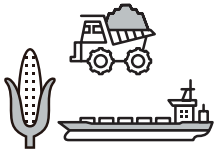


# Mitsui & Co's Materiality

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 and trust 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. In April 2019, we identified new Mitsui & Co. Materiality, in which we recognize societal issues related to our business activities in each material issue category, verify significant risks and opportunities for Mitsui in terms of the impact of societal issues, and disclose our approach toward each material issue.

We explain the themes set out under each material issue of Mitsui's Materiality, and how we have linked these to the SDGs, to focus our efforts on tackling the SDGs' 17 goals and 169 targets.



## Secure sustainable supply of essential products

Ensure the sustainable and stable supply of resources, materials, food and manufactured products that are vital for the development of society.



## Enhance quality of life

Contribute to the betterment of living standards and the development of local industries to realize sustainable societies globally.



## Create an eco-friendly society

Accelerate initiatives towards environmental issues, such as responding to climate change and water resource problems, and contributing to a circular economy.



## Develop talent leading to value creation

Respect diversity and develop human resources with the competence to create innovation and new value.



## Build an organization with integrity

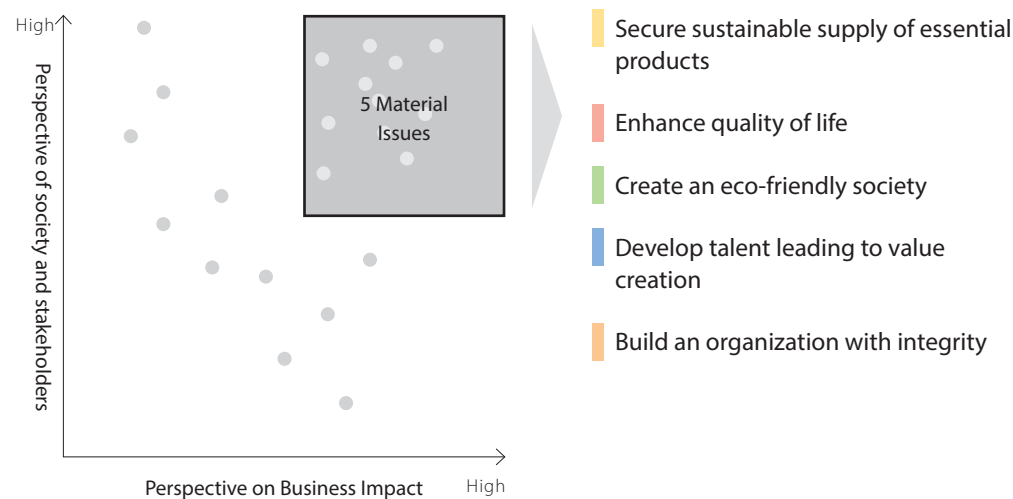
Strengthen our governance and compliance as a corporate group trusted by society.



## Identification and Review of Materiality

In 2015, Mitsui & Co. identified its Materiality, which consists of five key material issues in areas that are important for our stakeholders and have significant implications for our business management. As the importance of sustainability has been growing globally as expressed in the environmental, social, and governance (ESG) aspects and the United Nations Sustainable Development Goals (SDGs), and mega-trends with the potential to impact on our business activities are changing rapidly, we have reviewed our Materiality and identified five new material issues in April 2019.

In carrying out this revision, we took into account both the perspectives of various stakeholders in relation to the SDGs, the United Nations Global Compact, ISO26000, GRI Standards, other international frameworks and ESG investment evaluations, as well as the impact on our business activities. In addition, we carried out questionnaire surveys of officers and employees on a global group basis and exchanged views with our external directors, outside experts and through the meetings of the Sustainability Committee, and interviews with the Sustainability Promotion Officers. After having such active discussions within and beyond Mitsui, we obtained approvals from the Corporate Management Committee and the Board of Directors, and finalized the new Materiality.



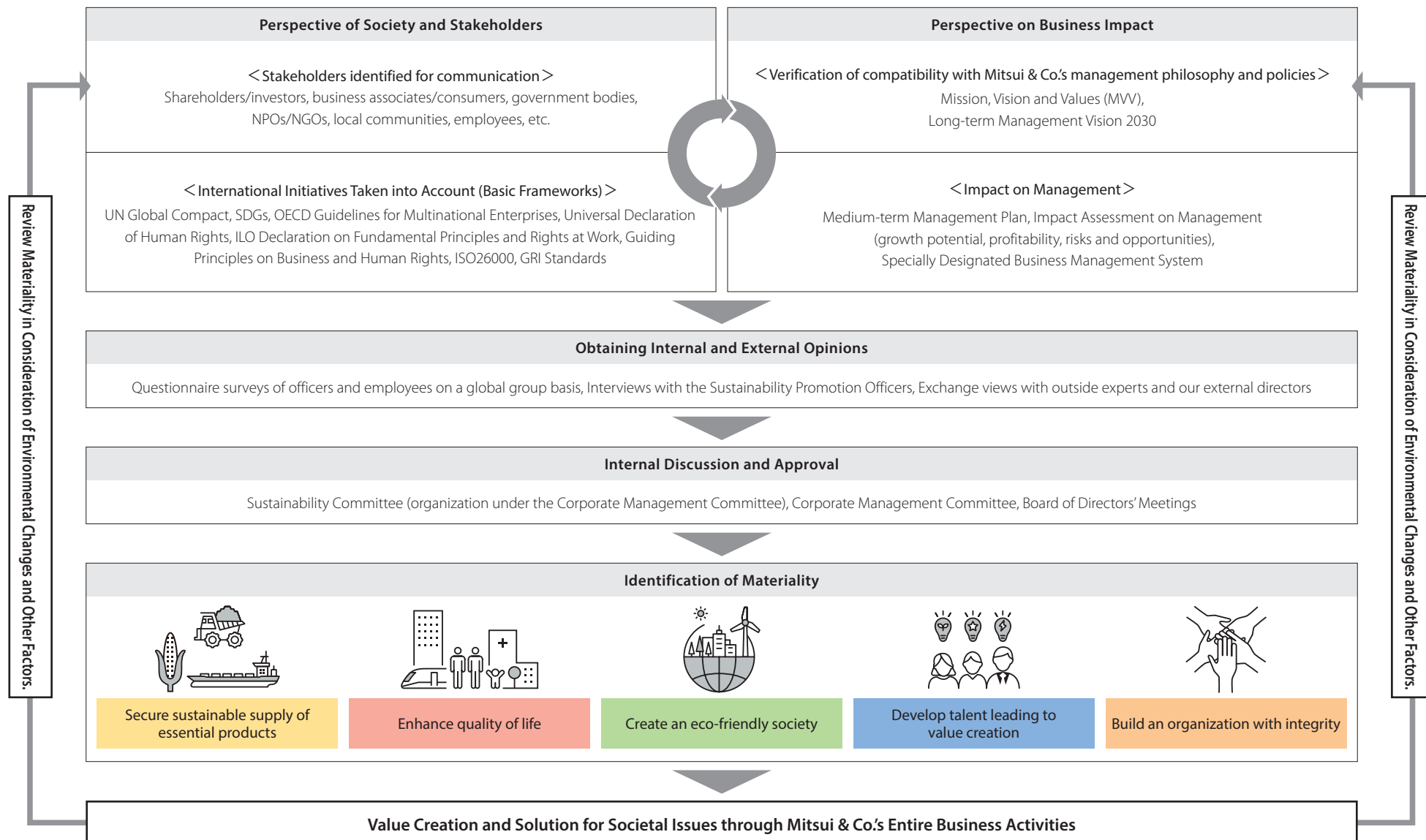
The new Materiality encompasses material issues that could become risks or opportunities in the context of our medium- to long-term business strategies, and will serve as a ground on which we engage in our each business activity. By positioning the new Materiality as a medium- to long-term key management priority, all officers and employees of Mitsui will work together to ensure the Materiality is reflected in our business activities. Mitsui will commit itself to sustainability management and strive through its diverse global business activities to contribute to both sustainable economic and social development in various countries and regions, and the solution of global issues including climate change, and also pursue both of them in a well-balanced long-term perspective.

