Value	Number	Value
FY 2005	15	117	—	—	15	117
FY 2006	18	217	—	—	18	217
FY 2007	48	437	23	456	71	893
FY 2008	51	523	24	368	75	891
FY 2009	34	311	17	213	51	524
FY 2010	28	244	22	285	50	529
FY 2011*	52 (43)	528 (463)	46 (34)	603 (481)	98 (77)	1,131 (944)
FY 2012*	36 (22)	237 (157)	14 (2)	112 (13)	50 (24)	349 (170)
FY 2013	20	165	15	150	35	315
FY 2014	21	118	8	85	29	203
FY 2015	15	155	10	65	25	220
FY 2016	11	92	10	79	21	171
FY 2017	10	63	6	54	16	117
Total	359	3,207	195	2,470	554	5,677

\* Figures in parentheses show the Great East Japan Earthquake Restoration Grants. However, since the fiscal year ended March 2014, we have continued to support restoration projects within the framework of regular programs, without providing a separate additional framework. The total value of the restoration projects since the fiscal year ended March 2012 is ¥1,326 million.



## Strategic Focus

### Contributing to the realization of sustainable agriculture that improves farmers' productivity while also reducing the environmental impact

While demand for food is growing rapidly because of the increasing global population, the amount of land suitable for arable cultivation that has the right combination of climatic and soil conditions remains limited. As climate change is contributing to desertification and having a negative impact on soils, the likelihood of being able to realize a dramatic increase in the area of cultivatable land available is very small. In response to this situation, the United Nations (UN) has formulated targets as part of the UN Sustainable Development Goals (SDGs) for ending hunger, achieving food security, and promoting the sustainable use of terrestrial ecosystems.

One of the first companies to focus on this issue was Chile-based firm Anagra S. A.\*, which in the late 1990s launched a new kind of fertilizer sales business that makes effective use of chemical and biological science.

\*Anagra S.A. is a wholly-owned subsidiary of Mitsui that is engaged in the importation and sale of fertilizer products. To help farmers boost revenue and save labor, Anagra provides high-value-added fertilizer products and related soil analysis and diagnostics services.



**Norihiko Hasegawa**  
Deputy General Manager, Ag-Inputs Department,  
Fertilizer Division, Nutrition & Agriculture Business  
Unit

#### Helping to improve farmers' QOL by providing "fertilizer optimized to the soil conditions"

While many developing nations suffer from inadequate fertilizer application in the agricultural sector, there are also emerging countries where excessive application of fertilizer on arable land is resulting in the deterioration of the soil, and where fertilizer is used wastefully in ways that do not improve crop yield.

Anagra, the company whose operations I am responsible for overseeing, provides "custom-blended fertilizer" that uses ingredients which are optimally blended based on data derived from science analysis of soil samples that the company obtains from individual farms. Anagra also provides farmers with detailed farm management guidance, implemented by agronomists, which is very successful in helping farmers to maximize the potential of the soil.

The social significance of this business model lies in the fact that, by providing the right elements in appropriate quantities at the correct time, when the soil needs them, without the unnecessary application of excessive amounts of fertilizer, it is possible to safeguard the environment while also boosting farmers' incomes, and helping to enhance farmers' quality of life (QOL). Furthermore, because farmers are under less pressure, it is easier to

get them interested in suggestions that they try experimenting with new crops next year, for example. By putting forward proposals that have a high degree of reliability because they are based on scientific data, it is possible to make a substantial contribution towards helping farmers to realize sustainable growth.

#### Spreading the latest agricultural management methods to countries all over the world, as a response to climate change

Plants that have always been grown in a particular region can no longer be grown there successfully, while plants that one would



An agronomist employed by Anagra checking crop growth

have thought would be unsuitable for cultivation in that region can now be grown there—this kind of phenomenon is gradually starting to be seen in Chile too. Anagra believes that, in order to help agriculture adapt to climate change, it is possible to use the company's accumulated data and knowhow in activities that help farmers to hedge against climate change risk and boost yields. Water conservation is also sure to become an important issue in agriculture in the future; Anagra provides farm management guidance based on the thinking that, as with fertilizer, it is important to avoid unnecessary excessive use of water resources.






Our intention is to take these new farm management techniques and expand their adoption to countries and regions through the world. Besides investing in Peruvian fertilizer sales company Equilibra Peru S.A., Mitsui also aims to contribute to raising the incomes of people working in the agricultural sector, and towards enhancing food security, through our partnership with ETC Group, a company that is developing sales of agricultural materials etc. in regions such as East Africa.

There are still many aspects of agriculture that humans do not yet fully understand. Precisely for this reason, we want to help solve the problems affecting food production and affecting farmers by integrating the power of science with Mitsui's outstanding business development capabilities and extensive networks.

## Activities for FY 2017 to Contribute to SDGs

Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others





### Theme: Resource Development, and the Securing and Stable Supply of Materials and Food

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>2 ZERO HUNGER</b></p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture (2.1, 2.4, 2.a)</p> </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p>Ensure healthy lives and promote well-being for all at all ages (3.8, 3.b)</p> </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</p> </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable (11.c)</p> </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <p>Ensure sustainable consumption and production patterns (12.2)</p> </div> </div> </div>	<p>Mitsui is building optimal supply chains spanning all stages from upstream to downstream, including production, distribution, processing, and logistics, and contributes to the stable supply of resources and raw materials, such as metals, chemicals, energy, and food resources.</p> <p>In our food business, against the backdrop of world population growth which is widening the gap between food supply and demand, and expanding regional imbalances in supply capacity, we promote business to ensure the stable and efficient supply of safe, reliable food resources. We place particular importance on traceability management for grain crops, such as wheat, corn and soybeans, starting at the production and collection phases.</p>	<ul style="list-style-type: none"> <li>● Stable supply of raw materials, such as nickel, cobalt, lithium and aluminum that are used in automotive manufacturing (automotive rechargeable batteries, hard metals, and lightweight materials). (7.1)</li> <li>● Continuation of the development and securing of a stable supply of iron ore (Australia, Brazil), coal (Australia, Mozambique), and copper (Chile). (12.2)</li> <li>● Contribution to LNG and other international resources and energy logistics through the stable supply of international ship space (sales of newly built ships and used ships, and chartered ships). (7.1)</li> <li>● Offering of LNG regasification services with a low environmental load through long-term chartering business for floating storage and regasification unit (FSRU) (Pakistan). (7.b)</li> <li>● Securing of material ingredient sources for fertilizers and sale of products by engaging in phosphorus ore deposits development, etc. (Peru). (2.a)</li> <li>● Promotion of global high-function multimodal logistics for transportation of sulfur, as well as the sale of fertilizers, and the manufacturing and sale of raw materials and products for feeds, and agrochemicals (Japan, U.S. and Europe). (2.a)</li> <li>● Securing of crude oil, petroleum products, LNG, and other resources, as well as the diversification of supply sources and promotion of stable supply worldwide. In addition, promotion of the production of crude oil, natural gas, and other upstream assets (production: 243,836 boe per day (equity-share production in FY March 2018)). (7.1)</li> <li>● Development of LNG projects (Mozambique, U.S., etc.) and promotion of E&amp;P business via affiliated companies (such as Australia, Middle East, Asia, Europe and U.S.). (7.1)</li> <li>● Securing of food and promotion of its stable supply (grain trading volume: 20 million tons/year (FY March 2018)). (2.1)</li> <li>● Promotion of large-scale farms through equity participation in Agricola Xingu, etc. (Brazil). (2.1)</li> <li>● Contribution to the development of the Thai sugar industry through investment in Kumphawapi Sugar/Kaset Phol Sugar, and promotion of the stable supply of sugar within Southeast Asia. (2.1, 2.4)</li> <li>● Initiatives by MicroBiopharm Japan, including the long-term stable supply of anti-cancer drugs, the development of ingredients for new drugs designed to curb antibiotic resistance, the development of technology for targeted cancer drugs with reduced side-effects, and the exploration of compounds from natural microbial resources that have potential as new therapeutic drugs (Japan). (3.8, 3.b)</li> <li>● Increased supply of food resources through providing precision agricultural solutions (Canada, U.S., Brazil, Russia, etc.). (2.4, 2.a)</li> <li>● Promotion of the effective utilization of intellectual property assets that are held by domestic companies and research institutions. As a first step, the commercialization of lactobacillus L8020 and antimicrobial Etak, which were developed by Hiroshima University, by utilizing patents. (3.8)</li> <li>● Stable supply of round raw timber from Mitsui's forests as fuel for the wood biomass power generation plant in Tomakomai, which commenced electricity sales in April 2017 (cumulative total of approx. 87,380 m<sup>3</sup> as of March 2018, representing approx. 51% of total volume). (7.2)</li> <li>● Stable supply of ligneous resources through production of round raw timber from Mitsui's forests, which constitutes about 0.1% of Japan's entire wood consumption in terms of round timber (approx. 51,570 m<sup>3</sup>). (11.c)</li> </ul>

**Activities for FY 2017 to Contribute to SDGs**

Business Area   ● Metals   ● Machinery &amp; Infrastructure   ● Chemicals   ● Energy   ● Lifestyle   ● Innovation &amp; Corporate Development   ● Corporate &amp; Others

**Theme: Promotion of Supply Chain Management**

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.7, 8.8)	Mitsui has built diverse supply chains throughout the world to provide a wide range of functions and services. In conducting our business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving consideration to reduction of environmental load, and ensuring consumer safety and confidence. Together with our business partners, we endeavor to solve various issues present in our supply chains in order to meet society's expectations. Specifically, we conduct supplier surveys based our Supply Chain CSR Policy every year to check the status of our suppliers' sustainability measures, and also conduct on-site surveys on certain suppliers.	<ul style="list-style-type: none"> <li>● Concluding of a MoU with Corporation Nacional del Cobre de Chile (CODELCO) with regard to the Responsible Copper Initiatives. Examining a framework for ensuring traceability through the copper industry value chain to realize a sustainable society. (12.2)</li> <li>● At Mitsui Bussan I-Fashion, continuation of the procedures for obtaining written consent to observe its "Supply Chain CSR Policy" from suppliers with whom the company commences transactions for the first time (340 companies for FY March 2018, and a cumulative total of 5,352). (8.7, 8.8, 10.2, 12.7, 16.5)</li> <li>● Stable supply of wood products from T.M. Baikal (Russia) (approx. 110,000 m<sup>3</sup> per year) (Japan, China, and Russia). (12.2)</li> <li>● Maintenance of FSC®/CoC certification (Mitsui's Life Essentials Business Div., Forest Resources Marketing Dept.: FSC® C104107; Mitsui Bussan Woodchip Oceania Pty. Ltd.: FSC® C107463) and PEFC/CoC certification, to promote responsible management and handling of forest resources. (12.2)</li> <li>● Maintenance of FSC®/CoC certification (by Mitsui Bussan Packaging: FSC® C009939) to ensure that the supply chain of certified paper promotes responsible forest resources management. (12.2)</li> <li>● Implementation of on-site surveys of supplier of oleochemical product in Malaysia. (8.7, 8.8, 10.2, 12.4, 12.7, 16.5)</li> <li>● Implementation of supplier questionnaire surveys concerning our Supply Chain CSR Policy (68 suppliers). (8.7, 8.8, 10.2, 12.7, 16.5)</li> <li>● Continuation of forest management and lumber production in accordance with FSC® certification and SGEC for all Mitsui's forests (74 locations in Japan, approx. 44,000 ha), (12.2)</li> </ul>
 Reduce inequality within and among countries (10.2)		
 Ensure sustainable consumption and production patterns (12.2, 12.4, 12.7)		
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.5)		

## Resource Development, and the Securing and Stable Supply of Materials and Food

### Initiatives through Business

Activity

Mitsui & Co. has built optimal supply chains, spanning all stages from upstream to downstream, including production, distribution, processing, and logistics, and contributes to the stable supply of metals, chemicals, energy, food and other resources and materials.

As part of its efforts, Mitsui engages in investment and trading business in such areas as oil, natural gas/LNG, to secure and supply the energy resources needed by industrial society. In particular, we participate in natural gas/LNG development projects in various parts of the world to ensure stable supplies of this clean energy resource. Our extensive involvement covers the entire value chain, from production to marketing. In addition, looking ahead toward the realization of the low-carbon society, we are engaging in the commercialization of renewable energy technologies, such as bio-fuels, and the creation of business models for hydrogen transportation and storage.

Mitsui actively participates in the development of iron and steel raw materials and non-ferrous metals resources. We endeavor to ensure stable supplies of mineral and metal resources, such as iron ore and copper, for Japan and other markets around the world. We are also building a supply network of metal scrap in preparation for the global recycling society of the future. With iron and steel products, we are building supply structures for infrastructure projects to meet buoyant demand in rapidly growing emerging economies. At the same time, we procure and supply iron steel products for a wide range of industrial sectors, including the motor vehicle industry and the energy sector.

In the automotive sector, we not only export vehicles, but also conduct local logistics business in respective regions, and have built a stable global chain spanning from production to finance. As regards our rail transport business, in addition to the export of freight cars and related equipment, we also engage in leasing business and other services to meet a variety of needs across the railroad value chain.

In our food business, against the backdrop of world population growth widening the gap between food supply and demand, and expanding regional imbalances in supply capacity, we strive to ensure the stable and efficient supply of safe, reliable food resources. We place particular importance on traceability management for grain crops, such as wheat, corn, and soybeans, starting at the production and harvest stages.

Mitsui is also deepening its engagement in the agricultural sector, including the manufacture of the nutritional element methionine, as well as the development of phosphate rock fertilizer resources, and global trading of fertilizer raw materials, such as sulfur and sulfates. We are also developing our chemicals business through wide-ranging transactions and investments that contribute to various industries, including new initiatives focused on carbon fiber and green chemicals.

## Promotion of Supply Chain Management

### Supply Chain CSR Policy

Policy

Mitsui has built diverse value chains throughout the world and provides a wide range of functions and services. We are active at every stage of the supply chains, from upstream to downstream, and have as many as 20,000 business partners. In conducting business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving comprehensive consideration to reduction of the environmental load, and ensuring safety for products and services and consumer confidence. Together with our business partners, we endeavor to solve various issues present in our supply chains in order to meet society's demands. In order to correctly assess and solve CSR-related issues in the supply chains, Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since worked to ensure that all of Mitsui's business partners fully understand our standards and cooperate in the implementation of the policy. We are working to ensure compliance with and implementation of this policy while continuing to review the policy based on society's changing expectations and demands. We are making every effort to enhance our supply chain management by identifying potential problems in our supply chains and identifying key CSR issues based on the characteristics of each business model, country, and industry.

#### Supply Chain CSR Policy

1. Mitsui & Co. will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of its businesses, consistent with the wishes of its stakeholders.
2. Mitsui & Co. will strive to support improvements in the supply chains by seeking understanding and implementation of the following principles by its business associates:
  1. To engage in fair trade, prevent corruption, and comply with all applicable laws and regulations
  2. Not to be complicit in human rights abuse and violations
  3. To prevent discrimination with respect to hiring and employment
  4. To respect the rights of employees to associate freely and bargain collectively
  5. To appropriately monitor employees' working hours, holidays, and leaves of absence, and prohibit unlawful excessive work
  6. To prevent forced labor, child labor, unlawfully-cheap labor, physical discipline, and physical, sexual and other forms of harassment
  7. To ensure a safe and sanitary work environment
  8. To reduce and mitigate business impact on the global environment
  9. To ensure the safety and reliability of products and services
  10. To disclose adequate and timely information relevant to the above



## Promotion of Supply Chain Management

### Current State of Implementation of Supply Chain CSR Policy

System	Activity
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We attach great importance to interactive communication with suppliers. We also conduct supplier questionnaire surveys and on-site surveys based on our Supply Chain CSR Policy.

#### Company-wide uniform supplier communication forms

Beginning in the fiscal year ended March 2009, we started sending letters (in Japanese, English, Chinese, French, Spanish, and Portuguese) to all suppliers of Mitsui's business units, overseas offices, and subsidiaries (more than 45,000 suppliers in total) requesting their understanding and cooperation in regard to our Supply Chain CSR Policy, in a move to ensure that all Mitsui suppliers are fully aware of this policy. In addition, we conduct internal examinations in alternate years, to verify that the letters were dispatched to the suppliers.

#### Supplier questionnaire surveys

In promoting compliance with this policy, we consider interactive communication with our suppliers to be very important. We work to build relationships of trust, and strengthen our supply chain management by working jointly on ideas for improvements with our partners, wherever needed.

For this reason, we regularly conduct questionnaire surveys targeting the suppliers of Mitsui and its subsidiaries to confirm (1) the status of their adherence to our Supply Chain CSR Policy, and (2) whether they have CSR policies related to such areas as "human rights and labor practices", "health and safety", "business ethics", and "environmental management".

In the fiscal year ended March 2012, Mitsui conducted supplier questionnaire surveys for coffee, cocoa, and other agricultural products (39 companies), as well as for consumer products such as apparel (153 companies). In the fiscal year ended March 2015, as part of a new initiative, we selected our main suppliers from all our business domains for the survey (72 suppliers in the fiscal year ended March 2015, 39 suppliers in the fiscal year ended March 2016, 50 suppliers in the fiscal year ended March 2017 and 68 suppliers in the fiscal year ended March 2018).

#### Supplier on-site surveys

In addition to the above-mentioned supplier questionnaire surveys, we also conduct supplier on-site surveys in order to conduct interviews with responsible persons and check the situation at the operation sites, in accordance with the checklist for compliance with the Supply Chain CSR Policy.

In the fiscal year ended March 2015, we conducted on-site surveys of coffee bean farms in Brazil, in the fiscal year ended March 2016, suppliers of pulp and paper manufacturing resources, and in the fiscal year ended March 2017, suppliers of food material. In the fiscal year ended March 2018, our targeted suppliers were oleochemical product supplier and we visited an oleochemical company (Mitsui's supplier) in Malaysia, their factory, and palm plantations from which oleochemical is procured. We conducted on-site surveys together with an external expert to check operation site situations with regard to such areas as "environmental management", "human rights and labor practices", "legal compliance" and "quality control and traceability". No violations of our Supply Chain CSR Policy were found.

### Future Actions System Activity

System	Activity
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We will continue taking appropriate measures to ensure that all suppliers of Mitsui and its subsidiaries understand our Supply Chain CSR Policy, and that we grasp the actual situation of the business, with regard to how the supply chain follows our CSR Policy. We will also continue sending out letters to new suppliers to obtain their agreement to follow our Supply Chain CSR Policy prior to starting business relationships with them. In the event that we discover violations of this policy in our supply chain, we will urge the supplier to remedy and improve the situation, while providing support to the suppliers as needed. However, if there are no improvements to the situation by the suppliers, we will determine carefully whether to continue our business with that supplier.

To increase the sensitivity of all employees with respect to human rights, labor, and other issues in our supply chains, and to prevent problems, we will continue to heighten employee awareness and provide training seminars (35 participants in the fiscal year ended March 2018).

## Promotion of Supply Chain Management

### Summary of Supplier On-site Surveys (Procurement of oleochemical products)

System      Activity

Mitsui conducts interviews with supplier representatives and carries out on-site surveys in accordance with the checklist prepared under our Supply Chain CSR Policy, and reviews the status of suppliers' sustainability initiatives.

In March 2018, we visited a factory and plantations of a Malaysian oleochemicals manufacturing company who is a supplier to Mitsui, and we carried out on-site surveys. Oleochemicals are natural-oil derived fatty acid products, such as palm oil and palm kernel oil. They are widely used as ingredients for a variety of everyday products, such as detergent and shampoo, as well as industrial products.

At the manufacturing company's factory, we inspected the manufacturing process, the quality control laboratory, the control room, the storage facility, the packaging processes, the wastewater treatment facility, and the employees' canteen. During interviews with the managers and employees, we carried out checks on "environmental management", "human rights and labor practices", "legal compliance", and "quality control and traceability". At the palm plantations, we inspected the plantations, the oil mill, and the biomass power plants. During interviews, we confirmed that initiatives are being implemented in respect to the environment, as well as safety and labor practices.

As a result of the on-site surveys, it was confirmed that all matters are being handled properly, and that all requirements of the Supply Chain CSR Policy have been satisfied.

We will continue to carry out on-site surveys relevant to supply chain CSR.



This is the factory of the oleochemicals manufacturing company we visited

### Results of Supplier On-site Surveys

#### Environmental management

- Wastewater treatment: Factory wastewater is separated into organic or inorganic wastewater, filtered or otherwise treated. Then, it is confirmed whether wastewater meets the required standards before being discharged into a nearby river. (Factory)
- Use of chemical substances: The factory uses natural raw materials. During manufacturing processes, it keeps the use of added chemical substances to a minimum, only using catalysts, etc. This helps the company manufacture very safe products. (Factory)
- Use of agrochemicals: The plantations reduce the use of agrochemicals by using organisms that are effective in pest control (including owls to catch rats, and plants that attract wasps, which are a natural enemy of other insects). (Plantations)
- Conserving biodiversity: The plantations promote the conservation and reproduction of native barn owls by installing artificial nests at the plantations. (Plantations)



These are young palm trees, just four or five years old. They will be ready for harvesting when they have grown into mature trees of ten years or older

#### Human rights and labor practices

- Working hours: The processes are in operation 24 hours a day, 7 days a week, and there are three 8-hour shifts. (Factory)
- Creation of a pleasant working environment: The canteen is clean and bright, and has sufficient seats. Workers are granted food subsidies. (Factory)
- Management of labor safety: The facilities are well-organized, and the equipment is new. Measures are being correctly implemented in relation to safety, such as requiring helmets and protective glasses to be worn inside the laboratories. (Factory)
- Management of labor safety: The company thoroughly carries out safe operations through the training of workers on the safe use of agricultural equipment, tractors and agrichemicals. (Plantations)
- Employment: Company housing is provided free of charge to overseas workers. In addition to transporting workers' children to and from school, prayer facilities have been provided for a variety of different religions. (Plantations)



Harvested palm bunches are transported by tractor

#### Legal compliance

- The company has acquired HACCP\* and RSPO certifications, as well as OHSAS\*, ISO14001\* and other certifications. The suppliers comply with local laws and regulations relating to the environment, working hours, employment, and other matters, and they possess the required operating licenses. (Factory and plantations) \*Certifications relating to factory operation and management.

#### Quality control and traceability

- Quality control: Suitable sampling is carried out when raw materials are delivered to the factory, and for suitable products every hour. (Factory)
- Traceability: Raw materials are strictly sealed and can be identified using the lot numbers given to each transportation tanker. (Plantations and factory)

### Carrying Out the Supplier On-site Surveys

#### Dr. Naoki Adachi, CEO of Response Ability, Inc.

To carry out these surveys, we visited a chemical plant, group-owned plantations, and an oil mill of a Malaysian company that is the main supplier of palm oil and palm kernel-derived oleochemicals handled by Mitsui.

The supplier we visited this time has been a member of RSPO since its very early stage of establishment. It is a major company that has been actively involved in preparation of more sustainable and stricter standards. It was confirmed that the supplier carries out appropriate management and safe operation in accordance with relevant standards, in addition to that of RSPO.

The fact that the company also uses its by-products to generate electricity, thereby reducing

greenhouse gases, is very progressive.

In addition to meeting RSPO standards, in order to ensure the sustainability of a business as a manufacturer that uses palm oil as a raw material, it is becoming increasingly important to proactively implement a variety of measures from environmental conservation and worker protection perspectives. During the survey, it was very reassuring to see that the supplier is making efforts in this respect.

Meanwhile, challenges remain, including the need to support smallholders and the question of how to increase production without further deforestation.

It is hoped that Mitsui and this supplier will display strong leadership in further strengthening sustainable supply chain in spite of these extremely difficult challenges.

## Promotion of Supply Chain Management

### Examples: Assessing and Solving Supply Chain Issues

#### Supply Chain CSR Initiatives

Apparel Operations

MITSUI BUSSAN I-FASHION LTD. ("MIF"), a Mitsui subsidiary engaged in the trading of textile raw materials, industrial raw materials, and woven and knitted fabrics, as well as the production and procurement of apparel and fashion goods, aims to achieve sustainable growth in ways that allow it to exist in harmony with society. MIF is making a determined effort to find solutions to various issues by continuing the supply chain CSR activities, by conducting business that creates environmental value, and by pursuing initiatives relating to human rights management.

As a member of the Mitsui group, MIF undertook the following supply chain CSR activities in the fiscal year ended March 2018, with an eye on becoming a company worthy of earning the trust of all stakeholders, including shareholders, suppliers, customers, employees, consumers, and local communities.

1. MIF obtained "written consent to compliance" from all 340 new business partners (238 in Japan, 102 overseas) with whom the company started doing business.
2. Of the industrial wastes emitted by MIF, waste plastics are particularly difficult to recycle and had previously been treated as residue to be used as fillers in cement, etc. However, we have now changed our processing of waste plastics so that they can be used as high-quality solid refuse paper & plastic fuel (RPF), which emits approximately 40% less CO<sub>2</sub> compared to fossil fuels, thereby contributing to the prevention of global warming.

