Mitsui & Co. has defined Mitsui’s material issues (“materiality”) for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of a future where the aspirations of the people can be fulfilled, as set out in our corporate mission.

The images shown on the cover mainly represent the Mitsui’s material issues outlined in the Strategic Focus sections of this year’s Report.

Activities for FY 2017 to Contribute to SDGs
Resource Development, and the Securing and Stable Supply of Materials and Food
Promotion of Supply Chain Management

Activities for FY 2017 to Contribute to SDGs
Development of the Social Infrastructure / Provision of Safe, Reliable Products and Services
Participation and Development in Communities
Contribution to Developing People with an International Mindset

Activities for FY 2017 to Contribute to SDGs
Support for International Standards
Promotion of Management for Human Rights

Activities for FY 2017 to Contribute to SDGs
Strengthening of Sustainability Governance
Compliance & Risk Management
Human Resource Development
Human Resource Development
Appropriate Appointment and Allocation of Personnel
Promoting Diversity Management
Occupational Health, Safety and Work Environment Initiatives
Data of Personnel Affairs

Activities for FY 2017 to Contribute to SDGs
Evaluation through Contribution to Society

Activities for FY 2017 to Contribute to SDGs
Strengthening of Sustainability Governance
Compliance & Risk Management
Human Resource Development
Human Resource Development
Appropriate Appointment and Allocation of Personnel
Promoting Diversity Management
Occupational Health, Safety and Work Environment Initiatives
Data of Personnel Affairs

Activities for FY 2017 to Contribute to SDGs
Strengthening of Sustainability Governance
Compliance & Risk Management
Human Resource Development
Human Resource Development
Appropriate Appointment and Allocation of Personnel
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Human Resource Development
Appropriate Appointment and Allocation of Personnel
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Occupational Health, Safety and Work Environment Initiatives
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Activities for FY 2017 to Contribute to SDGs
Strengthening of Sustainability Governance
Compliance & Risk Management
Human Resource Development
Human Resource Development
Appropriate Appointment and Allocation of Personnel
Promoting Diversity Management
Occupational Health, Safety and Work Environment Initiatives
Data of Personnel Affairs
Editorial Policy

Through our Sustainability Report 2018 in PDF format, we intend to deliver a message that embodies our unchanging commitment to realizing a sustainable society and engaging in activities for the future. This report is designed to generate new dialogue with our stakeholders so that Mitsui continues to be recognized as an entity that creates value for society.

As an annual report for communicating detailed ESG information, the PDF version of our "Sustainability Report 2018" emphasizes comprehensiveness and continuity in regard to activities undertaken in accordance with Mitsui’s Materiality ("materiality"). At the same time, in "Strategic Focus" and in "Activities for FY 2017", we have listed clear examples of how we are generating new value that provides solutions to societal issues. We also embrace the UN’s Sustainable Development Goals (SDGs) as a global standard language, and report our various materiality-related activities in the section "Activities for FY 2017 to Contribute to the SDGs".

On our website, we focus on ensuring convenient browsability and searchability of information related to sustainability, and we have posted our ESG data, as well as a GRI guidelines comparison chart. Our website also provides details of our social contribution activities to complement the information contained in the PDF version of the "Sustainability Report 2018".

Scope of Coverage in the Sustainability Report:
Mitsui and major consolidated subsidiaries and associated companies. The scope of coverage for numerical data is provided individually in appended notes.

Period Covered:
Mainly the fiscal year from April 1, 2017 to March 31, 2018 (FY 2017), but also including some information about policies and activities for the fiscal year ending March 2019.

Independent Practitioner’s Assurance
The “˒” logo indicates that the sustainability information concerned has been given limited assurance, for the purpose of increasing its reliability, by Deloitte Tohmatsu Sustainability Co., Ltd. in its independent practitioner’s assurance report.

Publication Date:
August 2018 (Previous publication date: September 2017; next publication scheduled for August 2019)

Guidelines
Our Sustainability Report has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.

Environmental Accounting Guidelines (2005 version) established by the Ministry of the Environment of Japan
ISO 26000 (Guidance on Social Responsibility)

Published by:
Sustainability Committee, Mitsui & Co., Ltd.

Contact:
Corporate Planning & Strategy Division, Mitsui & Co., Ltd.
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Nippon Life Marunouchi Garden Tower
+81(3) 3285-1111
+81(3) 3285-9906
Company

Corporate Profile (As of March 31, 2018)

- **Company Name**: MITSUI & CO., LTD.
- **Date of Establishment**: July 25, 1947
- **Head Office**: 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan (registered head office location)
  - Nippon Life Marunouchi Garden Tower
  - 3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan
- **Representative**: Tatsuo Yasunaga, President and Chief Executive Officer
- **Common Stock**: ¥341,482 million
- **Number of Employees**: 5,859
- **Consolidated**: 42,304
- **Number of Offices and Overseas Trading Affiliates**: 137 offices
  - Domestic: 12 (Head Office: 1, Offices: 6, Branches: 5)
  - Overseas: 125 (Overseas Offices: 32, Overseas Trading Affiliates: 93, Head Offices: 34)
  - (As of April 1, 2018)
- **Worldwide Network**: 66 countries/regions
  - (As of April 1, 2018)

- **Major Business Areas**
  - Utilizing our global operating locations, network and information resources, we are multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following fields: Iron & Steel Products, Mineral & Metal Resources, Infrastructure Projects, Integrated Transportation Systems, Chemicals, Energy, Food, Food & Retail Management, Healthcare & Service, Consumer Business, IT & Communication Business, Corporate Development Business.

- **Business areas**

- **Number of Affiliated Companies for Consolidation**
  - Subsidiaries: Japan 64, Overseas 201
  - Equity Accounted Investees: Japan 42, Overseas 165

- **Total Assets**: ¥11.3 trillion
- **Total equity*1**: ¥4.0 trillion
- **Revenue**: ¥4.9 trillion
- **Profit for the Year*1**: ¥418.5 billion
- **Core Operating Cash Flow*2**: ¥666.5 billion

*1 Attributable to owners of the parent
*2 “Cash flows from operating activities” - “changes in operating assets and liabilities”

- **Audit & Supervisory Board Member Div.**
- **Board & Executive Officer**
- **Corporate Management Committee**
- **General Meeting of Shareholders**
- **Corporate Management Committee**
  - Corporate Governance & Human Resources
  - Evaluation by Society
  - Independent Practitioner’s Assurance Report

- **Organization Chart (As of April, 2018)**
- **Internal Auditing Div.**
- **Investor Relations Div.**
- **Construction Business Unit**
- **General Manager of Shareholders**
- **Audit & Supervisory Board Member Div.**
- **Board & Executive Officer**
- **Corporate Management Committee**
- **General Meeting of Shareholders**
- **Corporate Governance & Human Resources**
- **Evaluation by Society**
- **Independent Practitioner’s Assurance Report**

- **Contents**
  - Sustainability Report 2018
  - Sustainability at Mitsui & Co.
  - Activity Reports by Materiality
  - Protection of the Global Environment
  - Stable Supply of Resources & Materials
  - Enhancement of Local Industrial Bases & Quality of Life
  - Respect for Human Rights
  - Corporate Governance & Human Resources
  - Evaluation by Society
  - Independent Practitioner’s Assurance Report
Message From the Chairperson of the Sustainability Committee

Mitsui & Co. acknowledges companies can only be sustainable if the societies they operate in are sustainable. We want to fulfill our social responsibilities by the sustainable growth of our own company, in order to contribute to the realization of a sustainable society through our business activities.

Mitsui & Co. has been accurately identifying society’s expectations and societal issues through dialogue with various stakeholders, and enhancing our capabilities and functions to meet the expectations of society. Takashi Masuda, the first president of the former Mitsui & Co., stated, “Let not short term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations.”

That commitment to stay focused on the future and pursue the sustainability of society and business has remained part of our heritage down to the present day. As a company engaged in business operations on a global scale, we believe that it is our mission to contribute to the creation of a sustainable society through our business activities.

In 2004, we made a declaration to the international community of our commitment to put these concepts into practice by signing and pledging our support for the UN Global Compact, a charter of voluntary principles for businesses and institutions concerning human rights, labor, the environment, and anti-corruption. We strive to implement the provisions of the Global Compact and are committed to stay focused on the future. In 2015, we identified five material issues which are relevant to all aspects of our business activities. Based on a medium- and long-term perspective, we assess potential risks and opportunities that arise from the influences brought by those identified five material issues. In 2017, we established the Sustainability Committee under the Corporate Management Committee with the aim of ensuring that these ideas are deeply reflected in the activities of Mitsui & Co. For the fiscal year ended March 2018, we held discussions mainly on climate change, covering a wide range of topics including the direction of Mitsui & Co.’s future initiatives and responses, risk management, and disclosure policies, and reported the results to the Corporate Management Committee and the Board of Directors.

We will continue to plan, formulate, and make proposals for advancing management more focused on the sustainability of society and Mitsui & Co.

Today, problems with the potential to threaten the sustainability of both the global environment and society are occurring on a global scale, causing heightened unpredictability and uncertainty in every field of activity. We are now in an era in which we must use various options to search for paths to the future. As manifested in the adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement by the United Nations, corporations are expected to enhance corporate value and maintain a strong focus on long-term perspectives and social sustainability. Because of these changes, we believe that we need to sharpen the sensitivity of the antenna that we have developed, in order to fulfill our corporate mission of contributing to the creation of a sustainable society through our business activities.

Mitsui & Co. will contribute, through its wide-ranging global business activities, to solutions to global issues, such as economic and social development in various countries and regions and climate change. We will work to promote a better understanding of our business activities by informing the world about our strengths and vision, so that we can earn the trust of all our stakeholders, including our customers, business partners, and governments and local communities in the countries where we do business, as well as our investors.

While we continue to strive not only to fulfill our social responsibilities, we will drive our business with an increased focus on ESG (environmental, social and governance) aspects in line with our identified Materiality, and embody our corporate slogan, “360° business innovation.” By doing so, we will create outstanding business that benefits Japan and the world and enhances our corporate value, and contribute to the realization of a sustainable future where the aspirations of people can be fulfilled.
Sustainability at Mitsui & Co.

Value Creation in Pursuit of Social Sustainability

Mitsui & Co.’s Value Creation

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

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

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

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

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

In 2004 Mitsui systematically and clearly set forth in written form the implicit values we share and issued our Mission, Vision and Values (MVV). We believe that sharing this management philosophy is even more important than ever as we work to create true value around the world through our global activities.

Mission, Vision and Values (MVV)

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

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

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

Basic CSR Policy

1. We will conduct our business activities with honesty and integrity, make prudent efforts to understand the culture, traditions, and customs of countries and regions around the world, and reinforce the importance of CSR with each of our employees. Based on our conscientious management, we will strive to enhance corporate value to stakeholders and to produce value to society.

2. We will make every effort to actively contribute to the achievement of a sustainable society through the promotion of sustainable development as well as maintaining a strong awareness of the importance of preserving the global environment. We will also emphasize the importance of interactive communication with stakeholders to understand their concerns and fulfill our accountability for our CSR activities.

3. We recognize the significance and importance of the human rights contained in the general principles of international standards such as the Universal Declaration of Human Rights. Throughout all occasions of our entire business activities, we will give due consideration to basic labor rights.

4. As a global company with operations throughout the world, we will support Mitsui & Co.’s group companies in the practice and implementation of our CSR policies, and will sincerely seek our business counterparts’ understanding and cooperation to support this initiative.

Mitsui & Co.’s Core Values

The former Mitsui & Co.* which was established in 1876, was disbanded as part of the dissolution of Japan's zaibatsu (industrial conglomerates) shortly after the end of World War II. The current Mitsui was founded by employees of the former Mitsui that shared the values of the original company: “Challenge and Innovation”, “Open-Mindedness”, and “Focus on Human Resources”. The Mitsui of today continues to contribute to the creation of new value for society.

The way we work and the way we think are still very much based on the values espoused by Takashi Masuda, the first president of the former Mitsui, and are reflected in our stance toward our work. The principles of Mitsui’s approach to sustainability as social responsibility have always reflected its founder’s values, a way of thinking unchanged to this day.

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

"Let not short term gains tempt your mind; seek only enduring prosperity by embracing grand aspirations".
"I started Mitsui with the goal of realizing trade on a large scale, not in pursuit of money, but from the desire to work".
"Mitsui has a pool of very talented individuals. This is Mitsui’s most important asset".
Takashi Masuda, the first president of the former Mitsui.
Mitsui Co.’s Stakeholders

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

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

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

Initiatives in the Fiscal Year Ended March 2018

- **Dialogue with Partners (Supplier On-site Surveys)**
  Mitsui conducts supplier on-site surveys each year under its Supply Chain CSR Policy. Any issues identified through on-site surveys and discussions are used to improve business operations. In the fiscal year ended March 2018, we conducted on-site surveys at the plants of our supplier of oleochemical product in Malaysia, and palm plantation which is the supplier of the company. The company properly manage their operations in accordance with high standards in terms of labor practices and safety management, and through the introduction of a new system for quality management, they quickly conduct quality analysis and enhance safety. The external expert who accompanied us advised on the importance of engaging in furthering initiatives for achieving a sustainable supply chain, including providing support for small-scale farmers.

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

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

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

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

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

### Business Associates & Consumers
We contribute to the development of a sustainable society through our efforts to identify the needs and expectations of our business partners and consumers, supply safe and reliable products and services, and disclose accurate corporate information, and through initiatives to address problems in supply chains.

- Mitsui & Co. websites
- Corporate Brochure/Advertisements/TV commercials
- Recruitment pamphlets
- Integrated Report
- Activities based on the Supply Chain CSR Policy
- Supplier questionnaire and onsite surveys
- Initiatives that align with our policies and rules on the handling of consumer products: “Consumer Product Handling Policy”, “Consumer Product Handling Regulations”

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### Government Bodies
We are committed to compliance with related laws and regulations formulated by government agencies and local governments in the countries where we engage in business activities. Furthermore, through cooperation with governmental agencies and local governments, we propose and promote business projects that align with their policies and deliver the unique value that only Mitsui can offer.

- Participation in policy councils
- Participation in consultation and advisory meetings with government agencies and offices
- Training programs for local government bodies
- Activities through business and industry groups

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### NPOs & NGOs
We identify solutions for environmental and societal issues by networking and collaboration with various NPOs and NGOs. Through the Mitsui & Co. Environment Fund, we provide support for research and initiatives by NPOs and NGOs that are working to solve environmental problems.

- Discussions and local visits for cooperation with NPOs/NGOs
- Participation in seminars hosted by NPOs and NGOs
- Responses to questionnaires from NPOs and NGOs
- Activities through the Mitsui & Co. Environment Fund

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### Shareholders & Investors
We strive for continuous improvement of our corporate value and appropriate market recognition by fulfilling transparency and accountability in management with timely and accurate disclosure of information, and by engaging in interactive communication with shareholders and investors.