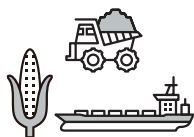
Toward 2030, with a greater focus on evolution from "connecting" to "creating," which is called for in our Long-term Management Vision 2030 that we have formulated as our future image, we will identify challenges, set targets, and find solutions to achieve the goals. Furthermore, we will create changes, trends, and new value.

In order to respond to social challenges, needs, and expectations in line with changes in the times, and also incorporate, in our sustainability management, changes in impact on the economy, environment, and society in formulating a new Medium-term Management Plan, we will review our Materiality and specific themes to work on every 3-5 years in consideration of environmental changes and other factors.

As a management approach in line with the GRI Standards, we have defined specific themes to work on each material issue, and clearly indicated relevant policies and set targets accordingly. While promoting such activities to work on the material issues, we have also identified material aspects as indicated by GRI Standards, and have been making reports in accordance with the GRI Standards.

Flowchart for Identification and Review of Materiality





## Secure sustainable supply of essential products

Ensure the sustainable and stable supply of resources, materials, food and manufactured products that are vital for the development of society.

### Recognition of Societal Issues

As population continues to expand, especially in emerging countries, the sustainable supply of resources, energy, raw materials, food, manufactured products, and other items essential for social development and the achievement of greater prosperity will become an increasingly important priority. Also essential is the development of sustainable, stable supply structures capable of responding to the effects of climate change.

- Population growth and expanding demand for resources, energy, raw materials, food, manufactured products, etc.
- Improvement of production and supply capacity to respond to the climate change
- Safety and security of food and manufactured products

### Major Risks and Opportunities

#### Risks

- Climate change-related supply failures affecting resources, energy, raw materials, food, manufactured products, etc
- Reputational damage resulting from safety and health problems affecting the final consumers of food and manufactured products

#### Opportunities

- Ensuring sustainable supplies of resources, energy, raw materials, food, manufactured products, etc.
- Improvement of production and supply capacity to respond to the effects of climate change
- Enhancement of competitiveness through the establishment of traceability, responsible marketing leading to demand expansion, etc.

### Mitsui & Co's Approach

#### [Targets]

- Improvement of access to nutrition through the stable supply of food

Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Sustainable Supply of Resources, Energy, Materials, Food and Products		Mitsui has been building optimal supply chains from upstream to downstream levels, including procurement, production, and logistics, and contributing to the stable supply of resources, raw materials, and manufactured products (such as metals, chemicals, energy, and food). In the food business, Mitsui works to ensure supply stability and efficiency while also implementing countermeasures against climate change, abnormal weather events, and other disasters.		Indirect Economic Impacts Local Communities
Supplying Food and Products with Ensured Safety and Security		Mitsui regards safety and security as vital prerequisites for business operations. We have formulated guidelines and rules for consumer products, while our relevant business units have adopted their own detailed rules governing the handling of these products. We have made traceability management a priority in the food business area, and are working to manage safety and security risks by holding regular food safety seminars. In the healthcare field, we provide pharmaceutical manufacturers and healthcare institutions with information to ensure the proper use of medical products as part of our responsible pharmaceutical marketing activities.	<ul style="list-style-type: none"> <li>• Consumer Product Handling Policy</li> <li>• Consumer Product Handling Regulations</li> </ul>	Indirect Economic Impacts Local Communities Customer Health and Safety

## Our Stories: Secure sustainable supply of essential products

# Enhancing Agricultural Productivity in Africa through the Provision of Farming Guidance and Materials



**Yuichi Narita**

Senior Project Manager, ETG Business Team, Nutrition & Agriculture Business Unit



1.1, 1.2

Contribute to raising income levels for people in the East Africa region by working through ETG to boost agricultural productivity and increase the value-added of agricultural products.



2.1, 2.3, 2.4, 2.a

Provide support to help people in the East Africa region gain access to nutritious food, by undertaking the establishment of sustainable food production systems.

In Africa, more than half of the working population is employed in the agricultural sector, therefore boosting agricultural productivity is very important for achieving economic growth. Rapid population growth in Africa since the 1960s has led to growing demand for food, but Africa's self-sufficiency in staple food production such as grains is limited, and in many African countries there is a significant problem with food production being unable to keep pace with population growth. At the same time, the unsatisfactory state of infrastructure and distribution networks in many African nations creates problems on the sales side, with farmers unable to access markets easily. In May 2018, Mitsui & Co. began investing in and collaborating with ETC Group Ltd. (ETG), a conglomerate that is engaged in a wide range of business areas, including agricultural products trading, sale of agricultural supplies, and manufacturing and sale of everyday household goods. ETG is an enterprise which has business operations in 45 countries, mainly in Sub-Saharan Africa and the Indian Ocean Rim region, and which ranks number one in the East Africa region in terms of the quantity of fertilizer and miscellaneous beans\* that it handles, as well as being one of the largest sesame trader in the region. Having been operating in Africa for over 50 years, ETG contributes towards the growth of the agricultural sector which is a key foundation for national development, by providing a product purchasing/sales platform that links together producer regions with other regions where there is demand for their products. Such contribution embodies the company's philosophy of supporting farmers and growing together. Mitsui is helping to improve the quality of life of the region's inhabitants by contributing, through ETG, towards the stable supply of agricultural materials, the building of the agricultural products value chain, and the enhancement of value-addition.

\*"Miscellaneous beans" is a general term for all types of beans except soybeans and peanuts. They are a major source of protein in India and in Southwest Asia.

## Our Stories: Secure sustainable supply of essential products

### Providing agricultural supplies and sales opportunities for around 2 million farm households

ETG has around 430 "Farm Gate" transaction centers (with warehouses attached), mainly located in East African nations, which serve as direct contact points linking ETG with approximately 2 million small farm households. By adopting a bi-directional business model, in which the Farm Gate centers purchase the crops that farmers bring while also selling the fertilizers, pesticides etc. that the farmers need for agricultural production, ETG provides farmers with a stable supply of agricultural materials and also opportunities to sell their crops.