In addition to these initiatives, MIF engages in the development and sale of environmentally-friendly textile-related products with advanced functionality that are kind to and safe for the Earth and its people. MIF has also obtained certification and registration under bluesign® and the Global Recycle Standard (GRS) and maintains compliance with these standards, which are regarded as among the most stringent in the world.

To obtain bluesign® certification and registration, MIF is required to ensure that its collaborating supply-chain manufacturing facilities in Japan and overseas are taking comprehensive steps to care for not only the environment but also their workers. An applicant company and its supply-chain facilities must meet the standards set out for bluesign® certification, such as the prohibition of child labor, the



Visit to the manufacturing plant of a supplier

elimination of forced labor and discrimination, upholding of freedom of association, and occupational safety and health.

If an infringement of the Supply Chain CSR Policy or related laws and regulations has occurred at a supplier, MIF has a system in place to support and follow up on remedial action and improvements by the supplier to ensure the overall soundness of the CSR management framework throughout its supply chains. MIF also regards support for the development of appropriate working environments at suppliers in Japan and overseas (through ongoing day-to-day communication with them) as an important part of its role as a sustainable company in its supply chains.

#### Supply Chain CSR Activities at MIF

<b>October 2008</b>	MIF established its Supply Chain CSR Policy. The company began sending notices to its suppliers, including contracted manufacturers in Japan and overseas, to request their understanding of and support for MIF's policy and to obtain their written confirmation.
<b>August 2014</b>	MIF conducted a questionnaire survey of its 93 main suppliers concerning the utilization of the Technical Intern Training Program. MIF started to require its suppliers to understand and comply with its Supply Chain CSR Policy and to obtain written consent from its 26 main suppliers and new suppliers.
<b>January 2015</b>	MIF required the aforementioned 26 suppliers to conduct a CSR self-check concerning their compliance with the policy.
<b>September 2015</b>	MIF asked the 241 suppliers from which it had obtained "written confirmation" to replace this expression with "written consent".
<b>February 2017</b>	The Supply Chain CSR Policy formulated in October 2008 was expanded from 7 items to 10.
<b>As of March 31, 2018</b>	MIF had obtained "written confirmation" and "written consent" from a total of 5,352 suppliers: 4,134 in Japan, and 1,218 overseas.

## Promotion of Supply Chain Management

### Examples: Assessing and Solving Supply Chain Issues

#### Initiatives designed to ensure a stable supply of green coffee beans

Food & Beverage Materials

The production volume of coffee, a product enjoyed by people throughout the world, is greatly affected by natural events including frosts and droughts, as well as climatic conditions such as rainy and dry seasons, and this has a major effect on the market price. Thus, it is difficult to purchase coffee at a stable price and maintain a balance between supply and demand.

Mitsui plays the role of liaison between producers and consumers in the supply chain. Mitsui works to improve relations with suppliers around the world in order to guarantee a stable supply of high-quality green coffee beans carefully selected from regions around the world, such as Central and South America, Southeast Asia, and Africa.

In particular, our base of operations in Brazil, Mitsui Alimentos Ltda. (a wholly owned subsidiary), has built alliances with superior producers, and, by ensuring traceability, transparency and identifiability at all stages of business in the supply chain, has created a stable supply system for high-quality green coffee beans.

For example, Mitsui is cooperating with Mitsui Alimentos to provide comprehensive marketing and sales support to Bau Farm in the Cerrado region. We have maintained an excellent relationship with Bau Farm for over 20 years by providing financial support as needed for the development of new plantations, and by entering into long-term agreements as the basis for stable business. Leveraging this excellent relationship, we are devising new initiatives for further expansion of the business.

Bau Farm is owned by Mr. Tomio Fukuda, a second-generation Japanese-Brazilian. As a former engineer, Mr. Fukuda is totally committed to the production of excellent coffee based on the quality control concepts of kaizen and "5S". This approach has allowed Bau Farm to become one of Brazil's leading specialty coffee farms. With assistance from Mitsui, Bau Farm is building new sales channels in Asian and European countries, as well as Japan.



Bau Farm values its employees and improves the quality of its products by improving the quality of the labor. Mr. Fukuda believes that "careful work comes from motivation, and motivation is created by the good treatment and education of employees". The owner's philosophy is reflected in the efforts made by the employees themselves to improve the working environment and consistently apply the 5S methodology. Employees also gain a deeper understanding of the world of coffee through training and workplace education, giving them relevant knowledge and experience of the product and about trends in coffee-consuming countries. This commitment to high-quality employee education has enabled Bau Farm to maintain a stable workforce, giving it an important advantage over other coffee farms.

Moreover, under the slogan of "kaizen", the Farm actively introduces new technologies to produce even better coffee. Bau Farms' another distinctive characteristic is its commitment to constantly trying new ideas that utilize new methods and kinds of coffee trees. For example, by installing an irrigation system for avoiding drought damage, Bau Farm also increases the efficiency of its workforce by controlling the flowering period of the plants in order to stagger the harvest periods. It has also introduced GPS for effective soil improvement.

The green coffee beans that Mitsui supplies to consumers embody the producer's determination to grow high-quality beans through initiatives such as these. We bring the owner of Bau Farm to Japan once every two years to engage in direct dialogue with coffee shop proprietors and beverage manufacturers. These visits provide excellent opportunities to gain a deeper understanding about the needs of consumers. Similarly, when Mitsui customers who handle Bau Farm coffee visit Brazil, we create opportunities for them to visit the farm so that they can learn more about the place where the coffee is grown. Through initiatives such as these, Mitsui works to bring producers and consumers together in a value chain based on face-to-face communication.

Mitsui will continue its efforts to provide consumers throughout the world with stable supplies of high-quality coffee, and to contribute to the success of producers through its business activities.



Bau Farm is owned by the Fukuda family

Promotion of Supply Chain Management

Examples: Assessing and Solving Supply Chain Issues

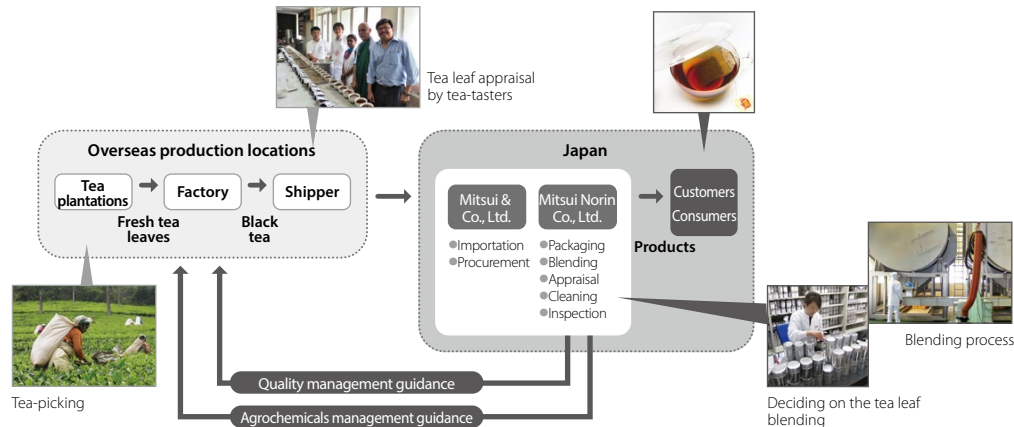
Tea Leaves Procurement in Consideration of Quality, Safety, the Environment and Work Conditions Food & Beverage Materials

Mitsui Norin Co., Ltd., our subsidiary, markets "Nittoh Black Tea", which is a very familiar brand in Japan. The company procures tea leaves from tea producers around the world to meet a wide range of customer needs. At present, it procures tea leaves from approximately 450 tea producers in eight countries, including India, Sri Lanka, Kenya, and Indonesia. Mitsui Norin designates as its preferred suppliers those tea producers which give appropriate consideration to quality and safety, the environment, and work conditions, for example by carrying out controls based on Rain Forest Alliance certification and Hazard Analysis and Critical Control Point (HACCP) certification, being committed to Fair Trade, and engaging in organic cultivation. In August 2017, Mitsui Norin had the honor of being awarded a Certificate of Appreciation from Sri Lanka's Minister of Plantation Industries for its long-standing commitment to Sri Lankan black tea over seven decades.

In the Darjeeling district of India, for example, one producer has been making various efforts to improve both the work conditions of employees and the profitability of the business, for example by introducing a small hydroelectric generator on the farm, entrusting its management and operation to the workers, growing and selling organic produce such as ginger and oranges, and producing honey. The producer also raises cows on the farm to provide milk to children to enhance the quality of life of the workers and their families, and uses the manure as fertilizer for organic cultivation to contribute to reducing environmental load.

Mitsui and Mitsui Norin undertake comprehensive quality control in all phases of the value chain. To ensure complete traceability in all product stages from procurement of raw materials to manufacturing, inspection, shipment, and delivery, both companies worked together to create an original traceability system. In tea-producing regions, Mitsui and Mitsui Norin periodically visit tea farms to conduct on-site surveys of tea-growing environments, quality control, and agrochemical controls and other aspects. As regards agrochemical controls, both companies have tests for residue agrochemicals on the tea leaves conducted at a third-party contract institution, in addition to on-site visits and confirmation at the tea farms.

The Black Tea Manufacturing and Sales Business Value Chain



Improving Procurement Reliability Through Legal Compliance and the Forest Certification System Lumber Procurement

Significant deforestation and reduction and degradation of biodiversity and forest ecosystems caused by illegal logging have become major environmental issues globally. In 2006, as a countermeasure against illegal logging, the Japanese government enacted the Green Purchasing Law, which requires that government agencies only purchase lumber that is certified to have come from legal logging in sustainably managed forests.

As one of Mitsui's missions is to ensure the stable supply of building materials, paper resources, and other wood products, we cooperate with suppliers from around the world to ensure that our purchases contain no illegally logged lumber.

For example, in our forest resources business for pulp and paper manufacturing in Australia, Mitsui implements environmental management and operation procedures based on the two major forest certifications, the Forest Stewardship Council® (FSC®) and the Programme for the Endorsement of Forest Certification Schemes (PEFC), and we conduct regular checks to ensure that only reputable plantation operators are used, that operations do not result in environmental destruction, for example through chemical soil contamination, and that the obligation to replant logged areas is being fulfilled. In addition to Australian companies, in 2014 Trans Pacific Fibre, a forest resources business for pulp and paper manufacturing joint venture company in Chile, obtained both FSC® and PEFC certification.

Increased awareness of environmental conservation has led to increased numbers of companies and consumers who choose products with the above-mentioned forest certifications when they purchase wood and paper products. Mitsui cooperates with its partners and manufacturers to increase the use of FSC® and PEFC certified products in the supply chain, in order to create products that are in accordance with higher awareness of environmental conservation.



Woodchip processing plant (Bunbury Port in Western Australia)



## Strategic Focus

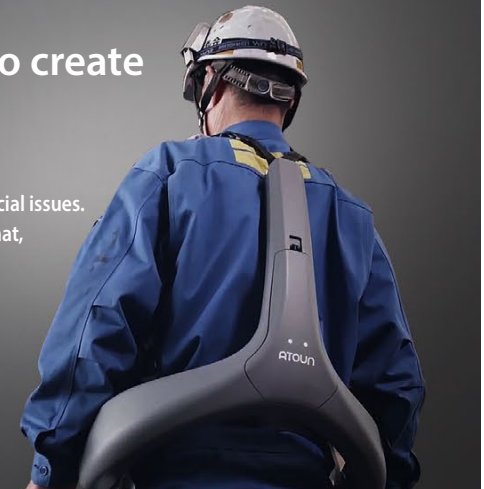
### The widespread adoption of “Powered Wear” wearable power-assist devices will help to create a society in which everyone can keep working energetically until later in life

With the trend towards smaller families and an aging population, Japan will be one of the first countries in the world to directly experience the many problems associated with a declining population. In response, the Japanese government is aiming to realize “Society 5.0,” a new kind of social structure that can help solve both the problems of economic development and social issues.

One of the most important issues affecting Japanese industry today is the labor shortages resulting from smaller families and the aging population structure. Mitsui & Co. believes that, besides measures to reduce the number of workers needed, the adoption of robotic devices that make manual work easier to perform is also an effective way of helping to realize this new society, and that the market for such devices can be expected to grow. In 2013, Mitsui invested in ATOUN Inc.\*, a company that has developed wearable robotic devices.

ATOUN's corporate vision is to help realize a society in which the “power barrier” relating to inadequate muscular strength and stamina (due to aging or gender) can be overcome, making it possible for anyone to continue doing the work they want to do. By making effective use of Mitsui's networks and functional capabilities, it should be possible to stimulate and develop demand for these products, creating a whole new market for wearable robotic devices—that is Mitsui's mission.

\*ATOUN Inc. was established in 2003 as a robotics start-up through the “Panasonic Spin-up Fund,” an intrapreneurship initiative launched by what was then Matsushita Electric Industrial Co., Ltd. and is now Panasonic Corporation. In 2013, ATOUN was operating under the name “Activelink Co., Ltd.”



**Koji Higashiura**  
Rental Dept., Construction & Industrial Machinery Div., Integrated Transportation Systems Business Unit I

#### Providing support to help senior citizens and women remain active in the workforce, by working to prevent resignations caused by back pain

In the logistics sector, in the construction industry, in factories, and in the agriculture and forestry sector, etc., there are always some tasks that involve lifting, carrying and putting down heavy loads. This can be a cause of back pain; I have seen many cases where operatives had to quit their jobs, or report industrial accidents, because of back pain. The ATOUN MODEL A power-assisted suit that ATOUN launched in 2015 was developed with this problem in mind; simply wearing this suit was enough to significantly reduce the load placed by hard manual work on the back.

However, there were some aspects of ATOUN's first model that users were not completely satisfied with, with some users commenting that the suit was “heavy” and “difficult to put on,” and that “the part of the suit that is in contact with the middle back makes you feel very hot.” I passed on this feedback from product users to ATOUN, and played a supporting role in relation to their efforts to improve their existing products and develop new types of product. The new model that ATOUN launched in late 2017 is approximately 40% lighter than their early model, thanks to successful redesign of the motor and battery to make them more compact. This makes it feel as though you really are “wearing” the

device, and this is reflected in the new name “Powered Wear.”

Because ATOUN's products can be used when stacking or sorting heavy objects, they make it possible for women to perform jobs that in the past only men could do. They can also reduce the incidence of workers resigning because of back pain. In this way, ATOUN's products can help to extend people's active lives, while also supporting the continued development of particular regions and industries. I personally hope that, through creating this kind of “virtuous circle,” it will be possible to make a meaningful contribution to local communities.

#### Building a society in which a wide range of people can exert “strength beyond what they themselves possess”

Recently, there has been an increase in inquiries from sectors such as agriculture and forestry that are being affected by the aging of the population. In Japan in particular, we now have a situation where forests that were planted shortly after the end of the Second World War are now reaching maturity, but these resources cannot be fully utilized because of labor shortages; in addition, because forests are not being managed properly, their ability to sequester CO<sub>2</sub> is being weakened. We are contributing to the solving of these issues through the forming of a consortium to undertake joint development of powered suits for use in the forestry sector that can help workers to walk more easily on slopes.

I hope to be able to play a meaningful role in the process of transforming Japan from a “country that leads the world in new problems” to a “country that leads the world in solving new problems.” Even more importantly, I hope to see the development of a society in which it is accepted as normal for people and robots to coexist with one another. Imagine a future in which people can enjoy safer, healthier lives than now, and in which a wide range of different types of people can exert “strength beyond what they themselves possess” in a wide variety of jobs—I firmly believe that this future is just around the corner.






ATOUN is undertaking joint development of powered suits for use in the forestry sector that can be used for walking on slopes, etc., in collaboration with Sumitomo Forestry Co., Ltd., the Forestry Research and Management Organization's Forestry and Forest Products Research Institute, and Nara Institute of Science and Technology

## Activities for FY 2017 to Contribute to SDGs

Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

### Theme: Development of the Social Infrastructure

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>End poverty in all its forms everywhere (1.a)</p> </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (9.1, 9.2, 9.4, 9.c)</p> </div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>Make cities and human settlements inclusive, safe, resilient and sustainable (11.2, 11.3)</p> </div> </div> </div>	<p>As a company engaging in business operations in various countries and regions worldwide, we continue to make contributions to the enhancement of quality of life through projects for developing infrastructure, in particular electric power, logistics, railroads, healthcare, and communications.</p>	<ul style="list-style-type: none"> <li>● Promotion of port container terminal operations (Indonesia), international cargo terminal operations at Haneda Airport (Japan), co-generation business (Thailand, Brazil), and other infrastructure business around the world. (9.1)</li> <li>● Contribution to the creation of a better quality of life by expanding transportation choices through car sharing (Singapore). (9.1)</li> <li>● Provision of stable transportation by helping railway companies to improve their operational efficiency through rolling stock leasing (U.S., Europe, Russia, and Brazil). (9.1)</li> <li>● Transportation cost reduction for grains, fertilizers, steel products, etc. through general freight transportation services (Brazil). (9.1)</li> <li>● Promotion of safe and reliable passenger transportation services by developing, improving and increasing the efficiency of urban transportation infrastructure networks in the passenger railway business. (9.1)</li> <li>● Achievement of remarkable logistic improvements through the construction of dedicated freight corridors (India). (9.1)</li> <li>● Establishment of the Group Management Framework Dept. as an organization providing services across the automobile related business segments. Reinforcement of the governance system for the entire Mitsui &amp; Co. automobile group subsidiaries and contribution to the realization of a sustainable automobile industry by developing management personnel succession plans for Mitsui &amp; Co. automobile group subsidiaries, and developing and hiring of human resources from a medium- to long-term point of view. (9.2)</li> <li>● Promotion of natural gas distribution business (Mexico, Brazil) and power generation business using gas-fired power generation and renewable energy sources (20 countries) in various countries. (9.4)</li> <li>● Participation in mini-grid business to distribute electricity to residents in remote areas, thereby making contributions to the enhancement of their quality of life (India). (9.4)</li> <li>● Contribution to the realization of a longer product lifespan for cars by increasing the transparency of auto body repair and maintenance operations of general auto body shops through the development and sales of operating systems for these shops (India). (9.4)</li> <li>● Providing assistance in the introduction of safe and fuel cost-efficient aircraft through the leasing of aircraft. (9.4)</li> <li>● Contribution to the enhancement of people's quality of life and economic development in Africa by bringing about a positive spiral of "food and agriculture" and infrastructure business through the investment in ETC Group. (1.a)</li> <li>● Promotion of tank terminal business at world-renowned distribution collection sites that serve as a basic distribution infrastructure for the petrochemicals industry (U.S. and Belgium). (9.1)</li> <li>● Promotion of an urban redevelopment project through Mitsui &amp; Co. Real Estate Ltd. that contributes to the improvement of urban functions through the creation of harmonious streetscapes, the enhancement of local disaster-preparedness, the stimulation of community and business activities, and the installation of facilities that will help to enhance community (Japan). (11.3)</li> <li>● Offering of new lifestyles through TV shopping business (Japan, India, China), meal kit business (Russia), and IT-based one-stop renovation service business (Japan). (9.1, 9.c)</li> <li>● Expansion of communications services in developing countries and providing assistance in the strengthening and expansion of related services through participation in a major telecommunications business (Cambodia). (9.c)</li> <li>● Promotion of new mobility services that utilize autonomous driving technology, such as the supply of autonomous shuttle buses through a collaboration with SB Drive (Japan). (11.2)</li> </ul>

**Activities for FY 2017 to Contribute to SDGs**

Business Area   ● Metals   ● Machinery &amp; Infrastructure   ● Chemicals   ● Energy   ● Lifestyle   ● Innovation &amp; Corporate Development   ● Corporate &amp; Others

**Theme: Provision of Safe, Reliable Products and Services**




Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
<div data-bbox="73 368 152 443" data-label="Image"> </div> <p data-bbox="159 368 524 411">Ensure healthy lives and promote well-being for all at all ages (3.8, 3.d)</p> <div data-bbox="73 459 152 534" data-label="Image"> </div> <p data-bbox="159 459 524 534">Ensure availability and sustainable management of water and sanitation for all (6.1)</p>	<p data-bbox="524 368 896 821">In Asia, where serious issues exist such as a rapidly aging population and a sharp increase in lifestyle-related diseases, in addition to ensuring safety and peace of mind, we are working to develop the "Healthcare Ecosystem," a next-generation healthcare infrastructure which is designed to enhance the quality and efficiency of healthcare by using hospitals as a core platform and connecting specialized healthcare, medicine, information, and services to that platform. In addition, against the backdrop of the increasing importance of water resources on a global scale, highly efficient water infrastructure developed through utilization of private sector funds and advanced technology has great social significance. We are working on such projects in Mexico.</p>	<ul data-bbox="896 368 2166 1029" style="list-style-type: none"> <li data-bbox="896 368 2166 411">● Donations by Mitsui Iron Ore Development to cancer patient support organizations, and emergency and traveling medical care service organizations via air transport (Australia). (3.d)</li> <li data-bbox="896 416 2166 443">● Participation in five major water treatment projects as a water infrastructure project (Mexico). (6.1)</li> <li data-bbox="896 448 2166 512">● Contribution to the improvement of the quality and safety of healthcare through equity participation in MIMS, which provides the latest and accurate healthcare and drug information to approx. 2.3 million healthcare professionals (15 different regions in Asia and Oceania, such as Australia, China, Singapore, and Malaysia). (3.8)</li> <li data-bbox="896 517 2166 564">● Donation by Delta Companies to Texas Scottish Rite Hospital, which is world-renowned in the field of pediatric orthopedics, through the raising of funds through company events, etc. (amount of donation in 2017: \$144,000). (3.8)</li> <li data-bbox="896 569 2166 617">● Promotion of pharmaceutical development that contributes to enhancement of patients' quality of life through investment and participation in NovaQuest. (3.8)</li> <li data-bbox="896 622 2166 670">● Strengthening of traceability by utilizing a food safety control database in order to ensure a thorough safety management system for foods and food products. (3.d)</li> <li data-bbox="896 675 2166 722">● Enhancement of knowledge relating to food safety and enforcement of the raising of awareness for food safety through committee meetings and seminars for employees (12 meetings and 12 seminars). (3.d)</li> <li data-bbox="896 727 2166 775">● Holding of free seminars, through investment in DaVita Care, for chronic kidney disease patients and their families on how to prevent the disease from becoming more severe (Malaysia). (3.d)</li> <li data-bbox="896 780 2166 828">● Training provided by AIM Services for its employees on the prevention of food poisoning in hot meal programs for schools (training targets: approx. 1,500 locations). (3.d)</li> <li data-bbox="896 833 2166 896">● By providing services for medical institutions such as for remote image interpretation (approx. 200,000 images per year), and web booking/result reporting system for medical checkup service contributing to the improve the efficiency of medical care and the realization of healthy-longevity society through the dissemination of preventive medical service (Japan). (3.d)</li> <li data-bbox="896 901 2166 949">● Provision of various options for accessing healthcare services and preparation of a trial-run for an online medical treatment system with the aim of increasing opportunities to receive better healthcare. (3.8)</li> <li data-bbox="896 954 2166 1002">● Investigation, discovery, and formation of trading business, and investment and loan projects that involve particle-beam radiation therapy for cancer treatment in Japan and other countries. (3.d)</li> <li data-bbox="896 1007 2166 1029">● Contribution to patients' quality of life through assistance in the development of various regenerative healthcare related technologies. (3.d)</li> </ul>





**Activities for FY 2017 to Contribute to SDGs**

Business Area   ● Metals   ● Machinery &amp; Infrastructure   ● Chemicals   ● Energy   ● Lifestyle   ● Innovation &amp; Corporate Development   ● Corporate &amp; Others