- General meetings of shareholders
- IR meetings (presentations on financial results, Investor Day, briefings for individual investors)
- Engagement (through individual meetings, etc.)
- Securities Report
- Integrated Report
- Newsletter to Shareholders
- Mitsui & Co. websites
- Surveys from ESG research organizations
- Mitsubishi & Co.
- Integrated Report
- Mitsui & Co. websites
- Surveys from ESG research organizations

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### Employees
We strive to carry out diversity management to enable each of our diverse individuals to reach their full potential to undertake new challenges, by promoting Work Style Innovation and enhancing workplace environment human resources development programs, personnel systems, etc.

- Internet
- In-house newsletter of Mitsui & Co.
- Roundtable Meetings, New Active Talk Wednesday, dialogue between management and employees, as well as among employees
- Diversity Cafe
- Mitsui Environment Month
- Activities under the Mitsui Global Volunteer Program
- Volunteer Activity Leave
- Training programs and seminars, Opinion surveys
- In-house and external whistle-blowing channels
- Discussions with labor unions

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### Communities
We contribute to sustainable development through our wide-ranging business activities and social contribution activities in countries and regions throughout the world. We also aim to achieve harmonious coexistence with local communities through contributions in such areas as local industry development, creation of employment opportunities, and the improvement of educational environments.

- In business activities (please refer to activity reports by each materiality area on P. 19 and onward)
- Oversee activities in the disaster affected regions in which we conduct business
- Activities through the Mitsui & Co. Environment Fund
- Overview of activities through the diversified use of our company owned forests: “Mitsui’s Forest”
- Educational activities through scholarships, Mitsui endowed lectures, and other programs
- Overseas activities based on various funds
- Support for disaster-affected residents in Japan
- Educational activities to enhance ability of solving problems through the Mitsui SHOGAKU Academy: Education for Sustainability
- Support to human resource development through traineeship training programs for local government employees

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

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

Ten Principles of the UN Global Compact

**Human Rights**
1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

**Environment**
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

**Labor**
3. Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining; make sure that they are not complicit in child labor; and
4. the elimination of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

**Anti-corruption**
10. Businesses should work against corruption in all its forms, including extortion and bribery.

Participation in Initiatives

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

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

As a corporate member of Global Compact Network Japan, we will continue to raise awareness of the SDGs in our business organizations, to reflect the SDGs in our business strategies, and to ensure that our business activities are always guided by a determination to contribute to the achievement of the SDGs. We also explain the themes set out under Mitsui & Co.’s Materiality and SDGs, and how we have linked these to the SDGs to focus our efforts on tackling the SDGs’ 17 goals and 169 targets. We also introduce some of the specific activities we implemented during the fiscal year ended March 2018.
In December 2017, we hosted a workshop using the workshop-style methods used in "SASUGAKU" entitled "Mitsui SASUGAKU - Risks and Opportunities from the Future", with the aim of increasing understanding of the SDGs. There were 35 participants on the day of the workshop, mostly Sustainability Promotion Officers. Sustainability Promotion Officers assigned to each organizational unit are responsible for supporting the implementation of sustainability management through our business activities. The participants used the "SASUGAKU Compass for Creating the Future" ("the Compass") and "Future Chronology", which are the main teaching materials of the SASUGAKU. In 2010, society will be facing many issues with numerous and complex causes, and to start with the participants recognized that these societal issues will affect us all directly. They then split into groups to share their thoughts and carry out group activities. By the end of the workshop, the participants had gained a real sense of how their own ideas can become connected to the approaches taken to Mitsui & Co.’s Materiality and the SDGs.

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

* SASUGAKU (meaning “Sustainability Learning”) was designed with the goal of developing recognition among people that the many challenges facing the society in which we live are issues that affect us all directly, and of finding the best ways of overcoming these challenges. Since 2014, Mitsui has offered new learning opportunities for upper-grade elementary school children, who will create the future, in the form of the Mitsui “SASUGAKU” Academy. In recognition of these activities, we received, in 2016, the Japan Association for Human and Environmental Symbiosis Award for Environmental Activities and, in 2017, the Judging Panel’s Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology.
As a member of the Council for Better Corporate Citizenship (CBCC), which was established by Keidanren, Mitsui engages in activities that help Japanese companies to be accepted as good corporate citizens by the countries and regions in which they conduct business, in accordance with the purpose of CBCC. Mitsui works to ascertain the views of various stakeholders, including overseas CSR-related organizations, by participating in presentations, seminars and business dialogue on CSR-related themes.

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

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

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

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

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

Mitsui & Co. prioritizes and focuses on sustainability in its corporate management. We have identified Mitsui’s material issues (“materiality”) for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of a future where the aspirations of the people can be fulfilled, as set out in our corporate mission.

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

Detailed reports on each of the themes addressed in "Mitsui & Co.’s Materiality" can be found in P.19–90.
Identification Processes on Materiality

In March 2015, Mitsui & Co. defined five Material Issues for the company as the important management indices. In the specifying process, we identified various issues with respect to international frameworks, such as ISO 26000, and GRI Guidelines, and narrowed down the materiality for stakeholders based on our dialogue with business associates, NPOs & NGOs, experts, and other stakeholders.

To ensure compatibility between the identified materiality and key corporate priority measures and strategies for each business domain, we carried out deliberations at the CSR Promotion Officer’s meeting (current Sustainability Promotion Officer’s meeting) and CSR Promotion Committee (current Sustainability Committee) and asked external experts to verify the adequacy, in order to define the key priority issues.

Then, the identified material issues were approved by the Corporate Management Committee and the Board of Directors and were shared with all officers and employees.

At the same time, as a management approach in line with the GRI Sustainability Reporting Standards, we define specific themes to work on each material issue, and clearly indicate relevant policies and set targets accordingly.

Through this approach, we strive to implement measures to address issues by identifying material aspects and boundaries as indicated by GRI.

Review Process on Materiality

Each aspect of the materiality and the relevant themes to be addressed will be periodically reviewed in order to meet the changing needs and expectations of society and to reflect them in our Medium-term Management Plan and take into account those changes impacting the economy, environment, and society in our sustainable management.

As the basis for the periodic review, we have adopted the international initiatives that are stipulated in the diagram below:

- United Nations Global Compact
- Sustainable Development Goals (SDGs)
- OECD Guidelines for Multinational Enterprises
- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Guiding Principles on Business and Human Rights
- ISO26000
- GRI Sustainability Reporting Guidelines

Identification and Review for Materiality

Recognition of society’s concerns & expectations, and environmental & societal issues through communication with stakeholders

- Stakeholders identified for communication:
  - Shareholders/Investors, business associates/ consumers, government bodies, NGOs, local communities, employees, etc.

- International initiatives taken into account (basic frameworks):
  - UN Global Compact, SDGs, OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, Guiding Principles on Business and Human Rights, ISO26000, GRI G4 Sustainability Reporting Guidelines

Periodic reviews

Verification of compatibility with Mitsui & Co.’s management philosophy, policies and business plans

- Compatiblity perspectives—
  - Management philosophy, Long-term Management Vision, Medium-term Management Plan,
  - Impact Assessment on Management (growth potential, profitability, risks and opportunities),
  - Specially Designated Business Management System

Sustainability Committee

(organization under the Corporate Management Committee)

Identification of materiality & obtaining internal approvals

Mitsui & Co.’s Materiality

Protection of the Global Environment

Stable Supply of Resources & Materials

Enhancement of Local Industrial Bases & Quality of Life

Respect for Human Rights

Corporate Governance & Human Resources

Evaluation by Society

Independent Practitioner's Assurance Report

Value creation and solution for societal issues through Mitsui & Co.’s entire business activities, which include environmental & social contribution activities
Mitsui & Co.’s Approach

We rigorously comply with environment-related laws, regulations, and treaties. We strive to prevent environmental pollution and curb greenhouse gas emissions, to adapt to climate change, and to maintain biodiversity. We are alert to environmental impacts and work to mitigate those impacts. We use our integrated strengths and work in cooperation with our partners to achieve rational, long-term industrial solutions to environmental problems. We systematically provide grants, through the Mitsui & Co. Environment Fund, for university research and NPO/NGO activities that contribute to the solution of environmental problems, efficient resource utilization, protection of ecosystems, and harmonious coexistence between ecosystems and human beings.

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

For further information on our responding to climate change through our business, please refer to the link below.

Integrate Report 2018 (P028-029)

Mitsui’s Approach

As a corporation that operates across countries and regions around the world, we recognize that impact on the global environment has the potential to risk the sustainable growth of society and our company. In relation to climate change mainly caused by greenhouse gas emissions, corporate response plays a particularly crucial role in efforts to build a sustainable society. In recent years, this has been shown by the adoption of the Paris Agreement under the United Nations Framework Convention on Climate Change, as well as by the formulation of the Taskforce on Climate-related Financial Disclosures (TCFD) guidelines. At the same time, we recognize that responding to climate change also brings new business opportunities, including low-carbon energy, environmentally-friendly infrastructure and products, and innovative services that utilize digital technology.

- Risks
  - Risks arising from policies and legal systems related to the transition to a low-carbon economy, and risks to supply and demand in existing business resulting from the creation of new technologies and new markets; risks to companies’ operations from cyclones and hurricanes caused by the physical effects of climate change, and risks to production volumes for agriculture, forestry, and fishery products from abnormal weather (high temperatures/drought); and higher environmental costs resulting from ecosystem destruction, degradation, etc., as a consequence of business activities.
- Opportunities
  - Expansion of environment-related markets due to increased environmental awareness and the tightening of regulations; demand for high-efficiency power plants; creation of new business models through the circular economy and sharing; expansion of business domains as a result of energy diversification, such as sustainable energy, and handling of products and services that contribute to a low-carbon society by controlling energy consumption and greenhouse gas emissions.

For further information on our responding to climate change through our business, please refer to the link below.

Integrate Report 2018 (P028-029)
**Mitsui & Co.’s Approach**

**Stable Supply of Resources & Materials**

**Recognition of societal issues**

The establishment of supply sources for resources, such as energy, metals, water, food resources, chemicals, and materials, as well as the stable supply of these resources and materials have become important social priorities because of demand expansion driven by population growth and the desire for a better standard of living, especially in emerging countries.

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

**Main risks and opportunities**

**Risks**

Suspension of business operations and instability in the supply of energy and food resources because of climate change and population growth.

**Opportunities**

Sustainable resources development and food supply, reinforced competitiveness through consideration for the environment, labor and social aspects, and measures to ensure traceability across entire supply chains.

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

**Mitsui’s Approach**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Related policies and guidelines, and targets set</th>
<th>Identifying material topics</th>
<th>Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource Development, and the Securing and Stable Supply of Materials and Food</td>
<td>Indirect Economic Impacts</td>
<td>○ ○</td>
<td></td>
</tr>
<tr>
<td>Promotion of Supply Chain Management</td>
<td>Supplier Environmental Assessment</td>
<td>○ ○</td>
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<tr>
<td></td>
<td>Supplier Social Assessment</td>
<td>○ ○</td>
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<tr>
<td></td>
<td>Freedom of Association and Collective Bargaining</td>
<td>○ ○</td>
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<td></td>
<td>Child Labor</td>
<td>○ ○</td>
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<tr>
<td></td>
<td>Forced or Compulsory Labor</td>
<td>○ ○</td>
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</tbody>
</table>

**Mitsui & Co.’s Materiality**

**Contents**

- Company
- Message from the Chairperson of the Sustainability Committee
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- Protection of the Global Environment
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- Enhancement of Local Industrial Bases & Quality of Life
- Respect for Human Rights
- Corporate Governance & Human Resources
- Evaluation by Society
- Independent Practitioner’s Assurance Report
Mitsui & Co.’s Approach

Enhancement of Local Industrial Bases & Quality of Life

Recognition of societal issues

We recognize the importance of contributing to the lives of people in the countries and regions where we do business, with respect to the enhancement of quality of life, development of local industries, development of the educational environment, and the creation of employment opportunities.

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

Main risks and opportunities

- Risks
  Loss of credibility due to safety or health problems affecting infrastructure users or final consumers of products and services.

- Opportunities
  Expansion of markets through infrastructure development, measures to ensure food safety, and “healthcare ecosystem” development aimed at enhancing the quality of life in emerging countries, etc., and creation of markets by promoting ICT-based business to build urban social infrastructure in response to the move toward developing smart cities.

Through our business activities, we engage in developing the infrastructure needed for growth and prosperity in countries and regions all around the world, including electric power, transportation and communications. We also strive to improve basic services, such as healthcare and care for the aged, to create new value, envisaging a future in the next-generation business domains that embody innovation, and to develop local industries and create employment.

We also contribute to developing human resources with global perspectives and improving the educational environment through the hosting of endowed lecture programs at universities and through a variety of education funds and scholarships.
Mitsui & Co.'s Approach

Recognition of societal issues

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

- Greater responsibility for human rights in the supply chain (labor practices, impact on local residents, etc.)
- Consideration for indigenous people in conjunction with resources development
- Illicit use of personal information that may be obtained via the increasingly widespread use of Internet and digital communications technology

Main risks and opportunities

- Risks
  Disputes or protests concerning human rights issues in every spectrum of business that could hinder the start-up or continuation of business, and leakage of information held by the company that could be used to identify individuals

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

Mitsui’s Approach

Being aware of our role as a member of the international community, we work to understand the culture, traditions, and practices of each country and region in which we operate. We are working to ensure there is no discrimination based on race, belief, gender, social status, religion, nationality, age, or mental or physical abilities, and take action to rectify labor practices that violate human rights. We are committed to the eradication of forced labor and child labor. We do not condone any form of child labor and are committed to following minimum working age laws wherever we operate. We are committed to complying with laws concerning slavery and human trafficking wherever we operate. Acknowledging that our responsibility extends beyond legal compliance within our own operations, we also work to ensure that human rights are respected in the supply chain. We are also contributing to the development of a society in which human rights are respected, by preventing the illicit use of personal information through implementation of countermeasures against increasingly sophisticated and devious cyber attacks and the resulting risk of the leaking of information that could be used to identify individuals.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Related polices and guidelines, and targets set</th>
<th>Identifying material topics</th>
<th>Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for International Standards</td>
<td>- Basic CSR Policy</td>
<td>Security Practices</td>
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<td>Rights of Indigenous Peoples</td>
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<tr>
<td>Promotion of Management for Human Rights</td>
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<td>Human Rights Assessment</td>
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</tbody>
</table>
Recognition of societal issues

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

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

In order to maintain our status as a company trusted by society, we work to maintain effective governance, ensure fair business practices, and prevent corruption. We review working styles from the perspectives of productivity and efficiency, while creating an environment in which diverse individuals can reach their full potential. In this way, we will enhance our corporate competitiveness. Moreover, to strengthen the driving force of Mitsui & Co., we will further demonstrate our integrated strengths and our ability to connect at an even greater magnitude, and develop human resources capable of taking responsibility for global group management equipped with the capacity to create businesses that would make a meaningful contribution to the society.