Besides distributing and selling the collected crops within Africa, ETG also processes crops to enhance their value-addition for export sale outside the Africa region, and imports raw materials from outside Africa for manufacturing fertilizer which it sells to local farmers. To support this distribution model, ETG has established a logistics network that links each Farm Gate center with major ports, utilizing over 600 vehicles to overcome the under-developed infrastructure in Africa. This logistics network has become a major source of strength for ETG. However, the business of importing raw materials and exporting goods to overseas markets can involve long waits for capital recovery, necessitating large amounts of working capital. With this in mind, Mitsui has prioritized strengthening ETG's financial fundamentals, providing support to help ETG make improvements in existing business areas, for example by optimizing logistics and realizing operation that is not burdened by excessively high inventory levels, and to strengthen the company's financial infrastructure through adjustments to fund-raising, etc.



### Boosting farmers' revenue is the key to business growth

On the basis of several visits to Africa to determine the current situation for the farmers who are both ETG's customers and its suppliers, it became clear that farmers' incomes were too low for them to be able to purchase adequate amounts of fertilizer. By increasing farmers' incomes, it would be possible to create a "virtuous circle" in which farmers are able to purchase agricultural supplies, which will generate a further increase in farmers' revenues, enabling them to make further investments in farming equipment. Raising farmers' income levels is a vital precondition for ETG to achieve business growth.

The main reason for low agricultural productivity in Africa is the slow pace of adoption of irrigation and of new types of agricultural equipment. However, even when attempts are made to provide farmers with better products and new technology, it is not always easy to accept a change for those who have been farming in the same place for many years. Thorough communication is important to gain the farmers' understanding and for them to make their own choice, and this is exactly what ETG has been doing for 50 years, enabling ETG to build trust and grow its business. In order to further develop this framework, Mitsui and ETG have decided to encourage a change in the farmers' mindset from "producing, and then selling" to "producing to sell," by adopting the Smallholder Horticulture Empowerment and Promotion (SHEP) approach developed by the Japan International Cooperation Agency (JICA), which has already achieved significant results in Africa. In May 2018, a Memorandum of Understanding (MoU) was signed between JICA, ETG and Mitsui; the provision of support began shortly afterwards, initially focusing on Malawi. This kind of project cannot be expected to bear fruit immediately, and we plan to maintain a long-term view.

### Providing support to enhance corporate value from multiple perspectives, through a coordinated effort involving several business units

The ETG Business Team to which I belong represents a first for Mitsui, embodying an unprecedented collaboration between four different business units: EMEA Business Unit (Europe, the Middle East and Africa), the Food Business Unit, the Infrastructure Projects Business

“When doing business in Africa, persistence is vitally important. By adopting initiatives that embody real commitment, we aim to establish a significant presence in the African market.”

Unit, and the Nutrition & Agriculture Business Unit. The main mission of the ETG Business Team is to provide support to enhance ETG's corporate value from a long-term perspective. Since the establishment of the Team in January 2018, I have been providing overall coordination, liaising on an ongoing basis with Mitsui staff who are on assignment to ETG and with specialist local staff, and coordinating the activities of the different business units, with the aim of promoting and supporting projects based on careful evaluation of the optimal overall outcome.

When promoting projects, we come to realize that it takes unimaginably long time to bridge the gap between the ideal situation and reality. ETG's founder and chairman has commented that, in order to put down firm roots in Africa and develop business, patience is vitally important. While the members of our Team recognize the need for steadfast determination, the fact remains that every day is a continuing struggle. Having said that, with a reasonable timeline and an appropriate level of cost-effectiveness in mind, we intend to implement measures such as expanding infrastructure improvement including electricity generating facilities, and growing sales channels, by further utilizing Mitsui's integrated capabilities as a major trading company in order to establish a sizeable footprint in Africa through close collaboration with ETG..

My over 20-year business experience in Mitsui makes me realize that no other industry will develop without the growth of food sector that has direct linkage to social issues, and agriculture sector which underpins food production. Our role may seem small, but I firmly believe that, by making effective use of the platform that ETG provides, we can contribute to the achievement of sustainable growth in Africa through the development of food production and agriculture.



## Enhance quality of life

Contribute to the betterment of living standards and the development of local industries to realize sustainable societies globally.

### Recognition of Societal Issues

Mitsui recognizes the importance of creating a global sustainable society through our contributions to the improvement of living standards, community development, sustainable infrastructure development, the transition to a sharing economy, the improvement of educational environments, and the creation of employment opportunities in the countries and regions where we engage in business. We also place great importance on the creation of society in which people can enjoy healthy and psychologically fulfilling lives. Furthermore, as a company that has built diverse value chains in countries and regions throughout the world, we recognize respect for human rights under international standards as the foundation for sustainability management.

- Infrastructure development in developing and emerging countries
- Aging infrastructure in developed countries
- Transition to the sharing economy
- Health maintenance, provision of healthcare, nursing, and welfare services, consideration for indigenous peoples in relation to resource development and other activities

### Major Risks and Opportunities

#### Risks





- Reputational damage resulting from safety and health problems affecting infrastructure users
- Decline in competitiveness due to the diversification of information dissemination methods and fund procurement means
- Decline in service standards and other issues due to a shortage of healthcare personnel

#### Opportunities

- Development of sustainable infrastructure for improvement of living standards in developing and emerging countries
- Business expansion through the development of the sharing economy and healthcare eco-systems
- The creation of social infrastructure development markets based on ICT use in response to the trend toward smart cities
- Development of new business based on the utilization of alternative financing methods, such as crowd funding and block chain systems
- Service improvement through the securing of healthcare human resources
- Market expansion by meeting diversifying consumer needs

### Mitsui & Co's Approach

Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Enhancement of Quality of Life and Social Infrastructure	 	As a company engaging in business operations in various countries and regions worldwide, we continue contributing to the enhancement of quality of life through the development of local and social infrastructures that are essential for sustainable growth and development, promotion of various projects in relation to, in particular, electric power, water treatment, water supply and sewerage, logistics, railroads, communications, and a shift to a sharing economy.		Indirect Economic Impacts Local Communities

Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Responding to Health Needs and the Needs of an Aging Society		<p>Mitsui has responded to the global trend towards the aging of the population by developing senior housing business and providing basic healthcare and other services geared toward a changing disease structure. In Asia, where healthcare demand is expected to expand rapidly due to population growth, economic expansion, and demographic aging, we are strengthening our business base centered on hospitals, which we see as core elements in the healthcare eco-system. Other priority areas include building up of hospital ancillary service business, an area with strong growth potential, and development of new business, such as prevention, disease management, remote healthcare and personalized medicine through digital transformation and introduction of innovative technologies. We will contribute to the advancement of healthcare from the perspectives of accessibility, quality and efficiency.</p>		<p>Indirect Economic Impacts</p> <hr/> <p>Local Communities</p>
Responding to Increasingly Diverse Consumer Demand		<p>With new needs and markets emerging along with a growing population and diversification of life styles, and global, diverse consumers gaining more power and their way of thinking being personalized in various ways, we are providing products and services that meet diverse consumer needs.</p>		<p>Indirect Economic Impacts</p> <hr/> <p>Local Communities</p>
Social Contribution Activities		<p>In partnership with local communities, we promote initiatives that are aimed at local community revitalization.</p> <p>We strive to build better mutual understanding between Mitsui and the young people who will lead the next generation in various countries and regions where Mitsui operates its business by providing Mitsui-endowed lecture programs at universities and training programs in Japan, as well as through provision of 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.</p> <p>In Mitsui's forests at 74 locations (approximately 44,000 hectares) throughout Japan, we implement multifaceted initiatives under our Forest Management Policy.</p> <p>Furthermore, we operate the Mitsui &amp; Co. Environment Fund to support university research, and NPO/ NGO activities targeted toward solving environmental problems.</p>	<ul style="list-style-type: none"> <li>· Social Contributions Policy</li> <li>· Forest Management Policy</li> </ul>	<p>Economic Performance</p> <hr/> <p>Biodiversity</p> <hr/> <p>Local Communities</p> <hr/> <p>Public Policy</p>
Respect for Human Rights		<p>As a company engaging in business activities in many countries and regions around the world, we set our basic CSR policy as "to strive to understand the culture, traditions, and customs in each country and region and respect human rights based on international standards."</p> <p>As an example of our initiatives regarding indigenous peoples, in Japan we have signed an agreement in relation 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. To raise the awareness of the management and employees regarding respect for human rights, we conduct e-learning and seminars, and implement measures to spread understanding of the UN Global Compact throughout the organization.</p>	<ul style="list-style-type: none"> <li>· Basic CSR Policy</li> </ul>	<p>Security Practices</p> <hr/> <p>Rights of Indigenous Peoples</p> <hr/> <p>Human Rights Assessment</p>