**Theme: Participation and Development in Communities**

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.2, 4.5, 4.7, 4.a)	In partnership with local communities, we promote initiatives that are aimed at realizing local production for local consumption and community revitalization.	<ul style="list-style-type: none"> <li>● Promotion of participation in local communities, cultural exchanges, and the enhancement of the value of surrounding areas through the development of train stations and nearby commercial complexes outside Japan (Taiwan). (11.a)</li> <li>● Conclusion of a Sponsorship Agreement for Social Development Programme with Qatar to support the renovation of facilities and the continuation of research that will contribute to food security (Qatar). (17.17)</li> <li>● Monetary donations provided in response to the flood damage in Southern Thailand. (17.17)</li> <li>● Promotion of the Sendai Umino-Mori Aquarium operations with partner companies (approx. 1,182,200 visitors between July 1, 2016 and June 30, 2017). (4.7)</li> <li>● Sponsoring of the national patisserie championship for elementary school students in Japan with Mitsui Sugar, providing assistance in food education for children. (4.7)</li> <li>● Support for community revitalization by holding the Mitsui Foods Food Show for the exhibition and sales of products from different regions throughout Japan (Japan). (17.16)</li> <li>● Building of a relationship between Mitsui, MBF, and SymEnergy to complement each other as strategic partners who work together to offer value in distributed energy systems, including a "local production for local consumption" model for electricity. (17.16)</li> <li>● Creation of additional local jobs (for both mid-career recruits and new graduates) by MicroBiopharm Japan under its ongoing agreement with local governments with regard to new capital investments, and contribution to community education and training, such as the acceptance of interns into factories from local specialized vocational high schools. (17.17)</li> <li>● Support for developing reliable and safe childcare environments via the promotion of the communication app "Kids Note" service business for childcare facilities, such as kindergartens, and guardians (used by approx. 120 facilities and 9,000 households throughout Japan). (4.a)</li> <li>● Disbursement of scholarships for Brazilian students as part of the activities to support Brazilians living in Japan (453 students in 26 schools), implementation of extracurricular programs for Brazilian schools (6 programs, approx. 200 participants), hosting of the Conference for a Future of the Children (21 meetings, approx. 900 participants), and financial support for related NPOs (14 organizations). (4.2)</li> <li>● Support for a project to establish 11 pre-school education facilities in Colombia through the Mitsui Global Volunteer Program (4,217 participants, donations totaling ¥4,217,000). (4.2)</li> <li>● Continuation of support for human resources development of junior and senior high school students as part of our initiative for recovery of the region affected by the Great East Japan Earthquake, including a "Visiting Lecture Project" that features people who were profiled in the TV program "Textbook for Our Future" as lecturers for the Project (at 4 schools in Iwate Prefecture) and "English Conversation Class Project" at the "Collaborative School" run by NPO Katariba, in Onagawa, Miyagi Prefecture, with 920 participants in total. (4.5)</li> <li>● Collaboration with excellent local companies and research institutions to export agricultural and fishery products, and provide support for the development of food freshness preservation technologies to help increase their competitive edge within Japan. (17.16)</li> </ul>
 Make cities and human settlements inclusive, safe, resilient and sustainable (11.a)		
 Strengthen the means of implementation and revitalize the global partnership for sustainable development (17.16, 17.17)		

**Theme: Contribution to Developing People with an International Mindset**

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.5, 4.7, 4.b)	We strive to build better mutual understanding between Mitsui and the young people who will lead the next generation in various countries where Mitsui operates its businesses by providing Mitsui-endowed lecture programs at universities and training programs in Japan, and disbursing scholarships. In addition, we engage in activities to allow these young people to broaden their horizons and knowledge as next-generation global leaders, and to build various networks.	<ul style="list-style-type: none"> <li>● Support for local communities and mine employees through a scholarship program and Japanese language program, etc., implemented by Mitsui Coal Holdings/Mitsui Iron Ore Corp. (Australia). (4.5)</li> <li>● Support for education programs, activities to introduce Japanese language education and Japanese culture, and other such activities through Mitsui Bussan do Brasil Foundation (Brazil). (4.7)</li> <li>● Implementation of a science education program at elementary schools near an iron ore development project owned by Mitsui Iron Ore Development (Australia). (4.b)</li> <li>● Continuation of personnel exchange training program with Vale (290 participants since 2003; 7 trainees sent to Vale, and 8 trainees accepted from Vale in the fiscal year ended March 2018). (17.16)</li> <li>● Continuation of personnel exchange training program with China Baowu Steel Group Corporation (BAOWU) (153 accepted from BAOWU, and 546 trainees sent to BAOWU since 1992; 13 accepted from BAOWU, and 20 sent to BAOWU in the fiscal year ended March 2018) (China). (17.17)</li> <li>● Continued participation in scholarship program run by Takatuf Oman to support Omani students in studying abroad (Oman). (4.b)</li> <li>● Disbursement of scholarships to enable students from the University of Lurio to study in Japan (Mozambique). (4.b)</li> <li>● Disbursement of scholarships to 453 students in 26 Brazilian schools in Japan. (4.5)</li> <li>● Support for short-term training programs in Japan for university students from Australia and Russia, and high school and university students from Myanmar (40 trainees). (4.7)</li> <li>● Implementation of SASUGAKU (Education for Sustainability), which aims to develop children's "power to create a sustainable future" at SASUGAKU Academy and Mitsui's forests (71 participants in total). (4.7)</li> <li>● Provision of scholarships and accommodation for overseas students in Japan through the Mitsui Bussan Trade Promotion Foundation (10 participants). (4.b)</li> <li>● Support for Indonesian students in Japan through the Mitsui-Bussan Scholarship Program for Indonesia (12 participants). (4.b)</li> <li>● Implementation of the Young Professional Leadership Program for Japanese and U.S. professionals through participation in the TOMODACHI Initiative arranged by the U.S. government and other organizations (20 participants in total from Japan and the U.S.). (17.17)</li> <li>● Continued implementation of Mitsui-endowed lecture programs at Peking University, Fudan University, University of Warsaw, and University of Sao Paulo (10 times). (17.17)</li> </ul>
 Strengthen the means of implementation and revitalize the global partnership for sustainable development (17.16, 17.17)		

## Development of the Social Infrastructure / Provision of Safe, Reliable Products and Services

### Initiatives Through Business

Activity

Mitsui & Co. continues to contribute to the enhancement of people's quality of life through its business activities in such areas as electric power, water treatment, water supply and sewerage systems, logistics, railroads, healthcare, and communications, by developing infrastructure that is essential for the growth and advancement of countries around the world and local communities.

In the area of electric power and renewable energy, while we engage in power generation and gas distribution, we recognize the reduction of greenhouse gas emissions as a material issue and are reinforcing our environmental business, such as solar photovoltaic and solar thermal power projects, wind power projects, and biomass related plant projects.

There is a growing need for improvements in convenience and safety, against the backdrop of growing population, rising living standards, and changing lifestyles. Mitsui is responding to that need by developing and operating sewage and water supply systems and wastewater treatment facilities, and by engaging in urban development projects, such as the development of logistics and industrial facilities, especially seaport and airport projects, and smart city development projects, to respond to changing societal needs.

In the Mobility domain, with regard to ship business, Mitsui is focusing on vessel ownership and operation and the LNG carrier business, to adapt to tighter environmental regulations and growth and change in maritime cargo traffic. As for railroads, which form a major artery for land transportation, we export freight cars and related facilities and undertake rail transportation infrastructure projects using Japanese institutional finance. Other business activities in this area include rail leasing, the general freight business, and passenger transportation.

Mitsui is also taking initiatives for basic services, such as medical care and nursing care, which address the problems posed by aging societies throughout the world, changes in disease incidence patterns, and other issues. In the Asia region, we are working to help build next-generation healthcare infrastructure "healthcare ecosystems" that will make a positive contribution to society by improving both the quality and efficiency of healthcare provision, by taking hospitals as the core platform and flexibly integrating related activities including specialist medical care provision, pharmaceuticals manufacturing, medical information systems, healthcare services, etc. We are also helping the pharmaceutical industry to develop and manufacture new drugs by providing solutions across the entire value chain, from drug development to manufacturing and distribution.

Mitsui also promotes the utilization of ICT in such areas as high-speed communications, electronic settlements and other communications and service platform businesses, especially in emerging countries, aiming for the enhancement of quality of life and social infrastructure. At the same time, in our effort to build new social systems, we strive to create new business, including medical healthcare services, agriculture, and energy management.

### Ensuring Safety and Consumer Confidence

Policy

System

The Consumer Affairs Agency was established in September 2009 in order to promote measures to protect and enhance consumer benefits and deliver a society where every consumer can enjoy a safe, secure and high-quality life. Likewise, Mitsui is also well aware of that consumer safety, confidence and security are of major importance in conducting its business.

With such concerns in mind, we have established the Consumer Product Handling Policy and Consumer Product Handling Regulations, and each individual business unit has also established detailed rules to ensure the appropriate handling of consumer products.

Moreover, in the foods area, Mitsui works to secure food products for supply to Japan, which has the lowest food self-sufficiency rate among the industrialized countries. The Food Business Unit Food and the Food & Retail Management Business Unit place maximum priority on food safety and security and, accordingly, have established internal rules and internal committees for food sanitation and developed a food-safety database, which includes overseas production processes.

To manage risks associated with food safety and security, we have been implementing food safety seminars for Mitsui employees, as well as for our affiliated companies, in order to reinforce traceability through appropriate labeling that indicates the country of origin, product quality, product grade, and other key information.

Mitsui puts consumer safety and security first for all items it handles, not just consumer products and food.

#### The Consumer Product Handling Policy

##### Placing More Emphasis on the Consumer and Ensuring Product Safety

Whether engaging in manufacturing, importing, or domestic marketing of consumer products, Mitsui reaches beyond its goal of providing products that offer cost savings or superior performance, and thereby additionally emphasizes a consumer-oriented approach by which the utmost priority is placed on handling safe products that consumers can use with total confidence. This policy is aligned with our management philosophy comprising our Mission, Vision and Values (MVV).

##### Developing and Operating a Risk Management System

To ensure that the Consumer Product Handling Policy functions in practice, we have developed a sound risk management system and are working to maintain and improve systems used in collecting, disseminating, and disclosing information on accidents involving products, and arranging for product recalls in the event of product-related accidents

## Participation and Development in Communities

### Social Contribution Concepts

Policy

Today's increasing trend towards globalization, advances in IT, and other developments in society have brought considerable diversity and change to the world we live in; as we pursue greater convenience and enrichment in our lives, we also face a broad range of issues, including global warming and other environmental problems, poverty, and educational inequality.

Mitsui & Co. works to address local and global societal issues through various social contribution activities. Mitsui's Operational Guidelines for Social Contributions Policy specify three areas of focus: international exchange, education, and environment. Within these three areas, Mitsui utilizes its strengths and knowhow by focusing its social contribution activities on multicultural symbiosis, human resource development with an international perspective, and the global environment. By continuing our initiatives in these fields, working together and sharing them with society, we believe our activities will have follow-on effects that will lead on to solutions to larger-scale social issues.

In addition, we are planning and promoting volunteer programs with the hope of building interest and sensitivity towards social issues amongst our executives and employees and management personnel.



### Social Contributions Policy

Policy

#### Guiding Principles

We will build a congenial relationship with our stakeholders by striving to create a harmony with the global community and local communities in accordance with the Mitsui & Co. Management Philosophy (Mission, Vision and Values), and we will actively contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.

#### Action Guidelines

1. In order to respond in an appropriate manner to the needs of the global environment, and of international and regional society, Mitsui actively promotes social contributions.
2. Mitsui will establish the three important areas of 'International exchange', 'Education' and 'Environment' for its social contributions, and will implement social contribution activities befitting of Mitsui & Co.
3. In addition to the making of economic contributions, such as donations etc., Mitsui also aims to carry out proactive social contributions that involve the participation of its executives and employees.
4. Mitsui promotes social contributions with an emphasis on transparency and accountability in respect of its stakeholders. It also aims for the continued improvement of activities through communication and cooperation with its stakeholders.

### Social Contributions (FY 2017)

Activity

The total social contribution expenses for the fiscal year ended March 2018 was 1.49 billion yen.

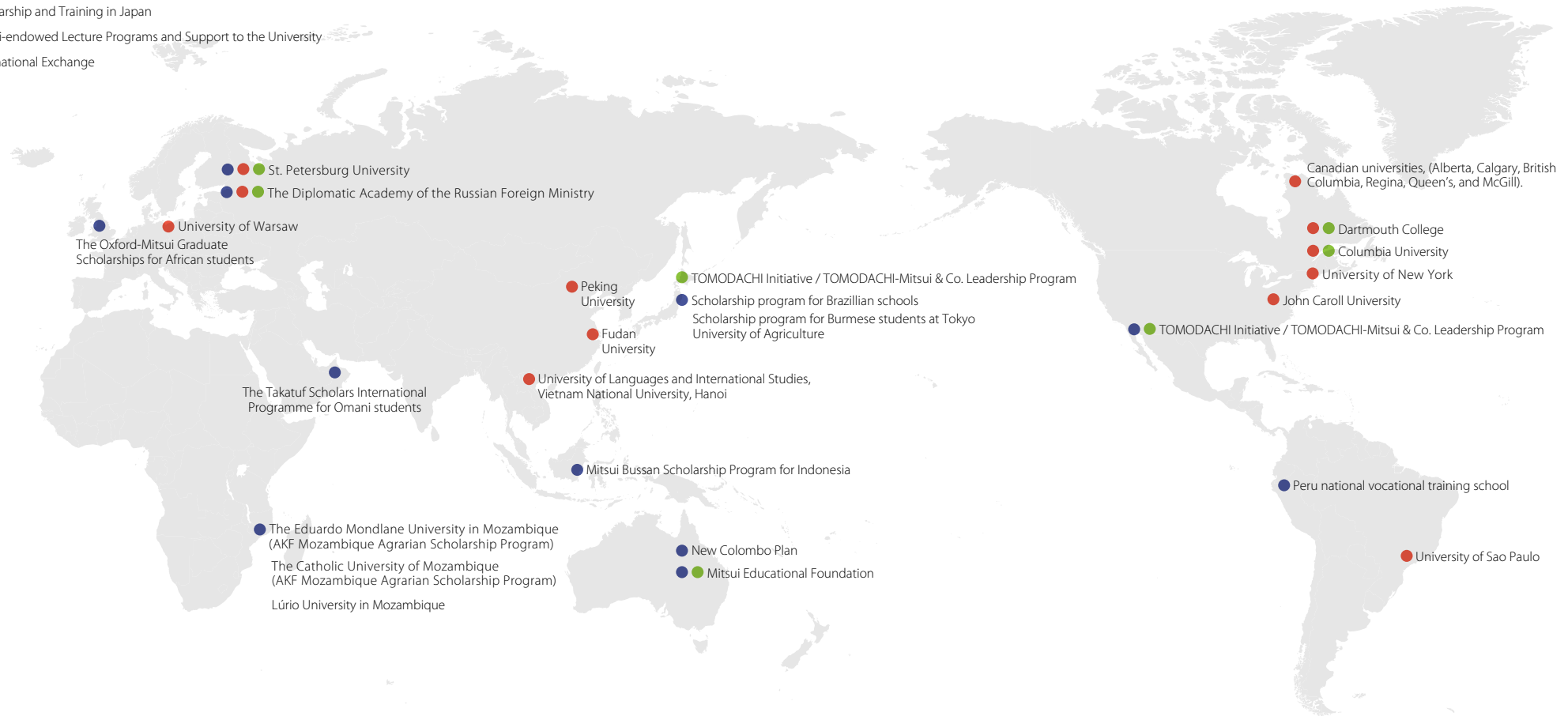
\* Figures include cash donations, payments in kind, activities by employees, free use of company facilities. However, activities such as donations and volunteer activities that employees personally did not include

## Contribution to Developing People with an International Mindset

### Global social contribution activities (International exchange, Education)

Activity

- Scholarship and Training in Japan
- Mitsui-endowed Lecture Programs and Support to the University
- International Exchange



18 organizations

4,217 persons

8 countries 22 universities

728 persons

Partnership with NPOs and NGOs

Employee Volunteers

Mitsui-endowed Lecture Programs and Support to the University

Scholarship and Training in Japan

## Contribution to Developing People with an International Mindset

### International Exchange

System    Activity

#### Support for the Brazilian Community in Japan

Many Japanese-Brazilian families have come to Japan since Japan's Immigration Control and Refugee Recognition Act was amended in 1990. However, various issues have arisen, including problems in the education environment. Many children\* have been unable to keep up with school classes because of the difficulty in learning the Japanese language, while others have been unable to attend school for economic reasons. As a company with extensive business operations in Brazil, we provide the following support to foster reciprocal understanding between Japan and Brazil and find solutions to issues affecting the Brazilian community in Japan.

\*According to a Ministry of Education, Culture, Sports, Science and Technology survey on the societal integration of foreign children requiring Japanese language lessons, 25.6% of the 43,977 children who need Japanese language tuition are speakers of Portuguese (fiscal 2016).

#### 【Scholarship Program for Brazilian Schoolchildren in Japan】

In 2009, we established a scholarship program for families that were finding it difficult to afford tuition fees at Brazilian schools. In the fiscal year ended March 2018, a total of 453 students received scholarships to attend 26 schools.

#### 【Extracurricular Classes】

Since 2014, we have supported extracurricular classes for children attending Brazilian schools in Japan. The aim is to foster understanding about the value of learning and work by enabling schoolchildren to interact directly with working people. In the fiscal year ended March 2018, our employees gave six classes and welcomed approximately 200 children.



An extracurricular class held at Mitsui & Co. Headquarters

#### 【Other Support Activities】

We have been holding informal meetings to discuss how to ensure a better future of Brazilian children (21 meetings in the fiscal year ended March 2018), and providing support for NPOs and other organizations (14 organizations in the fiscal year ended March 2018).

#### Contributing to Global Human Resource Development through Mitsui-endowed Lecture Programs at Overseas Universities and Training in Japan

We are working to foster reciprocal understanding with young leaders of the future and contribute to human resource development on a global scale through Mitsui-endowed lecture programs at universities in countries and regions where it is engaged in business activities. Mitsui also runs programs that provide opportunities for training in Japan.

In Russia, Mitsui established endowed lecture programs at St. Petersburg University in 2007 and the Diplomatic Academy of the Russian Ministry of Foreign Affairs in 2016. We also started a Japan studies program for students of

both institutions in 2015. In the fiscal year ended March 2018, four university students participated in the Japan studies program, visiting Tohoku, Hiroshima, and other locations and attending a training course about the history, culture, economy, and technology of Japan, as well as disaster recovery activities. Moreover, every year eight university students selected from Australia participate in a three-week study tour of Japan through the Mitsui Educational Foundation, which was established in Australia in 1971. Study tours of Japan were also provided for 16 students from the University of Yangon and high schools in Myanmar.

Mitsui has also endowed lecture programs in the United States, China, Brazil, Vietnam, and Poland.



Russian students experience a judo class at Tokai University

#### TOMODACHI-Mitsui & Co. Leadership Program

Mitsui has been participating in the TOMODACHI Initiative, a public-private partnership program led by the U.S. government and U.S.-Japan Council to foster the development of young people who will contribute to the strengthening of Japan-U.S. relations in the future, since the foundation of the initiative.

In 2013, we launched the TOMODACHI-Mitsui & Co. Leadership Program. In the fiscal year ended March 2018, 20 selected young leaders working in the industrial and government sectors in Japan and the United States were given the opportunity to visit each other's countries. With the program themes of leadership, innovation, and the entrepreneurial spirit, participants networked among themselves, visited various locations, and broadened their perspectives as next-generation global leaders through dialogue with top executives from the government sector and industry, and with young leaders. These experiences help them to strengthen their activities and initiatives in various fields and build diverse human networks. Furthermore, with the aim of developing leaders who can drive the reconstruction process, we encouraged potential leaders in the three prefectures affected by the Great East Japan Earthquake to participate in Japanese delegations, and also created opportunities for networking with American delegations visiting the earthquake-affected areas. Through these activities, we aim to create new jobs in disaster reconstruction activities and tackle various issues, such as the promotion of inbound tourism and revitalization of industry, supporting the recovery of earthquake-affected communities. A cumulative total of 99 people have participated in the Japanese and American delegations.



Members of the Japanese and American delegations for 2017  
Photography by Kerry Raftis - Keyshots.com KK.

#### Other Activities

Solidarity of International Judo Education, Japan SAMBO Federation

## Contribution to Developing People with an International Mindset

## Education

System    Activity

**Mitsui Bussan Trade Promotion Foundation (Scholarships for Overseas Students and Other Activities)**  
 The Mitsui Bussan Trade Promotion Foundation was established in 1927. In 1989, as an international exchange support, the foundation started scholarships for overseas students and lent the grant of lodging facilities free of charge, mainly to support international students from Asia.

**Mitsui Bussan Scholarship Program for Indonesia**

Opportunities for higher education are limited in Indonesia, and only 30% of students advance to university. Mitsui has built a close relationship with Indonesia through business. In 1992 we established the Mitsui-Bussan Scholarship Program for Indonesia with the aim of nurturing talented human resources who can contribute to the further reinforcement of relations between Indonesia and Japan. Since then, we have selected two Indonesian high school students each year for a six-year program, which means that we are continuously providing support for a total of 12 students in a six-year period. The year 2017 marked the 25<sup>th</sup> anniversary of our Scholarship Program for Indonesia, up to that point of time a total of 42 people had been accepted under the program. We also operate scholarship programs to assist university students in Myanmar and Mozambique. Scholarship programs are also operated by the Mitsui Bussan Trade Promotion Foundation and the Mitsui U.S.A. Foundation.


 25<sup>th</sup> anniversary ceremony of Mitsui Bussan Scholarship Program for Indonesia, and the graduation of students from the 15<sup>th</sup> scholarship intake

**Support for the Improvement of the Educational Environment in Myanmar**

We provide seamless support for the improvement of the educational environment in Myanmar at all levels from elementary to higher education.

- Support for elementary education through participation in elementary school construction by the Myanmar Terakoya Support Team
- Support for short-term training for high school students in Myanmar
- Agriculture seminar at Yezin Agricultural University
- Scholarship support for Myanmar students at the Tokyo University of Agriculture



Terakoya school (traditional private school) established by the Myanmar Terakoya Support Team

**Mitsui SASUGAKU Academy 2017**

Mitsui launched “SASUGAKU” course (education for sustainable development), which help children who will play a very important role in creating a sustainable future to develop their capabilities of leaning, thinking, and communicating. We designed Mitsui SASUGAKU Academy in 2014, which is a 5-day capacity-building program for about 30 primary schoolchildren in upper grades, and uses our global business activities as teaching materials.

The theme for 2017 was the “The Future of Food—What will we be eating in 2050?” Participants thought about issues and solutions relating to food in imaginary future cities with various characteristics, such as a “desert city” and a “space city”. During the learning time, participants actually tried “Beyond Burgers” made from plant protein, which is handled by Mitsui. They also heard presentations from our employees about land-based trout farming and the tooth-decay prevention capability of the L8020 lactobacillus. Through these activities, children learned the importance of meeting the challenge of societal issues. On the final day, each group presented the results of their activities during the five-day program.

As a result of presentations at academic conferences and other venues, these sustainability education initiatives by Mitsui have attracted considerable interest and praise as progressive examples of education for sustainable development (ESD). In the fiscal year ended March 2018, the program was selected by the Japan Association for Human and Environmental Symbiosis for its environmental activity award, and also won the Judging Panel’s Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology.



Children enhance their capacity to solve societal issues through group discussions

**Japan Little League Baseball Association**

Since 1970, we have been supporting the Japan Little League Baseball Association, which aims to instill good citizenship in boys and girls, contributing to their healthy physical and mental development as international citizens through team play in the sport of baseball.



All Japan Little League Baseball Championship Tournament

Contribution to Developing People with an International Mindset

Employee participation

System Activity

Mitsui Global Volunteer Program (MGVP) and Volunteer Activity Leave

We have implemented the Mitsui Global Volunteer Program (MGVP) since October 2009. The aim of the program is to encourage all employees to participate with a sense of unity in various social contribution activities that lead to the solution of societal issues. Under the MGVP, we provide matching donations every year based on the number of participants in voluntary activities to NPOs and NGOs dedicated to the solution of a societal issue.

In 2017, Plan International Japan opened a nurses' hostel in Ghana's Central Region, using funds donated by Mitsui in the fiscal year ended 2016. The support provided by us has helped to enhance public health and medical services in Ghana.

Since the establishment of the matching donation program, Mitsui has donated approximately ¥29 million to eight organizations. We have also established a volunteer leave system to encourage employee participation in social contribution activities.



The opening ceremony for the nurses' hostel  
Photography by Plan International

Other Activities

Table For Two (TFT), creation of foreign-language picture books, home stay program for Chinese students, Kanda Festival



Creation of foreign-language picture books



Kanda Festival

Disaster Relief Assistance

System Activity

Disaster Relief Activities

When disasters occur in Japan and overseas, Mitsui provides various forms of support to prevent the expansion of damage and contribute to the earliest possible recovery in the affected areas. We provide donations as a company and collect voluntary donations from our employees, as well as through voluntary activities by our employees.

【Mitsui's Disaster Recovery Support Activities in FY 2017】

Flooding in Peru, rainstorms in northern Kyushu, Hurricane Harvey in the US, earthquakes in southern and central Mexico

Fostering Future Leaders to Drive Reconstruction in the Tohoku Region

In coordination with the Reconstruction and Revitalization Period designated by the government in its reconstruction plan for areas affected by the Great East Japan Earthquake, Mitsui is promoting measures to foster future leaders who will drive the reconstruction process, in collaboration with government agencies and NPOs. Mitsui & Co. is working with government agencies and NPOs to educate a new generation of people to drive reconstruction in the Tohoku Region.

The "Textbook for Our Future—For Our Children" Visiting Lecture Project was launched in 2014. Under the program, people who actually appeared in "Textbooks for the Future", a documentary about disaster reconstruction produced by Mitsui's subsidiary World Hi-Vision Channel, Inc., visit schools in disaster areas as teachers for a day. They hold classes that encourage children to think about regional revitalization and community contribution through their choice of future careers and occupations. The classes have been held at a total of 25 schools, mostly in Iwate, Miyagi, and Fukushima prefectures. Around 3,500 children have participated.