Mitsui’s Approach

<table>
<thead>
<tr>
<th>Theme</th>
<th>Related policies and guidelines, and targets set</th>
<th>Identifying material topics</th>
<th>Boundary</th>
<th>Materiality related to organization, non-organization</th>
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<tbody>
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<td>Corporate Governance &amp; Internal Controls</td>
<td>Corporate Governance and Internal Control Principles</td>
<td>Anti-corruption</td>
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<td>Specially Designated Business Management System</td>
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<tr>
<td>Compliance &amp; Risk Management</td>
<td>Business Conduct Guidelines for Employees and Officers</td>
<td>Anti-corruption</td>
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<td>Anti-Corruption Policy</td>
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<td>Global Tax Management Policy</td>
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<td></td>
<td>Personal Information Protection Guideline</td>
<td>Anti-competitive Behavior</td>
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<td></td>
<td>Rules on Information Management</td>
<td>Socioeconomic Compliance</td>
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<td>Rules on Information System Management</td>
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<td>Rules on IT Security</td>
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<td>Information Security Policy</td>
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<tr>
<td>Human Resources to Translate into Assets</td>
<td>Mitsui &amp; Co. Global Business Management Guidelines</td>
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<tr>
<td>Human Resources Development</td>
<td>Training and Education</td>
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<tr>
<td>Appropriate Appointment and Allocation of Personnel</td>
<td>Training and Education</td>
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<tr>
<td>Promoting Diversity Management</td>
<td>Work Style Innovation Action Plans</td>
<td>Diversity and Equal Opportunity</td>
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<td></td>
<td>Action plan for the Act of Promotion of Women’s Participation and Advancement in Workplace</td>
<td>Employment</td>
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<td></td>
<td>Voluntary action plans on promotion of women to managerial and board position</td>
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<td></td>
<td>Mitsui &amp; Co. action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children</td>
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<tr>
<td>Occupational Health, Safety and Work Environment Initiatives</td>
<td>Health Declaration</td>
<td>Occupational Health and Safety</td>
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<td></td>
<td>Mental Health Promotion Plan</td>
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Activity Reports by Materiality

Realize Through Our Business

Protection of the Global Environment
Stable Supply of Resources & Materials
Enhancement of Local Industrial Bases & Quality of Life

Business Foundation

Respect for Human Rights
Corporate Governance & Human Resources
Protection of the Global Environment

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.

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 waste-water 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 create artificial seawater (made from ordinary mains water) through a 100% closed containment-based filtration technology to cycle artificial seawater (made from ordinary mains water) through a 100% closed containment system. 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.

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

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 overfishing 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.

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

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

Pilot facility in Kisarazu City in Chiba Prefecture
### Theme: Environmental Management

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure sustainable consumption and production patterns (12.2, 12.4, 12.5)</td>
<td>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.</td>
<td>Achievement of ASC certification for two salmon farming sites through investment and participation in Salmons Multireport S.A. (Chile). (12.2, 14.7)</td>
</tr>
<tr>
<td>Take urgent action to combat climate change and its impacts (11.3)</td>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td>Maintenance of FSC® and ASC 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)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Achievement of “Good Plant” assessment in independent ISO14001 inspection of environmental 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)</td>
</tr>
<tr>
<td>Ensure sustainable consumption and production patterns (12.2, 12.4, 12.5)</td>
<td></td>
<td>Continuation of the efficient and effective integrated operation of business activities and environmental management in accordance with ISO 14001:2015. (13.3)</td>
</tr>
</tbody>
</table>

### Theme: Initiatives toward Environmental Value Creation

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable (11.6)</td>
<td>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.</td>
<td>Global supply of automotive parts with excellent environmental performance through investment and participation in Gestamp Automoción, S.A. (Spain). (7.3)</td>
</tr>
<tr>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3, 7.a)</td>
<td></td>
<td>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 Corporación Nacional del Cobre de Chile (CODELCO) and Corporación de Fomento de la Producción (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)</td>
</tr>
<tr>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3, 7.a)</td>
<td></td>
<td>Operation of renewable energy IPP business in 8 countries; Mitsui’s share: 1.5 GW. (7.2)</td>
</tr>
<tr>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3, 7.a)</td>
<td></td>
<td>Expansion of distributed solar power generation capacity and promotion of next-generation energy management services featuring storage battery units (U.S. and other countries). (7.2)</td>
</tr>
<tr>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable (11.6)</td>
<td></td>
<td>Sale/ownership and operation of eco-ships that are highly energy-efficient. (7.3)</td>
</tr>
<tr>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3, 7.a)</td>
<td></td>
<td>Contribution to the reduction of CO2 emissions through investment and participation in EV battery pack manufacturing business (France) and EV bus manufacturing business (Portugal). (7.3, 12.4)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Assistance in the development of fuel cost-efficient aircraft and engines. (7.a)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Promotion of modal shift through rolling stock leasing. (11.6, 12.4)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Ordering of new ocean-going methanol carrier powered by clean-burning methanol fuel that can drastically reduce SOx and NOx emissions. (12.4)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Promotion of a green chemicals business in the field of oleochemicals that utilizes natural oils and fats. (12.4)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Promotion of geological surveys, drilling and development for the launching of geothermal power business through Mitsui Oil Exploration Co. (Japan). (7.2, 7.a)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Commencement of repair work on production facilities with the aim of reducing flue gas during the production of LNG through investment and participation in Flare Reduction Project (Qatar). (12.4)</td>
</tr>
<tr>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development (14.7)</td>
<td></td>
<td>Provision of operational maintenance services for solar and biomass power generation facilities by Mitsui &amp; Co. Foresight. (7.2)</td>
</tr>
</tbody>
</table>

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

**Chemicals**

**Machinery & Infrastructure**

**Metals**

**forward**

**Report**

**Evaluation by Society**

**Human Resources**

**Respect for Human Rights**

**Quality of Life**

**Enhancement of Local Industrial Bases & Stable Supply of Resources & Materials**

**Corporate Governance & Human Resources**

**Protection of the Global Environment**

**Sustainability at Mitsui & Co.**

**Mitsui & Co.’s Materiality**

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

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formation and sale of solar power infrastructure funds through Mitsui &amp; Co. Alternative Investments. (7.2)</td>
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<tr>
<td></td>
<td></td>
<td>Investment in renewable energy projects through the Emerging Markets Infrastructure Fund. (7.2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formation of an investment limited partnership that invests in renewable energy power generation projects across Japan through JA Mitsui Leasing. (7.2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improvement of energy efficiency through visualizing data from office buildings, factories, and other facilities, and utilizing ICT solutions such as online remote management and preventive maintenance of air-conditioning systems, resulting in a reduction of power consumption by over 20% compared with conventional operation (Japan). (7.3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contribution to global warming prevention through the optimization of fertilizer amounts on farmlands, leading to the reduction of N2O emissions (Canada, U.S., Brazil, etc.). (12.4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion of a sharing economy through mobile marketplace app business intended for smartphones (Japan, U.S., and U.K.). (12.5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Safe Clean Water and Sanitation</td>
<td>Ensure availability and sustainable management of water and sanitation for all (6.4)</td>
<td>Installation of solar power generation by Prifood at its Hiospqan plant, where the company commenced the utilization of the generated power for a portion of the electricity used by the plant. (7.2)</td>
</tr>
<tr>
<td>7 Affordable and Clean Energy</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.2, 7.3)</td>
<td>Reducing environmental load by MicroBiopharm in Japan, which led to its potential investment to integrate its manufacturing process for an active pharmaceutical ingredient for anti-cancer drug. (7.3)</td>
</tr>
<tr>
<td>12 Sustainable Consumption and Production</td>
<td>Ensure sustainable consumption and production patterns (12.4, 12.5)</td>
<td>Conversion to a new treatment method for the waste materials 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 plastic into cement) as a measure to reduce CO2 and to prevent global warming. (7.3, 12.4)</td>
</tr>
<tr>
<td>12.5</td>
<td>With a target of achieving a recycling rate of 85% or more by 2020 and prioritizing the control, reuse, and recycling of waste materials.</td>
<td>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)</td>
</tr>
<tr>
<td>12.6</td>
<td>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)</td>
<td>Ongoing implementation of surveys of water use by subsidiaries in key countries and other locations. (6.4)</td>
</tr>
<tr>
<td>12.7</td>
<td>With a target of reducing energy consumption rate by an average of 1% or more per year, we are implementing measures to improve 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)</td>
<td>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)</td>
</tr>
<tr>
<td>12.13</td>
<td>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. (12.3)</td>
<td>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)</td>
</tr>
</tbody>
</table>
### Theme: Initiatives for Preserving Biodiversity

**Related SDGs (Target Numbers)**

- 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)

**Initiatives by Mitsui & Co.**

- We have obtained FSC® and other certifications for all our company-owned forests, "Mitsui's forests", to drive our biodiversity-friendly papemaking 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.

**Activities for FY 2017**

- 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)
- Maintenance of FSC®/CoC certification (Mitsui’s Life Essentials Business Div., Forest Resources Marketing Dept.: FSC® C104107; Mitsui Bussan Woodchip Oceania Pty. Ltd.: FSC® C017463) and FSC/CoC certification, to promote responsible management and handling of forest resources. (15.2)
- 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)
- Support by Toho Bussan for the production and sales of rice grown using farming methods that encourage biodiversity (Japan). (15.4)
- 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)

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

**Related SDGs (Target Numbers)**

- Strengthen the means of implementation and revitalize the global partnership for sustainable development (17.16, 17.17)

**Initiatives by Mitsui & Co.**

- We operate the Mitsui & Co. Environment Fund to support and encourage donations, university research and NPO/NGO activities targeted toward solving environmental problems.

**Activities for FY 2017**

- 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)
- Provision of grants through the Mitsui & 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)
- 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; 17 programs, approx. 250 participants) (17.17)
- 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)
Environmental Management

Environmental Management 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 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 basis.

In view of the above principles, and in accordance with the Action Guidelines shown below, Mitsui & Co. will design, periodically evaluate, and continually improve an adequate risk management system, including response to matters such as global warming, nature conservation with consideration given to biological diversity, and the prevention of pollution, which will cover the wide range of activities that it undertakes on a global scale. At the same time, we will strive to ensure the development and dissemination of earth–friendly technologies and further reinforce our responsibility with respect to the environment on a global group basis.

Action Guidelines

1. Compliance with relevant environmental laws and regulations

We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the company for promoting business activities.

2. Efficient utilization of resources and energy

We will strive to reduce the burden on the environment within each of our workplaces and in our business activities through the efficient utilization of resources and energy, as well as the reduction, reuse, and recycling of waste and its proper disposal.

3. Environmental care for products and services offered, as well as existing and new businesses

We will give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence in enlisting the understanding and support of involved business partners, as well as evaluating the impact that we have on the environment, not only in the prevention of pollution, but on such issues as global warming and the conservation of biological diversity as well.

4. Contribution to providing industrial solutions to environmental issues

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

Environmental Management System

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)
Addressing Environmental and Social Risks and Opportunities in Business

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

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 savings 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 completion and management.

Other Applicable Environmental Laws and Regulations

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

Environmental Management for New Business

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 npi 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

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 environmental 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.

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

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. G037-153) and SGC certification*2 (Certificate no. SGC31-21-1103). 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 SGC certification, Mitsui has received Forest Management (FM) certification, while Mitsui Busan Forest, a subsidiary has received Chain of Custody (CoC) certification for the processing and distribution of cut timber. 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.

Sustainable Palm Oil (RSPO),*3 a nonprofit organization that promotes the production and use of sustainable palm oil and lessens the impact and load on the environment of products produced using methods designed to minimize the environmental load, in

Mitsui and our investee, Wangsa Mujur Sdn. Bhd. have acquired certification from the Roundtable on Sustainable Palm Oil (RSPO)*4, 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 11 principles and 43 criteria, and both Mitsui and Wangsa Mujur operate in accordance with its policy.

Feed Business (Japan)

Our affiliated company, Feednco 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.

Salmon Farming Business (Chile)

Mitsui is a shareholder and participant in the business operations of Salmons 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*5, which focuses on the five key areas of environmental conservation, social responsibility, animal welfare, food safety, and traceability. Salmons Multiexport has also achieved Aquaculture Stewardship Council (ASC) certification*6 for two of its sites in 2017, and is now preparing to obtain certification for additional locations.

Shrimp Exporting Business (Vietnam)

As a shareholder, Mitsui participates in the management of Minh Phu Giai Sang Food Joint Stock Company, a Vietnamese company engaged in shrimp processing and exporting. The company has obtained environment-related certifications, 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.

Environmental Management

*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 “Forest Protocol” to the situation in Japan. In 2010, it became possible to distribute SGC certified timber as a timber certified under another international forest certification, the Program for the Endowment of Forest Certification Schemes (PFCS), following reciprocal recognition between the two systems.

*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.

*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 choose 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.

*6 The system is designed to ensure that preferential prices are provided to aquaculture products that are harvested appropriately in terms of catch size, timing, methods, etc., and that are processed and distributed appropriately.

*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 breeding, farming, feed and processing. Currently there are 35 countries implementing this standard for 30 species of finfish, crustaceans and molluscs worldwide.
Environmental Education/Communication

As we work to accelerate environmental initiatives across the global group, it is vital that we raise the environmental awareness of each of our employees at all levels. We conduct seminars and training sessions to promote these messages internally.

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.

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.

Environmental Management

Environmental Law Training

- Held twice: Approx. 130 participants
- Many officers and employees of Mitsui and its affiliated companies.

- Lectures on the responsibilities of Generators (waste-producing parties) and precautions related to industrial waste. The tour of the processing facilities aims to promote understanding of the importance and efficacy of on-site verification.

- The program includes explanations on the environmental and social risks in Mitsui’s business operations, and the measures to prevent those risks.

- Approximately 130 people participated from Mitsui & Co. group companies.

Environmental Law Training for Contract Staff (Environment)

- Held twice: Approx. 100 participants
- Temporary employees of Mitsui and its affiliated companies.

- The program includes explanations on the environmental policy of Mitsui & Co., as part of introductory training provided by the Environmental and Safety Management Division to inform newly hired employees about Mitsui & Co.’s management philosophy (MVV) and rules and regulations, the importance of compliance, and other matters.

- Held once: Approxi. 100 participants
- General and seconded contract employees.

Environmental Management Representative Induction Course

- Held twice: Approx. 190 participants
- General and seconded contract employees.

- Lectures on Environmental Management philosophy, planning, and aims.

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<th>Environmental education policy, planning, and aims</th>
<th>Environmental auditor training</th>
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<tr>
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<td>Induction Course (Environment)</td>
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<tr>
<td>ISO14001 Provisional Auditor Training</td>
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<td>ISO14001 Lead Auditor Training</td>
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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 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 10th Anniversary of Mitsui Environment Month*

Professor Akira Ikegami was invited to present a lecture commemorating the 10th 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.”

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 landscaped 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 of 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.