## Our Stories: Enhance quality of life

## Contribution to Addressing a Variety of Different Medical Problems through the Building of a Healthcare Ecosystem



Taiki Hayashi

Deputy General Manager, Healthcare Business 1st Dept.,  
Healthcare Business Div., Healthcare & Service Business Unit

\* Title as of the time of interview.



3.4, 3.8

Working through IHH to make it possible to provide high-quality healthcare services that include advanced, leading-edge medical treatment, at the most reasonable possible prices.

According to population estimates compiled by the United Nations, the world's population will rise to around 9.7 billion people by the year 2050. The Asia region in particular will see a dramatic increase in healthcare costs, mainly because of the population growth and aging of the population structure resulting from rapid economic growth and increased average lifespan, as well as the impact of changing disease patterns. At the same time, there are many regions in Asia where there is a shortage of hospitals, and the number of hospitals where the level of medical treatment provided is up to international standards is still too low.

Mitsui & Co. established a Medical & Healthcare Division in 2008 to consolidate its medical and healthcare-related businesses and units. Today, Mitsui is involved in building new hospitals in regions where there is a shortage of medical facilities, using these hospitals as centers for developing related businesses such as specialist clinic operation, etc., undertaking the manufacturing and sales of pharmaceuticals and developing new drugs, providing medical talent referral services, and operating healthcare facility management and hospital catering businesses, and so on. By linking these different businesses together, Mitsui is building a healthcare ecosystem that contributes towards addressing a variety of different medical problems. Playing a core role in this healthcare ecosystem is IHH Healthcare Bhd. (IHH), Asia's largest private hospital group with around 15,000 hospital beds in 12 countries. Mitsui first began investing in IHH and participating in its operations in 2011, and became IHH's largest shareholder in 2019.

By realizing easier access to healthcare in different countries and regions, and by enhancing the quality and efficiency of medical treatment provision, Mitsui is contributing towards the building of a society in which optimal healthcare is delivered to the places where it is most needed.

## Our Stories: Enhance quality of life

### Operating Asia's largest private hospital business to help solve healthcare problems

When Mitsui first began to develop its healthcare business, there was a serious imbalance in supply and demand in the healthcare sector in Asia; while living standards had risen thanks to rapid economic growth, and the incidence of infectious diseases had declined, lifestyle diseases were becoming more common. With the aging of the population and the increase in the size of the middle class, demand for medical services was growing rapidly. However, despite the need for advanced medical treatment, by comparison with the situation in the advanced nations the number of hospital beds was inadequate, and many hospital environments were unsatisfactory from a quality perspective, creating a situation where it was not possible to deliver appropriate services to people in need of treatment.

IHH provided high-quality healthcare services that included high-end, advanced medical treatment; it was one of the few private hospital groups in the Asia region that operated in multiple countries, and held very high market share in Singapore and Malaysia. In addition to its high market share, IHH's first-class medical environment and medical technology made it a respected company with a strong brand which patients trusted, and such strong brand also enabled IHH to attract and retain first-rate medical professionals that are in short supply in the Asia region. Given that IHH had the potential to realize a significant quantitative and qualitative enhancement of medical service provision, Mitsui chose to work through IHH to address the problem of the disparity between supply and demand in medical services, and decided to invest and participate in IHH management.

Following on from the initial investment in 2011, Mitsui has been



contributing to IHH's management from the inside by having seats on IHH's board, and by assigning Mitsui staff to work at IHH. Besides providing support for stock market listing and for the establishment or purchase of new hospitals, etc., Mitsui also took a proactive stance towards providing introductions to potential local partners—particularly in India and China—to help IHH further expand the geographical scope of its operations. Such support being one of the reasons, the number of beds in IHH hospitals has grown approximately four-fold, and IHH's valuation has risen around three-fold since 2011. Building on Mitsui's experience in the healthcare business—including with IHH—Mitsui decided to increase its investment in IHH in 2019, and is taking a more proactive role in IHH's management.

Of the challenges that IHH faces in the future, priority is being given to enhancing the value of the existing hospitals and implementing horizontal improvements across the company. The aim is to provide more efficient healthcare, by boosting sales through the development of higher-level services, optimizing the cost structure through centralized purchasing of pharmaceuticals, undertaking M&A activity and increasing the number of beds in existing hospitals, and so on.

In addition, by sharing information and cases across countries—for example, by sharing knowhow and best practice between hospitals—we aim to increase the opportunities to provide more advanced, more efficient medical services in countries throughout Asia.

### Utilizing Big Data to provide each patient with optimal medical treatment

Mitsui's goal is to build, strengthen, and expand a healthcare ecosystem. In a world where there are a wide variety of healthcare service providers, each playing an important role in their own specialist field, Mitsui is endeavoring to build large-scale medical infrastructure that links together the five key elements of locations, people, equipment, services and information, with hospitals playing the central role. The most important aspect is data utilization. IHH alone serves over 6 million outpatients and around 600,000 inpatients per year; if it were possible to effectively use not just this huge quantity of patient data, but also the data from the entire healthcare system, including ancillary businesses,

“ Our healthcare ecosystem project is a business for realizing sustainable healthcare development. We aim to provide the best possible medical treatment for as many people as possible. ”

then this should lead to the creation of immense value.

By proceeding with the building of an appropriate data platform, patient records and other data can be used as a basis for providing medical services that are tailored to meet patients' needs such as disease management, remote diagnosis, and personalized medicine. In working towards the creation of these services, the first priority is to build the infrastructure needed for data acquisition, safeguarding and utilization, while also ensuring the anonymity of the data and strengthening data security. Once this has been achieved, we can proceed with measures to utilize data effectively and efficiently, while also identifying medical needs precisely. The ultimate goal is to provide more advanced medical services by integrating the collected data referred above with ancillary businesses, and to put the services on a sound commercial footing. We will be working steadily to realize the type of medical services that we are aiming at, over a 5–10 year time-frame.