We are also supporting a conversational English teaching project for junior and senior high school students at a "Collaborative School", an extracurricular school, run by the certified non-profit organization Katariba since 2014 in the town of Onagawa, Miyagi Prefecture. In order to expand students' interest in and knowledge of the world's different cultures and value systems through English, we support online video lessons in spoken English, short-term study travel within Japan, and the Career Study Program supported by our employee acting as voluntary instructors. To date, 86 junior and senior high school students have participated.



Conversational English teaching project







# Respect for Human Rights


## Activities for FY 2017 to Contribute to SDGs

Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

### Theme: Support for International Standards

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture (2.1, 2.2)</p>	<p>As a company engaged in business activities in many countries and regions around the world, we regard understanding the culture, traditions, and customs in each country and region and respecting human rights based on international standards as essential elements of our Basic CSR Policy. As an example of our initiatives in relation to indigenous peoples, in Japan we have signed an agreement related to Mitsui's forests with the Biratori Ainu Association and the town of Biratori in Hokkaido, providing for cooperation in protection and fostering of Ainu traditional culture for future generations.</p>	<ul style="list-style-type: none"> <li>● Maintenance and improvement of living environments and local job creation through global business activities relating to water, power generation, and gas. (10.2)</li> <li>● Offering of "Healthy Menu" choices in employee cafeterias (operated by AIM Services) and donation of school lunches for children in developing countries through Table for Two International, a non-profit organization (approx. 560,000 meals estimated to have been donated). (2.1, 2.2)</li> <li>● Support for the sale of RSPO (Roundtable on Sustainable Palm Oil) certified palm oil. (8.7, 8.8, 10.2)</li> <li>● Collection of written consent to the Supply Chain CSR Policy from 5,352 Japanese and overseas suppliers by Mitsui Bussan I-Fashion (MIF), which provides for the protection of human rights and ensures that there are no human rights abuses, in order to comply with international standards. (8.7, 8.8, 10.2)</li> <li>● Bluesign® certification obtained for outdoor apparel fabrics supplied by MIF, based on compliance with standards that include consideration for the environment, as well as the elimination of child labor, forced labor, and discrimination, freedom of association, and labor health and safety. (8.7, 8.8, 10.2)</li> <li>● Publication of a statement calling for prevention of forced labor and other forms of modern slavery, as well as human trafficking, in response to section 54 of the UK Modern Slavery Act 2015 (Mitsui &amp; Co., and its affiliated companies). (8.7, 8.8)</li> <li>● Visits to 5 Ainu association groups that are located in areas near Mitsui-owned forests in Hokkaido to conduct interviews on forest practices and activities in Mitsui's forests in connection with the FPIC (Free, Prior and Informed Consent of indigenous peoples and other stakeholders based on adequate information obtained) as required for FSC® certification. (10.2)</li> <li>● Continuation of an agreement with the Biratori Ainu Association and the town of Biratori in Hokkaido, providing for cooperation in efforts to ensure that Ainu culture is protected and handed down to future generations through Mitsui's forests. (11.4)</li> </ul>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.7, 8.8)</p>		
 <p>Reduce inequality within and among countries (10.2)</p>		
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable (11.4)</p>		

### Theme: Promotion of Management for Human Rights

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.7)</p>	<p>To raise the awareness of management and employees regarding respect for human rights, we conduct e-learning and seminars, and implement measures to spread understanding of the UN Global Compact throughout the organization.</p>	<ul style="list-style-type: none"> <li>● Development of cyber security personnel through the dispatch of lecturers to universities and the development of curriculums. (4.7)</li> <li>● Implementation of compliance tests (e-learning) for persons who have not yet completed this process. (4.7)</li> <li>● Implementation of Compliance Review Week activities, including the dissemination of messages by the President and CCO, and others, as well as seminars and panel discussions. (4.7)</li> <li>● Distribution of the "Compliance Handbook" to domestic affiliated companies and the implementation of e-learning regarding said handbook. (4.7)</li> <li>● Publication of internal alerts regarding compliance (via intranet, meetings, etc.), and sharing information through reporting lines on actual disciplinary cases. (4.7)</li> <li>● Creation of an LGBT handbook and the holding of seminars (held at the Head Office and domestic branches and offices simultaneously; 137 participants) for the purpose of gaining a proper understanding of LGBT, and the release of a message from the chairperson of the Diversity Promotion Committee with the aim of realizing diversity and inclusion. (5.c)</li> <li>● Implementation of surveys on compliance status with the UN Global Compact at all locations in and outside Japan (including affiliated companies). (8.5, 10.2, 16.5)</li> <li>● Collection of a commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations from all applicable employees and officers. (10.2)</li> <li>● Implementation of Compliance Awareness Survey (for domestic employees and officers). Formulation and implementation of compliance activities based on the results of the survey. (10.2)</li> <li>● Promotion of compliance-related activities at overseas trading subsidiaries and affiliated companies in line with initiatives by Mitsui's Tokyo Headquarters. (10.2)</li> <li>● Convening of domestic affiliated company CCO meetings and visits made individually to key affiliated companies to provide advice on the establishment and operation of compliance systems. (10.2)</li> <li>● Provision of expert advice with regard to the management of environmental and societal risks through the Environmental &amp; Societal Advisory Committee. (10.2)</li> </ul>
 <p>Achieve gender equality and empower all women and girls (5.c)</p>		
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)</p>		
 <p>Reduce inequality within and among countries (10.2)</p>		
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.5)</p>		



## Support for International Standards

### Human Rights Initiatives

Policy

Conducting business globally in many countries and regions of the world, Mitsui & Co. considers the protection of human rights in accordance with international standards to be its sustainability management platform. Mitsui's Basic CSR Policy states, "make prudent efforts to understand the culture, traditions, and customs of countries and regions around the world" and "recognize the significance and importance of the human rights contained in international standards".

The "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." prescribe and require Mitsui employees and officers to observe: full consciousness of their role as members of international society; understanding of and respect for the cultures, customs, and history of individual nations; protection of human rights; and eschewing any form of discrimination based on race, creed, gender, social status, religion, nationality, age, or physical or mental ability. Furthermore, regarding measures to prevent any kind of discrimination and sexual harassment, we are raising employee and officer awareness by providing compliance seminars and other opportunities tailored to each job level.

We also support various international standards, such as the Universal Declaration of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work.

### Universal Declaration of Human Rights

Policy

The Universal Declaration of Human Rights is a common standard of objectives for all peoples and all nations to respect human rights and freedoms. The Declaration was proclaimed on December 10, 1948 at the third United Nations General Assembly and occupies an important position in the history of human rights.

Following this declaration, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) were adopted by the 21st United Nations General Assembly on December 16, 1966. They both recognize the majority of the rights indicated in the Universal Declaration of Human Rights. Japan ratified both treaties in June, 1979.

Mitsui supports the Universal Declaration of Human Rights, the ICESCR and the ICCPR.

### ILO Core Labour Standards

Policy

The International Labour Organization (ILO) was founded in 1919 as an international organization responsible for drawing up and overseeing international labor standards. The ILO is a tripartite agency that brings together representatives of governments, employers, and workers to shape programs together on the subjects of human rights, occupational safety and health, hiring policies, and the development of human knowledge for the adoption of ILO agreements and recommendations.

In 1998, the ILO established the ILO Declaration on Fundamental Principles and Rights at Work. As the basic rights of workers (ILO Core Labour Standards), they are defined in the 8 conventions in 4 fields (freedom of association and the right to collective bargaining C87/C98; the prohibition of all forms of forced labor C29/C105; elimination of the worst forms of child labor C138/C182 and non-discrimination in employment C100/C111).

Mitsui supports the 8 conventions constituting the ILO Declaration on Fundamental Principles and Rights at Work.

### Respecting Indigenous Peoples

System

Activity

When conducting operations, Mitsui strives to comply with all laws of the applicable country or region, and to respect the human rights and cultures of its indigenous peoples in accordance with international standards such as the United Nations Declaration on the Rights of Indigenous Peoples and the Convention concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention: C169).

For example, in our forest resources business for pulp and paper manufacturing in Australia, we are exercising due diligence by assessing the level of impact that Mitsui's projects might have on the indigenous Aboriginal population. As part of our research into available solutions in the event that any problems are discovered, we conduct advance surveys from the viewpoint of cultural protection to ensure that our operations will not destroy Aboriginal historical sites. In our iron ore mining operation in Brazil, we maintain close communication with the indigenous people living in the Amazon to foster mutual respect.

In Japan, Mitsui has entered into agreements with the Biratori Ainu Association and with the town of Biratori in Hokkaido, where a part of Mitsui's forests is located to cooperate in activities to protect, and pass on Ainu traditional culture through the conservation of forests.

## Support for International Standards

### Guidelines for Appointing a Security Firm

System

The UN Code of Conduct for Law Enforcement Officials was adopted in December 1979 so that the UN can promote and ensure that law enforcement authorities such as the police and the military in member countries take on appropriate roles as well as respecting and protecting human dignity. The Principles on the Use of Force and Firearms by Law Enforcement Officials was also adopted in August/September 1990 as the standard for the use of force and firearms by law enforcement officials.

Mitsui bases its appointment of security firms on these codes of conduct and principles.

## Promotion of Management for Human Rights

### Management System for Human Rights and Labor Conditions

System

Mitsui & Co. conducts an internal survey in alternate years concerning compliance with the UN Global Compact, to raise the awareness of management and employees regarding human rights and labor issues at its business units, corporate staff divisions, and domestic and overseas organizations (branch offices and consolidated subsidiaries).

1. Do you fully understand the UN Global Compact?
2. Have there been any violations of the 10 principles of the UN Global Compact? If so, report the details of the violation and what measures were taken to handle the situation.

As a consequence of this survey, if it is found that we have a unit, a division, or an organization that materially lacks an understanding of the UN Global Compact, we will take measures, such as providing additional training seminars.

In addition, we continue to hold e-learning courses and other training activities to remind employees of the importance of addressing and managing risks related to human rights and labor problems in the supply chain.

With regard to our main suppliers, we promote initiatives for improving our supply chain management by conducting supplier surveys which involve sending out questionnaires and carrying out on-site surveys based on a checklist. In the fiscal year ended March 2018, we sent questionnaires to 68 of our suppliers, and conducted on-site surveys at the plants of our supplier of oleochemical product. Through these surveys, we confirmed their compliance with our Supply Chain CSR Policy, which covers human rights, labor conditions, and other aspects.

Moreover, through our participation in working groups of Global Compact Network Japan, such as the Human Rights Due Diligence (HRDD) Working Group, we are able to keep up-to-date with international trends related to human rights, and can make use of the information we obtain from other companies to enhance our sustainability promotion activities.

We continue to deepen our awareness of human rights and labor issues in reference to international guidance, such as the UN's Guiding Principles on Business and Human Rights, by measures such as inviting outside experts to hold seminars.




# Corporate Governance & Human Resources




## Activities for FY 2017 to Contribute to SDGs

Business Area    ● Metals    ● Machinery & Infrastructure    ● Chemicals    ● Energy    ● Lifestyle    ● Innovation & Corporate Development    ● Corporate & Others


### Theme: Corporate Governance & Internal Controls

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.6)</p>	<p>We are continually enhancing our corporate governance framework and developing and improving our internal controls on a global group basis, in order to make Mitsui a company that is trusted by society. In particular, we are striving to further increase transparency and promote an active dialogue with our stakeholders.</p>	<ul style="list-style-type: none"> <li>● Explanation of Initiatives relating to corporate governance and human resources, which are part of the key initiatives under Mitsui's medium-term management plan, as an integral part of communication with investors. (16.6)</li> <li>● A panel discussion held on the Investors' Day amongst corporate officers with regard to the enhancement of corporate governance and human resources. (16.6)</li> <li>● Implementation of highly transparent disclosure of information and disciplined employee conduct related to internal controls on a global basis. (16.6)</li> <li>● Advancement in the further diversification of the Board of Directors and the greater effectiveness of the Board in response to the adoption of the Corporate Governance Code. (16.6)</li> </ul>

### Theme: Reinforcement of Sustainability Governance

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Ensure healthy lives and promote well-being for all at all ages (3.d)</p>	<p>We established the Sustainability Committee in order to pursue the possibility of mutual sustainable growth of society and the company by generating new value to society through business activities. At the same time, to manage risks in a comprehensive manner from both quantitative and qualitative perspectives, we have designated business domains that have qualitative risks relating to the natural environment, society, and corporate governance as Specially Designated Business, and we endeavor to develop such businesses with due caution under our Specially Designated Business Management System.</p>	<ul style="list-style-type: none"> <li>● Based on the Specially Designated Business Management System, investments opportunities were examined with potential-risk analysis relating to the environment, society, and governance, and several measures were implemented to extend the understanding of such System at each business field. (3.d, 13.3, 16.7)</li> <li>● The Sustainability Committee submitted proposals to the Corporate Management Committee on sustainability-related management policies and business activities (understanding of business-related risks and opportunities). (13.3)</li> </ul>
 <p>Take urgent action to combat climate change and its impacts (13.3)</p>		
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.7)</p>		



### Theme: Compliance & Risk Management

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.5)</p>	<p>Our sound reputation is the foundation of our business. We recognize that it is only through compliance that we can maintain that reputation and gain even more trust from our customers. To that end, we are working to heighten awareness among all employees of the importance of upholding high ethical standards and are accordingly striving to build a global compliance framework.</p>	<ul style="list-style-type: none"> <li>● Implementation of compliance tests (e-learning) for persons who have not yet completed this process. (16.5)</li> <li>● Collection of a commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations from all applicable employees and officers. (16.5)</li> <li>● Implementation of Compliance Review Week activities, including the dissemination of messages by the President and CCO, and others, as well as seminars and panel discussions. (16.5)</li> <li>● Implementation of Compliance Awareness Survey (for domestic employees and officers). Formulation and implementation of compliance activities based on the results of the survey. (16.5)</li> <li>● Distribution of the "Compliance Handbook" to domestic affiliated companies and the implementation of e-learning regarding said handbook. (16.5)</li> <li>● Promotion of compliance-related activities at overseas trading subsidiaries and affiliated companies in line with initiatives by Mitsui's Tokyo Headquarters. (16.5)</li> <li>● Convening of domestic affiliated company CCO meetings and visits made individually to key affiliated companies to provide advice on the establishment and operation of compliance systems. (16.5)</li> <li>● Publication of internal alerts regarding compliance (via intranet, meetings, etc.), and sharing information through reporting lines on actual disciplinary cases. (16.5)</li> <li>● Introduction of a global group hotline which handles reports on a global basis concerning possible violations of the anti-bribery law and antitrust law. (16.5)</li> </ul>




Activities for FY 2017 to Contribute to SDGs

Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme: Human Resources to Translate into Assets

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.4, 4.7)</p>	<p>Mitsui has long maintained its belief that "human resources are our greatest asset," and embraced values and philosophy such as "Focus on Human Resources," "Open-mindedness" and "Challenge and Innovation." We place importance on such values and philosophy, while striving to become a company where all employees are motivated to work with vitality.</p>	<ul style="list-style-type: none"> <li>● MVV discussions held by MicroBiopharm Japan at its head office and all plants for the purpose of making its management philosophy take root internally (approx. 300 participants). (4.7)</li> <li>● Strengthening of career education and training in order to increase employees' understanding of the nature of the business of a general trading company (approx. 130 sessions). (4.4, 4.7)</li> <li>● Continued implementation of various programs designed to strengthen global human resources development (approx. 1,120 participants in total). (4.4, 4.7)</li> <li>● Implementation of training programs to group companies, as well as regular human resources information sharing meetings for group companies, with the aim of strengthening global group management (2 meetings, 113 participants from 69 companies). (4.4, 4.7)</li> <li>● Changes to existing performance assessment systems to ensure that the efforts made by those employees who took on new challenges or produced results by thinking outside of the box with a strong will and vitality are fairly reflected in their assessments. (8.5)</li> </ul>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)</p>		





Theme: Appropriate Appointment and Allocation of Personnel

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.4)</p>	<p>We are striving to create an environment in which our human resources, who are the most important asset of the Mitsui &amp; Co. group, are able to grow through a variety of experiences, and deepen personal interactions between employees on many levels to gain even better experiences, and create a cycle of opportunity regeneration.</p>	<ul style="list-style-type: none"> <li>● Establishment of a new In-house Entrepreneurship program wherein an individual employee provides a capital contribution to a company which is to be newly incorporated, and, as a shareholder, creates and develops new business (two employees). (4.4, 8.3, 8.5)</li> <li>● Ongoing implementation of "Karugamo Works," a project which enables employees, either individually or as a team, to come up with new business ideas and then commercialize them. (5 projects). (4.4, 8.3, 8.5)</li> <li>● Dispatch of young employees to programs where they are can grow through interactions with actual customers of domestic offices and branches (4 employees). (4.4, 8.5)</li> <li>● Continued implementation of the "bulletin board system," which allows employees to be transferred to the divisions/departments of their choice so that they can make use of their own experiences and specialist skills (approx. 20 employees). (4.4, 8.5)</li> <li>● Continued implementation of swift and flexible reallocation of Human Resources to target business sectors with a high growth potential. "Growth Drive Shift" initiatives were implemented during FY March 2018 aimed at the streamlining of the administrative units and the reinforcement of business frontlines, resulting in the transfer of administrative unit employees to frontline business units and affiliated companies (approx. 70 employees). (8.3)</li> <li>● Continued implementation of the training program designed to send Non-Headquarter hired employees to Japan (21 employees) and a greater number of locally hired employees promoted to managerial positions (64 employees). (10.2)</li> </ul>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.3, 8.5)</p>		
 <p>Reduce inequality within and among countries (10.2)</p>		


Activities for FY 2017 to Contribute to SDGs

Business Area ● Metals ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme: Promoting Diversity Management

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.5, 4.7)</p>	<p>We carry out diversity management initiatives to enhance our corporate competitiveness by fully mobilizing our employees from a wide variety of backgrounds in terms of nationality, gender, values, and other attributes. In order to continue evolving our diversity management initiatives, we review our traditional work styles from the perspectives of productivity and efficiency, and promote "Work Style Innovation" by implementing new measures as necessary. In addition, we implement measures for human resources development, environment creation, and awareness raising in order to build a corporate climate and culture that can realize diversity and inclusion, which means accepting and respecting diversity.</p>	<ul style="list-style-type: none"> <li>● Implementation of measures for the realization of diversity and inclusion. (4.5, 4.7, 5.5, 5.c, 8.5, 10.2) <ul style="list-style-type: none"> <li>● Diversity training for managers held (at the Head Office and domestic branches and offices) (9 sessions; 216 participants).</li> <li>● Support for female employees to take more active roles through training held for female Business Staff members (at the Head Office and domestic branches and offices) (3 sessions; 43 participants), and the sending of female management-level employees to external training sessions.</li> <li>● Designation of a Nadeshiko Brand company in FY March 2018, as was the case in FY March 2015 and FY March 2016.</li> <li>● Creation of an LGBT handbook and the holding of seminars (held at the Head Office and domestic branches and offices all at once; 137 participants) for the purpose of gaining a proper understanding of LGBT; sending out of a message from the chairperson of the Diversity Promotion Committee with the aim of realizing diversity and inclusion.</li> <li>● Implementation of a "Career Design Seminar" aimed at revitalizing senior human resources (11 times, 247 participants).</li> <li>● Seminar held concerning the employment of people with disabilities (held at the Head Office and domestic branches and offices; 1 time, 48 participants from 34 domestic affiliated companies)</li> </ul> </li> <li>● Implementation of initiatives for the promotion of Work Style Innovation. (5.b, 8.5) <ul style="list-style-type: none"> <li>● Introduction of an individual-based staggered work hour scheme.</li> <li>● Implementation of an employee opinion survey on work styles (third time).</li> <li>● Implementation of "Mitsui &amp; Co. Teleworking (including working from home)" on a trial basis (approx. 600 employee participants).</li> <li>● Implementation of a trial to study the employee dress code from an efficiency point of view (approx. 2,800 employee participants).</li> <li>● Renewal of the dedicated work-style innovation site on the intranet (for the sharing of successful examples within the company).</li> </ul> </li> <li>● Implementation of measures to balance work and child care/family care in order to support employees' work life management. (8.5) <ul style="list-style-type: none"> <li>● Commencement of the concurrent use of the staggered working hours scheme and shortened working hours scheme, subsidize part of the costs of childcare and extended childcare costs for employees who return to work early from childcare leave, in order to support employees who wish to come back to work earlier from childcare leave, or to start working full time again earlier.</li> <li>● Seminars held regularly (at the Head Office) on childbirth and childcare systems (two seminars; 9 male employees and 20 female participants); continued disbursement of a subsidy to partially cover the cost of babysitting, the disbursement of a subsidy to partially cover the cost of housekeeping services for the purpose of childcare, and other childcare support enhancing measures.</li> <li>● Seminars held (at the Head Office and domestic branches and offices) on family care (two seminars; 70 participants); enhancement of family care support measures, including the disbursement of a subsidy to partially cover the cost of housekeeping services for the purpose of family care.</li> <li>● Introduction of Special Support Leave to assist those employees who have family members with disabilities that require special care and assistance.</li> </ul> </li> </ul>
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls (5.5, 5.b, 5.c)</p>		
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)</p>		
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries (10.2)</p>		

Theme: Occupational Health, Safety and Work Environment Initiatives

Related SDGs (Target Numbers)	Initiatives by Mitsui & Co.	Activities for FY 2017
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages (3.3, 3.5, 3.d)</p>	<p>We implement measures to ensure a work environment wherein our employees can exercise their abilities to the utmost and can continue to work in safety and good health.</p>	<ul style="list-style-type: none"> <li>● Training held for the purpose of preventing contagious diseases, such as tuberculosis, malaria, AIDS, and Dengue fever (24 sessions; 314 participants). (3.3)</li> <li>● Promotion of Health Management leading to employee productivity improvements through the maintenance and enhancement of employee health by implementing employee stress level checks, as well as various seminars and training activities (on overseas health management, mental health, and drinking) (a total of 28 sessions; 600 participants in total), and Health Promotion Committee meetings held on a regular basis (4 meetings in total). (3.5, 3.d)</li> </ul>

## Reinforcement of Sustainability Governance

### Developing the Sustainability Framework

System      Activity

In 2004, Mitsui & Co. established the CSR Promotion Committee (currently the Sustainability Committee) under the Corporate Management Committee to develop Mitsui's internal framework with respect to sustainability, and to work to raise sustainability awareness among employees.

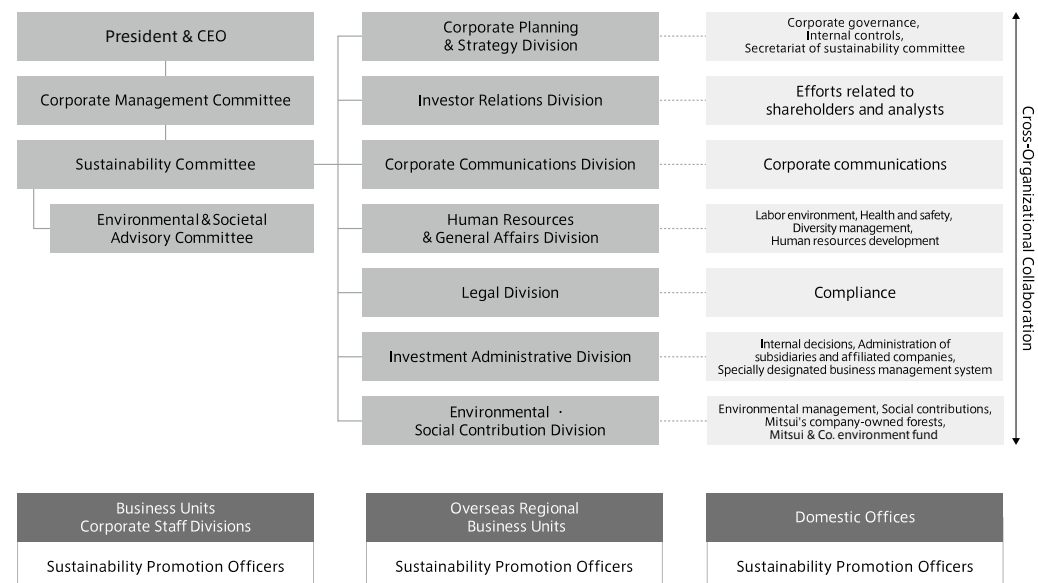
Reflecting the growing interest in the UN Sustainable Development Goals (SDGs) and ESG investments in recent years, we established the Sustainability Committee on May 1, 2017 in order to further clarify our unchanging stance toward creating new value for society through business activities and to pursue further mutual sustainability between society and the company.

With the Sustainable Committee playing a central role, Mitsui promotes sustainability-related activities based on cross-organizational collaboration to meet the needs and expectations of society in relation to companies' social values and initiatives.

As a measure to facilitate planning and promotion of sustainability activities, such as supporting the practice of sustainability management and raising sustainability awareness at each organization, together with the staff in the workplaces of each unit, we continue to appoint Sustainability Promotion Officers in each of the corporate staff divisions, Headquarters business units, overseas regional business units, and domestic offices, and we are continuing to build our internal network.