Employees attend lectures about industrial waste and OLD disposal facilities and plants.
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 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.
## Renewable Energy

### Activity

<table>
<thead>
<tr>
<th>Project</th>
<th>Company name</th>
<th>Country</th>
<th>Generating capacity/Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tottori Yonago Solar Park</td>
<td>Japan</td>
<td>42.9MW</td>
</tr>
<tr>
<td></td>
<td>Izumo-matsushita Solar Park</td>
<td>Japan</td>
<td>19.6MW</td>
</tr>
<tr>
<td></td>
<td>Tottori Abra Solar Park</td>
<td>Japan</td>
<td>111.1MW</td>
</tr>
<tr>
<td></td>
<td>Numata-ano Solar Park</td>
<td>Japan</td>
<td>22.4MW</td>
</tr>
<tr>
<td></td>
<td>Omuta Minami Port Solar Park</td>
<td>Japan</td>
<td>19.6MW</td>
</tr>
<tr>
<td></td>
<td>Numata Solar Park</td>
<td>Japan</td>
<td>483.5MW</td>
</tr>
<tr>
<td></td>
<td>Tahara Solar Wind Joint Project</td>
<td>Japan</td>
<td>500MW</td>
</tr>
<tr>
<td></td>
<td>Brookvale Solar</td>
<td>Canada</td>
<td>100MW</td>
</tr>
<tr>
<td></td>
<td>Bechar Solar</td>
<td>Canada</td>
<td>100MW</td>
</tr>
<tr>
<td>Solar thermal power generation/business</td>
<td>Guzman Energia</td>
<td>Spain</td>
<td>500MW</td>
</tr>
<tr>
<td></td>
<td>Jurneda Solar</td>
<td>Spain</td>
<td>11MW</td>
</tr>
<tr>
<td>Wind power generation/business</td>
<td>NS Wind Power Miki</td>
<td>Japan</td>
<td>150MW</td>
</tr>
<tr>
<td></td>
<td>Tahara Solar Wind Joint Project</td>
<td>Japan</td>
<td>600MW</td>
</tr>
<tr>
<td></td>
<td>Wind Farm Hamada</td>
<td>Japan</td>
<td>480MW</td>
</tr>
<tr>
<td></td>
<td>Canadina</td>
<td>Australia</td>
<td>460MW</td>
</tr>
<tr>
<td></td>
<td>Noriwa Wind</td>
<td>Japan</td>
<td>900MW</td>
</tr>
<tr>
<td></td>
<td>SOP Wind</td>
<td>Canada</td>
<td>400MW</td>
</tr>
<tr>
<td></td>
<td>West Cape Wind</td>
<td>Canada</td>
<td>990MW</td>
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<tr>
<td></td>
<td>Carducas Wind</td>
<td>Canada</td>
<td>990MW</td>
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<tr>
<td></td>
<td>Harrows Wind</td>
<td>Canada</td>
<td>480MW</td>
</tr>
<tr>
<td></td>
<td>PARI Wind</td>
<td>Canada</td>
<td>480MW</td>
</tr>
<tr>
<td></td>
<td>Plancheau Wind</td>
<td>Canada</td>
<td>210MW</td>
</tr>
<tr>
<td></td>
<td>ELSC Wind</td>
<td>Canada</td>
<td>198MW</td>
</tr>
<tr>
<td></td>
<td>Eneaai Wind</td>
<td>Canada</td>
<td>198MW</td>
</tr>
<tr>
<td></td>
<td>Cape Scott Wind</td>
<td>Canada</td>
<td>990MW</td>
</tr>
<tr>
<td></td>
<td>Baupi Wind</td>
<td>U.S.A</td>
<td>1600MW</td>
</tr>
<tr>
<td></td>
<td>Esolme del leitio</td>
<td>Mexico</td>
<td>164MW</td>
</tr>
<tr>
<td></td>
<td>Esolme del Pacifico</td>
<td>Mexico</td>
<td>1600MW</td>
</tr>
<tr>
<td></td>
<td>Zasplaukowo Windfarm</td>
<td>Poland</td>
<td>480KW</td>
</tr>
</tbody>
</table>

## Initiatives toward Environmental Value Creation

### Activity

<table>
<thead>
<tr>
<th>Project</th>
<th>Company name</th>
<th>Country</th>
<th>Generating capacity/Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomass power generation business</td>
<td>Green Power Ichihara</td>
<td>Japan</td>
<td>5.0MW</td>
</tr>
<tr>
<td></td>
<td>Tomakomai Biomass Power Generation Co., Ltd</td>
<td>Japan</td>
<td>5.9MW</td>
</tr>
<tr>
<td></td>
<td>Hokkaido Biomass Energy Co., Ltd</td>
<td>Japan</td>
<td>1.815MW</td>
</tr>
<tr>
<td>Run-on-river hydroelectric power generation business</td>
<td>Hokkaido Biomass Energy Co., Ltd</td>
<td>Brazil</td>
<td>3.750MW</td>
</tr>
<tr>
<td></td>
<td>Spanish Hydro</td>
<td>Spain</td>
<td>840MW</td>
</tr>
</tbody>
</table>

## Modal Shift

### Activity

<table>
<thead>
<tr>
<th>Business investment/Company name</th>
<th>Main business</th>
<th>Country</th>
<th>Project size</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRC (Mitsui Rail Capital LLC)</td>
<td>Freight wagon leasing business</td>
<td>U.S.A.</td>
<td>Four global bases (U.S., Brazil, Europe, Russia)</td>
</tr>
<tr>
<td>MRC LA (Mitsui Rail Capital Participacoes Ltda)</td>
<td>Freight wagon rental business</td>
<td>Brazil</td>
<td>approx. 4,500 cargo vehicles</td>
</tr>
<tr>
<td>NRCE (Mitsui Rail Capital Europe B.V.)</td>
<td>Locomotive leasing business</td>
<td>Europe</td>
<td>approx. 300 locomotives</td>
</tr>
<tr>
<td>MRC 1120 (MRC 1120 LLC)</td>
<td>Freight wagon leasing business</td>
<td>Russia</td>
<td>approx. 300 locomotives</td>
</tr>
<tr>
<td>WU S.A.</td>
<td>Freight transportation business</td>
<td>Brazil</td>
<td>Operating a weekly network of approx. 16,000 km and port terminals</td>
</tr>
<tr>
<td>SuperVia (SuperVia Concessionaria de Transporte Ferroviario S.A)</td>
<td>Passenger railway transportation business (Rio de Janeiro suburban railway)</td>
<td>Brazil</td>
<td>Transportation record: Approx. 550,000 passengers per day (December 2017)</td>
</tr>
<tr>
<td>Carroca (Concessionaria do VLT Carroca S.A.)</td>
<td>Passenger railway transportation business (Rio de Janeiro Light Rail Tram)</td>
<td>Brazil</td>
<td>Transportation record: Approx. 50,000 passengers per day (December 2017)</td>
</tr>
<tr>
<td>Via Quatro (Concessionaria da Linha 4 do Metro de Sao Paulo S.A.)</td>
<td>Passenger railway transportation business (Sao Paulo metro line no. 4)</td>
<td>Brazil</td>
<td>Transportation record: Approx. 670,000 passengers per day (December 2017)</td>
</tr>
<tr>
<td>Abellio Transport Group Ltd.</td>
<td>Passenger railway transportation business (East Midlands)</td>
<td>UK</td>
<td>Transportation record: Approx. 200,000 passengers per day</td>
</tr>
<tr>
<td></td>
<td>Passenger railway transportation business (West Midlands)</td>
<td>UK</td>
<td>Transportation record: Approx. 180,000 passengers per day</td>
</tr>
</tbody>
</table>
Recycling

<table>
<thead>
<tr>
<th>Business investment/Company name</th>
<th>Main business</th>
<th>Country</th>
<th>Business size</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW &amp; KENZAI Corporation</td>
<td>Metal scrap collection and sales business</td>
<td>Japan</td>
<td>Handles 7 million tons/year of metal scrap</td>
</tr>
<tr>
<td>Kyoei Recycling Co., Ltd.</td>
<td>Industrial waste processing and gas production</td>
<td>Japan</td>
<td>Processing capacity of 33,000 m³/ year, 90m³/day</td>
</tr>
<tr>
<td>Mitsui Bussan Metals Co., Ltd.</td>
<td>Non-ferrous metal scrap (including PCB scrap), recycled aluminum ingots, and nonferrous metal product trading business</td>
<td>Japan</td>
<td>Handles 250,000 tons/year of non-ferrous metal scrap and recycled ingots</td>
</tr>
<tr>
<td>Sims Metal Management Ltd.</td>
<td>General recycling business (metal scrap, electronic device recycling, etc.)</td>
<td>North America, Europe, Australia, New Zealand, and elsewhere</td>
<td>Handles 8.7 million tons/year of metal scrap, etc.</td>
</tr>
</tbody>
</table>

Other Environment-Related Business

<table>
<thead>
<tr>
<th>Project</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributed power generation business</td>
<td>Contribution to electrification in rural areas by investing in ONC Power, a leading grid-scale power company that is primarily using renewable energy to supply electricity in non-electrified regions in India</td>
</tr>
<tr>
<td>Local power generation for local use</td>
<td>Conclusion of a partnership agreement with Asia City and Global Engineering Co. on community development with a focus on effective utilization of local energy</td>
</tr>
<tr>
<td>Can-sharing business</td>
<td>Operation of a car-sharing business that utilizes high fuel efficiency, low-pollution vehicles (Singapore)</td>
</tr>
<tr>
<td>Electric buses</td>
<td>Investment and participation in the Portuguese company Carris, which manufactures and sells electric buses</td>
</tr>
<tr>
<td>Battery systems</td>
<td>Investment and participation in the French company Forsee Power, which manufactures battery systems</td>
</tr>
<tr>
<td>Engineering services</td>
<td>Investment and participation in AKAIR 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</td>
</tr>
<tr>
<td>Materials for secondary battery use</td>
<td>Structuring systems for the stable production and supply of secondary battery materials, including principally those used in lithium-ion batteries</td>
</tr>
<tr>
<td>High-pressure tanks for NGLs and FCVs</td>
<td>Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells</td>
</tr>
<tr>
<td>High-grade urea solution</td>
<td>Mitsui &amp; Co. Plastics, a consolidated subsidiary, is building and expanding a nationwide network of sales and logistics locations and infrastructure for Mitsui Chemical’s AdBlue®, which converts the nitrogen oxides contained in exhaust gases into harmless water and nitrogen</td>
</tr>
<tr>
<td>Business development utilizing gas fermentation technology</td>
<td>Mitsui invested in LanzTech New Zealand, a venture company based in Chicago, which is developing technology to convert carbon monoxide (CO) and carbon dioxide (CO2) into fuel and chemicals via a gas fermentation process</td>
</tr>
<tr>
<td>Japan-Australia demonstration project for oxyfuel and CCS technologies</td>
<td>Mitsui and other participants carried out a demonstration of new oxyfuel technology in the Calidei 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 CO2 from the stack gases and injecting them underground for sequestration. The final project report, compiling a series of results of the project, is to be completed in March, 2018. The possibility of commercialisation of the technology is currently being considered</td>
</tr>
<tr>
<td>Hydrogen supply chain business</td>
<td>Mitsui, together with Chiyoda Corp., Mitsui Coke, and JIPPCO, have started conducting an international hydrogen supply chain demonstration project in Brunei</td>
</tr>
</tbody>
</table>

Paper Manufacturing Resource Business

<table>
<thead>
<tr>
<th>Business investment/Project</th>
<th>Country</th>
<th>Project size</th>
</tr>
</thead>
<tbody>
<tr>
<td>BTP (Burbury Treefarm Project)</td>
<td>Australia</td>
<td>7,100ha</td>
</tr>
<tr>
<td>GTP (Green Triangle Treefarm Project)</td>
<td>Australia</td>
<td>1,500ha</td>
</tr>
<tr>
<td>PTP (Portland Treefarm Project)</td>
<td>Australia</td>
<td>1,500ha</td>
</tr>
<tr>
<td>BFP (Burbury Fibre Plantations Pty., Ltd.)</td>
<td>Australia</td>
<td>11,900ha</td>
</tr>
</tbody>
</table>

Water Business

<table>
<thead>
<tr>
<th>Project</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water treatment business in Mexico</td>
<td>Participation in five major water treatment projects in the State of Jalisco and other parts of Mexico through a consolidated subsidiary, Kotatsu, S.A. (Headquartered in Mexico)</td>
</tr>
<tr>
<td>Desalination and Pumping Projects in Chile</td>
<td>Participation in desalination and pumping projects 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 25-year period</td>
</tr>
</tbody>
</table>

Initiatives toward Environmental Value Creation

<table>
<thead>
<tr>
<th>Project</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of hydrogen</td>
<td>Production and supply of hydrogen, a clean energy source, to support the transition to a low-carbon society</td>
</tr>
<tr>
<td>Renewable energy projects</td>
<td>Development of wind, solar, and other renewable energy projects to help achieve global carbon neutrality</td>
</tr>
<tr>
<td>Forest conservation projects</td>
<td>Partnership with international organizations to protect and restore forests, which are crucial for carbon capture and climate regulation</td>
</tr>
<tr>
<td>Environmentally friendly products</td>
<td>Development of eco-friendly products that minimize environmental impact throughout the supply chain</td>
</tr>
</tbody>
</table>

Contents
- Sustainability at Mitsui & Co.
- Mitus & Co’s Materiality
- Activity Reports by Materiality
- Protection of the Global Environment
- Stable Supply of Resources & Materials
- Enhancement of Local Industrial Bases & Quality of Life
- Respect for Human Rights
- Corporate Governance & Human Resources
- Evaluation by Society
- Independent Practitioner’s Assurance Report
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.

Jirau Hydroelectric Power Plant

Located on the Madera 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 Paolo, 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 CO2 per year. The Madera 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.

<table>
<thead>
<tr>
<th>Project</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Precision agricultural solutions business</td>
<td>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.</td>
</tr>
<tr>
<td>Air conditioning services</td>
<td>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).</td>
</tr>
<tr>
<td>Data management for industrial customers</td>
<td>Facilitating improved energy efficiency by the visualization of operation data in various industries, such as power utility and oil &amp; gas, through collaboration with OSIsoft in the US, which develops and sells the PI System, its industrial data management software.</td>
</tr>
<tr>
<td>Sharing economy</td>
<td>Driving the development of sharing economy through the Mercari flea market smartphone app business.</td>
</tr>
<tr>
<td>Solar funds</td>
<td>Contributing to the spread of solar power generation by forming and selling solar funds through Mitsui &amp; Co. Alternative Investments.</td>
</tr>
</tbody>
</table>

Wood Biomass Power Generation Business

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</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Steam</th>
<th>Electricity</th>
<th>Fuels</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>19,274</td>
<td>10,334</td>
<td>10,495</td>
</tr>
<tr>
<td>FY 2014</td>
<td>12,945</td>
<td>10,872</td>
<td>11,365</td>
</tr>
<tr>
<td>FY 2015</td>
<td>5,977</td>
<td>4,950</td>
<td>5,618</td>
</tr>
<tr>
<td>FY 2016</td>
<td>5,618</td>
<td>5,618</td>
<td></td>
</tr>
</tbody>
</table>

### Greenhouse Gas (GHG) Emissions

<table>
<thead>
<tr>
<th>Scope</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCOPE1</td>
<td>1,460</td>
<td>384</td>
<td>284</td>
<td>314</td>
<td>3,448</td>
</tr>
<tr>
<td>SCOPE2</td>
<td>390</td>
<td>341</td>
<td>338</td>
<td>328</td>
<td>317</td>
</tr>
<tr>
<td>SCOPE*</td>
<td>90</td>
<td>42</td>
<td>37</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>1,850</td>
<td>725</td>
<td>664</td>
<td>679</td>
<td>4,020</td>
</tr>
</tbody>
</table>

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

### Water Consumption (Unit: Thousand m³)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25,846</td>
<td>39,543</td>
<td>59,986</td>
</tr>
</tbody>
</table>
Reducing the Environmental Impact of Offices 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 ★

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per unit (MWh/1m² of utilized area)</td>
<td>0.09</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
</tr>
</tbody>
</table>

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).