### Providing the world with sustainable medical services

Demand for medical and healthcare services in the Asia region continues to outstrip supply, and the key factors in the provision of medical services including hospitals, medical practitioners, medical information and so on are not always integrated in an efficient manner. We hope to efficiently re-allocate the unevenly distributed resources through the building of a healthcare ecosystem, aiming to eliminate the gap between supply and demand in this sector, and make medical service and healthcare provision sustainable. We believe that this will contribute to the enhancement and growth of society as a whole. Looking ahead to the future, Mitsui hopes to expand this kind of medical service provision on a global scale, cultivating the development of a business that will enhance access to healthcare for people all over the world.



## Create an eco-friendly society

Accelerate initiatives towards environmental issues, such as responding to climate change and water resource problems, and contributing to a circular economy.

### Recognition of Societal Issues

As a company with business operations in countries and regions worldwide, Mitsui & Co. recognizes that climate change and other impacts on the global environment could cause significant risks to the sustainable growth of society and Mitsui itself. In recent years, the response of business corporations to climate change has become increasingly important in terms of the sustainability of society, especially since the adoption of the Paris Agreement by the United Nations. We also recognize that the response to climate change will create new business opportunities due to the accelerating shift to energy conservation, renewable energy, EV/new technologies/new materials/multi-materials in the mobility field, and innovative services based on digital technology. Other priorities for Mitsui include the effective utilization of water resources, the management of forest resources, biodiversity, resource recycling, and the circular economy.

- Global warming, climate change
- Water resource shortages
- Resource recycling, the circular economy
- Environmental pollution
- Loss of biodiversity

### Major Risks and Opportunities

#### Risks

- Impact of tighter policies and regulations as part of the transition to a low-carbon society
- Impact of new technologies and the creation of new markets on supply and demand in existing business areas
- Disruption of business operations due to the impact of cyclones, hurricanes, and other events linked to climate change
- Impacts on the natural environment, such as the large-scale use of water in business operations
- Impact of leakage of hazardous chemicals
- Increase of environmental costs due to the destruction/deterioration of eco-systems























#### Opportunities

- Accelerating market changes in the mobility area resulting from rising environmental awareness and the tightening of regulations
- Expansion of markets for environment-related business areas, such as renewable energy
- Demand for high-efficiency power plants
- Creation of new business models based on resource recycling and the circular economy
- Expansion of business areas, such as energy conservation and renewable energy, resulting from energy diversification
- Handling of products and services that contribute to the creation of a low-carbon society by conserving energy and reducing greenhouse gas emissions

### Mitsui & Co's Approach

#### [Targets]

- Increase in the percentage of renewable energy (including hydropower) in Mitsui's equity-based electricity generation capacity to 30% by 2030
- Increase in the ratio of sustainable certified palm oil including RSPO-certified procured to 100% by 2030
- Reduction in energy consumption intensity by 1% or higher on average per year for Mitsui and its subsidiaries in Japan
- Improvement of the recycling rate in Head Office and corporate buildings in Osaka and Nagoya to at least 85% by 2020
- Reduction of the use of resources (paper) in Head Office and all offices in Japan

Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Promoting the Environmental Management	     	We implement environmental management systems based on ISO14001 and various international guidelines to support an active response to environmental and social problems on a global group basis. As part of our commitment to consideration for the environment in our business activities, we also actively obtain environment-related certification.	·Environmental Policy	Economic Performance Indirect Economic Impacts Environmental Compliance Local Communities Marketing and Labeling
Responding to Climate Change	     	As a company engaged in diverse business activities, Mitsui continually reviews its portfolios to minimize climate change risks. We also flexibly take up new business challenges made possible by our wide-ranging business development activities, based on long-term perspectives covering at least ten years. To our renewable energy business and our efforts to promote modal shifts, we are also implementing initiatives that contribute to the improvement of energy consumption efficiency and the reduction of CO <sub>2</sub> emissions.	·Environmental Policy	Economic Performance Indirect Economic Impacts Energy*
Responding to Water Resource Problems	 	In response to rising global concerns about water resources, we are working through our water business to conserve water resources and promote sustainable use.		Indirect Economic Impacts Water*
Resource Recycling Initiatives		Efficient utilization of resources and energy is a key part of Mitsui's environmental policy. Under our comprehensive energy and environmental strategy, we engage in resource recycling (ground resources). We are also working to provide industrial solutions to environmental problems through the effective utilization of waste products and by-products.	·Environmental Policy	Indirect Economic Impacts Effluents and Waste*
Initiatives against Environmental Pollution	   	Mitsui bases its environmental policy on compliance with environment-related laws and regulations. In particular, we engage in initiatives that lead to the reduction of water and soil contamination and the reduction of the quantity of chemical substances released into the atmosphere, with the aim of reducing and preventing pollution.	·Environmental Policy	Indirect Economic Impacts Emissions* Effluents and Waste*
Reducing Impact on Biodiversity and Promoting the Conservation and Recovery of Ecosystems	  	Mitsui has been promoting hydropower generation business and forest resource business that take into account biodiversity, as well as production and sale of rice produced through farming methods that encourage biodiversity. In addition, in company-owned Mitsui's Forests at 74 locations (approx. 44,000 hectares) throughout Japan, we have designated 10% of the forests as "biodiversity conservation forests" and maintain and manage these forests accordingly.	·Environmental Policy	Biodiversity Local Communities

## Our Stories: Create an eco-friendly society

## Aiming to Establish a Low-Carbon Society, and Using New Technology to Blaze a Trail to the Future



Junichi Katsuki

Deputy General Manager, NexGen Energy Dept I, Energy &amp; Innovation Div., Energy Business Unit I\*

\* Title as of the time of interview.



The world's first factory capable of manufacturing fuel from off-gas

The Paris Agreement on Climate Change, which came into effect in 2016, represents a commitment by both the advanced nations and the developing nations to collaborate on addressing the issue of climate change. However, despite the efforts by individual countries and regions to reduce CO<sub>2</sub> emissions, total global CO<sub>2</sub> emissions actually increased in 2017, for the first time in four years. According to a report compiled by the United Nations Environment Programme (UNEP), the main reason for this increase was organic economic growth; therefore it is necessary to find ways of realizing CO<sub>2</sub> emission reductions without negatively impacting sustainable economic growth.

In March 2014, prior to the Paris Agreement coming into effect, Mitsui invested in LanzaTech (LT), a U.S.-headquartered start-up founded in New Zealand. LT has developed proprietary microbes for innovative gas fermentation technology that converts industrial off-gas, including carbon monoxide (CO) and carbon dioxide (CO<sub>2</sub>), into fuels and chemicals such as ethanol and isopropanol; this is the only technology of its kind in the world. One of the key advantages of this technology is that it can produce fuels and chemicals without competing with food production by large-scale utilization of off-gas from steel mills, oil refineries, etc. Mitsui is working with LT as its strategic partner; by combining Mitsui's functions and expertise with LT's technology, we are creating new businesses that can help to mitigate the impact of climate change, and contribute towards the establishing of a low-carbon society.