In the fiscal year ended March 2018, Sustainability Promotion Officers meetings continued to be held quarterly, at which we shared new policies relating to our sustainability initiatives and other important information discussed and formulated by the Sustainability Committee, and gave reports on surveys and measures related to supply chain management. In addition, working group meetings were held to consider society's needs and expectations, and our responsibilities to society, using case studies of Mitsui's business from the perspective of Mitsui's identified materiality. We held seminars on ESGs, as well as workshops on materiality and SDGs in order for employees to personalize societal issues as their own individual challenges.

Moreover, Mitsui Sustainability Promotion Officers in business units and corporate divisions have taken the initiative in organizing various sustainability awareness-raising programs, such as in-house sustainability seminars and lectures by people from partner companies and external experts, and sustainability-themed workshops based on employees' day-to-day work. In this way, we are urging employees to consider sustainability issues in their everyday business.



For further information on our corporate governance & internal controls, please refer to the link below.

**Reinforcement of Sustainability Governance**
**Sustainability Committee**

System	Activity
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The Sustainability Committee, which was launched in May 2017, assumes a stronger and broader role than its predecessor, the CSR Promotion Committee. It submits proposals to the Corporate Management Committee regarding sustainability-related management policies and business activities (identifying risks and opportunities in business) and company-wide policies relating to the environment, conducts deliberations on effective information disclosures to stakeholders, inculcates the importance of sustainability management throughout the Company, makes proposals in relation to Specially Designated Businesses, and engages in other sustainability related matters.

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

1. Develop basic policies on the company's sustainability management and fundamental plans for activities to promote sustainability and CSR.
2. Review and make proposals on the company's management policies, as well as policies and strategies of the business units and corporate divisions from the viewpoint of sustainability.
3. Present proposals on company-wide environmental policies.
4. Make proposals on sustainability-focused business activities (understanding risks and opportunities involved in business)
5. Deliberate on the effective disclosure of information to stakeholders, and the content, methods, and means of transmission thereof.
6. Consider and present proposals relating to progress reviews and monitoring required for management.
7. Configure and establish the internal structure for promoting sustainability management of the company.
8. Identify the material issues to focus on each year for promoting sustainability and CSR activities of the company and ensure progress on these.
9. Respond to issues related to sustainability and CSR, both internal and external to the company.
10. Decide and report whether to support individual proposals which qualify under the matters of Specially Designated Business, and indicate the necessary cautions for projects that will be supported.
11. Approve important matters (basic policies, business plans, etc.) relating to the Mitsui & Co. Environment Fund.
12. Select the proposals from internal applicants for the Environment Fund grants.
13. Select the proposals from external applicants for the Environment Fund grants.

14. Decide and report whether to support an exceptional acquisition of forests or the disposal of company owned forests, which is out of the scope of the Guidelines on the acquisition of a new forest and disposal of company owned forests, based on Rules on the Management of Company Owned Forests.

Furthermore, the Environmental & Societal Advisory Committee has been established under the Sustainability Committee. Committee members are selected mainly from among external experts who are familiar with a broad range of fields—including climate change, environmental restoration, environmental policy with respect to water and energy, etc., technology trends, human rights, and other matters—as well as attorneys and other knowledgeable individuals.

**Sustainability Committee Meetings in FY 2017**
**Meeting 1 (May 26, 2017)**

Deliberations on the sustainability initiatives in our business activities, the role and discussion themes of the Sustainability Committee, and a report on information disclosures in the Sustainability Report 2017 utilizing SDGs

**Meeting 2 (September 26, 2017)**

Discussions on the information disclosure policy based on the external environment, trends in environmental and climate change issues, and a report on the evaluation results for DJSI 2017 selection

**Meeting 3 (December 14, 2017)**

Deliberations on the expansion of disclosure of non-financial information, and a report on participation in COP23

**Meeting 4 (March 28, 2018)**

Report on our response to climate change issues, sustainability promotion activities, the results of our environmental and social contribution activities for the fiscal year ended March 2018 and plans for the fiscal year ending March 2019

## Reinforcement of Sustainability Governance

## ESG-Related Risk Management

System    Activity

Business opportunities and the risks associated with doing business have increased and are becoming more diverse due to economic globalization, progress in information technology, and the increasing awareness of the corporate social responsibility. Based on this understanding, Mitsui & Co. recognizes the necessity of comprehensively managing risk from both quantitative and qualitative perspectives, by responding appropriately to changes in social conditions and business models. With this awareness, we have designated the business domains listed in the table below, which have high qualitative risks, including risks related to the natural environment, society, and governance, as specially designated business, and we have been endeavoring to develop such businesses with due caution under our Specially Designated Business Management System. Specifically, when beginning new projects, we conduct internal assessments and, wherever necessary, approach the Sustainability Committee as well as the Environmental & Societal Advisory Committee for advice as to whether or not to proceed with the proposed projects and for recommendation on how improvements can be made. Ultimately, the final decisions on whether or not to proceed with any given project are made by representative directors after respective proposal documents have been circulated to the relevant departments. The members of the Environmental & Societal Advisory Committee are selected mainly from among external experts who are familiar with a broad range of fields—including climate change, environmental restoration, environmental policy with respect to water, energy, etc., technology trends, human rights, and other matters—as well as attorneys and other knowledgeable individuals.

In the fiscal year ended March 2018, 12 projects were individually assessed under the Specially Designated Business Management System. By business domain, 6 of these projects were the environment-related business, and 6 were the projects receiving subsidies.

In this fiscal year, we conduct a comprehensive and well balanced management of risks on specially designated business at the earlier stage of business development process and up to the follow-up stage in view of the ESG investment with support from those units.

Furthermore, we have established the Rules on ODA Business Management for promoting ODA business, which has a high public profile and, therefore, requires operation processes that are highly transparent. Under this system, as necessary, Mitsui's ODA Projects Evaluation Committee considers these projects and engages in appropriate risk management practices.

## Business Domains Subject to Specially Designated Business Management System

Business Domain		Key Points for Screening
		<b>Applicable to All Four Business Domains</b> <ul style="list-style-type: none"> <li>Significance and social value of the business itself</li> <li>Significance of Mitsui engaging in respective business</li> </ul>
1	<b>Environment-related business</b> All businesses that have large impact on environments Examples: coal fired power plant business, offshore oil field business, etc.	<ul style="list-style-type: none"> <li>Contribution of such business to the environment and society</li> <li>Measures to mitigate environmental impact (incl. Climate change, Biodiversity loss, Water risk)</li> <li>Safety assurance and work environment</li> <li>For development business, appropriate consideration and understanding of human rights belonged to local residents and other related parties</li> <li>Compliance with environmental laws, regulations and guidelines, etc.</li> </ul>
2	<b>Medical, healthcare and bioethics related business</b> Businesses related to the fields of medical and healthcare, and that engage in the development of technologies relating to the human genome, genetic analysis, genetic recombination, and other relevant matters, or businesses that handle products to which these technologies are applied. Examples: Business with a high public profile in the medical and healthcare fields (a dialysis, pharmaceutical drug manufacturing business), development of new drugs using genetic analysis technology, etc.	<ul style="list-style-type: none"> <li>Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI)</li> <li>Approval by the ethics committee of the research institute, acquisition of informed consent, checking of processes, etc.</li> </ul>
3	<b>Projects receiving subsidies</b> All projects that directly or indirectly receive subsidies from governmental and administrative agencies within and outside of Japan.	<ul style="list-style-type: none"> <li>Evaluation in light of Mitsui's management philosophy (MVV)</li> <li>Social impact and ensuring accountability and process transparency</li> <li>Determination of interests of stakeholders, and resultant considerations and responses</li> <li>Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile</li> </ul>
4	<b>Business harboring other unusual reputation risks</b> Businesses that may be in conflict with public order and morality, Mitsui's management philosophy, etc. and businesses with a high public profile. Examples: business with sensitive personal information, social infrastructure businesses, etc.	<ul style="list-style-type: none"> <li>Evaluation in light of Mitsui's management philosophy (MVV)</li> <li>Social impact and ensuring accountability and process transparency</li> <li>Determination of interests of stakeholders, and resultant considerations and responses</li> <li>Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile</li> </ul>



## Compliance & Risk Management

### Compliance Approach

Policy

Mitsui & Co. considers a sound reputation to be the foundation of business, and recognizes that compliance is the prerequisite for maintaining our reputation and trust from society.

In order for the Mitsui & Co. global group to become a truly trustworthy corporate group for society, we make serious efforts to heighten awareness among all officers and employees of the importance of upholding “Integrity” and to build a global-group compliance framework. “Integrity” here means more than compliance with laws, regulations and rules, and it refers to an employee’s ability to act honestly and ethically with a high degree of dignity and respectability, to use good judgment in connection with his/her business activities, and to behave with common courtesy and in accordance with business ethics and social norms.

### Building a Better Compliance Framework

Policy

System

Activity

#### Business Conduct Guidelines for Employees and Officers

The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.” specify how every Mitsui employee and officer should act in his/her daily activities, from the perspective of compliance with laws and regulations, internal rules, and corporate ethics. The Business Conduct Guidelines help us fulfill our corporate social responsibility (CSR) and gain the trust of our stakeholders. They have been revised from time to time since their establishment in February 2001, to reflect the changes of the times.

To ensure that all our employees develop a proper understanding of the Business Conduct Guidelines, we implement training and e-learning courses, and at the same time, we require all employees to pledge to comply with the Business Conduct Guidelines. Likewise, each our global group company has formulated and implemented its own individual business conduct guidelines, based on the “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.”, that suits its specific business activities. In addition, we have put in place business conduct guidelines in our overseas business locations, reflecting the local laws and regulations, and customary practices of the countries in each region.

#### Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.

- |   |  |
|---|--|
| 1. Compliance with the Law and Respect for Human Rights                       | 8. Company Fund and Financial Reporting                            |
| 2. Office Environment and Harassment  | 9. Political Donations and Other Contributions                     |
| 3. Compliance with Antitrust Law  | 10. Social Contributions   |
| 4. Conflicts of Interest between Employees and the Company                    | 11. Protection of the Environment                                  |
| 5. Gifts and Favors   | 12. Action against Corporate Racketeering and Industrial Espionage |
| 6. Treatment of Company Information   | 13. Reporting and Sanctions  |
| 7. Compliance with Procedures for Export and Import and Other Applicable Laws |  |

### Compliance Framework

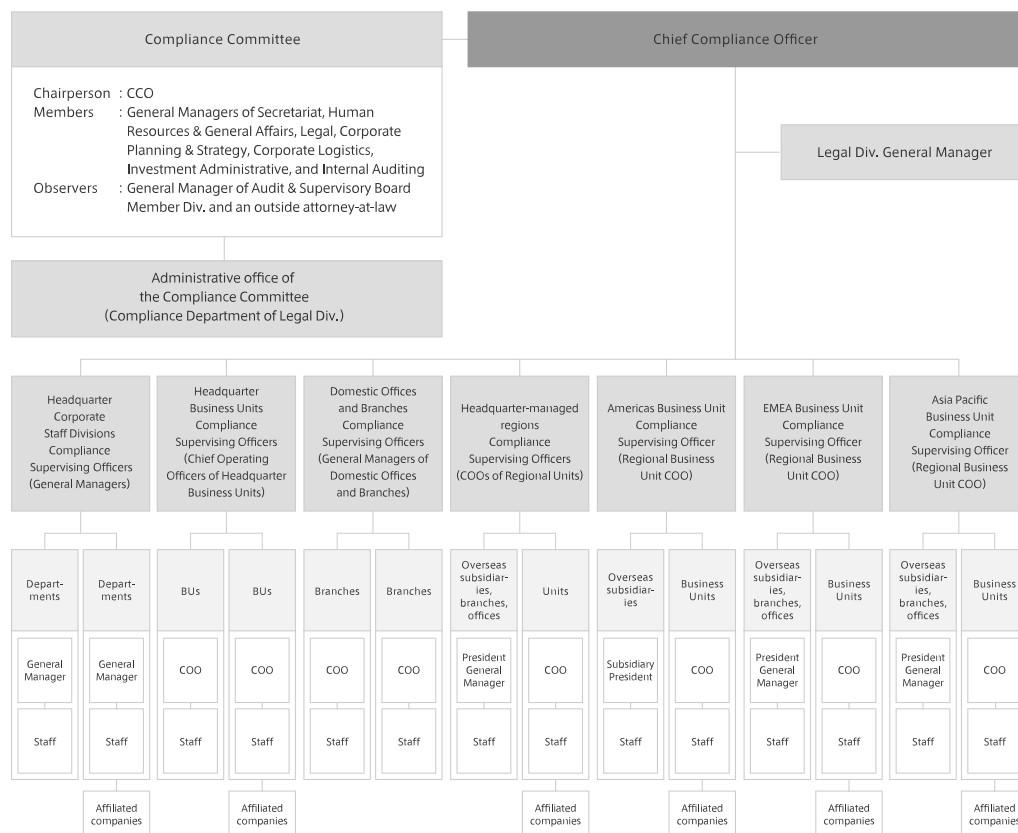
The Compliance Department of the Legal Division leads compliance-related initiatives on a global group basis under the direction and supervision of the Chief Compliance Officer (CCO) and in collaboration with the Compliance Supervising Officers appointed in each of Mitsui’s domestic and overseas business units, and branches and offices. The objectives of these efforts implemented on the Mitsui & Co. global group basis are to: (i) heighten compliance awareness, (ii) improve and strengthen compliance programs, and (iii) respond to specific compliance issues as they arise.

In addition, the Compliance Committee has been established as a forum for discussions relating to the promotion of compliance with laws and regulations, and ethical standards across our global group as a whole. With the participation of external attorneys, the Compliance Committee discusses various issues that have arisen in the group, and discussion outcomes are made available on the company intranet.

Specific measures carried out include conducting thoroughgoing supervision at workplaces, implementing preventive anticorruption measures through the management of business entertainment for public officials and appointment of sales agents, strengthening systems to comply with applicable competition laws, strengthening business process controls, and promoting the rotation and movement of personnel. Such initiatives are implemented on an ongoing basis in order to prevent misconduct. With respect to anti-corruption, we have published.

### Status of Compliance Incidents

In the fiscal year ended March 2018, there were no cases where Mitsui received any legal sanctions or paid any fines or financial penalties due to violations of anti-bribery laws or anti-competition laws. The total number of compliance-related incidents (except for harassment and minor work-related accidents and labor-related issues) at its Head Office, domestic and overseas offices and affiliated companies that were reported in the fiscal year ended March 2018 was 604. However, none of them had a material effect on the management of Mitsui and its affiliated companies.



parties that promise anonymity. We have established the rules on a whistleblowing system which clearly stipulate that no employee will suffer any form of disadvantage for raising any compliance concern. Furthermore, we have made available to our group companies in Japan the use of Mitsui's designated external attorneys and third parties as their external reporting channels to ensure a system in which issues emerged in our group companies can be reported with a sense of security, through the appropriate establishment and operations of the whistleblowing system. Furthermore, at our overseas offices and affiliated companies, our regional Compliance Supervising Officers are taking the lead in developing reporting and consultation channels, also taking into consideration local laws and regulations, as well as specific local customary practices at each country.

Furthermore, Mitsui began the introduction of the Global Group Hotline, a special whistleblowing hotline for reporting and seeking advice regarding cases that breach the laws of Japan or another country regarding anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to suspicion of such breaches. Under the system that is being put in place, the Compliance Department belonging to Mitsui's head office Legal Division becomes a unified channel by which to receive whistleblowing reports from officers and employees of overseas trading affiliates, and other subsidiaries in Japan and overseas.

### Effective Education and Training

Mitsui provides employees with a wide range of compliance training programs to promote a high degree of awareness of business ethics throughout the company and to ensure that all employees have the necessary skills and information available to them to ensure that work practices remain in compliance.

In the fiscal year ended March 2018, we provided such training for employees at all levels, including new employees and line managers, as well as for our employees being transferred overseas or being seconded to group companies. We also provides an extensive program of compliance training for officers and employees of group companies. In November 2017, we conducted "Compliance Review Week", in which we held a seminar about compliance issues that everyone might encounter, in addition to sharing information and exchanging opinions. In addition, during the fiscal year ended March 2018, we provided lessons involving the Compliance Handbook for our employees, which explains the contents of the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.", and also conducted online testing to ensure that employees in Japan who had not taken the test last year understand the Handbook's content. Through such activities, we are working to ensure that all management and employees have the compliance-related knowledge they need to conduct day-to-day business activities. Moreover, we distributed "Compliance Handbook for Mitsui & Co. Group Companies", which was newly prepared last year to domestic group companies upon request. We also provide overseas offices and group companies specifically tailored compliance training that takes into account particularities of the regions in which they are located.

### Facilitating Communication and Improving the Internal Whistleblowing System

We believe that the essence of compliance lies in the continual efforts to develop an open working environment which embodies our management philosophy and values and facilitates transparent and smooth communication within the Mitsui & Co. global group.

In case some problem arises, a report must be immediately made to one's superior or relevant persons, so that the problem can be properly addressed in a timely manner. Mitsui has established eight channels for raising compliance concerns, including internal reporting lines to external attorneys or third

### Compliance Awareness Survey

In order to understand the level of compliance awareness among officers and employees, we have conducted Compliance Awareness Surveys not only at Mitsui (non-consolidated), but on a global group basis, as needed. We utilize the survey results to address issues and implement a variety of measures to further promote compliance awareness.

### Other Initiatives

In addition to the previously mentioned initiatives, we also visit individual key affiliated companies in order to ensure adherence to compliance at the global group level. By gaining a better understanding of compliance issues facing each company, we provide advice geared toward helping those companies autonomously design and implement compliance programs.

Throughout the fiscal year ending March 2019, we will strive to make compliance an integral part of daily work in our global group operations, by continuing to support group companies to help them develop and implement compliance programs more effectively, in order to instill the importance of compliance among their employees. For this, we will further deepen communication and information exchanges.

### Global Tax Management Policy

We are committed to complying with our tax obligations and simultaneously managing our global tax costs. Our Global Tax Management Policy is available below.

## Protecting Personal Information and Information Risk Management

### Protecting Personal Information

We have appointed a Chief Privacy Officer (CPO) and established a CPO office to work for heightening awareness among all management and staff of the importance of personal information protection, in accordance with the Personal Information Protection Guidelines and Rules on the Protection of Personal Information.

As we have a broad spectrum of involvement in diverse commodities and services, we handle a large amount of personal information, particularly in B-to-C (business to consumer) business fields. Accordingly, we pay particular care to ensure that all data is protected. From the perspective of accident prevention, in addition to our education and training systems, we appoint a Personal Information Management Officer in each division. The officers regularly review the status of personal information management in the daily course of business and enhance it as needed.

Regarding compliance with GDPR (General Data Protection Regulation), Mitsui established internal rules regarding GDPR before it went into force in May 2018, and informed all officers and employees via an internal notice clarifying the management system and operational rules when handling EU personal data. Furthermore, we have established an internal operation structure to deal with EU personal data pursuant to GDPR (such as complying with the duty of keeping records of processing activities, etc.) required by GDPR.

We consider our timely response to laws and regulations performed according to global standards differentiates us from other companies, which also enhances our corporate value.

### Information Risk Management

Based on the understanding that the proper management of information, which is an important business resource, is indispensable to us, we established the Information Risk Management Subcommittee under the Information Strategy Committee, which is chaired by the Chief Information Officer (CIO). In accordance with our Information Security Policy, we have developed the Rules on Information System Management and the Rules on IT Security, in order to maintain and keep enhancing our information risk management systems.

### Cyber Security

In line with the advancement of information and communications technology (ICT) in business at Mitsui & Co., as well as at our affiliated companies, Mitsui & Co. group companies continue enhancing the cyber security framework, including the establishment of a dedicated unit to tackle cyber security, which examines and implements cyberattack countermeasures.

## Human Resources to Translate into Assets

### Human Resources Approach

Policy

Throughout its long history, Mitsui & Co. has placed great importance on certain values and philosophies, such as a “Focus on Human Resources”, “Challenge and Innovation,” and “Open-Mindedness.” In line with these values, we have always valued people and worked to train and develop diverse human resources who can contribute to society.

Our corporate mission is to: Strive to contribute to the creation of a future where the aspirations of people can be fulfilled. To achieve this mission, we will increase our efforts to instill these values and our organizational culture, which have led people to say that “Mitsui is people”, through human resource development activities for the approximately 42,000 people who work for the Mitsui & Co. global group.

The business environment is changing rapidly, and the future is difficult to predict. We are sharpening the abilities of individual personnel and exerting the high-level capabilities and expertise of Mitsui and its group companies, in order to increase the comprehensive strengths of the Mitsui & Co. group, and creating environments in which the diverse people who work for the group can work energetically. We believe these are the most important things to ensure that the Mitsui & Co. group can continue to create new value in this environment.

### Key Elements of Human Resources System

Policy

Mitsui regards human resource management systems as tools that help every individual employee to work energetically and lead to the realization of the corporate mission and values. The basic philosophy stated above is reflected in the following priorities.

- |  |  |
|--|--|
| <b>1. Recruitment of Diverse Human Resources</b>                       | We will recruit well-balanced and highly creative people from diverse backgrounds.   |
| <b>2. Human Resource Development</b>                                   | We will develop people who share the values of Mitsui & Co. and have leadership skills that enable them to take the initiative in realizing our management philosophy. |
| <b>3. Appropriate Appointment and Deployment of Personnel</b>          | We will appoint and promote optimal people from the Mitsui & Co. group’s global human resource pool.   |
| <b>4. Diversity Management</b>   | We will implement measures and develop an environment in which diverse individuals can perform their tasks energetically at their full potential.                      |
| <b>5. Consideration for Working Environments and Health and Safety</b> | We will create healthy and safe working environments in which employees can continue to work with confidence.  |

Mitsui & Co. group companies will share the above approaches through the Mitsui & Co. Global Business Management Guidelines and by other means. We will formulate human resource systems, and recruit, train and appoint personnel on the basis of said guidelines, according to the particular circumstances of individual companies.

## Human Resources Development

### View on Human Resources Development

Policy

From their initial stages, employee training programs at the Mitsui & Co. global group were designed to foster human resources that are capable of global group management.

Throughout its long tradition, Mitsui & Co. has always focused on human resources. Our approach to human resources development is represented in the company's saying, "The individual builds the business, and the business cultivates the individual." As the words signify, the company's priority mission is to develop talented human resources by encouraging each individual to create business. Indeed, it would be no exaggeration to say that this is the company's ultimate raison d'être. For this reason, we regard on-the-job training (OJT) as the cornerstone of human resources development. We also implement comprehensive off-the-job-training programs in various forms to support and supplement human resources development through OJT.

Also, we have career counseling educational programs for universities and graduate students, including internship programs, "Challenge & Innovation" seminars, and round-table discussion meetings with our employees to learn and develop their career views and deepen their understanding of Mitsui's business.

### Human Resources Development Programs

System

#### Grade-based Training and Business Skills Training

To achieve the goal of fostering human resources capable of global group management, we have built a wide variety of human resources development programs for every grade of employees, from new employees to management-level employees. While we have set grade-based training programs, mainly to enable employees to learn Mitsui's business mindset and leadership, we have also provided business skills training programs as well as professional training programs with the aim of enhancing our employees' knowledge and capabilities in various fields. An introduction to each training program can be found on the company's intranet, along with an explanation and overview of our human resources training policies, and we encourage our self-motivated employees to participate in these programs.

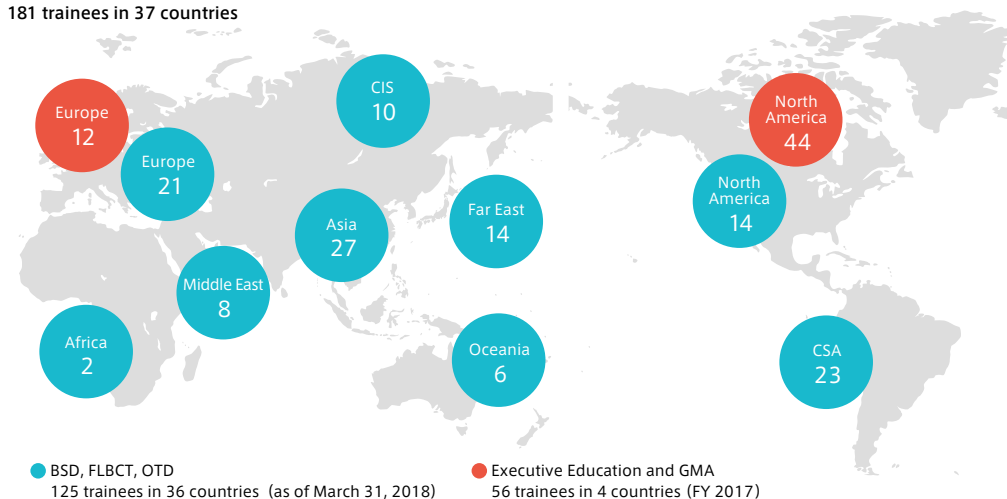
#### Global Training Programs

The Mitsui & Co. global group have numerous global training programs that are designed to enable employees to manage business on a global basis. Programs include Business School Dispatch (BSD), Foreign Language & Business Culture Trainee course (FLBCT), and Overseas Trainee Dispatch (OTD). We also dispatch middle management-level employees to MIT Sloan Fellows Program and Harvard Business School Global Management Academy (GMA).