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per unit (m³/employee)</td>
<td>13.07</td>
<td>14.43</td>
<td>15.11</td>
<td>15.32</td>
<td>15.44</td>
</tr>
</tbody>
</table>

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%.

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per unit (1,000 sheets/employee)</td>
<td>11.97</td>
<td>11.79</td>
<td>11.53</td>
<td>11.24</td>
<td>11.08</td>
</tr>
</tbody>
</table>

Waste ★

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per unit (t/employee)</td>
<td>0.29</td>
<td>0.34</td>
<td>0.32</td>
<td>0.32</td>
<td>0.31</td>
</tr>
</tbody>
</table>

Recycling rate (%) ★

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>84.4</td>
<td>86.0</td>
<td>81.0</td>
<td>80.5</td>
<td>79.1</td>
</tr>
</tbody>
</table>

*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 (Shika and Nagoya).
Initiatives toward Environmentally-friendly Logistics

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.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection of transportation method</td>
<td>Use of railways, shipping (modal shift)</td>
</tr>
<tr>
<td>Measures to improve transportation efficiency</td>
<td>Use of shared/mixed loading</td>
</tr>
<tr>
<td></td>
<td>Selection of appropriate vehicle class</td>
</tr>
<tr>
<td></td>
<td>Optimization of routing and method</td>
</tr>
<tr>
<td></td>
<td>Scaling up of vehicle size</td>
</tr>
<tr>
<td></td>
<td>Use of most efficient freight vehicles</td>
</tr>
<tr>
<td></td>
<td>Review of schedules to avoid congestion</td>
</tr>
<tr>
<td>Alliances between transportation service providers and users</td>
<td>Review of distribution frequencies</td>
</tr>
<tr>
<td></td>
<td>Adoption of coordinated logistics planning</td>
</tr>
<tr>
<td></td>
<td>(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.)</td>
</tr>
<tr>
<td>Measures to increase fuel efficiency</td>
<td>Eco-driving techniques</td>
</tr>
<tr>
<td></td>
<td>Installation of fuel-saving equipment</td>
</tr>
</tbody>
</table>

Freight Volumes Handled by Mitsui

<table>
<thead>
<tr>
<th>Year</th>
<th>Ship (百万t-km)</th>
<th>Truck (百万t-km)</th>
<th>Air/Rail (百萬t-km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>1,500</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>FY 2014</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY 2015</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY 2016</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY 2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

Environmental Accounting/Environmental Liabilities

<table>
<thead>
<tr>
<th>Category</th>
<th>Investments</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper consumption</td>
<td>2,635 Thousand sheets</td>
<td>1,479</td>
</tr>
<tr>
<td>Electricity consumption</td>
<td>260,000 kWh</td>
<td>848</td>
</tr>
</tbody>
</table>

Environmental Conservation Costs

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

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental conservation costs</td>
<td>620,483</td>
<td>621,583</td>
<td>621,824</td>
<td>626,913</td>
</tr>
<tr>
<td>Environmental economic effects</td>
<td>819,969</td>
<td>819,643</td>
<td>819,852</td>
<td>827,764</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Environmental conservation effects</th>
<th>Economic effects (Unit: 1,000JPY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper consumption</td>
<td>2,635 Thousand sheets</td>
</tr>
<tr>
<td>Electricity consumption</td>
<td>260,000 kWh</td>
</tr>
</tbody>
</table>

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.
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
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.

Policy

1. Guiding Principle
Mitsui gives its forests the status of "assets with a high degree of public use that benefit the whole of society." As well as providing the irreplaceable 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. Awareness 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 SGEC’s Forest Management Certification Principles and Indicators.

2. Management Policy
Mitsui manages Mitsui’s Forests in accordance with the forest management zoning categories shown below. Appropriate management is applied to each forest category.

Policy

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 accumulate and absorb 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

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.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvest-oriented Sustainable Cycle Forests</td>
<td>Forests for the production and supply of lumber resources through the repeated cycle of harvesting, planting, and cultivating</td>
<td>6,852</td>
</tr>
<tr>
<td>Natural Restoration Forests</td>
<td>Forests to be restored as Naturally Regenerated Forests consisting of coniferous and broad-leaved trees</td>
<td>10,609</td>
</tr>
<tr>
<td>Forests for Regeneration and Harvest, Natural Forests and Naturally Regenerated Forests</td>
<td>Forests judged to have irreplaceable biodiversity value at the national and regional level and requiring stringent protection</td>
<td>324</td>
</tr>
<tr>
<td>Biodiversity Conservation Forests</td>
<td>Forests confirmed to support a large number of rare creatures whose habitat requires protection</td>
<td>875</td>
</tr>
<tr>
<td>Special Conservation Forests</td>
<td>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</td>
<td>3,164</td>
</tr>
<tr>
<td>Environmental Conservation Forests</td>
<td>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</td>
<td>117</td>
</tr>
<tr>
<td>Cultural Conservation Forests</td>
<td>Forests for the production and supply of lumber through sustainable management</td>
<td>1,822</td>
</tr>
<tr>
<td>Naturally Regenerated Forests</td>
<td>Productive Naturally Regenerated Forests</td>
<td>19,384</td>
</tr>
<tr>
<td>General Naturally Regenerated Forests</td>
<td>Forests not composed of productive species but to be cultivated for increased social value</td>
<td>1,270</td>
</tr>
<tr>
<td>Other Naturally Regenerated Forests</td>
<td>Naturally Regenerated Forests other than in the above categories</td>
<td>44,617</td>
</tr>
</tbody>
</table>
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. C0057355), and the SGEC (Certification No. SGEC/21-21-1101). 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 variety of 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 environmentally 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**

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.

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

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.

* 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.
Overview of the Mitsui & Co. Environment Fund

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
- Activity Grants
- Research Grants
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

[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 CO2 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Number Value</th>
<th>Total</th>
<th>Number Value</th>
<th>Total</th>
<th>Number Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>15</td>
<td>117</td>
<td>20</td>
<td>150</td>
<td>52</td>
<td>367</td>
</tr>
<tr>
<td>2006</td>
<td>18</td>
<td>217</td>
<td>23</td>
<td>275</td>
<td>38</td>
<td>481</td>
</tr>
<tr>
<td>2007</td>
<td>48</td>
<td>437</td>
<td>23</td>
<td>256</td>
<td>71</td>
<td>893</td>
</tr>
<tr>
<td>2008</td>
<td>51</td>
<td>523</td>
<td>24</td>
<td>368</td>
<td>75</td>
<td>891</td>
</tr>
<tr>
<td>2009</td>
<td>34</td>
<td>311</td>
<td>17</td>
<td>213</td>
<td>51</td>
<td>524</td>
</tr>
<tr>
<td>2010</td>
<td>28</td>
<td>244</td>
<td>22</td>
<td>285</td>
<td>50</td>
<td>529</td>
</tr>
<tr>
<td>2011</td>
<td>52</td>
<td>437</td>
<td>46</td>
<td>341</td>
<td>11</td>
<td>77</td>
</tr>
<tr>
<td>2012</td>
<td>36</td>
<td>222</td>
<td>14</td>
<td>112</td>
<td>10</td>
<td>77</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
<td>165</td>
<td>15</td>
<td>150</td>
<td>35</td>
<td>315</td>
</tr>
<tr>
<td>2014</td>
<td>21</td>
<td>118</td>
<td>8</td>
<td>85</td>
<td>29</td>
<td>283</td>
</tr>
<tr>
<td>2015</td>
<td>15</td>
<td>155</td>
<td>10</td>
<td>155</td>
<td>25</td>
<td>220</td>
</tr>
<tr>
<td>2016</td>
<td>11</td>
<td>92</td>
<td>10</td>
<td>79</td>
<td>21</td>
<td>171</td>
</tr>
<tr>
<td>2017</td>
<td>10</td>
<td>63</td>
<td>6</td>
<td>54</td>
<td>16</td>
<td>117</td>
</tr>
<tr>
<td>Total</td>
<td>359</td>
<td>3,207</td>
<td>195</td>
<td>2,470</td>
<td>554</td>
<td>5,677</td>
</tr>
</tbody>
</table>

* 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 2014 is ¥1.32 billion.
Stable Supply of Resources & Materials

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 thriving plants that yield 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, 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 already been grown in a particular region can no longer be grown there successfully, while plants that one would 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 Equifrut 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.

Helping to improve farmer’s QOL by providing “fertilizer optimized to the soil conditions”

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

*Anagra S. A. is a wholly-owned subsidiary of Mitsui that is engaged in the importation and sale of fertilizer products. (To the former company’s revenue and sales data, Anagrasisohon K. Teryukai added the sales figures and related financial analysis to the former company.)

An agronomist employed by Anagra checking crop growth

An agronomist employed by Anagra checking crop growth

An agronomist employed by Anagra checking crop growth
### Activities for FY 2017 to Contribute to SDGs

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

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure sustainable consumption and production patterns (12.2)</td>
<td>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.</td>
<td>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)</td>
</tr>
<tr>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable (11.c)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Continuation of the development and securing of a stable supply of iron ore (Australia, Brazil), coal (Australia, Mozambique), and copper (Chile). (12.2)</td>
</tr>
<tr>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>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)</td>
</tr>
<tr>
<td>Ensure availability and sustainable management of water and sanitation for all (6.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Offering of LNG regasification services with a low environmental load through long-term chartering business for floating storage and regasification unit (FSRU) (Pakistan). (7.1)</td>
</tr>
<tr>
<td>† Ensure healthy lives and promote well-being for all at all ages (3.8, 3.b)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>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)</td>
</tr>
<tr>
<td>† Ensure quality education and promote lifelong learning opportunities for all (4.1)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>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 2018)). (7.1)</td>
</tr>
<tr>
<td>† Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>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)</td>
</tr>
<tr>
<td>† Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Securing of food and promotion of its stable supply (grain trading volume: 20 million tons/year (FY March 2018)). (2.1)</td>
</tr>
<tr>
<td>† Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Promotion of large-scale farms through equity participation in Agriculta Xingu, etc. (Brazil). (2.1)</td>
</tr>
<tr>
<td>† Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Contribution to the development of the Thai sugar industry through investment in Kumphawapi Sugar/ASET Phol Sugar, and promotion of the stable supply of sugar within Southeast Asia (2.1, 2.4)</td>
</tr>
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<td>† Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>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)</td>
</tr>
<tr>
<td>† Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Increased supply of food resources through providing precision agricultural solutions (Canada, U.S., Brazil, Russia, etc.). (2.4, 2.a)</td>
</tr>
<tr>
<td>† Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>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 UT03 and antimicrobial Etak, which were developed by Hiroshima University, by utilizing patents. (3.8)</td>
</tr>
<tr>
<td>† Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Stable supply of lignocellulosic raw materials 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 m³). (11.4)</td>
</tr>
<tr>
<td>† Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and decent work for all (8.2)</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all (7.1, 7.2, 7.b)</td>
<td>Contribution to the development of the Thai sugar industry through investment in Kumphawapi Sugar/ASET Phol Sugar, and promotion of the stable supply of sugar within Southeast Asia (2.1, 2.4)</td>
</tr>
</tbody>
</table>

*SDGs: Sustainable Development Goals*
Activities for FY 2017 to Contribute to SDGs

Theme: Promotion of Supply Chain Management

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.7, 8.8)</td>
<td>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 on 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.</td>
<td>Concluding of a MoU with Corporacion 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)</td>
</tr>
<tr>
<td>Reduce inequality within and among countries (10.2)</td>
<td></td>
<td>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 5,350. (8.7, 8.8, 10.2, 12.7, 16.5) Stable supply of wood products from T.M. Baikal (Russia) (approx. 110,000 m³ per year) (Japan, China, and Russia). (12.2) 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) 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) Implementation of on-site surveys of supplier of oleochemical product in Malaysia. (8.7, 9.8, 12.4, 12.7, 16.5) Implementation of supplier questionnaire surveys concerning our Supply Chain CSR Policy (68 suppliers). (8.7, 8.8, 10.2, 12.7, 16.5) 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)</td>
</tr>
<tr>
<td>Ensure sustainable consumption and production patterns (12.2, 12.4, 12.7)</td>
<td></td>
<td>Stable supply of wood products from T.M. Baikal (Russia) (approx. 110,000 m³ per year) (Japan, China, and Russia). (12.2)</td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td>Implementation of on-site surveys of supplier of oleochemical product in Malaysia. (8.7, 9.8, 12.4, 12.7, 16.5)</td>
</tr>
</tbody>
</table>

Activities for FY 2017 to Contribute to SDGs
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.
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
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).
Summary of Supplier On-site Surveys (Procurement of oleochemical products)

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.

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)

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 safety operations through the training of workers on the safe use of agricultural equipment, tractors and agrochemicals. (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)

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

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 CO₂ 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 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

October 2008  
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.

August 2014  
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.

January 2015  
MIF required the aforementioned 26 suppliers to conduct a CSR self-check concerning their compliance with the policy.

September 2015  
MIF asked the 241 suppliers from which it had obtained “written confirmation” to replace this expression with “written consent”.

February 2017  
The Supply Chain CSR Policy formulated in October 2008 was expanded from 7 items to 10.

As of March 31, 2018  
MIF had obtained “written confirmation” and “written consent” from a total of 5,352 suppliers: 4,134 in Japan, and 1,218 overseas.

Visit to the manufacturing plant of a supplier
Examples: Assessing and Solving Supply Chain Issues

Initiatives designed to ensure a stable supply of green coffee beans

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.
Examples: Assessing and Solving Supply Chain Issues

Tea Leaves Procurement in Consideration of Quality, Safety, the Environment and Work Conditions

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 Lanka 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 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 also introduce new technologies in the field of agrochemical control, for example, using drones to conduct air surveys of tea fields or to automate tea picking. These technologies help to increase productivity and reduce the environmental impact of tea production.

The Black-Tea Manufacturing and Sales Business Value Chain

Tea leaf appraisal by tea tasters

Deciding on the tea leaf blending

Tea picking

Agronomic management guidance

Quality management guidance

Overseas production locations

Fresh tea leaves

Tea plantations

Factory

Shipper

Japan

Customer

Products

Mitsui & Co., Ltd.

Mitsui Norin Co., Ltd.

Woodchip processing plant

(Brunbury Port in Western Australia)

Promotion of Supply Chain Management

Improving Procurement Reliability Through Legal Compliance and the Forest Certification System

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.

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 certifications.

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.
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 a “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.

In the logistics sector, in the construction industry, in factories, and in 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 operators have quit their jobs, or report industrial accidents, because of back pain. The ATOUN MODEL. A powered-assist 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 trusted 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 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 the kind of “Mitsui value” that I firmly believe that this future is just around the corner.

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, there is a danger that a shortage of trees will occur and that the forest sector’s role as a contributor to solving issues such as global warming and the achievement of SDGs will be 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.

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.