3.9

Cleaning PM2.5 particulate matter from off-gas, to reduce industry-derived atmospheric pollution



7.1, 7.2, 7.b

Helping to spread awareness of and promote widespread adoption of LT's new technology, thereby expanding renewable energy's share of total global energy production



9.4

Enhancing the sustainability of industry through the Circular Economy



11.6

Cleaning PM2.5 particulate matter from off-gas, to reduce health problems in urban areas caused by atmospheric pollution



13.2

Contributing to the expanded utilization of fuel ethanol the production of which does not compete with food production

## Our Stories: Create an eco-friendly society

### Addressing industry's challenges and realizing diversified environmental benefits

In May 2018, the first commercial plant using LT's technology to produce fuel ethanol from the off-gas from a steel mill commenced operation in Hebei Province in China. With annual production capacity of 45,000 tons of fuel ethanol, this facility is the largest fuel ethanol producer in Hebei. This plant has met all milestones and shown stable production of ethanol.

In 2017, the Chinese government announced the new "E10 Policy," the aim of which is to ensure that, by 2020, all automotive gasoline sold in China is blended with up to 10% ethanol; the announcement of this goal has caused demand for ethanol in China to skyrocket. The current situation is that demand for ethanol far exceeds supply, and 99% of ethanol production in China relies on raw materials derived from food crops. In the future, Mitsui is aiming to realize the establishment of multiple plants similar to the one in Hebei throughout China, and to promote the widespread adoption of ethanol produced using LT's technology, which does not compete with food and thus provides greater environmental benefits.

Another serious problem affecting China is air pollution. The steel industry has a higher level of PM2.5 particulate matter emissions than any other sector except electric power generation, and China's steel industry accounts for around half of total global crude steel production. Since plants using LT's technology can substantially reduce emissions of both CO<sub>2</sub> and PM2.5 particulate matter, they can contribute to solving the problems of atmospheric pollution and global warming. It is anticipated that promoting the widespread implementation of projects that use LT's technology will also help to improve air pollution in China.

### Mitsui had faith in LT's technology, which is the only technology of its kind in the world, and provided consistent support

Following Mitsui's investment in LT in 2014, changes in the global market environment made it difficult for Mitsui to maintain support for its investment in the company; however, because Mitsui was convinced that LT's technology had the potential to change the world, we decided that we would continue to provide strategic support. As a result of this commitment, today, many business enterprises are expressing interest in LT's technology and are considering adopting it, and we are experiencing

for ourselves a moment in which the world starts to change.

Currently, Mitsui is providing support for LT in three main areas: developing new business with Mitsui's business partners, providing logistics functions for the projects adopting LT's technology, and introducing companies with which LT can collaborate on R&D as technical development partners. In particular, we are focusing on developing new business; our mission is to use LT's technology to create next-generation fuels, and then to increase the revenue and profit that this business generates. By explaining the appeal of LT's technology and its strengths, and the advantages of adopting LT's technology, to Mitsui's business partners throughout the world, we are exploring potential leads for new business development.

As regards plans for future global expansion, besides expanding the scope of projects in China, we will also be exploring opportunities to move into other countries and regions where there is high demand for ethanol. Mitsui's Food Business Unit is the largest ethanol importer in Japan, and the chemicals division of Mitsui & Co. Deutschland GmbH is the largest ethanol importer in Germany. By developing synergies in this area, we believe that we can develop even more attractive businesses that are more closely tailored to Mitsui's strengths.

At the same time, in the aviation sector, sustainable aviation fuel that uses ethanol as the raw material is starting to be commercialized. In



We are accelerating the implementing of new initiatives in collaboration with ANA (©ANA)

“

We believe that the world can be changed, and that is why we are working to commercialize revolutionary new technologies.

”

October 2018, Virgin Atlantic Airways Limited made its first successful commercial flight using LT's sustainable aviation fuel, and in June 2019 All Nippon Airways Co., Ltd. (ANA) signed an offtake agreement for sustainable aviation fuel; a memorandum of understanding (MoU) has been signed between ANA, LT and Mitsui to undertake joint development aimed at realizing the commercial production of bio-jet fuel in the future. Starting from 2021, new International Civil Aviation Organization (ICAO) regulations governing CO<sub>2</sub> emissions will come into effect, which are expected to provide further stimulus for sustainable aviation fuel adoption.

### Taking the "4Cs" as the foundation and working to realize the commercialization of new forms of energy

Mitsui's Energy & Innovation Division to which I belong has as its vision the establishing of a low-carbon society, and has set itself the mission of building the foundations for new energy businesses in sectors that include next-generation fuels, energy management, carbon credit trading, etc. Using an evaluation framework that emphasizes the "4Cs"—Cleaner energy, no Competition with food, Circular economy, and Carbon emission reduction—we are constantly working to generate new projects that have been evaluated both qualitatively and quantitatively.

Unless both Mitsui and society as a whole can operate in a sustainable manner, then there can be no development in any meaningful sense. In order to realize this sustainability, I hope that we will be able to leverage Mitsui's capabilities to the maximum extent in providing the world with new business models and new technologies which, when they become widely adopted as standard, will help to create a world in which our families and friends, and millions of people that we have never met, will be able to enjoy blue skies, clean oceans, security and peace of mind.



## Develop talent leading to value creation

Respect diversity and develop human resources with the competence to create innovation and new value.

### Recognition of Societal Issues

We recognize that, in order to create innovations and new value for society through our business activities in a sustainable manner, it is essential to develop the human resources who are key to all business activities, and at the same time, prepare the environment in which every individual can achieve their full potential with strong motivation. We also recognize the need to recruit and foster diverse people on a global scale and improve their creativity through workstyle innovation, as well as through the promotion of “diversity & inclusion” as the basis for the creation of new value through reciprocal stimulation among people with diverse backgrounds such as nationality, gender, and values.

- Diversity & inclusion
- Improvement on creativity through workstyle innovation and career development for diverse human resources
- Innovation platforms

### Major Risks and Opportunities

#### Risks

- Decline in the quality and competitiveness of human resources due to market and environmental changes
- Outflows of employees due to the loss of career development opportunities for diverse human resources





#### Opportunities

- Improvements in productivity, efficiency, and motivation along with accelerating workstyle innovation
- Recruitment of competitive people through selection processes centering on abilities and personal qualities, and fair and diverse recruitment activities
- Fine-tuned human resources development with an increased emphasis on diversity
- Appropriate appointment and deployment of personnel on a global consolidated basis
- Improvement of corporate competitiveness by creating innovations through diversity management promotion
- New value creation initiatives

### Mitsui & Co's Approach

Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Recruitment of Human Resources		Our commitment to recruiting diverse people who can succeed in a global environment is reflected in our basic policy, which calls for fair recruitment without limitations based on age, gender, nationality, university background, or other attributes. We provide opportunities to apply for positions in Japan and overseas. In our selection processes, we do not take into account attributes that have no bearing on an individual's abilities and aptitude, such as country of origin and religion, but focus on the individual's ability and personality.	• Mitsui Global Business Management Guidelines	Employment*
Human Resources Development		Our goal is to foster diverse and strong individuals who can contribute to the management of our global group and create new value. Centered on the OJT programs for gaining practical experience at workplaces, we also provide wide-ranging off-the-job training with various training courses.		Training and Education
Appropriate Appointment and Allocation of Personnel		We pursue appropriate allocation of human resources in order for our diverse professionals to achieve their full potential, and to maximize our strategic potential as an organization. We aim to create a cycle in which our employees achieve personal growth through a wide range of experience, deepen diverse personal networks, and create themselves opportunities for further positive experiences.		Training and Education