GMA is the program aimed at training next generation of leaders with the capacity for global management and has been held in partnership with Harvard Business School. The scope of the participants in this program are headquarter hired staff (HS) members, non-headquarter hired staff (NS) members, and employees of Mitsui's overseas group companies and business partners. For management-level employees, we send them to Executive Education (EE), which is a short-term MBA programs conducted at first-class business schools in Europe and the US.

#### Number of employees dispatched in Global Training Program (FY 2017)

181 trainees in 37 countries



### Human Resources Training Programs and the Number of Participants/ Dispatched Employees

			System	Activity
				(Unit: persons)
Category	Training Programs	Outline	Number of participants FY 2017	
Grade-based training programs	Management Training Program, New Line Manager Program, Leadership Program, Administrative Staff Training, Female Business Staff Program, New Hire Induction Training, Mid-career Hire Induction Training	The aim of the programs are to foster human resources capable of global group management. Participants acquire the knowledge including our management philosophy, business skills, and business mindset.	2,691	
Bussan Academy Program	Marketing, Management Strategy, Finance, Logical Thinking, Mindset, Communication, Philosophy, History	Professional training programs with the aim of increasing participants' specialist knowledge in various fields.	2,520	
Objective-based Programs for senior employees	Career Design Program, Retirement Life Plan Program	Training programs for senior employees, which are designed to support them in autonomously devising the direction of their career and to adapt to the change of environment and their roles.	400	
Grade or Objective-based Training Programs	Project Manager Development Program, Inter-industry Exchange Training Programs, MOC (Mitsui Open College)	A variety of training programs, including Inter-industry exchange Training (which aims to promote understanding of different corporate cultures and build human networks).	1,584	
Global Training Programs	Foreign Language & Business Culture Trainee course, Business School Dispatch, Overseas Trainee Dispatch, GMA, EE	Program participants are sent overseas and are surrounded by talented people from around the world, with the aim of developing the mindset and skills needed to become next-generation leaders in global group management.	181	

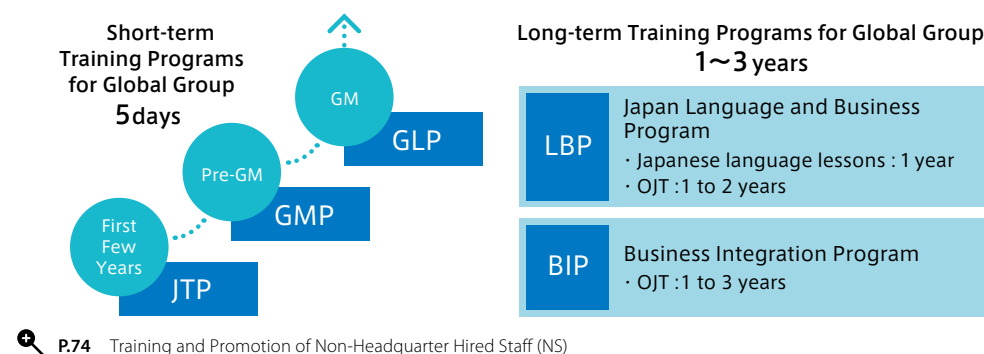
**P.88** Hours of Training and Expenditure on Training (Non-consolidated)

### Development of Human Resources Capable of Global Group Management

We also focus on the development of human resources capable of taking responsibility for global group management, which is a key pillar of Mitsui's consolidated management.

In order to support human resources development at each group company, and the building of human networks, group employees in Japan are given grade-based training, through such courses as our General Manager Training Program, Department Manager Training Program, and New Hire Induction Training Program, in addition to the optional training programs including the "Bussan Academy" program.

Since 2002, we have offered employees of our overseas trading subsidiaries a well-developed program of both short-term and medium to long-term training at the Mitsui Headquarters. Short-term programs include JTP (Japan Trainee Program), GMP (Global Managers Program), and GLP (Global Leaders Program), which are offered as milestone training in three stages: the first few years after joining the company; prior to appointment as a general manager; and after appointment as a general manager. Medium to long-term programs are held for a period of one to three years, and include LBP (Japan Language and Business Program), which provides Japanese language lessons and practical business training, and BIP (Business Integration Program), which provides practical business training.



**P.74** Training and Promotion of Non-Headquarter Hired Staff (NS)

### Appraisal

System

Mitsui and its group companies encourage employees to take on new challenges and to work hard with high motivation and enthusiasm, by supporting them also from the perspective of personnel appraisals. The objectives of conducting the appraisal process are not limited to enhancing employee understanding of Mitsui's management philosophy and motivating employees to meet management objectives, or to provide input for fixing compensation or assigning new positions, but also to promote talent development through the appraisal process. Appraisal meetings are held periodically between employees and their managers, and employees receive comprehensive feedback on their performance and specific contributions. These meetings create an effective framework for human resources/ personal ability development.

The appraisal system for headquarter-hired employees consists of 3 types of appraisal criteria: "Individual Competency Appraisal", "Contribution Appraisal", and "Organization Performance Evaluation". For the "Individual Competency Appraisal", an appraiser makes comparative assessment on the competency of an employee with regard to other employees in the same appraisal group, and it is used for and reflected in decisions regarding employee promotion, job assignments, salary, and so on, in accordance with the cumulative points in the employee's individual competency appraisals over the most recent 3 years. Having cumulative points from appraisals for 3 years, rather than a single-year appraisal result, avoids a one-time effect and allows appropriate appraisals as to how an employee has been developing during the 3-year period, and for considering promotions. For the "Contribution Appraisal", setting out appropriate targets is the premise for a fair appraisal. Superiors and subordinates must engage in in-depth discussions in order to share a common understanding of the established targets so that the targets will be challenging and acceptable to both parties. For the "Contribution Appraisal", an appraiser assesses the value added to, and the degree of contribution made to, the company by an employee, as well as the degree to which the employee has taken on challenges to achieve a target. The purpose of the "Organizational Performance Evaluation" is to examine the degree of attainment and the progress made by individual business units on their respective business plans. The results of the Contribution Appraisal and the Organizational Performance Evaluation are reflected in the bonus.

## Appropriate Appointment and Allocation of Personnel

### Policy on Appropriate Appointment and Allocation of Personnel

Policy

People are the most important assets for the Mitsui & Co. global group. We aim to create a cycle in which our human resources can grow through opportunities for diverse experiences, while deepening their human networks, thereby creating opportunities for even better experiences.

### Placing the Right People in the Right Positions

System

Every year, employees are given the opportunity to have dialogue with their superiors on the basis of the prescribed career development survey sheet. Based on the individual employee's characteristics, expertise and experience, we determine a policy for the development and utilization of our human resources and implement appropriate personnel assignments, in order to maximize the potential of our diverse, talented professionals and organizational strengths.

### Swift and Flexible Reallocation of Human Resources

System

#### Re-allocation of Human Resources

Human resources are vital but finite management resources. Taking into account the external environment and the balance between our portfolios and profits, we agilely transfer and position our human resources to growth areas that we have defined as targets under our management policies. We are continually implementing human resource re-allocation measures to accelerate our business offensives.

In the fiscal year ended March 2017, we re-allocated approximately 30 people from resource areas into non-resource growth areas, such as "healthcare" and "nutrition & agriculture", in order to build a structure capable of generating stable profits without being impacted by resource prices.

In the fiscal year ended March 2018, we transferred approximately 70 people from administrative units to business units and affiliated companies, with the aim of streamlining administrative units and strengthening business frontline units.

#### Personnel Exchanges

At intervals of approximately two years, we exchange personnel among different units. Approximately 300 people have taken part in exchanges since the program was introduced in the fiscal year ended March 2010. The aim is to share and disseminate knowledge and specialist skills held by organizations and employees beyond organizational boundaries, and in so doing enable employees to fully employ the comprehensive strengths and the networks of the Mitsui & Co. global group, and to develop human resources with broad perspectives.

Young employees up to four or five years experiences are transferred to domestic branches and offices under our Career Development Program designed to accelerate growth through contacts with customers at the business frontlines.

### Systems to Help Employees Take up Challenges

System

Activity

#### Human Resources Bulletin Board System

This system allows employees to move from their presently assigned business sector to different business areas which they can choose. If an employee wants to use his or her capabilities, skills and specialist knowledge in a business area other than the one to which he or she is currently assigned, and if it is judged that the transfer would be beneficial for both the employee concerned and the company and would enhance the competitiveness of our human resources and organization, a transfer will be implemented.

Approximately 380 employees have been transferred under this system since its commencement in the fiscal year ended March 2000.

#### In-house Entrepreneurship Program

The in-house entrepreneurship program was introduced in April 2017 to support a culture in which employees take up the challenge of creating new business in line with the Mitsui's spirit of Challenge and Innovation. The solicitations are made two rounds a year. In the fiscal year ended March 2018, there were approximately 20 applications (including requests for advice) in each round. The employees concerned provide part of the investment and become shareholders and representative directors when new companies are established. As shareholders, Mitsui and the employees work together to drive the growth of the newly established businesses. As of March 2018, two employees had completed the selection process and are making preparations for the launch of new businesses.

#### Karugamo Works

The purpose of this project is to explore and commercialize new business ideas that are being studied independently by individual employees or teams of employees. Each year a solicitation is made for submission of new business proposals, and after being selected, employees work with related business divisions to commercialize the new business ideas. Through this project, work has started on the commercialization of a total of 5 ideas.

**Training and Promotion of Non-Headquarter Hired Staff (NS)**

System    Activity

**Training and Transfer to Japan**

NS personnel selected for training as next-generation leaders are sent to Japan in various ways. They are given opportunities to study the Japanese language and Japanese business practices and experience Japanese work styles, while learning other aspects of Japan, such as its culture and history. Their training is targeted toward their development as management personnel who will one day play key roles in Mitsui & Co. global group management. In addition to opportunities to network with people within and beyond Mitsui, the program is also designed to enable participants to build lifelong relationships by inspiring and being inspired by other talented people who are gathered in Japan for the same purpose. Total of 159 people have participated in various training programs in Japan since the fiscal year ended March 2014. Mitsui will continue to implement these programs going forward.

**Personnel Sent to Japan** (As of March 31 each year)

(Unit: persons)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Japan Language and Business Program (LBP)	11	13	13	7	1
Business integration program (BIP)	9	13	9	13	10
NS transfers	18	14	8	10	10*
Total	38	40	30	30	21

\*Including one NS transferee accepted by an affiliated company

**Promotions to Executive Positions**

An increasing number of talented locally hired employees (NS) are being promoted to managerial positions, in line with our commitment to training NS personnel in each region and strengthening our pool of human resources and locally-originated business. In the past, most people appointed to managerial positions as general managers (GMs) in overseas offices were sent from Japan. As result of coaching and training NS personnel, as well as providing opportunities for assignment to Japan and for global training, and other initiatives, the percentage of GM positions held by NS personnel has reached 31% in the Americas, 24% in EMEA (Europe, the Middle East and Africa), and 8% in the Asia Pacific region (as of March 2018). We will strengthen our efforts to achieve optimal personnel allocation, including Headquarter-hired staff (HS), as part of the continuing globalization of human resources in the Mitsui & Co. global group. The number of NS general managers is expected to exceed 100 by the fiscal year ending March 2020.

**Number of NS GMs** (As of March 31 each year)

(Unit: persons)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Americas	14	18	18	20	25
EMEA	20	20	18	20	22
Asia Pacific	2	4	4	4	6
Other	2	4	6	8	11
Total	38	46	46	52	64

**Transfers between Overseas Countries**

Appointing personnel with a thorough knowledge of each country and region is essential to developing business with deep local roots, in order to capture every business opportunity while adapting flexibly to business environments in which change is the norm. We are driving further diversification forward to ensure that the right people can work in the right places on a global basis, regardless of nationality or location of recruitment. We are increasingly providing employees with opportunities not only for training in Japan, but also transfer to other overseas offices, including offices in other countries in the same region. Recent examples include the transfer of staff from India and South Korea to Dubai in the Middle East. We will continue to support the globalization of human resources in the Mitsui & Co. global group, while verifying the effectiveness and merits of this policy.

**Number of NS Employees Transferred between Overseas Countries** (As of March 31 each year)

(Unit: persons)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Americas	2	2	5	5	4
EMEA	3	2	2	1	1
Asia Pacific	8	14	13	10	6
Other	1	4	4	3	3
Total	14	22	24	19	14



NS participating a group discussion in GMP



## Promoting Diversity Management

### Mitsui & Co.'s Diversity Management Vision

Policy System

Building an environment that allows every member of our diverse human resources to display his or her potential to the full. In order to deal with a variety of changes in an increasingly volatile global business environment, it is important that we secure a wide range of human resources with diverse values so that we can respond to various changes and regard risks as business opportunities. This is why the people who work for the Mitsui & Co. global group come from a wide variety of backgrounds in terms of nationality, gender, values and other attributes.

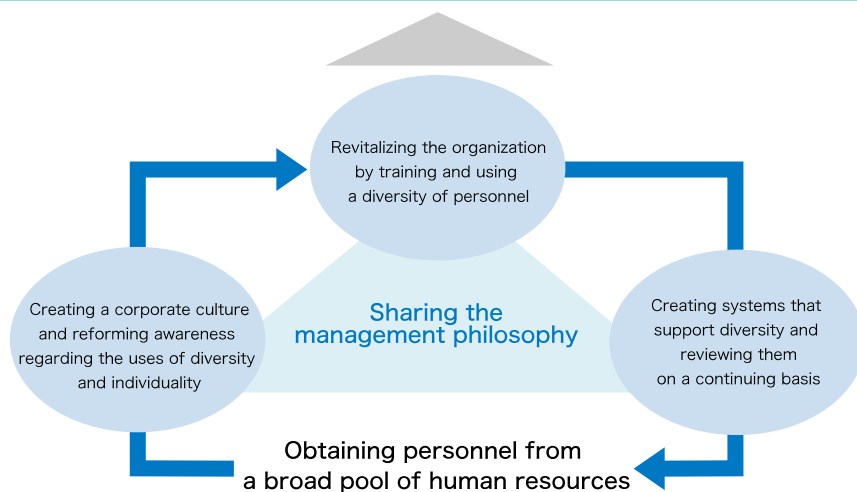
We implement diversity management initiatives to enhance the competitiveness of the Mitsui & Co. global group. This is achieved when each and every member of our diverse human resources recognize and respect each other, stimulate each other to come up with ideas, bring new value to our business, and create innovation. This will allow us to evolve as a company within which people can generate new value in business.

Specifically, we strive to build a foundation on which we can realize this vision, primarily through the sharing of our management philosophy, by fostering a corporate culture that seeks to fully utilize diverse individual characteristics, by broadening employees' mindsets, and by creating and continually reviewing work-related systems to support diversity. At the same time, we train and deploy diverse human resources on a global group basis, and work to enhance our corporate competitiveness by realizing the full strategic mobilization of our diverse workforce.

#### The Diversity Management that Mitsui Is Aiming For

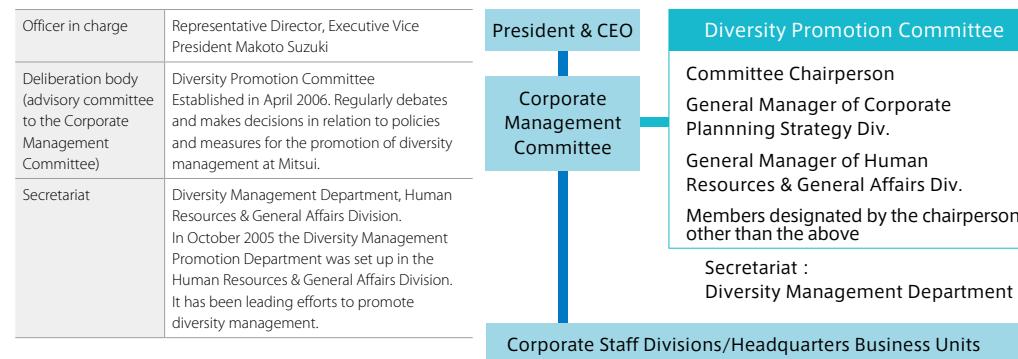
**Increasing Competitiveness by Combining the Capabilities of Diverse Human Resources**

- Development of personnel who promotes innovation with strong capabilities for flexibly adapting to and coping with change in an environment characterized by the globalization of business activities and expansion of business domains.
- To be a company that can attract human resources, draw out the individuality, and maximize potential of each and every staff member.



### Diversity Management Promotion Framework

System



### Work Style Innovation

Policy

To further deepen our diversity management initiatives, since 2015 Mitsui has been reviewing its traditional work styles from the perspectives of efficiency and productivity, and sought to realize varied, optimal work patterns. Where necessary, we have introduced "Work Style Innovation" initiatives. By implementing Work Style Innovation, we aim to develop workplace environments in which diverse individuals can reach their full potential and work with a strong sense of job satisfaction and motivation. The ultimate goal is to strengthen our overall competitiveness as a company.



### Employee Opinion Survey on Work Styles

Activity

We conducted an employee opinion survey on work styles in October 2015. The objective was to first gain an accurate understanding of the actual practices implemented in workplaces and individual employees' views on work styles. In this survey, we placed a greater focus on work styles, while referring to the contents of previous regular employee opinion surveys that have aimed to enhance our management and organizational strengths. We surveyed and analyzed a variety of topics, including individual employees' views on work styles in general, work style trends in workplaces, and factors that could hinder highly productive and efficient ways of working.

Since we held the first employee opinion survey in October 2015, we have held the survey regularly in the autumn every year. Checking year-on-year changes has been useful for proposing and reviewing various initiatives and policies.

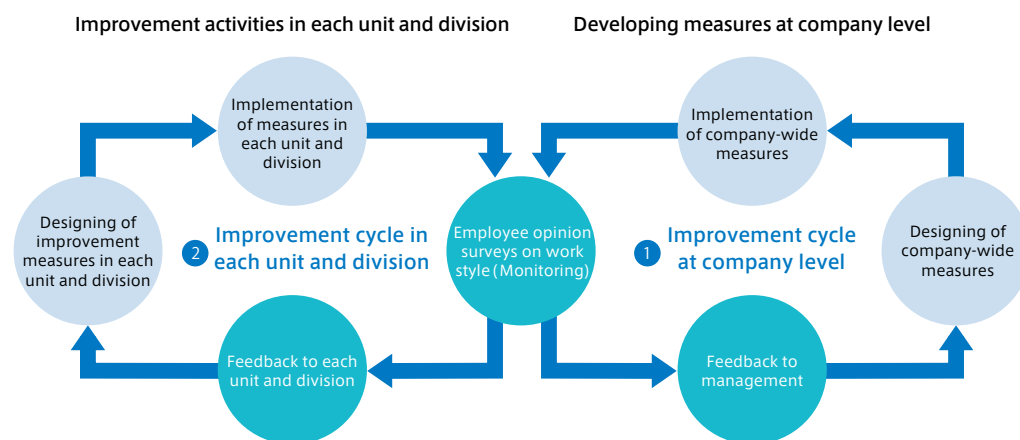
**Main year-to-year changes in the Employee Opinion Survey on Work Styles (approximately 80 questions)**

	First Survey (FY 2015)	Second Survey (FY 2016)	Third Survey (FY 2017)
I am strongly motivated to achieve better efficiency and productivity in the workplace	53.3%	61.6%	64.8%
I now have less idle time caused by congestion and waiting around due to large numbers of employees arriving at work or taking breaks at the same time	44.6%	55.2%	73.4%
I have taken enough paid leave	47.6%	52.6%	61.0%
I do not work chronically long working hours	—	69.3%	72.1%

**PDCA Cycle Based on Employee Opinion Survey on Work Styles**

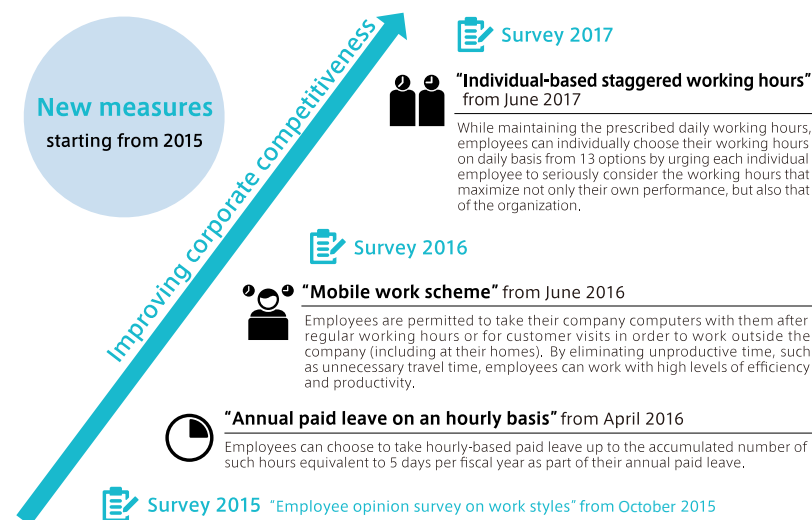
System	Activity

After holding the first survey in October 2015, it became clear that we faced two issues on a company-wide basis: improving efficiency in terms of working places and working hours; and increasing business process efficiency. To tackle the first of these issues, we implemented the following company-wide systems: annual paid leave on an hourly basis (April 2016); mobile work (June 2016); and individual-based staggered working hours (June 2017). For the second of these issues, we have carried out specific measures to realize improvements, including the promotion of active debate in the workplace, and work reviews. Through the steady implementation of two PDCA cycles - company-wide, and in the workplace - we have worked across the company to try to realize work that is both efficient and productive and provides to better concentrate on their work.



**Development of company-wide policies (right circle in cycle diagram 1)**

Measures	Time of introduction	Description of measures	Effect and aims
Annual paid leave on an hourly basis	From April 2016	Employees can choose to take hourly-based paid leave up to the accumulated number of such hours equivalent to 5 days per fiscal year as part of their annual paid leave. (For nursing care for children and family leave, employees can take leave in units of one hour for 10 days of leave per fiscal year.)	Being able to take leave for just the hours needed allows employees to better concentrate on their work. Just under 80% of employees used this system in fiscal year ended March 2017.
Mobile work	From June 2016	Employees are permitted to work outside the company (including at home) by taking their company computers with them after regular working hours, or to use during free time when making customer visits.	By eliminating unproductive time, such as unnecessary travel time, employees can work with high levels of efficiency and productivity. Just under 70% of users of this scheme felt there was an improvement in efficiency and productivity in their work.
Individual-based staggered working hours	From June 2017	While maintaining the prescribed daily working hours, employees can individually choose on a daily basis to start working any time between 90 minutes before and 90 minutes after the normal work starting time.	By urging each individual employee to seriously consider the working hours that maximize not only their own performance, but also that of the organization, we aim to develop organizational units that achieve the best performance, while working with a healthy sense of intensity. In a survey carried out after introduction, 95% of respondents reported that the measures have contributed to the competitiveness of the company (based on the results of a survey into staggered working hours carried out in February 2018).
Mitsui & Co. teleworking (includes working from home, etc.)	From July to September 2017 (trial for around 600 employees)	This system has expanded the scope of employees eligible for the mobile work described above (by adding the option of working from home or at a satellite office during regular working hours).	It has been proved that, by creating greater flexibility in what we consider to be a "place of work", we are able to improve the work efficiency and productivity of individuals and organizations. Accordingly, this contributes to improving our corporate competitiveness, which is one of the goals of Mitsui & Co.'s Work Style Innovation.



### Improvement activities (left circle in cycle diagram ②) at the business units and divisions (business frontlines)

As part of the employee opinion survey on work styles that we implement every year, we carry out a detailed analysis of the survey results on an organizational basis. Specifically, we provide feedback in the form of tailored analyses given to 118 divisions. This allows them to identify characteristics at each organization by comparing against the company average or division average, etc. Furthermore, each organization formulates a unique improvements plan every year in consideration of the characteristics of its business, based on the results of the feedback.

Since October 2016, which was during the second year of the work style innovation initiatives, we have made concerted efforts to link measures across the company. This has led to even greater urgency in the implementation of measures in the workplace. Particularly successful measures have been posted on the "Work Style Innovation" the intranet page as examples of best practice, and we have encouraged knowledge of these examples to be shared across the company (see below for some examples).

#### Introduction of standing conference desks (Infrastructure Projects Business Unit)

The aim of introducing standing conference desks is to create a place where employees can carry out face-to-face communication and hold relaxed, highly efficient and productive meetings. The measure has received good feedback from the employees overall, with some expressing the opinion that it increases awareness among employees who tend to talk too long of the need to hold meetings efficiently, and that this has made meetings easier.



#### Nomad\* desks (Legal Division)

"Nomad desks" have been installed at the Legal Div. separately from the employees' own desks. The Nomad desks have law books, displays, telephone headsets, and partitions. This gives the employees a space to concentrate fully on examining contracts or talking on Skype, etc. when they need to.