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

ATOUN, Inc. was established in 2003 as a robotics start-up through the “Pikarson Spinout Fund,” an intreprenuership initiative launched by what was then Mitsubishi Electric Industrial Co., Ltd and is now Panasonic Corporation. In 2013, ATOUN was operating under the name “Activelink Co., Ltd.”
Activities for FY 2017 to Contribute to SDGs

Theme: Development of the Social Infrastructure

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
<th>Initiatives by Mitsui &amp; Co.</th>
<th>Activities for FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1, 1.2, 1.3, 1.7, 1.8</td>
<td>End poverty in all its forms everywhere (1.2)</td>
<td>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)</td>
</tr>
<tr>
<td>1.2, 1.3</td>
<td>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (9.1, 9.2, 9.4, 9.c)</td>
<td>Contribution to the creation of a better quality of life by expanding transportation choices through car-sharing (Singapore). (9.1)</td>
</tr>
<tr>
<td></td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable (1.1, 1.3)</td>
<td>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)</td>
</tr>
</tbody>
</table>

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

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- Sustainability Report 2018
- Company
- Message from the Chairperson of the Sustainability Committee
- Sustainability at Mitsui & Co.
- Mitsui & Co.'s Materiality
- Activity Reports by Materiality
- Protection of the Global Environment
- Stable Supply of Resources & Materials
- Enhancement of Local Industrial Bases & Quality of Life
- Respect for Human Rights
- Corporate Governance & Human Resources
- Evaluation by Society
- Independent Practitioner’s Assurance Report

 Enhancement of Local Industrial Bases & Quality of Life

Theme: Development of the Social Infrastructure

Activities for FY 2017 to Contribute to SDGs

End poverty in all its forms everywhere (1.2)
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (9.1, 9.2, 9.4, 9.c)
Make cities and human settlements inclusive, safe, resilient and sustainable (1.1, 1.3)
Theme: Provision of Safe, Reliable Products and Services

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<td>Ensure healthy lives and promote well-being for all at all ages (3.8, 3.d)</td>
<td>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.</td>
<td>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)</td>
</tr>
<tr>
<td>Ensure availability and sustainable management of water and sanitation for all (6.1)</td>
<td>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.</td>
<td>Participation in five major water treatment projects as a water infrastructure project (Mexico) (6.1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion of pharmaceutical development that contributes to enhancement of patients’ quality of life through investment and participation in NovaQuest (3.8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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. (3.8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contribution to patients’ quality of life through assistance in the development of various regenerative healthcare related technologies (3.8)</td>
</tr>
</tbody>
</table>
Activities for FY 2017 to Contribute to SDGs

**Theme: Participation and Development in Communities**

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<thead>
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<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4, 4.5, 4, 7, 4.6)</td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable (11, A)</td>
<td>Strengthen the means of implementation and revitalize the global partnership for sustainable development (17, 16, 17.17)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In partnership with local communities, we promote initiatives that are aimed at realizing local production for local consumption and community revitalization.</td>
</tr>
</tbody>
</table>

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

<table>
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<td>Strengthen the means of implementation and revitalize the global partnership for sustainable development (17, 16, 17.17)</td>
<td>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.</td>
</tr>
</tbody>
</table>
Development of the Social Infrastructure / Provision of Safe, Reliable Products and Services

Initiatives Through Business

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, railways, 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

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.
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.

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)

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)**

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

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Persons</th>
<th>Countries</th>
<th>Universities</th>
<th>Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>4,217</td>
<td>8</td>
<td>22</td>
<td>728</td>
</tr>
</tbody>
</table>

**Partnership with NPOs and NGOs**

- The Oxford-Mitsui Graduate Scholarships for African students
- The Eduardo Mondlane University in Mozambique
- The Catholic University of Mozambique
- The Takatuf Scholars International Programme for Omani students
- Peking University
- Fudan University
- University of Languages and International Studies, Vietnam National University, Hanoi
- University of Warsaw
- The Diplomatic Academy of the Russian Foreign Ministry
- The Takatuf Scholars International Programme for Omani students
- Lúrio University in Mozambique
- Mitsui Bussan Scholarship Program for Indonesia

**Employee Volunteers**

- Mitsui-endowed Lecture Programs and Support to the University
- University of Sao Paulo
- Fudan University
- University of Warsaw
- University of Languages and International Studies, Vietnam National University, Hanoi
- The Takatuf Scholars International Programme for Omani students
- Lúrio University in Mozambique
- Mitsui Bussan Scholarship Program for Indonesia

**18 organizations**

**4,217 persons**

**8 countries**

**22 universities**

**728 persons**

**Scholarship and Training in Japan**

- University of Sao Paulo
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- University of Warsaw
- University of Languages and International Studies, Vietnam National University, Hanoi
- The Takatuf Scholars International Programme for Omani students
- Lúrio University in Mozambique
- Mitsui Bussan Scholarship Program for Indonesia

**Canadian universities (Alberta, Calgary, British Columbia, Regina, Queen's, and McGill).**
International Exchange

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 45,877 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.

【Other Support Activities】

We have been holding informal meetings to discuss how to ensure a better future for 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).

Contribution 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.

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.

Other Activities

Solidarity of International Judo Education, Japan SAMBO Federation
The year 2017 marked the 25th anniversary of our Scholarship providing support for a total of 12 students in a six-year period. 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 23rd 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.

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 Myanmarese students at the Tokyo University of Agriculture.

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 23rd 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.

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Contribution to Developing People with an International Mindset

Disaster Relief Assistance

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” 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.

Employee participation

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.

Other Activities

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

Disaster Relief Activities

【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.
## Activities for FY 2017 to Contribute to SDGs

### Theme: Support for International Standards

<table>
<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
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<tbody>
<tr>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture (2.1, 2.2)</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.7, 8.8)</td>
<td>Respect for Human Rights</td>
<td></td>
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<tr>
<td>Reduce inequality within and among countries (10.2)</td>
<td></td>
<td></td>
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<tr>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable (11.4)</td>
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### Theme: Promotion of Management for Human Rights

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<tr>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.7)</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Achieve gender equality and empower all women and girls (5.c)</td>
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<td></td>
</tr>
<tr>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)</td>
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<tr>
<td>Reduce inequality within and among countries (10.2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
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</tr>
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</table>

- **Respect for Human Rights**
  - Development of cyber security personnel through the dispatch of lecturers to universities and the development of curriculums (4.7)
  - Implementation of compliance tests (e-learning) for persons who have not yet completed this process (4.7)
  - 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)
  - Distribution of the “Compliance Handbook” to domestic affiliated companies and the implementation of e-learning regarding said handbook (4.7)
  - Promotion of compliance-related activities at overseas trading subsidiaries and affiliated companies (10.2)
  - Provision of expert advice with regard to the management of environmental and societal risks through the Environmental & Societal Advisory Committee.
Support for International Standards

Human Rights Initiatives

Conducting business globally in many countries and regions of the world, Mitsui & Co. considers the protection of human rights and freedom to be of utmost importance. 

Mitsui & Co.’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”.


Respect for Human Rights

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

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.

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Following this declaration, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (CCPR) 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.
Guidelines for Appointing a Security Firm

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.

Management System for Human Rights and Labor Conditions

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.
Activities for FY 2017 to Contribute to SDGs

Theme: Corporate Governance & Internal Controls

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<thead>
<tr>
<th>Related SDGs (Target Numbers)</th>
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<tr>
<td>Ensure healthy lives and promote well-being for all at all ages (3.4)</td>
<td>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.</td>
<td>Explanation of Initiatives relating to corporate governance and human resource, which are part of the key initiatives under Mitsui’s medium-term management plan, as an integral part of communication with investors. (16.6)</td>
</tr>
<tr>
<td>Take urgent action to combat climate change and its impacts (13.3)</td>
<td>Implementing highly transparent disclosure of information and disciplined employee conduct related to internal controls on a global basis. (16.6)</td>
<td>A panel discussion held on the Investors’ Day amongst corporate officers with regard to the enhancement of corporate governance and human resources. (16.4)</td>
</tr>
<tr>
<td>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)</td>
<td>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)</td>
<td>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)</td>
</tr>
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Theme: Reinforcement of Sustainability Governance

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<td>Introduction of a global group hotline which handles reports on a global basis concerning possible violations of the anti-corruption law and antitrust law. (16.5)</td>
<td>Implementation of compliance tests (e-learning) for persons who have not yet completed this process. (16.5)</td>
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<td>Collection of a commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations for all applicable employees and officers. (16.5)</td>
<td>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). (13.5)</td>
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<td>Distribution of the “Compliance Handbook” to domestic affiliated companies and the implementation of e-learning regarding said handbook. (16.5)</td>
<td>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)</td>
<td>Certification of the “Compliance Guidebook” to domestic affiliated companies and the implementation of e-learning regarding said handbook. (16.5)</td>
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<td>Publication of internal alerts regarding compliance (via internet, meetings, etc.), and sharing information through reporting lines on actual disciplinary cases. (16.5)</td>
<td>Promotion of compliance-related activities at overseas trading subsidiaries and affiliated companies in line with initiatives by Mitsui’s Tokyo Headquarters. (16.5)</td>
<td>Convening of domestic affiliated company CCO meetings and visits made individually to key domestic affiliated companies to provide advice on the establishment and operation of compliance systems. (16.5)</td>
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Theme: Compliance & Risk Management

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Activities for FY 2017 to Contribute to SDGs

**Theme: Human Resources to Translate into Assets**

### Related SDGs (Target Numbers)
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.4, 4.7)
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.4, 4.7)

### Initiatives by Mitsui & Co.
- 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.
- 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)
- MVV discussions held by Mitsui & Co. for the purpose of making its management philosophy take root internally (approx. 300 participants). (4.7)
- 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)
- Continued implementation of various programs designed to strengthen global human resources development (approx. 1,120 participants in total). (4.4, 4.7)
- 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)
- 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)

### Activities for FY 2017
- 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)
- 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)
- 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)
- 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)
- 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)
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- 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)
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- 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)

**Theme: Appropriate Appointment and Allocation of Personnel**

### Related SDGs (Target Numbers)
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.4)
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.3, 8.5)
- Reduce inequality within and among countries (10.2)

### Initiatives by Mitsui & Co.
- We are striving to create an environment in which our human resources, who are the most important asset of the Mitsui & 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.
- 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)
- 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)
- 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)
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- 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)
## Theme: Promoting Diversity Management

**Related SDGs (Target Numbers)**
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4.4, 4.7)

**Initiatives by Mitsui & Co.**
- Achieve gender equality and empower all women and girls (5.1, 5.2, 5.6)
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8.5)
- Reduce inequality within and among countries (10.2)
- 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.

**Activities for FY 2017**
- Implementation of measures for the realization of diversity and inclusion (4.5, 4.7, 5.5, 5.c, 8.5, 10.2)
- Diversity training for managers held at the Head Office and domestic branches and offices (9 sessions, 216 participants).
- 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.
- Designation of a Nadeshiko Brand company in March 2018, as was the case in FY March 2015 and FY March 2016.
- 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.
- Implementation of a “Career Design Seminar” aimed at revitalizing senior human resources (11 times, 247 participants).
- 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).
- Implementation of initiatives for the promotion of Work Style Innovation (5.1, 8.5)
- Introduction of an individual-based staggered work hour scheme.
- Implementation of an employee opinion survey on work styles (third time).
- Implementation of “Mitsui & Co. Teleworking (including working from home)” on a trial basis (approx. 600 employee participants).
- Implementation of a trial to study the employee dress code from an efficiency point of view (approx. 2,800 employee participants).
- Renewal of the dedicated work-style innovation site on the intranet for the sharing of successful examples within the company.
- Implementation of measures to balance work and child care/family care in order to support employees’ work life management (8.5).
- 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, or to start working full-time again earlier.
- Seminars held regularly (at the Head Office) on childbirth and childcare systems (two seminars; 9 male employees and 20 female participants), continued dissemination of a subsidy to partially cover the cost of babysitting, the dispensing of a subsidy to partially cover the cost of housekeeping services for the purpose of childcare, and other childcare support enhancing measures.
- Seminars held (at the Head Office and domestic branches and offices) on 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, or to start working full-time again earlier.
- Seminars held (at the Head Office) on childcare and childcare systems (two seminars; 9 male employees and 20 female participants), continued dissemination of a subsidy to partially cover the cost of babysitting, the dispensing of a subsidy to partially cover the cost of housekeeping services for the purpose of family care.
- Introduction of Social Support Leave to assist those employees who have family members with disabilities that require special care and assistance.

## Theme: Occupational Health, Safety and Work Environment Initiatives

**Related SDGs (Target Numbers)**
- Ensure healthy lives and promote well-being for all at all ages (3.3, 3.5, 3.9)

**Initiatives by Mitsui & Co.**
- 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.

**Activities for FY 2017**
- Training held for the purpose of preventing contagious diseases, such as tuberculosis, malaria, AIDS, and Dengue fever (24 sessions, 314 participants) (3.3).
- 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 employee 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) (3.3, 3.5).
Developing the Sustainability Framework

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.

Reinforcement of Sustainability Governance

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

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, incurs 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 General). The general managers of each corporate staff division — the Corporate Planning & Strategy Division (secretariat), 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
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.

Business Domains Subject to Specially Designated Business Management System

<table>
<thead>
<tr>
<th>Business Domain</th>
<th>Key Points for Screening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment-related business</td>
<td>Contribution of such business to the environment and society, Measures to mitigate environmental impact (incl. Climate change, Biodiversity loss, Water risk), Safety assurance and work environment, For development business, appropriate consideration and understanding of human rights belonged to local residents and other related parties, Compliance with environmental laws, regulations and guidelines, etc.</td>
</tr>
<tr>
<td>Medical, healthcare and bioethics-related business</td>
<td>Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research, etc.) Approval by the ethical committee of the research institute, acquisition of informed consent, checking of processes, etc.</td>
</tr>
<tr>
<td>Projects receiving subsidies</td>
<td>Evaluation in light of Mitsui’s management philosophy, Social impact and ensuring accountability and process transparency, Determination of interests of stakeholders, and relevant considerations and responses, Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile</td>
</tr>
<tr>
<td>Business harboring other unusual reputation risks</td>
<td>Evaluation in light of Mitsui’s management philosophy, Social impact and ensuring accountability and process transparency, Determination of interests of stakeholders, and relevant considerations and responses, Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile</td>
</tr>
</tbody>
</table>
Compliance & Risk Management

**Compliance Approach**

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 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.

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 of our global group companies has implemented its own 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.

**Building a Better Compliance Framework**

Business Conduct Guidelines for Employees and Officers

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**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 "MITUSI & CO., LTD. Anti-Corruption Policy".

**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.

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

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

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

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.

1. Recruitment of Diverse Human Resources
   We will recruit well-balanced and highly creative people from diverse backgrounds.

2. Human Resource Development
   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.

3. Appropriate Appointment and Deployment of Personnel
   We will appoint and promote optimal people from the Mitsui & Co. group’s global human resource pool.

4. Diversity Management
   We will implement measures and develop an environment in which diverse individuals can perform their tasks energetically at their full potential.