\* P.100 Data of Personnel Affairs

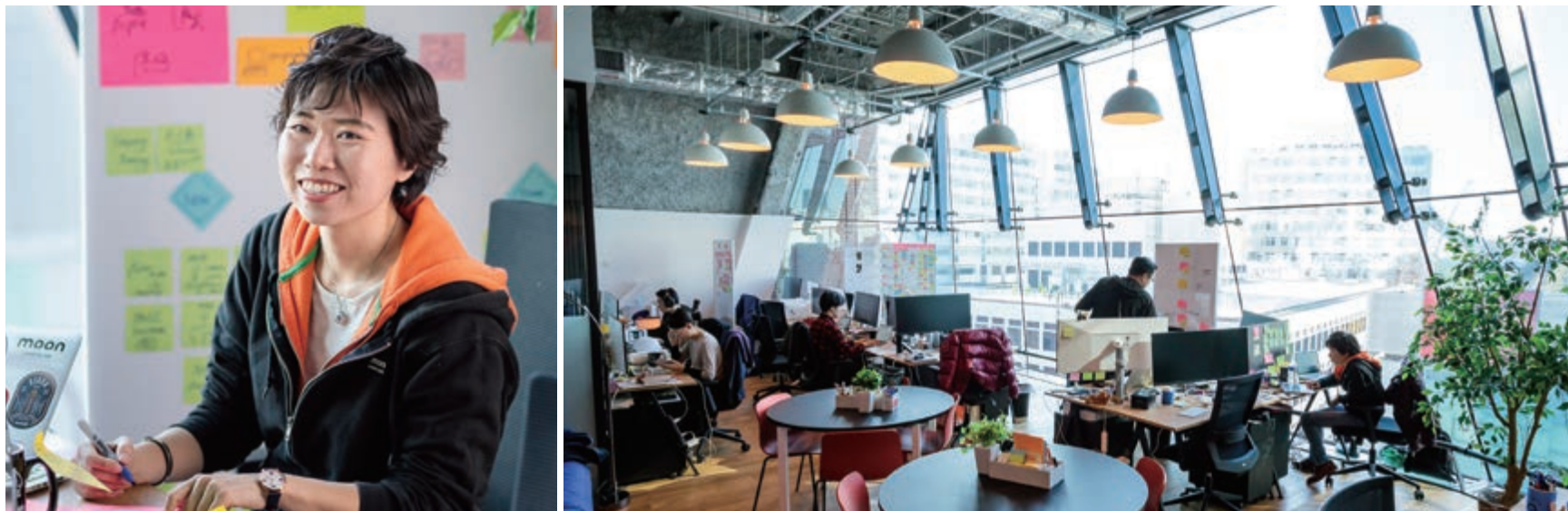
Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Promoting Diversity & Inclusion		We promote diversity management, in which reciprocal stimulation among people with diverse backgrounds, such as nationality, gender, and values, drives creation of innovations. We are working to raise awareness and develop an environment for cultivating a corporate climate and culture of "diversity & inclusion."	<ul style="list-style-type: none"> <li>Action plan for the Act of Promotion of Women's Participation and Advancement in Workplace</li> <li>Voluntary action plans on promotion of women to managerial and board position</li> </ul>	Training and Education Diversity and Equal Opportunity
Creating an Environment in which Every Individual Can Achieve Their Full Potential		We aim to strengthen our overall competitiveness as a company by creating environments in which individual employees can enhance their efficiency and productivity and reach their full potential. Through our workstyle innovation initiatives, we are modifying traditional approaches to work and introducing flexible, diversified workstyles that are not confined in terms of time or location. In addition, we promote initiatives to create an environment in which individual employees can work in diverse ways with a sense of high motivation, including support for people to manage both work and childcare or family care obligations.	<ul style="list-style-type: none"> <li>Work Style Innovation Action Plans</li> <li>Mitsui &amp; Co. action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children</li> </ul>	Employment* Freedom of Association and Collective Bargaining
Health Management, Occupational Health and Safety Initiatives		Our awareness that employee health is a vital asset for the company is reflected in our ongoing initiatives to create safe and healthy working environments in which our employees can achieve their full potential and continue strengthening our corporate competitiveness. In addition to measures required under laws and regulations in the countries and regions where we have business operations, we have established systems to ensure an effective response to emergencies, such as accidents and disasters, and promote various initiatives to maintain and enhance health of the employees.	<ul style="list-style-type: none"> <li>Health Declaration</li> <li>Mental Health Promotion Plan</li> <li>Health Performance Index</li> </ul>	Occupational Health and Safety
Creating New Value		Mitsui aims to achieve sustainable growth by exerting its comprehensive strengths, its capabilities to connect, to create, and to realize business that is meaningful for society. Traditionally, the main strength and roles of a general trading company was to create value by connecting various industries, companies, products, and other elements. Going forward, we will work to evolve beyond those roles and functions into an entity capable of taking the lead in creating business.		

\*  P.100 Data of Personnel Affairs



## Our Stories: Develop talent leading to value creation

## The Moon Platform—Realizing the Shift from “Connecting” to “Creating”



Anna Hiraoka

Entrepreneur in Residence (on assignment), Moon Creative Lab Inc.

Mitsui & Co. has formulated a long-term business vision that outlines where Mitsui envisions being in the future. This positions Mitsui's future path as changing from “connecting” to “creating.” In the past, Mitsui's main function as a general trading company was to generate value by connecting enterprises together across a wide range of industries and sectors; however, Mitsui is now evolving to become a company that proactively creates its own businesses. Moon Creative Lab Inc. (Moon) performs the R&D function for Mitsui as a whole, and constitutes a platform that embodies the change from “connecting” to “creating.” Moon was established as an independent company in August 2018, consolidating the operations of Karugamo Works, which had previously been created by Mitsui as part of its strategy to generate new businesses, and Mitsui's intrapreneurship system. Moon has offices in Silicon Valley, in the U.S., and in Tokyo.

Moon welcomes business ideas that have the potential to help solve social problems and give Mitsui a major presence in future markets gathered from the Mitsui Group's 44,000 employees, who have an in-depth understanding of a wide range of industries and products. Working together with the idea owners, Moon sets about creating unique, brand-new products and services. By building up experience through numerous projects of this kind, Moon is developing extraordinary capable business development teams.



4.4

Provide opportunities and a suitable environment for business creation, so that employees' business ideas can contribute to the building of a sustainable society



8.3

Use Moon to promote the building of a corporate culture conducive to new business development and innovation

## Our Stories: Develop talent leading to value creation

### Reducing the amount of unhappiness in the world through a new business that makes effective use of AI

Moon is an innovation lab that goes beyond the scope of a conventional trading company by generating completely new businesses. Moon has made it possible for me to be an entrepreneur-in-residence (intrapreneur) and start getting a business off the ground while continuing to be a Mitsui employee. Since there are just two of us in the team—the project leader and myself—there are a lot of things that I can do, and also a lot of responsibilities. Day by day, I am learning what it is like to start a business from scratch.