\*The Nomad system is a new way of working that uses IT tools, etc. to allow employees to work in a variety of places, and not just their own office desk.

We have also promoted measures to improve the efficiency and productivity at each business unit by working together as a company in close collaboration between the business units, corporate staff divisions, and the business supporting unit to improve business processes in the workplace, and in doing so create time to go on the business offensives. One example of this is the business units making a business process improvements request to the corporate staff divisions when they formulate their own unique improvements plans. The division in question then considers solutions in response to each request.

The impact of these activities (1. Developing measure at company level, and 2. Improvement activities in each business units and divisions (business frontlines)) is gradually becoming apparent. In the third survey, which was held in October of 2017, improvements were seen for many of the question items. In particular, there were major year-on-year improvements in the results for questions that asked about progress in improvement activities at the business units and divisions (business frontlines).

We will continue to promote PDCA on kaizen activities for improving productivity, based on the results of the surveys. In addition to accelerating Work Style Innovation, including the examination of further detailed measures that will contribute to Mitsui's corporate competitiveness, we will tackle Work Style Innovation across the entire Mitsui & Co. global group by actively exchanging information on best practice between group companies.

## Work Style Innovation Action Plans (KPI and action plan formulation for Work Style Innovation at Mitsui)

Policy

We have set out KPI and formulated action plans for "Work Style Innovation" from the following three perspectives: 1. Correcting the problem of long working hours; 2. Encouraging employees to take annual paid leave; and 3. Promoting flexible ways of working. We have posted these on the Keidanren website as "Work Style Reform Action Plan"

### 1. Correcting the problem of long working hours (KPI)

As the result of every employee pursuing higher productivity and efficiency through heightened concentration on their work, by the fiscal year ending March 2020 reduce to zero the number of employees working more than 620 hours of overtime per year (in terms of labor law).

### 2. Encouraging employees to take annual paid leave (KPI)

As the result of every employee pursuing higher productivity and efficiency through heightened concentration on their work, by fiscal year ending March 2020 increase to 70% the average paid leave usage ratio for annual leave (including taking of half-day and hourly leave).

### 3. Promoting flexible ways of working (KPI)

By the fiscal year ending March 2020, increase the percentage of employees replying positively to questions in internal surveys regarding the achievement of heightened concentration on their work to at least 70% of all employees.

By the fiscal year ending March 2020, increase the percentage of employees replying positively to questions in internal surveys asking if they feel "motivated in their work", "personal growth", and "satisfaction with their choice of company" to at least 80% of all employees.

### Reference: Results from Mitsui & Co.'s "Employee Opinion Survey on Work Styles"

	First Survey (FY 2015)	Second Survey (FY 2016)	Third Survey (FY 2017)
I have realized to better concentrate on their work	54.5%	39.7%	47.8%
Employee satisfaction level*	72.6%	76.0%	77.6%

\*Average of "motivation in their work", "feeling personal growth" and "satisfaction with their choice of company"

P.90 Related Data: Paid Leave Taken Days and Usage Ratio (Non-consolidated) ★

Promoting Diversity Management

**Career Development for Diverse Human Resources**

Policy

A diverse range of human resources are working at Mitsui & Co., with different genders and nationalities, as well as different values, ways of thinking, and lifestyles. Mitsui is aiming to create workplaces where employees with a diverse range of backgrounds are able to recognize each other's unique value, stimulate each other to display their potential to the full, and move on to the next level. To this end, we are developing systems and support measures that will allow them to exert their capabilities to the full, while fostering an atmosphere and culture that realize diversity and inclusion in a way that accepts and respects our diverse characteristics.

**Career Development Initiatives for Female**

Policy

As one of our key initiatives to promote the careers of diverse human resources at Mitsui, we have been promoting human resources development, environment improvements, and mindset changes to support female staff members (business staff and administrative staff) in building and continuing their careers.

**Action Plans Related to Career Development Initiative for Female**

Policy

Mitsui & Co. has formulated the following action plans to promote women's empowerment and is implementing related initiatives.

Our goal of "more than tripling the number of female staff at managerial positions as of June 2014 (67) by around 2020", which was described in both the following plans, was achieved two years earlier than planned in July 2018 (221 female managerial staff).

**Voluntary Action Plan on Promotion of Women to Managerial and Board Position**

Our voluntary action plan was posted on the Keidanren website in December 2014.

As of July 1, 2018, Mitsui & Co. has 3 female officers (2 Directors and 1 Audit & Supervisory Board Members) and the ratio of female staff to the total number of officers is 15.7%.

**Action Plan Related to the Promotion of Women's Empowerment (April 1, 2016 to March 31, 2021)**

The plan describes our targets up to the end of FY 2020 under the Act on Promotion of Women's Participation and Advancement in the Workplace.

**P.88** Performance data related to diversity

**P.91** Evaluation by Society

**Initiatives to Support Continuous Career Development**

System

Activity

**Training for Female Business Staff (Career-vision Training)**

This training is provided for female business staff during their 5th through 7th years after joining Mitsui. The most important aim of the training is to help participants prepare for their future long-term career paths. The training helps employees to develop concrete ideas about the growing choices they will face, along with life events and other factors, through dialogue with senior executives and discussions with colleagues working in the same environment.

**Female Mentor System**

The female mentor system has been introduced to provide opportunities for female employees to learn about the significance of working for Mitsui and discover new ideas about career formation through communication with more experienced female coworkers. The system provides a way to seek advice about matters ranging from minor problems in day-to-day activities through to career planning. A wide range of female employees are selected as mentors from among those who have worked overseas, experienced various life events, or are active in the frontline at the business divisions or as secondees. Employees can choose their mentor depending on the type of advice they need (Mitsui has also established mentor systems for non-Japanese employees and young employees).

**Diversity Cafe**

Along with changes in the social milieu, such as a greater diversity in people's sense of values, the rising number of dual income households where husbands and wives both hold jobs, and the demographic aging of the population, there has been an increase in the number of employees seeking new kinds of career paths and wanting to maintain a balance between their work and private lives. We host the Diversity Cafe to allow employees of all ages and roles to come together and have the opportunity to learn from each other's experiences and to discuss and share information on matters of common interest. Since 2009, panel discussions and talks have been held on a variety of themes, such as "How to Manage a Career, and Married Life, Childbirth, and/or Childcare", "Get-together with Female Directors for Female Managerial Staff", and "Administrative Staff's Experiences as Overseas Trainees".



The 21st session of the Diversity Cafe in progress

**Work-life Management**

Policy

Mitsui supports "work-life management" so that every employee is able to fully meet life responsibilities, while pursuing their career development by displaying his or her potential in the workplace to the full. As part of these efforts, we have introduced various systems above the required statutory standards to support our employees in both work and childcare/family care. These systems are made available not just for female employees but also for male employees, encouraging male employees to take part in childcare and family care.

## Initiatives to Support Childcare and Family Care

System    Activity

### Pre-leave and Pre-return Consultations (Childcare/Family Care)

Pre-leave consultations are offered to all employees planning to take childcare or family care leave, and pre-return consultations are held for all employees planning to return to work after a period of leave. At the pre-return consultation, a three-party meeting is held between the employee, his or her supervisor, and a staff member from the Human Resources & General Affairs Div., supporting the employee to build his or her career in the medium to long term while ensuring work-life management even after returning to work. At pre-return consultations for employees on childcare leave, we have begun inviting both the employee's spouse and supervisor to the meeting. There is a growing trend where both partners pursue their careers, and we provide advice to the employee and spouse to improve understanding of the various work-life support systems and to assist in career-building, while raising the supervisor's awareness of the importance of continuing to carry out thorough communication, have high expectations of the employee, give him/her opportunities, and support their growth. Through those initiatives, we are working to create an environment that provides support for future career-building and work-life management.

### Utilization of Work Style Innovations Systems (Childcare/Family Care)

The staggered working hours system for childcare and family care was previously only available to employees involved directly in childcare or family care. In 2017, as part of our Work Style Innovations, we included this system in the individual-based staggered working hours scheme, which is applicable to all employees (only staff working in Japan, and excluding secondees). At the same time, we made it possible to use this scheme and the childcare and family care working hours system (shortened working hours system) in a combined manner. Furthermore, we also started to offer a variety of choices for flexible work styles, including annual paid leave on an hourly basis, and the opportunity to acquire nursing care leave and family care leave in hourly units. By introducing such various systems, we are developing an environment in which even employees with time restrictions can display their maximum performance in a more efficient way.

### Measures Supporting Work Alongside Childcare

In addition to our previous measures to support employees to smoothly return to work, including conclusion of contracts with external childcare facilities near to our offices in order to secure places for our employees and provision of subsidies to cover part of the costs for babysitters, since fiscal 2017 we have begun to subsidize part of the costs of childcare and extended childcare costs for employees who return to work early from childcare leave. While respecting the best work-life management for each individual employee, we are developing various support measures.

### Measures Supporting Work Alongside Family Care

To help employees to prepare for a sudden need to give family care, we have published a Handbook for Assisting Work Alongside Family Care, and also are holding explanatory sessions on family care systems and family care seminars, providing relevant information to support employees.

Furthermore, we have concluded a contract with an external NPO to allow our employees to consult family care experts at an early stage. In addition, for employees who do not meet the criteria for obtaining family care leave despite having a family member who has a disability and needs a certain level of assistance, we have established a special support leave system.

## Work-life Management Support Systems

System

As of April, 2018

	Name of System
Pregnancy	Pregnancy Leave Late arrival at work or early departure from work Exemption from overtime work Re-assignment to other job duties that are less strenuous
Childbirth	Maternity Leave Childbirth Attendance Leave
Childcare	Childcare Leave Nursing Care for Child Leave (a full-day basis, a half-day basis, an hourly basis) Short-time working for childcare Exemption from overtime work Restrictions on overtime work Exemption from late night work
Family Care	Family Care Leave Nursing Care for Family Leave (a full-day basis, a half-day basis, an hourly basis) (*) Short-time working for family care Exemption from overtime work Restrictions on overtime work Exemption from late night work
Career Support	Re-employment system for ex-employees who had to resign due to the transfer of their spouse
Others	Long-term leave for self-development Volunteer Activity Leave Jury Duty Leave Special Support Leave (a full-day basis, a half-day basis, an hourly basis) (From April 2017) Nursing care for disabled family member leave Mobile work Individual-based staggered working hours (From June 2017)

\*After taking the family care leave, employees shall be able to apply for the use of his/her long-term medical leave.

Promoting Diversity Management

Recognition from Society for Our Work-life Management

System Activity

As a result of implementing a series of measures to promote work-life management, Mitsui has been recognized three times (in fiscal years ended March 2009, 2012, and 2016) by Japan's Ministry of Health, Labour and Welfare as a company that is actively providing childcare support to help our employees care for children, and has acquired the next generation certification logo (Kurumin). We will continue to formulate and promote action plans (5th period - April 2017 to March 2019) under the Act on Advancement of Measures to Support Raising Next-Generation Children.



**Kurumin logo**

The "Kurumin" logo may be placed on the products of businesses that have been officially recognized by Japan's Ministry of Health, Labour and Welfare as actively providing childcare support. The logo shows an infant safe and sound, wrapped in a protective blanket, which represents the concern and care of the workplace and society.

Contracted childcare facilities

System



Poppins Nursery School Marunouchi



キッズ スクエア。

Kids Square, Marunouchi Eiraku Building

**P.89** Employees Taking Childcare or Family Care Support(Non-consolidated) ★

Re-employment System for Employees Who Had to Resign Due to the Transfer of Their Spouse

System

A re-employment system was introduced in 2007 that enables employees who had to resign from Mitsui due to the transfer of their spouse to become re-employed. In order for such an employee to work for Mitsui in the future, the Human Resources & General Affairs Div. provides consultation for the employee before his or her resignation, so that the employee may consider relevant matters such as how they might spend their time after their resignation.

**P.90** Re-employment system for ex-employees who had to resign due to the transfer of their spouse

Promoting Understanding of LGBT\*

System

While views about LGBT vary from country to country, Mitsui believes that gaining a proper understanding of LGBT is an important part of building relationships of trust with the people we meet in our work. Accordingly, we have implemented measures such as holding internal seminars in Japan and posting the LGBT Guidebook on the intranet. In addition, we cover the topic of LGBT as part of Overseas Pre-posting Training for employees being posted overseas, supporting employees' understanding before their posting. In terms of facilities, multi-purpose restrooms have been installed in the Tokyo Head Offices.

\*LGBT is an abbreviation of L = Lesbian, G = Gay, B = Bisexual, T = Transsexual. In this report, "LGBT" is also used to refer to all sexual minorities, including LGBT.

Support for Employees Who Are Citizens of Countries Other Than Japan

System

The Mitsui & Co. global group has excellent human resources of a variety of nationalities and in different countries around the world, and promotes their active role in developing business closely connected with local regions. In order to boost global group management, Mitsui receives employees from its group companies on job transfers and training, and supports human resources development and the establishment of human networks within the group. Moreover, Mitsui has built a support framework for employees who are citizens of countries other than Japan to work in Japan smoothly, including establishment of a mentor system that aims to provide comprehensive support for the career development and independence of such employees hired by the Tokyo Headquarters, and provision of support for administrative procedures, such as updating or changing visa status.

Promoting Diversity Management

### Supporting the Active Participation of Senior Personnel

System

We have established a unit within the Human Resources and General Affairs Division fully dedicated to supporting our senior personnel. We provide various training opportunities, such as Career Design Training, as well as holding individual interviews to support senior personnel aged over 50 to actively engage in business, etc. and to independently design their own career development path.

Mitsui has introduced a “re-employment system” that provides employees who wish to continue working after reaching the mandatory retirement age of 60 the opportunity to continue working up to the maximum age of 65. We strive to build an environment that enables active participation of senior personnel by continuing to make use of their work experience, knowledge, and skills even after reaching the mandatory retirement age.

Furthermore, we provide support to employees for their new careers outside the company, in line with their choice of career paths.

#### Initiatives to support the careers of senior employees so as to play active roles within and outside the company

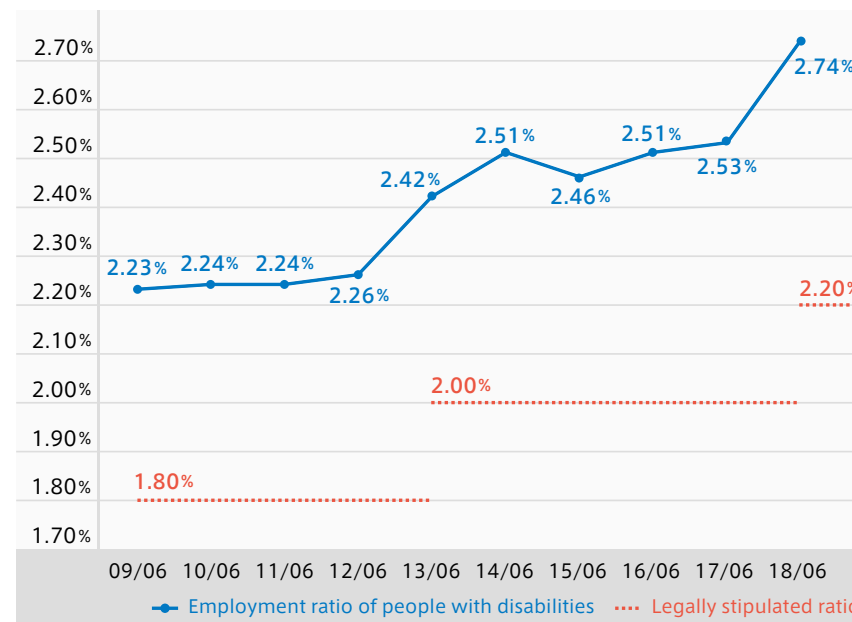
Provision of information	<ul style="list-style-type: none"> <li>Senior interviews Individual interviews for employees aged 50 and above who want to have an interview. Information and advice are provided on various individual themes, such as the employee's future career, the company's retirement benefits and pension system, the retiree support system, the re-employment system, current conditions in the rehiring market for senior employees, and planning and preparation for life after retirement. (Approximately 200 interviews are held per year).</li> <li>Re-employment system explanation meeting The meeting is held to explain the system to employees seven months before mandatory retirement age. (Held four times per year for a total of approximately 120 employees.)</li> <li>Interview to confirm intentions regarding re-employment Interviews are given to employees who did not attend the re-employment system explanation meeting or any other employees who wish to attend.</li> </ul>
Training	<ul style="list-style-type: none"> <li>Career design training Two-day overnight training held twice in total for business staff aged 48 to 51 and 54 to 58. Participants think about both public systems and internal systems, carry out a stock-taking of their values, strengths and weaknesses, and think about choices of working styles. (Held 11 times in FY 2017, with 244 participants.)</li> <li>Career Design Follow-up Training An evening course for employees who have already received career design training and would like follow-up training. (Held 4 times in FY 2017, with 90 participants.)</li> <li>Life plan training One-day training program for administrative staff aged 50 and above. (Held 2 times in FY 2017, for 62 participants.)</li> </ul>
Support for active participation within the company	<ul style="list-style-type: none"> <li>Discussions are held by the Re-employment Committee, which is composed of executive officers and division GMs, about the specific activities of each senior employee. Support will be given for a diverse range of opportunities both in Japan, and at overseas offices and affiliated companies.</li> <li>We have developed the Overseas Fringe Benefits System to support overseas activities.</li> <li>As of March 31, 2018, there were 113 re-employment contract employees (including 12 employees working overseas)</li> </ul>
Support for activities outside the company	<ul style="list-style-type: none"> <li>The retiree support system is for employees aged 50 or above who wish to look for re-employment outside the company. We provide support to job-seeking employees through companies specialized in that area, and we are posting re-employment information via the intranet.</li> </ul>

### Hiring of disabled persons

System

In 1981, in accordance with the then Law for the Employment Promotion of the Disabled, we established Mitsui Bussan Business Partners Co., Ltd. (formerly Bussan Service Co., Ltd.), a trailblazing special-purpose subsidiary for the employment of people with disabilities. A large number of disabled persons are currently employed and posted in accordance with the “normalization” policy, co-working with non-handicapped persons in a variety of personnel and administrative capacities including printing, mailing, various kinds of data processing, business travel arrangement and settlement, personnel, payroll and benefits administration and office layout management. Employees with disabilities represented 2.74% of our workforce as of June 2018. For over 20 years we have exceeded the statutory employment rate for people with disabilities.

We will continue to promote hiring disabled persons with the objective to exceed the legally mandated level.



## Occupational Health, Safety and Work Environment Initiatives

### Occupational Health, Safety and Work Environment Initiatives

Policy

The Mitsui & Co. global group aims to develop safe, healthy working environments in which every individual employee can work with peace of mind. We see this as essential to enabling each employee to work at his or her full potential, and to continuing strengthening the competitiveness of the entire Mitsui & Co. global group. In addition to statutory measures required by laws and regulations, we have established structures to ensure that we properly respond to emergency situations, such as accidents and disasters. We also implement various health management and promotion measures to energize our working environments.

### Health Declaration

Policy

Recognizing that good health of employees is Mitsui & Co.'s great asset, we formulated the Health Declaration below.

#### Health Declaration

September, 2017

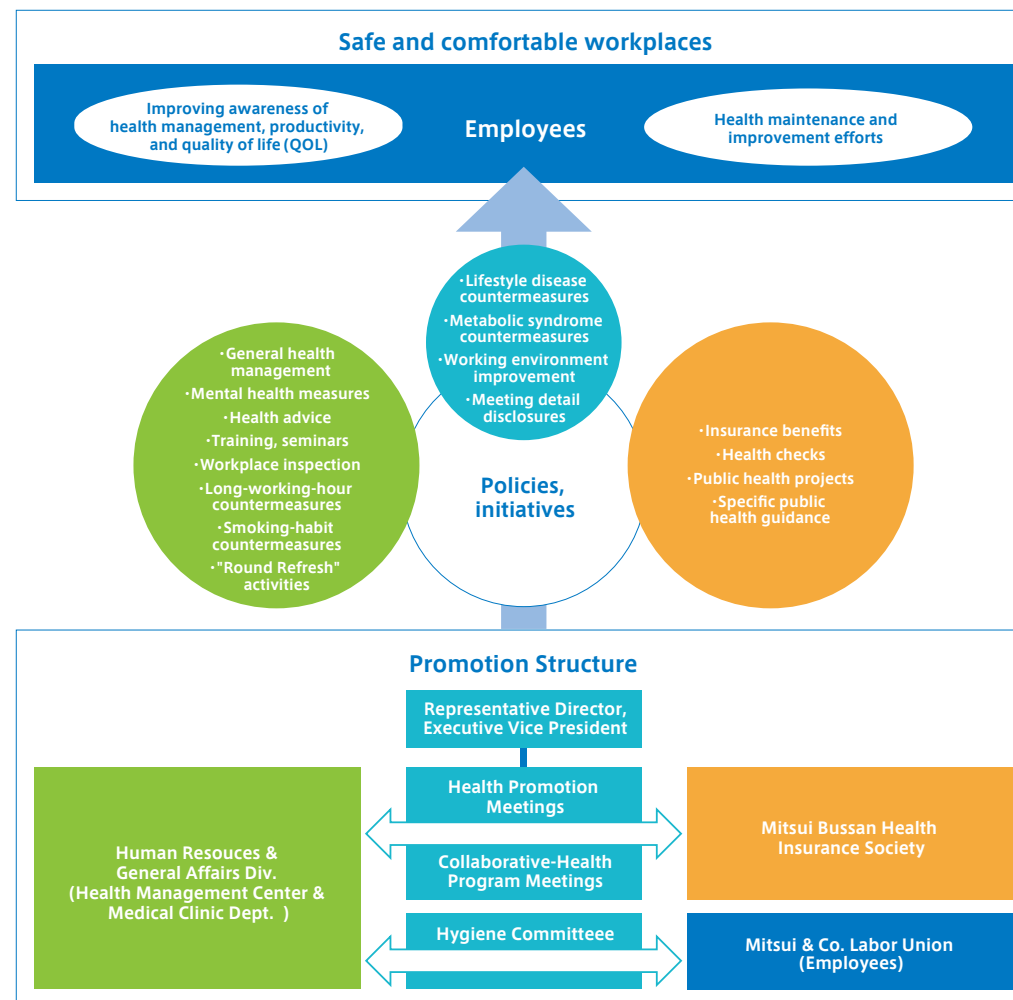
Employees are irreplaceable assets for Mitsui & Co. We regard health management for our valued employees as a vital management priority, and we will implement the following initiatives with the aim of helping our employees to maintain and improve their health.

1. We will create safe and comfortable workplaces in which employees can work energetically and in good health.
2. We will help our employees to work in the spirit of "challenge and innovation" by supporting their health management and sustainably enhance our corporate value.
3. We will help employees to raise their awareness of the need to maintain their own health and to take the initiative in maintaining and improving their mental and physical health.

Tatsuo Yasunaga  
Representative Director  
President and Chief Executive Officer  
Mitsui & Co., Ltd.

### Health Declaration

System





**Occupational Health, Safety and Work Environment Initiatives**
**Health Promotion Committee**

In February 2017, Mitsui established the Health Promotion Committee under the basic policy of (1) promoting “Health and Productivity Management”, which regards health management as a management priority and (2) maintaining and enhancing the employees’ health through implementation of “Health and Productivity Management” and improving the company’s productivity. The committee meeting is held on a quarterly basis.

As part of our “collaborative health” program, through which we aim to implement effective measures in enhancing employees’ health under a partnership between the health insurance union and the company, Mitsui (members composed of Representative Director & Executive Vice President, the General Manager of Human Resources & General Affairs Division, Health Management Center & Medical Clinic Dept. of Human Resources & General Affairs Division, Industrial physicians and other healthcare professionals) and Mitsui Bussan Health Insurance Society will work together to plan and decide policies aimed at maintaining and enhancing employees’ health, and execute these policies.

**Hygiene Committee**

The Hygiene Committee consists of people recommended by employees and management, and holds a monthly meeting. The committee discusses ways to improve working environments, ways to develop an appropriate framework, and other related matters based on the advice provided by qualified industrial physicians and hygiene experts.

Topics discussed by the committee include the result of workplace inspections, countermeasures based on those results, regular reports on prolonged overtime hours, as well as regular health and stress checks, and influenza vaccination programs. The committee gathers opinions and works to ensure that they are reflected in employee safety and health measures. It communicates with employees by posting the minutes of its monthly meetings on the intranet.

**Employee Health Management**

System	Activity
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**In-house Medical Clinic**

We have established a clinic in our Tokyo Head Office and a medical treatment room in the Osaka Office. The clinic in the Tokyo Head Office covers a diverse range of specialist areas, including internal medicine, surgery, ophthalmology, E.N.T. and radiology, and is equipped to provide medical consultations for employees. It also provides comprehensive medical examination and medical check-ups for employees who are about to travel overseas or have returned from overseas assignments, as well as inoculations. Consultant physicians are assigned to each domestic office in Japan to provide health management for employees working in those locations.