5. Consideration for Working Environments and Health and Safety
   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

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’etre. 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

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 has 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

- Europe: 12
  - Europe: 21
  - Asia: 27
  - Far East: 14

- North America: 44

- Middle East: 8
  - Asia: 27
  - Oceania: 6
  - Africa: 2

- BSD, FLBCT, OTD: 125 trainees in 36 countries (as of March 31, 2018)

- Executive Education and GMA: 56 trainees in 4 countries (FY 2017)

One Trainee’s Story
Human Resources Development

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Respect for Human Rights
Corporate Governance & Human Resources
Evaluation by Society
Independent Practitioner’s Assurance Report

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Training Programs</th>
<th>Outline</th>
<th>Number of participants FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade-based training programs</td>
<td>Management, Training Program, New Line Manager Program, Leadership Program, Administrative Staff Training, Foreign Business Staff Program, New Hire Induction Training Program</td>
<td>The aim of the programs is to foster human resources capable of global group management. Participants acquire the knowledge including our management philosophy, business skills, and business mindset.</td>
<td>2,691</td>
</tr>
<tr>
<td>Busan Academy Program</td>
<td>Marketing, Management Strategy, Finance, Logical Thinking, Mindset, Communication, Philosophy, History</td>
<td>Professional training programs with the aim of increasing participants’ specialist knowledge in various fields.</td>
<td>2,520</td>
</tr>
<tr>
<td>Objective-based Programs for senior employees</td>
<td>Career Design Program, Retirement Life Plan Program</td>
<td>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.</td>
<td>400</td>
</tr>
<tr>
<td>Grade or Objective-based Training Programs</td>
<td>Project Manager Development Program, Inter-industry Exchange Training Programs, MOC (Mitsui Open College)</td>
<td>A variety of training programs, including inter-industry exchange Training (which aims to promote understanding of different corporate cultures and build human networks).</td>
<td>1,584</td>
</tr>
<tr>
<td>Global Training Programs</td>
<td>Foreign Language &amp; Business Culture Training courses, Business School Dispatch, Overseas Trainee Dispatch, GM, EE</td>
<td>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.</td>
<td>181</td>
</tr>
</tbody>
</table>

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 resource 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 “Busan 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 (Japanese Language and Business Program), which provides Japanese language lessons and practical business training, and BIP (Business Integration Program), which provides practical business training.

Appraisal

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 prerequisite 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.

System
Activity
Short-term Training Programs for Global Group
5 days

First Few Years
Pre-GM
JTP
GM
GMP
GLP

Long-term Training Programs for Global Group
1~3 years

Japanese language lessons - 1 year
OJT: 1 to 2 years
BIP
Business Integration Program

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training &amp; Promotion of Non-Headquarter Hired Staff (NHS)</td>
<td>P84</td>
</tr>
</tbody>
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Back
Forward
Policy on Appropriate Appointment and Allocation of Personnel

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

Every year, employees are given the opportunity to have dialogue with their superiors on the basis of the prescribed carrier 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

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 2000. The aim is to share and disseminate knowledge and specialist skills held by organizations and employees beyond organizational boundaries, and to 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.

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.
### Number of NS GMs (As of March 31 each year)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>14</td>
<td>18</td>
<td>18</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>EMEA</td>
<td>20</td>
<td>20</td>
<td>16</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>46</td>
<td>46</td>
<td>52</td>
<td>64</td>
</tr>
</tbody>
</table>

### 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)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>11</td>
<td>13</td>
<td>13</td>
<td>10</td>
<td>10*</td>
</tr>
<tr>
<td>EMEA</td>
<td>9</td>
<td>13</td>
<td>9</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>18</td>
<td>14</td>
<td>8</td>
<td>10</td>
<td>10*</td>
</tr>
<tr>
<td>Other</td>
<td>36</td>
<td>40</td>
<td>30</td>
<td>30</td>
<td>21</td>
</tr>
</tbody>
</table>

* 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.
Promoting Diversity Management

Mitsui & Co.’s Diversity Management Vision

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 recognizes 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

- 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 employee.

Increasing Competitiveness by Combining the Capabilities of Diverse Human Resources

Creating a corporate culture and referring awareness regarding the uses of diversity and individuality

Obtaining personnel from a broad pool of human resources

Sharing the management philosophy

Rebuilding the organization by training and using a diversity of personnel

Creating systems that support diversity and reviewing them on a continuing basis

Diversity Management Promotion Framework

<table>
<thead>
<tr>
<th>Officer in charge</th>
<th>Representative Director, Execution Vice President, Akimitsu Suzuki</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliberation body</td>
<td>Diversity Promotion Committee</td>
</tr>
<tr>
<td>(advisory committee to the Corporate Management Committee)</td>
<td></td>
</tr>
<tr>
<td>- President</td>
<td>Diversity Management Department, Human Resources &amp; General Affairs Div. In October 2005, the Diversity Management Promotion Department was set up in the Human Resources &amp; General Affairs Division. It has been leading efforts to promote diversity management</td>
</tr>
<tr>
<td>Committee Chairperson</td>
<td>General Manager of Corporate Planning Strategy Div. General Manager of Human Resources &amp; General Affairs Div. Members designated by the chairperson, other than the above</td>
</tr>
<tr>
<td>Committee</td>
<td>Corporate Management Committee</td>
</tr>
<tr>
<td>Chairman</td>
<td>President &amp; CEO</td>
</tr>
<tr>
<td>Corporate Secretariat</td>
<td>Diversity Management Department</td>
</tr>
<tr>
<td>Division</td>
<td>Corporate Staff Divisions/Headquarters Business Units</td>
</tr>
<tr>
<td>Division</td>
<td></td>
</tr>
<tr>
<td>Division</td>
<td></td>
</tr>
</tbody>
</table>

Work Style Innovation

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

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)

<table>
<thead>
<tr>
<th>Time of implementation</th>
<th>Description of measures</th>
<th>Effect and aim</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Survey (FY 2015)</td>
<td>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 (rounded to the nearest one hour for 10 days of leave per fiscal year).</td>
<td>Being able to take leave for the hours needed allows employees to better concentrate on their work. Just under 80% of employees used the system in fiscal year ended March 2017.</td>
</tr>
<tr>
<td>Second Survey (FY 2016)</td>
<td>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 them during their free time when making customer visits.</td>
<td>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.</td>
</tr>
<tr>
<td>Third Survey (FY 2017)</td>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

PDCA Cycle Based on Employee Opinion Survey on Work Styles

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.

Improvement activities in each unit and division

- Designing of improvement measures in each unit and division
- Feedback to management
- Feedback to work unit and division
- Implementation of company-wide improvement measures

Developing measures at company level

- Improvement cycle in each unit and division
- Employee opinion survey on work styles
- Monitoring
- Improvement cycle at company level
- Designing of company-wide improvement measures

Sustainability Report 2018

Corporate Governance & Human Resources

Message from the Chairperson of the Sustainability Committee

Improvement in efficiency and productivity of individuals and organizations.

PDCA Cycle Based on Employee Opinion Survey on Work Styles

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.
Improvement activities (left circle in cycle diagram) 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” 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).

Introducing 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.

Promoting Diversity Management

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”

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I have realized to better concentrate on their work</td>
<td>54.5%</td>
<td>59.7%</td>
<td>47.8%</td>
</tr>
<tr>
<td>Employee satisfaction level*</td>
<td>72.6%</td>
<td>76.0%</td>
<td>77.6%</td>
</tr>
</tbody>
</table>

*Average of “motivation in their work”, “seeking personal growth” and “satisfaction with their choice of company”
Career Development for Diverse Human Resources

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

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.

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 Plans Related to Career Development Initiative for Female

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.

Initiatives to Support Continuous Career Development

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 secondaries. 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”.

Work-life Management

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 child care/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.
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-consultation 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, 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 for childcare and extended 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 for childcare and extended 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 for childcare and extended childcare facilities near to our offices in order to secure places for our employees and provision of subsidies to cover part of 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Promoting Diversity Management

Recognition from Society for Our Work-life Management

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

Mitsui & Co. action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children (Fifth Period – April 2017 to March 2019) (Japanese only)

Poppins Nursery School Marunouchi
Kids Square, Marunouchi Eiraku Building

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

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.

Support for Employees Who Are Citizens of Countries Other Than Japan

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.

*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.
Supporting the Active Participation of Senior Personnel

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

<table>
<thead>
<tr>
<th>Provision of Information</th>
<th>System</th>
</tr>
</thead>
<tbody>
<tr>
<td>* 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 retirement market for senior employees, and planning and preparation for life after retirement. (Approximately 200 interviews held per year.)</td>
<td></td>
</tr>
<tr>
<td>* 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.)</td>
<td></td>
</tr>
<tr>
<td>* Interview to confirm standards 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.</td>
<td></td>
</tr>
<tr>
<td>Training:</td>
<td></td>
</tr>
<tr>
<td>* 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 self-assessment of their values, strengths and weaknesses, and think about choices of working style. (Held 11 times in FY 2017, with 244 participants.)</td>
<td></td>
</tr>
<tr>
<td>* 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.)</td>
<td></td>
</tr>
<tr>
<td>* Life plan training: One-day training program for administrative staff aged 50 and above. (Held 2 times in FY 2017, for 62 participants.)</td>
<td></td>
</tr>
<tr>
<td>Support for active participation within the company:</td>
<td></td>
</tr>
<tr>
<td>* 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- and at overseas offices and affiliated companies.</td>
<td></td>
</tr>
<tr>
<td>* We have developed the Overseas Fringe Benefits System to support overseas activities. As of March 31, 2018, there were 55 re-employment contract employees (including 12 employees working overseas)</td>
<td></td>
</tr>
<tr>
<td>Support for activities outside the company:</td>
<td></td>
</tr>
<tr>
<td>* For employees aged 50 and 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 internet.</td>
<td></td>
</tr>
</tbody>
</table>

Hiring of disabled persons

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.

<table>
<thead>
<tr>
<th>Employment ratio of people with disabilities</th>
<th>Legally stipulated ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/06</td>
<td>10/06</td>
</tr>
<tr>
<td>2.23%</td>
<td>2.24%</td>
</tr>
</tbody>
</table>
Occupational Health, Safety and Work Environment Initiatives

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

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

Health Declaration

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

September, 2017

Safe and comfortable workplaces

Improving awareness of health management, productivity, and quality of life (QOL)

Employees

Health maintenance and improvement efforts

Policies, initiatives

General health management
- Mental health measures
- Health advice
- Training, seminars
- Workplace inspections
- Long working-hour countermeasures
- Smoking-habit countermeasures
- “Round Refresh” activities

Lifestyle disease countermeasures
- Metabolic syndrome countermeasures
- Working environment improvement
- Meeting detail disclosures

Policy

System

Mitsui & Co. Labor Union
(employees)

Representative Director,
Executive Vice President

Collaborative-Health Program Meetings

Hygiene Committee

Mitsui Bussan Health Insurance Society

Human Resources & General Affairs Div.
(Health Management Center & Medical Clinic Dept.)
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 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.

Employee Health Management

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.

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, gastrointestinal 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

<table>
<thead>
<tr>
<th>Percentage of Employees Undergoing Health Checks</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
</tr>
<tr>
<td>Percentage undergoing health checks</td>
</tr>
</tbody>
</table>

Examinations at the Tokyo Head Office Medical Clinic (total number of people examined)

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examinations</td>
<td>26,058</td>
<td>24,380</td>
<td>24,173</td>
<td>21,421</td>
<td>18,200</td>
</tr>
</tbody>
</table>

System | Activity
### Mental Health

#### 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

<table>
<thead>
<tr>
<th>Stress checks</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of employees</td>
<td>79.1%</td>
<td>77.2%</td>
</tr>
<tr>
<td>Number of employees</td>
<td>3,861</td>
<td>3,721</td>
</tr>
</tbody>
</table>

### Health Management for Employees Working Overseas

We regard health management for employees working overseas and their families as an important priority and have 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 workplace. 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.
Health-related Training and Seminars

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

<table>
<thead>
<tr>
<th>Training Program</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training before overseas assignments (overseas health management)</td>
<td>314</td>
</tr>
<tr>
<td>Training for new M2/line managers (Mental health for line managers)</td>
<td>75</td>
</tr>
<tr>
<td>Introductory training for new employees (Health management for workers)</td>
<td>180</td>
</tr>
<tr>
<td>Seminar: Enjoying alcohol sensibly (Health management)</td>
<td>50</td>
</tr>
</tbody>
</table>

Healthy Working Environment

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

- **Ergonomic workplace**: 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.
- **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 CO₂ concentration to below 400 ppm, reducing the air-conditioning load.

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

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

- **Humidity/Temperature**: We have maintained internal humidity at an appropriate and comfortable level above 40%, even during winter when the air tends to be dry, by introducing water vapor to the air through use of heat pump dehumidification and a community cooling and heating system. 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.
- **Regulation of Working Hours**: 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.
Occupational Safety

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.

For the employees, as well as families, who will be dispatched to the overseas, the company has the programs such as health checks and disease prevention measures, in cooperation with emergency health care service companies.

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 raises the crisis response capabilities by solving problems extracted through the training.

Joint Efforts with Labor Unions

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 overview 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
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.

Data of Personnel Affairs

Figures concerning Employees (As of March 31) ★

<table>
<thead>
<tr>
<th>Year</th>
<th>Total employees (persons)</th>
<th>Total employees (persons)</th>
<th>Male (persons)</th>
<th>Female (persons)</th>
<th>Average age of employees (years old)</th>
<th>Average number of years of service (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>48,090</td>
<td>6,097</td>
<td>4,446</td>
<td>1,651</td>
<td>42.2</td>
<td>18.9</td>
</tr>
<tr>
<td>2015</td>
<td>47,118</td>
<td>6,006</td>
<td>4,385</td>
<td>1,621</td>
<td>42.2</td>
<td>18.8</td>
</tr>
<tr>
<td>2016</td>
<td>43,611</td>
<td>5,905</td>
<td>4,292</td>
<td>1,613</td>
<td>42.1</td>
<td>18.6</td>
</tr>
<tr>
<td>2017</td>
<td>42,316</td>
<td>5,853</td>
<td>4,248</td>
<td>1,615</td>
<td>42.0</td>
<td>18.5</td>
</tr>
<tr>
<td>2018</td>
<td>42,304</td>
<td>5,859</td>
<td>4,217</td>
<td>1,642</td>
<td>42.1</td>
<td>18.5</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Non-consolidated</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron &amp; Steel Products</td>
<td>349</td>
<td>1,873</td>
</tr>
<tr>
<td>Mineral &amp; Metal Resources</td>
<td>291</td>
<td>599</td>
</tr>
<tr>
<td>Machinery &amp; Infrastructure</td>
<td>851</td>
<td>15,613</td>
</tr>
<tr>
<td>Chemicals</td>
<td>676</td>
<td>5,107</td>
</tr>
<tr>
<td>Energy</td>
<td>403</td>
<td>803</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>936</td>
<td>11,195</td>
</tr>
<tr>
<td>Innovation &amp; Corporate Development</td>
<td>439</td>
<td>3,575</td>
</tr>
<tr>
<td>Others</td>
<td>1,914</td>
<td>3,539</td>
</tr>
<tr>
<td>Total</td>
<td>5,859</td>
<td>42,304</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>Non-Headquarter-hired staff (NS)</th>
<th>Headquarter-hired staff (HS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>4,650</td>
<td>2</td>
</tr>
<tr>
<td>Americas</td>
<td>328</td>
<td>7</td>
</tr>
<tr>
<td>Europe, the Middle East and Africa</td>
<td>232</td>
<td>69</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>495</td>
<td>1,445</td>
</tr>
<tr>
<td>Others</td>
<td>154</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>5,859</td>
<td>2,676</td>
</tr>
</tbody>
</table>
### Number of Hires by Gender (Non-consolidated)

<table>
<thead>
<tr>
<th></th>
<th>New-graduates</th>
<th>Mid-career</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>FY 2014</td>
<td>103</td>
<td>55</td>
<td>158</td>
</tr>
<tr>
<td>FY 2015</td>
<td>94</td>
<td>57</td>
<td>151</td>
</tr>
<tr>
<td>FY 2016</td>
<td>113</td>
<td>78</td>
<td>191</td>
</tr>
<tr>
<td>FY 2017</td>
<td>103</td>
<td>80</td>
<td>183</td>
</tr>
<tr>
<td>FY 2018*</td>
<td>104</td>
<td>56</td>
<td>160</td>
</tr>
</tbody>
</table>

* Figures as of April 1, 2018

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

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

<table>
<thead>
<tr>
<th></th>
<th>Total hours of training</th>
<th>Average hours / days of training per employee</th>
<th>Average training expenditure per employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>121,070 hours</td>
<td>20.66 hours / days</td>
<td>JPY 331,234</td>
</tr>
</tbody>
</table>

Training programs organized by the Human Resources & General Affairs Division

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

<table>
<thead>
<tr>
<th></th>
<th>Average personnel turnover</th>
<th>Voluntary turnover rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>3.40%</td>
<td>1.50%</td>
</tr>
</tbody>
</table>

### Performance Data Related to Diversity

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

<table>
<thead>
<tr>
<th></th>
<th>Permanent staff</th>
<th>Managerial staff</th>
<th>Business staff</th>
<th>Administrative staff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>FY 2014</td>
<td>6,122</td>
<td>1,661</td>
<td>3,299</td>
<td>76</td>
</tr>
<tr>
<td>FY 2015</td>
<td>6,021</td>
<td>1,648</td>
<td>3,353</td>
<td>126</td>
</tr>
<tr>
<td>FY 2016</td>
<td>5,952</td>
<td>1,653</td>
<td>3,472</td>
<td>168</td>
</tr>
<tr>
<td>FY 2017</td>
<td>5,917</td>
<td>1,674</td>
<td>3,514</td>
<td>200</td>
</tr>
<tr>
<td>FY 2018</td>
<td>5,880</td>
<td>1,662</td>
<td>3,511</td>
<td>221*</td>
</tr>
</tbody>
</table>

* Includes 2 female General Managers (M1)

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

<table>
<thead>
<tr>
<th></th>
<th>Female Managerial Staff</th>
<th>Female Employees Dispatched Overseas (As of April 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unit: persons)</td>
<td>(Unit: persons)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>104</td>
<td>61</td>
</tr>
<tr>
<td>FY 2015</td>
<td>108</td>
<td>58</td>
</tr>
<tr>
<td>FY 2016</td>
<td>110</td>
<td>54</td>
</tr>
<tr>
<td>FY 2017</td>
<td>114</td>
<td>56</td>
</tr>
<tr>
<td>FY 2018</td>
<td>118</td>
<td>58</td>
</tr>
</tbody>
</table>

* Targeted number of female staff at managerial positions by 2020 (more than tripling the number of female staff 57 as of June 2014)
Number of Female Employees Dispatched Overseas (As of April 1, 2018)

<table>
<thead>
<tr>
<th>Region Name</th>
<th>Number of People</th>
<th>Capital Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>6</td>
<td>New York, Houston, Los Angeles</td>
</tr>
<tr>
<td>Central and South America</td>
<td>4</td>
<td>Sao Paulo, Rio de Janeiro, Buenos Aires</td>
</tr>
<tr>
<td>Europe</td>
<td>8</td>
<td>London, Maarlen, Hamburg, Milan, Istanbul</td>
</tr>
<tr>
<td>Middle East</td>
<td>3</td>
<td>Dubai, Tehran</td>
</tr>
<tr>
<td>Africa</td>
<td>2</td>
<td>Johannesburg, Maputo</td>
</tr>
<tr>
<td>Asia</td>
<td>15</td>
<td>Singapore, Manila, Bangkok, Jakarta, Belkari, Yangon, Ho Chi Minh, New Delhi</td>
</tr>
<tr>
<td>Oceania</td>
<td>5</td>
<td>Sydney, Perth, Noumea</td>
</tr>
<tr>
<td>Far East</td>
<td>5</td>
<td>Beijing, Shanghai, Seoul</td>
</tr>
<tr>
<td>CIS</td>
<td>2</td>
<td>Moscow, St. Petersburg</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Average Age</th>
<th>Average Length of Service (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>42.7</td>
<td>40.5</td>
<td>42.2</td>
<td>19-4</td>
<td>17.11</td>
</tr>
<tr>
<td>2015</td>
<td>42.6</td>
<td>40.6</td>
<td>42.1</td>
<td>19-2</td>
<td>17.19</td>
</tr>
<tr>
<td>2016</td>
<td>42.5</td>
<td>40.6</td>
<td>42.0</td>
<td>18-10</td>
<td>17.19</td>
</tr>
<tr>
<td>2017</td>
<td>42.5</td>
<td>40.3</td>
<td>41.9</td>
<td>18-10</td>
<td>17.7</td>
</tr>
<tr>
<td>2018</td>
<td>42.6</td>
<td>40.3</td>
<td>42.0</td>
<td>18-11</td>
<td>17.6</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Childcare Leave</th>
<th>Nursing Care for Childcare</th>
<th>Short-time Working for Childcare</th>
<th>Staggered Working hours for Childcare</th>
<th>Childbirth Attendance Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3</td>
<td>35</td>
<td>38</td>
<td>9</td>
<td>117</td>
<td>4</td>
<td>74</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>12</td>
<td>47</td>
<td>59</td>
<td>13</td>
<td>117</td>
<td>4</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>13</td>
<td>42</td>
<td>55</td>
<td>11</td>
<td>117</td>
<td>4</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>13</td>
<td>64</td>
<td>77</td>
<td>7</td>
<td>117</td>
<td>4</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>23</td>
<td>97</td>
<td>120</td>
<td>0</td>
<td>117</td>
<td>0</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>64</td>
<td>182</td>
<td>246</td>
<td>0</td>
<td>150</td>
<td>0</td>
<td>102</td>
<td></td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>0</td>
<td>36</td>
<td>0</td>
</tr>
<tr>
<td>FY 2014</td>
<td>0</td>
<td>31</td>
<td>0</td>
</tr>
<tr>
<td>FY 2015</td>
<td>1</td>
<td>59</td>
<td>0</td>
</tr>
<tr>
<td>FY 2016</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>FY 2017</td>
<td>0</td>
<td>36</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year of Retirement/Registration</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Registered Ex-employees</td>
<td>Business staff</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Administrative staff</td>
<td>7</td>
<td>16</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>10</td>
<td>19</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>

Annual Average Actual Working Hours (Non-consolidated)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average actual working hours (hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>1,911.24</td>
</tr>
<tr>
<td>FY 2014</td>
<td>1,941.03</td>
</tr>
<tr>
<td>FY 2015</td>
<td>1,920.72</td>
</tr>
<tr>
<td>FY 2016</td>
<td>1,941.03</td>
</tr>
<tr>
<td>FY 2017</td>
<td>1,920.72</td>
</tr>
</tbody>
</table>

Occupational Health and Safety Data (Non-consolidated)

<table>
<thead>
<tr>
<th>Year</th>
<th>Lost time injuries frequency rate</th>
<th>Lost time injuries severity rate</th>
<th>Occupational Illness frequency rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>0.12</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>FY 2016</td>
<td>0.12</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY 2017</td>
<td>0.49</td>
<td>0.00</td>
<td>0.12</td>
</tr>
</tbody>
</table>

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

Occupational Illness frequency rate

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

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.

Independent Practitioner’s Assurance Report

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Average paid leaves taken (day)</th>
<th>Average paid leave usage ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>11.9</td>
<td>57.3</td>
</tr>
<tr>
<td>FY 2014</td>
<td>11.9</td>
<td>58.3</td>
</tr>
<tr>
<td>FY 2015</td>
<td>11.8</td>
<td>61.4</td>
</tr>
<tr>
<td>FY 2016</td>
<td>12.8</td>
<td>66.6</td>
</tr>
<tr>
<td>FY 2017</td>
<td>13.9</td>
<td>73.3</td>
</tr>
</tbody>
</table>

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

External Recognition

ESG (environmental, social, and governance) investment involves, in addition to conventional financial analyses, the evaluation of corporations from the environmental, social, and governance aspects, whereby the level of fulfillment of corporations’ social responsibilities is regarded as an integral part of investment standards. Our selection for inclusion in major ESG investment indices in and outside Japan indicates that we are highly evaluated by society.

Dow Jones Sustainability Indices
The Dow Jones Sustainability Indices is a global stock index developed jointly by Dow Jones & Company in the U.S. and RobecoSAM AG in Switzerland. Major corporations around the world are evaluated in terms of their economic, environmental, and social performance. In 2017, 320 companies (which included 31 Japanese companies) were selected for the World Index and 152 companies (which included 72 Japanese companies) were selected for the Asia Pacific Index. Mitsui was selected for both the World Index and Asia Pacific Index in 2017.

MSCI Japan Empowering Women Index
Developed by Morgan Stanley Capital Investment (MSCI), the MSCI Japan Empowering Women Index is adopted by Government Pension Investment Fund (GPIF) of Japan as a core ESG benchmark for its passive investment. Mitsui fulfilled the criteria of the index and was selected in the FTSE4 Good Index Series.

FTSE Russell ESG Ratings
FTSE Russell evaluates major corporations around the world from the aspects of environmental, social, and governance criteria, including the labor standards applied throughout their supply chains, as well as on the basis of corporate sustainability. It selects companies that satisfy its standards as constituents of the index. Mitsui fulfilled the criteria of the index and was selected in the FTSE Russell ESG Ratings Series.

CDP (Carbon Disclosure Project)
CDP is a London-based non-profit organization operated collaboratively by institutional investors. Its purpose is to urge leading companies (in terms of aggregate value) in major countries to disclose their environmental strategies and greenhouse gas emissions. Mitsui has continued to answer the questionnaire since 2012. In 2017, Mitsui was granted the rating “Management Level B”, in relation to both climate change and water inclusion in the 2018 Competitive IT Strategy Company Stock Selection
The Competitive IT Strategy Company Stock Selection is designated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) on the basis of outstanding IT utilization initiatives. Key focal points for the assessment process for 2018 included the creation of new business and value through the use of AI, IoT, and other digital technologies, as well as strategic IT initiatives based on medium- to long-term perspectives targeted at renovating legacy systems. Mitsui has been selected for four years in a row since the launch of the award in 2015.

Nadeshiko Brand
The Nadeshiko Brand is a designation jointly awarded by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) to companies listed in all TSE sections that have shown excellence in promoting career advancement for women. In the fiscal year ended March 2018, Mitsui was selected as a Nadeshiko Brand company for its proactive efforts to women to play more active roles in the workplace. Including being selected as a Semi-Nadeshiko Brand in the fiscal year ended March 2017, this is the fourth year running that Mitsui has been recognized as a Nadeshiko Brand.

Eruboshi (L Star)
Eruboshi status is awarded to companies that have submitted notifications under the Act on Promotion of Women’s Participation and Advancement in the Workplace (Promotion of Women’s Career Activities Act) promulgated on April 1, 2016. Requirements for certification include the fulfillment of specific standards, and the implementation of outstanding initiatives to promote the advancement of women in the workplace. In September 2016, the Ministry of Health, Labour and Welfare certified Mitsui as having achieved the second of three levels under the Eruboshi system.
**Awards Received in Past Five Years**

**FY 2017**
- Selected for the top award in the commerce industry category at the "2017 Award for Excellence in Corporate Disclosure" by the Securities Analysts Association of Japan.
- Received the Award for Excellence at the 20th Nikkei Annual Report Awards (2017) by Nikkei, Inc.
- Judging Panel's Special Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (Mitsui SASUGAKU Academy)

**FY 2016**
- Hiroko Koshino Prize and Hiroshi Yagyu Prize in the 22nd National Geographic Japan Advertising Awards (Mitsui & Co. Environment Fund)
- Japan Association for Human and Environmental Symbiosis Award for Environmental Activities (Mitsui SASUGAKU Academy)
- Judging Panel's Incentive Prize in the Corporate Youth Experience Promotion Awards of the Ministry of Education, Culture, Sports, Science and Technology (Mitsui SASUGAKU Academy)

**FY 2015**

**FY 2014**
- Ranked first in the “Toyo Keizai CSR Ranking” Wholesale Category by Toyo Keizai Inc.
- Ranked first in the “18th Environmental Management Survey” Trading Company category by Nikkei, Inc.
- Selected for the top award in the commerce industry category at the "2014 Award for Excellence in Corporate Disclosure" by the Securities Analysts Association of Japan.
- Received the “2014 IR Special Award” by the Japan Investor Relations Association.
- Received the 20th Nikkei BP Advertising Award’s Excellent Business Expert Award (2014) by Nikkei Business Publications, Inc. (Mitsui’s Forests)

**FY 2013**
- Ranked first in the “Toyo Keizai CSR Ranking” Wholesale Category by Toyo Keizai Inc.
- Received the Award for Special Merit in the 48th Industrial Advertising Award (2013) in the Newspaper Category by Nikkan Kogyo Shimbun Ltd. (Mitsui’s Forests)
- Received the 19th Nikkei BP Advertising Award’s National Geographic Japan Award (2013) by Nikkei Business Publications, Inc. (Mitsui’s Forests)
Independent Practitioner’s Assurance Report

July 31, 2018

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

Mitsui Sogo Sarukawa
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the sustainability information indicated with ★ for the year ended March 31, 2018 ("Proportion of Female Permanent Staff and Manager" and "Proportion of Female and Non-resident Staff" included in the Sustainability Report 2018") by the Independent Assurance Report for "Sustainability Report 2018") prepared by the "Sustainability Report 2018") published by "Sustainability Report 2018") and "Data of Personnel Affairs" and "Environmental Data" created for the Company’s webpage of Mitsui & Co., Ltd. in the Japanese language.

The Company’s Responsibility
The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting policies adopted by the Company.

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board For Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained.

The procedures we performed were based on our professional judgment and included inquiries, observation and evaluation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification and reporting standard adopted by the Company.

Based on our limited assurance engagement, we provide a limited assurance conclusion on the Sustainability Information.

In our opinion, the Company’s Sustainability Information is prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures we performed were based on our professional judgment and included inquiries, observation and evaluation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification and reporting standard adopted by the Company.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company’s Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

Evaluating whether the Company’s methods for estimates are appropriate and had been consistently applied.

Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant analytical procedures.

Independent Practitioner’s Assurance Report

Mitsui & Co. Ltd.
Sustainability Report 2018

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Stable Supply of Resources & Materials
Enhancement of Local Industrial Bases & Quality of Life
Respect for Human Rights
Corporate Governance & Human Resources
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