**Examinations at the Tokyo Head Office Medical Clinic**

(Unit: persons)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Examinations (total number of people examined)	26,058	24,380	24,173	21,421	18,200

**Medical Examinations**

We provide multiple in-house medical examination opportunities at regular intervals, and employees are able to view the results of their own examinations on the intranet. Mitsui and the Mitsui Bussan Health Insurance Society are also working collaboratively toward the prevention and early detection of lifestyle diseases and other conditions, and the provision of enhanced health advisory services, through the formulation and implementation of the following measures.

- Provision of opportunities for employees aged 35 and older to undergo comprehensive health examinations at external medical institutions
- Provision of subsidies for employees aged 35 and older who undergo brain checkups, lung cancer screening, gastroscopic examinations, and colorectal cancer screening
- Provision of specific health advisory services for employees aged 40 and older
- Provision of subsidies for cervical cancer screening for female employees aged 34 and younger
- Provision of subsidies for breast cancer and uterine cancer screening for female employees aged 35 and older

**Percentage of Employees Undergoing Health Checks**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Percentage undergoing health checks	86.0%	87.5%	87.7%	90.0%	97.3%

**Health Advice/Health Maintenance and Promotion Measures**

Measures to help employees avoid lifestyle diseases and metabolic syndrome include dietary advice from registered dietitians, and weight loss support through health advice for employees aged 39 and younger. Welfare system options also include a service that allows employees to use external fitness gyms at corporate rates. In addition, trainers visit workplaces during working hours to run weekly eight-minute stretching and exercise sessions under the “Round Refresh” system. Employees engage in light exercise routines while standing by their desks. The benefits include not only full-body relaxation, and the relief of shoulder stiffness and lower back pain, but also the restoration of concentration and creativity, and mood improvement through communication with colleagues. The exercises provide both mental and physical relaxation and contribute to stress management.

As part of enhanced support for female employees, we have established advisory services relating to female and maternal health, offering private consultations with female doctors. Useful health-related information and guidance on various health advisory services are also provided via the intranet.

### Health Management for Employees Working Overseas

We regard health management for employees working overseas and their families as an important priority and has established systems to ensure that advice is available at any time if employees or family members suffer physical or mental illness.

Vaccinations and health checks are provided for employees assigned overseas and their families. They also receive overseas health management training covering physical and mental health and other aspects, as well as information about how to obtain medical information and access support systems while overseas. We also provide health management support for employees working overseas and their families in partnership with emergency medical service contractors.

### Countermeasures Against Infectious Diseases

Every year, we provide influenza vaccinations for the approximately 2,000 employees who request this service. Measures to prevent or contain infections include the provision of mouthwash and hand sanitizers in every work place. In addition, we thoroughly send employees educational information about the prevention of tuberculosis, malaria, AIDS, and dengue fever. Information about infectious diseases is obtained through independent overseas medical assistance companies, and supporting systems are in place to ensure a rapid response in cooperation with public health centers, Security Management Department, in-house clinics, industrial health staff, and workplace units.

### Subsidy Schemes

#### Medical Support System (Mutual Aid Association)

This system supports association members and their families with the medical expenses that are not covered by insurance in the event of illness or injury.

#### Smoking Cessation Treatment Subsidy Program

Provided in collaboration with the Mitsui Bussan Health Insurance Society, this program is designed to prevent cancer and lifestyle diseases through the provision of subsidies to employees who have successfully quit smoking through smoking cessation treatments that are eligible for health insurance cover.

#### Influenza Vaccination Subsidies

In collaboration with the Mitsui Bussan Health Insurance Society, we subsidize the cost of vaccinating children aged 13 and younger against influenza, which is regarded as having a high infection rate and the potential to have serious effects.

## Mental Health

Policy

System

### Mental Health Promotion Plan (formulated on May 1, 2016)

Mitsui recognizes that the mental health of its employees is an important priority issue in order to promote happy lives for its employees and their family members, to increase productivity at the company, and to develop lively workplaces. Accordingly, we will promote mental health initiatives, not only in terms of dealing with mental health problems, but also in a broader sense, including measures to revitalize workplace communication, etc.

We have set the following targets to be achieved in the five-year period to FY March 2020.

1. All employees, including managers, shall understand mental health issues, and become able to fill his or her own role in promoting mental health.
2. Fully establish and permeate the stress check system.
3. Achieve a ratio of 100% of employees undergoing regular health consultations.

Under Mitsui's Mental Health Promotion Plan, employees are able to obtain advice easily and at any time via a dedicated consultation service. Through consultations with health nurses and industrial physicians, employees can receive support that meets their individual needs. Employees also have access to counseling by specialists at the company clinic. In addition, we have established external advice lines through which not only employees, but also their families can seek advice anonymously via telephone and email, or arrange consultations.

Even when an employee takes temporary absence from work, industrial physicians and health nurses continue to provide fine-tuned care. To ensure that employees can feel confident about returning to work, they go through a preparatory process that includes multiple interviews. After their return to work, they receive follow-up care, including health monitoring and measures to prevent recurrences, based on collaboration among industrial physicians, health nurses, company doctors, and other personnel.

Mitsui also implements stress checks. In addition, we carry out stress checks with the following aims: (1) measuring the level of employees' stress in order to raise employees' awareness of their own stress levels, (2) linking this to improvements in the workplace environment, and (3) preventing mental health problems (primary prevention).

### Percentage and Number of Employees Undergoing Stress Checks

Stress checks	FY 2016	FY 2017
Percentage of employees	79.1%	77.2%
Number of employees	3,861	3,721

Occupational Health, Safety and Work Environment Initiatives

Health-related Training and Seminars

System Activity

In addition to mental health training for line managers, as well as training for health management overseas, and health management training for new-graduate employees as they become independent business persons for the first time, we also hold other health-related seminars as part of our efforts to build an organization with a high level of health literacy.

Results of Training Activities in FY 2017

(Unit: persons)

Training Program	Number of participants
Training before overseas assignments: Overseas risk management (overseas health management)	314
Training for new M2/line managers: Mental health for line managers	75
Introductory training for new employees: Health management for workers	180
Seminar: Enjoying alcohol sensibly	30

Healthy Working Environment

System Activity

We implement the following measures to develop a safe working environment for employees.

Initiatives for safe working environment	Description of Initiatives
Ergonomic workplace	<ul style="list-style-type: none"> <li>We aim to improve operating productivity in the HQ office by applying universal design principles and a back-to-back desk layout system, in order to stimulate communication within the organization, while also allowing seating positions to be changed flexibly.</li> <li>Twice a month, industrial physicians, health nurses, and other medical personnel visit each workplace to examine whether a safe working environment for employees is maintained, and to identify and respond to safety and health problems in order to ensure a healthy work environment.</li> </ul>
Illumination	We have installed illuminance sensors, which automatically detect motion and provide constant brightness control at the target illuminance level (750 lux). To reduce power consumption, window blinds are automatically controlled according to the intensity and angle of sunlight.
Noise	External noise has been reduced significantly through the use of multiple-glazing in the building's windows. Walls in visitor meeting rooms have soundproof structures that prevent sound from being audible outside of the rooms.
Indoor air quality	Effective air-conditioning is provided by a system with outside air intakes. These lower the CO <sub>2</sub> level while reducing the air-conditioning load. The environment within the building is monitored regularly.

Initiatives for safe working environment	Description of Initiatives
Humidity/Temperature	<ul style="list-style-type: none"> <li>We have maintained internal humidity at an appropriate and comfortable level above 40%, even during winter when the air tends to be drier, by introducing water vapor to the air through use of heat pump desiccant air conditioners and a community cooling and heating system.</li> <li>We have maintained a comfortable working environment by setting the air conditioning system at 26°C in summer and 24-25°C in other seasons. Introducing the "Cool Biz" system has allowed a comfortable workplace environment in the summer months, while also reducing the air-conditioning load.</li> <li>In the offices, we have installed clocks capable of measuring temperature and humidity, allowing temperature and humidity to be maintained or monitored for a comfortable workplace environment.</li> </ul>

The Ministry of Economy, Trade and Industry has introduced a program to recognize corporations that achieve outstanding "health and productivity management" (including large companies and small to medium enterprises). In 2018, Mitsui was recognized under this program as a 2018 Certified Health & Productivity Management Organization

Working Hours Management

System Activity

We implement the following measures to ensure appropriate management of working hours.

- Company-wide efforts to raise employees' awareness of appropriate management of working hours through regular messages from management
- Education activities for employees, including the formulation of the Working Hours Handbook and a manual about attendance management systems, and the compilation of FAQs, to provide clear information about laws, regulations, and corporate systems relating to working hours; the posting of this information on the intranet
- Regular monitoring by the Human Resources & General Affairs Div., using working hours data from attendance management systems, building entry/exit times, and PC usage histories
- Continual compilation and distribution of information about overtime hours worked and annual paid leave taken in each unit
- Training and other occasions to help managers to maintain comprehensive knowledge about proper labor management
- Creation and monitoring of KPIs under the Work Style Innovation Action Plan

In addition, based on the Industrial Safety and Health Law, we urge employees who have worked overtime beyond certain standards to consult with our industrial physicians, and suggest to them measures for preventing health problems and reducing total working hours.

P.90 Related Data: Paid Leave Taken Days and Usage Ratio (Non-consolidated)

P.77 Promoting Diversity Management-Work Style Innovation Action Plan

## Occupational Health, Safety and Work Environment Initiatives

## Occupational Safety

System Activity

Mitsui takes various steps to protect its employees from workplace accidents, including periodical inspections by industrial physicians. We have established mechanisms to ensure that any accidents are reported to the Human Resources & General Affairs Div. When accidents occur at Mitsui or its affiliated companies, we take appropriate action, submit any reports required in accordance with our compliance-related procedures, and strive to prevent recurrences.

 P.90 Occupational health and safety data

## Security Management

System Activity

Mitsui promotes various kinds of businesses through its 137 points of global operations (as of April 1, 2018), and a large number of employees go on a business trip to many parts of the world almost every day. It is one of the most important tasks for the company to ensure the security of employees and families home and abroad.

In cooperation with domestic and foreign offices, and security companies concerned, Mitsui obtains and analyzes the latest situation about politics, the peace and order of each place changing every day, and shares such information with the related staff, in order for the employees to raise awareness of the security.

Mitsui has also prepared the system corresponding to the situations such as accidents, injuries, and diseases, in cooperation with emergency health care service companies.

For the employees, as well as families, who will be dispatched to the overseas, the company has the programs for security measures.

Assuming a large-scale disaster, Mitsui regularly performs trainings for Business Continue Plan placing human life as a first priority, and the company makes efforts to raise the crisis response capabilities by solving problems extracted through the training.

## Joint Efforts with Labor Unions

Policy System

## Basic Policy

We respect the right to collective bargaining and freedom of association. Mitsui & Co. and the Mitsui Labor Union, which was established in 1962, hold a shared understanding of the societal mission of Mitsui. Both parties respect each other's positions, and work toward the sound development of the company and society and toward the improvement of the social, economic, and cultural status of union members. Accordingly in May 2015, a union shop agreement was concluded. As of March 31, 2018, the number of union membership stood at 4,709 (86.7% participation ratio).

## Discussions with the Labor Union

We share various issues with the labor union and actively engages in discussions, with the aim of creating an environment in which every employee can continue working with energy and motivation and both the employees and company achieve continual growth. In the fiscal year ended March 2018, Mitsui engaged in multi-layered discussions with the union on various levels and on a wide range of topics, including human resource management systems, salaries and bonuses, work style innovation, pension systems, and training. We introduce those systems and measures on the basis of labor-management agreement.

FY 2016	January: Collective bargaining (revisions to human resource management systems) February: Expanded working team-level negotiations (revisions to compensation systems) September: Collective bargaining (introduction of the Union's newly appointed executives)
FY 2017	June: Expanded working team-level negotiations (union proposals for training systems) September: Collective bargaining (introduction of the Union's newly appointed executives)

## Dialogue between Management Executives/Organization Heads and the Labor Union

We are working to maintain healthy relationships and to deal with various issues through labor-management cooperation. For example, we actively create opportunities within each unit for dialogue with management executives and discussions with organization heads about business overviews and policies, the administration of human resource management systems, and human resource development (16 such meetings in the fiscal year ended March 2018).

June 2017	COO of Iron & Steel Products Business Unit, COO of IT & Communication Business Unit, COO of Corporate Development Business Unit, COO of Food Business Unit, GM of CFO Planning & Administrative Div., GM of Information Technology Promotion Div.
July 2017	President, COO of Healthcare & Service Business Unit, COO of Food & Retail Management Business Unit, COO of Mineral & Metal Resources Business Unit, COO of Integrated Transportation Systems Business Unit I and COO of Integrated Transportation Systems Business Unit II
August 2017	COO of Energy Business Unit I, COO of Energy Business Unit II, COO of Consumer Business Unit, COO of Infrastructure Projects Business Unit, COO of Performance Materials Business Unit

## Occupational Health, Safety and Work Environment Initiatives

## Promoting Internal Communication

Activity

With the aim of making Mitsui an even more vibrant, dynamic, and vigorous company, we actively create opportunities for dialogue between the management and employees. For some time, we were regularly holding so-called Active Talk Wednesday (ATW) sessions as employee gatherings, with the aim of stimulating internal communication. In the fiscal year ended March 2018, four seated-style ATW sessions were held for small groups with a focus on stimulating communication between management and employees. Three “buffet-style” ATW sessions were held with the aim of strengthening networking among employees. At the domestic branches and offices, a total of 17 dialogue ATW sessions were held, involving employees from affiliated companies. Furthermore, in the fiscal year ended March 2018, “The Kurumaza” (roundtable meetings), where the president meets with employees for open discussions, was held on 31 occasions at the Tokyo Head Office, 7 times at domestic offices and branches, and 48 times at overseas offices. By sharing management’s thoughts and ideas from a variety of perspectives and bringing together the opinions and thoughts of employees through face-to-face meetings, we will endeavor to create an organization with an atmosphere of openness.



Seated-style ATW sessions at the Head Office

## Data of Personnel Affairs

## Figures concerning Employees (As of March 31) ★

	Consolidated*	Non-consolidated				
	Total employees (persons)	Total employees (persons)	Male (persons)	Female (persons)	Average age of employees (years old)	Average number of years of service (years)
2014	48,090	6,097	4,446	1,651	42.2	18.9
2015	47,118	6,006	4,385	1,621	42.2	18.8
2016	43,611	5,905	4,292	1,613	42.1	18.6
2017	42,316	5,853	4,238	1,615	42.0	18.5
2018	42,304	5,859	4,217	1,642	42.1	18.5

\*Employees hired directly by Mitsui &amp; Co. and consolidated companies, respectively, without a fixed contract period.

## Number of Employees by Operating Segments (As of March 31, 2018)

(Unit: persons)

	Non-consolidated	Consolidated
Iron & Steel Products	349	1,873
Mineral & Metal Resources	291	599
Machinery & Infrastructure	851	15,613
Chemicals	676	5,107
Energy	403	803
Lifestyle	936	11,195
Innovation & Corporate Development	439	3,575
Others	1,914	3,539
Total	5,859	42,304

## Number of Employees by Region (As of March 31, 2018) ★

(Unit: persons)

	Headquarter-hired staff (HS)	Non-Headquarter-hired staff (NS)
Japan	4,650	—
Americas	328	572
Europe, the Middle East and Africa	232	659
Asia Pacific	495	1,445
Others	154	—
Total	5,859	2,676

### Number of Hires by Gender (Non-consolidated) ★

(Unit: persons)

	New-graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
FY 2014	103	55	158	24	5	29	187
FY 2015	94	57	151	35	6	41	192
FY 2016	113	78	191	29	1	30	221
FY 2017	103	80	183	38	4	42	225
FY 2018 * <sup>1</sup>	104	56	160 * <sup>2</sup>	—	—	—	160

\*1 Figures as of April 1, 2018

\*2 Includes employees who will join us on October 1, 2018 (Male: 1, Female: 1)

### Hours of Training and Expenditure on Training (Non-consolidated)

	Total hours of training	Average hours / days of training per employee	Average training expenditure per employee
FY 2017	121,070 hours	20.66 hours / days	JPY 331,234

Training programs organized by the Human Resources & General Affairs Division

### Average Personnel Turnover & Voluntary Turnover Rate (Non-consolidated)

	Average personnel turnover	Voluntary turnover rate
FY 2017	3.40%	1.50%

### Performance Data Related to Diversity

#### Proportion of Female Permanent Staff and Managers (Non-consolidated) (As of July 1) ★

(Unit: persons)

	Permanent staff			Managerial staff			Business staff			Administrative staff
	Total	Female	Percentage of Female	Total	Female	Percentage of Female	Total	Female	Percentage of Female	Total
2014	6,122	1,661	27.1%	3,299	76	2.3%	4,921	460	9.3%	1,201
2015	6,021	1,648	27.4%	3,353	126	3.8%	4,841	468	9.7%	1,180
2016	5,952	1,653	27.8%	3,472	168	4.8%	4,791	492	10.3%	1,161
2017	5,917	1,674	28.3%	3,514	200	5.7%	4,748	505	10.6%	1,169
2018	5,880	1,662	28.3%	3,551	221*	6.2%	4,727	509	10.8%	1,153

\*Includes 2 female General Managers (M1).

#### Proportion of Female and Non-resident Executive Officers (Non-consolidated) (As of July 1) ★

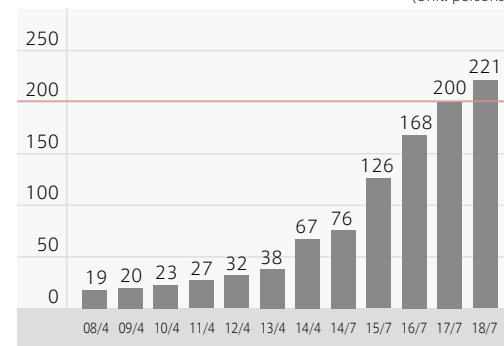
(Unit: persons)

	Director					Corporate Auditor		
	Total	Female	Percentage of Female	Non-resident	Percentage of Non-resident	Total	Female	Percentage of Female
2014	13	1	7.7%	0	0%	5	1	20.0%
2015	14	2	14.3%	1	7.1%	5	1	20.0%
2016	14	2	14.3%	1	7.1%	5	1	20.0%
2017	14	2	14.3%	2	14.3%	5	1	20.0%
2018	14	2	14.3%	2	14.3%	5	1	20.0%

#### Actual Status of Promoting Career Advancement for Female (Non-consolidated)

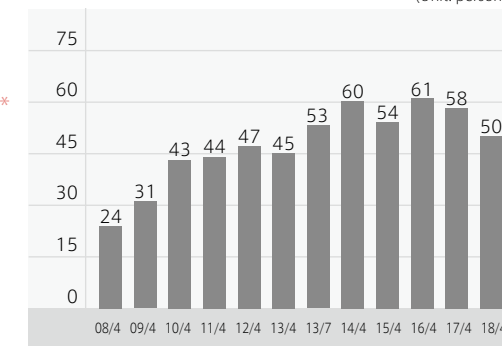
##### Female Managerial Staff

(Unit: persons)



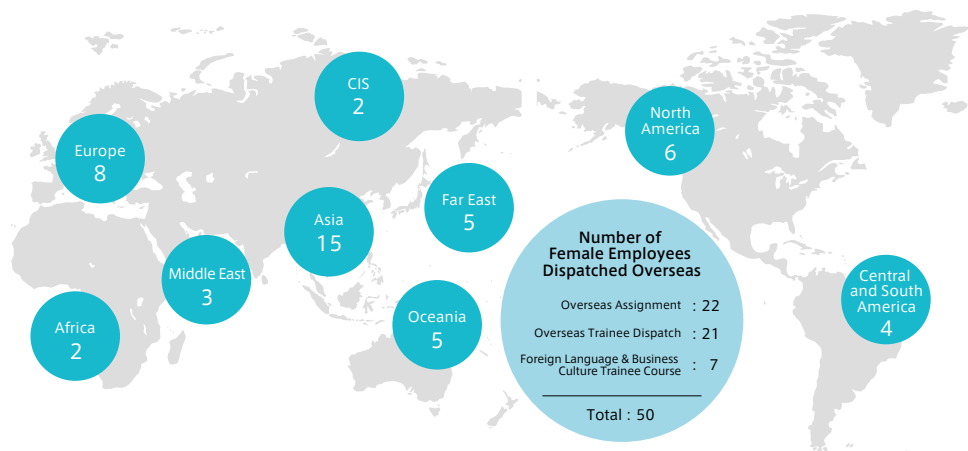
##### Female Employees Dispatched Overseas (As of April 1)

(Unit: persons)



\*Targeted number of female staff at managerial positions by 2020 (more than tripling the number of female staff 67 as of June 2014).

Number of Female Employees Dispatched Overseas (As of April 1, 2018)



Region name	Number of people	Capital name
North America	6	New York, Houston, Los Angeles
Central and South America	4	Sao Paulo, Rio de Janeiro, Buenos Aires
Europe	8	London, Maarsen, Hamburg, Milan, Istanbul
Middle East	3	Dubai, Tehran
Africa	2	Johannesburg, Maputo
Asia	15	Singapore, Manila, Bangkok, Jakarta, Bekasi, Yangon, Ho Chi Minh, New Delhi
Oceania	5	Sydney, Perth, Noumea
Far East	5	Beijing, Shanghai, Seoul
CIS	2	Moscow, St. Petersburg

Average Age and Average Length of Service of Full Time Employees (Non-consolidated) (As of March 31)

	Average age			Average length of service (yy - mm)		
	Male	Female	Total	Male	Female	Total
2014	42.7	40.5	42.2	19-4	17-11	18-11
2015	42.6	40.6	42.1	19-2	17-10	18-9
2016	42.5	40.6	42.0	18-11	17-10	18-7
2017	42.5	40.5	41.9	18-10	17-7	18-6
2018	42.6	40.5	42.0	18-11	17-6	18-6

Employees Taking Childcare or Family Care Support (Non-consolidated)★

Child care

(Unit: persons)

		Childcare Leave	Nursing Care for Child Leave	Short-time Working for Childcare	Staggered Working hours for Childcare	Childbirth Attendance Leave
FY 2013	Male	3	35	9	4	74
	Female	46	106	117	0	—
	Total	49	141	126	4	74
FY 2014	Male	12	47	13	4	91
	Female	40	111	135	1	—
	Total	52	158	148	5	91
FY 2015	Male	13	42	11	7	93
	Female	49	107	137	1	—
	Total	62	149	148	8	93
FY 2016	Male	13	64	7	5	102
	Female	50	138	162	0	—
	Total	63	202	169	5	102
FY 2017	Male	23	97	0	0	90
	Female	64	182	150	0	—
	Total	87	279	150	0*	90

\*We included the staggered working hours system for childcare and family care in the individual-based staggered working hours scheme from June 2017.

**Family Care**

(Unit: persons)

		Family Care Leave	Nursing Care for Family Leave	Short-time working for family care	Staggered working hours for family care
FY 2013	Male	0	36	1	0
	Female	1	59	2	0
	Total	1	95	3	0
FY 2014	Male	0	31	0	0
	Female	1	52	0	0
	Total	1	83	0	0
FY 2015	Male	1	42	0	0
	Female	0	59	0	0
	Total	1	101	0	0
FY 2016	Male	1	50	0	0
	Female	0	74	0	0
	Total	1	124	0	0
FY 2017	Male	0	36	0	0
	Female	0	60	0	0
	Total	0	96	0	0*

\*We included the staggered working hours system for childcare and family care in the individual-based staggered working hours scheme from June 2017.

**Re-employment System for Employees Who Had to Resign Due to the Transfer of Their Spouse**

(Unit: persons)

Year of Retirement/Registration		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of Registered Ex-employees	Business staff	3	3	7	5	8
	Administrative staff	7	16	11	11	6
	Total	10	19	18	16	14

**Annual Average Actual Working Hours (Non-consolidated) ★**

(Unit: hours / year)

	FY 2015	FY 2016	FY 2017
Average actual working hours (hours)	1,911.24	1,941.03	1,920.72

Employees at Tokyo Headquarters and domestic branches (including contract employees).

**Paid Leave Taken Days and Usage Ratio (Non-consolidated) ★**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Average paid leaves taken (day)	11.0	11.2	11.8	12.8	13.9
Average paid leave usage ratio (%)	57.3	58.3	61.4	66.6	72.3

Employees at Tokyo Headquarters and domestic branches (including contract employees).


**Occupational Health and Safety Data (Non-consolidated) ★**

	FY 2015	FY 2016	FY 2017
Lost time injuries frequency rate	0.12	0.12	0.49
Lost time injuries severity rate	0.00	0	0.00
Occupational Illness frequency rate	0	0	0.12

Employees at Tokyo Headquarters and domestic branches (including contract employees).

- Calculated based on the standards of the Japanese Ministry of Health, Labour and Welfare.
- There have been no fatal accidents at Mitsui during the three-year period stated above.

Concerning the data marked with ★, an independent practitioner's assurance report prepared in accordance with the international standard ISAE 3000 was given by Deloitte Tohmatsu Sustainability Co., Ltd. Please refer to the independent practitioner's assurance report at the link below for details.

 **P.93** Independent Practitioner's Assurance Report