At the moment, we are working on the development of a platform for disease diagnosis services that make effective use of artificial intelligence (AI). Through this project, I believe that we can help to save many lives around the world, by providing faster, less painful, more precise diagnosis.

The AI technology side is being handled by a Mitsui-invested firm that has cutting-edge knowhow in this field; Mitsui is handling the market development and business design, with the aim of rolling out the platform on a global scale, and Moon is playing the role of designing and enhancing the user experience. In starting this business from scratch, we are also receiving support from world-leading design consulting firm IDEO, and through their approach called Design Thinking, I have been able to undertake research interviews with doctors, patients and others, brainstorming sessions to come up with various service concepts reflecting such interviews, and prototyping



through active materialization of ideas followed by improvements based on user tests.

Through my research, I heard from a patient's family about how hard it was to recover from the pain of losing someone who they loved, and I couldn't help but feel the tears welling up in my eyes. The most vital aspect of user experience design is trust; being involved in this project has really brought home to me just how important it is for services to be empathetic.

Healthcare services are a type of service that is directly linked to people's emotions. I believe that, by using this project to provide empathetic services, we can make at least a small contribution towards reducing the amount of pain and misery in the world.

### Even for someone who has only been with the company for two years, it is possible to create a business from nothing

I was assigned to Moon two years after joining Mitsui, because of my background in biology and cancer research experience. At Moon, being young and having limited work experience is not a drawback; at the same time, you can't use these factors as an excuse, either. The biggest difference compared to working as part of a large team is that your commitment and judgement are challenged to an even greater extent. You are constantly having to formulate proposals in terms of "What to focus on, what do we want users to experience, what problems are we trying to solve, and how should we go about doing this?", and then implement them. I am constantly aware of the fact that, without strong willpower, the project you are working on will not make any forward progress, and you will then be unable to successfully create a business that can generate new value for the world. As I see it, that is what building a new business from scratch involves.

### By continuing to realize my dream, I hope to inspire other employees

I have three dreams that I want to make come true. The first is to

“

To create a new business, you need to come up with creative business ideas and make them come to life. This is what is meant by starting a business from scratch.

”



succeed in my current project of building a business that uses AI effectively for disease diagnosis. I hope that this will provide stimulus for other young employees at Mitsui, who will think "If she can do it, then I should be able to do it too," so that other people will continue to take on the same kind of challenge. Secondly, I want to support Mitsui to develop, to an even greater extent than at present, a corporate culture and environment that enables individual employees to exercise their creativity. Finally, I want to develop, within Moon, more new businesses in the fields of education and healthcare that I have developed the idea for, starting from scratch.

At Moon, and within Mitsui as a whole, there are many people with diverse backgrounds, creating a network that gives you access to different viewpoints and different kinds of support. I feel that if I continue to grow and develop entrepreneurship at Moon, there are no dreams that I cannot make come true.



## Build an organization with integrity

Strengthen our governance and compliance as a corporate group trusted by society.

### Recognition of Societal Issues

Mitsui aims to achieve sustainable growth as a company that is trusted by society by continually contributing through the realization of business that has value for society. To achieve this goal, we recognize that it is vital to raise awareness of integrity among all officers and employees (including ensuring compliance), as well as the enhancement of corporate governance structures and reinforcement of internal control.

In supply chain management, we recognize the growing importance of consideration for human rights and labor, safety and health, business ethics, environmental management, and other aspects, to ensure the sustainability of procurement, production, logistics, sales, and consumption.

- Raising integrity awareness, including ensuring compliance among all officers and employees
- Reinforcement of corporate governance and internal control
- Expanding responsibility in supply chains in terms of the environment and society
- Increasing importance of consideration for human rights in supply chains (e.g. labor practices, and impact on local communities)

### Major Risks and Opportunities

#### Risks

- Compliance violations, including anti-competitive actions, corruption, and bribery, resulting from a lack of integrity awareness on the part of officers and employees
- Business stagnation, scandals, and other situations resulting from dysfunctional corporate governance and internal control, leading to a failure to take appropriate management decisions, and the loss of stakeholder confidence as a consequence of such situations
- Reputational damage resulting from human rights violations and environmental loads in supply chains





#### Opportunities

- Organizational revitalization and improvement in the company's reputation through initiatives to raise the integrity awareness of officers and employees, including measures to ensure compliance
- Sustainable improvement of corporate value through achievement of highly effective corporate governance and the continuous review
- Improvement of value and reliability across entire value chains through consideration for the environment, human rights, labor, and local communities in the entire supply chains

### Mitsui & Co's Approach

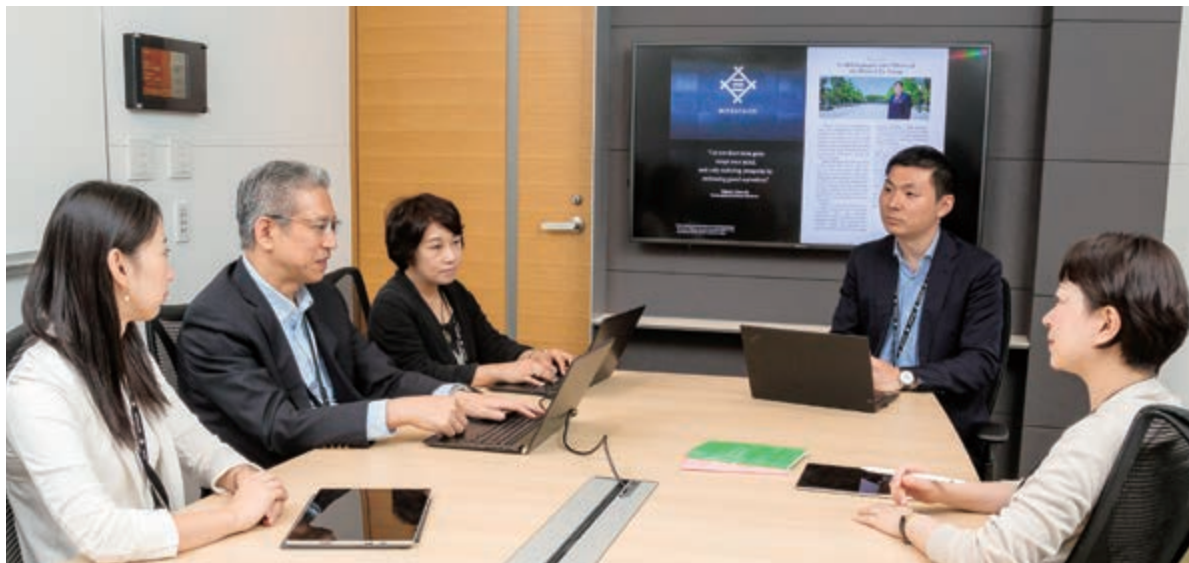
#### [Targets]

- Achievement of 100% awareness of our Supply Chain CSR Policy among new suppliers

Theme	Related SDGs	Initiatives by Mitsui & Co.	Related policies and guidelines	Identifying material topics in GRI
Integrity and Compliance		<p>To maintain its reputation as a company that is truly trusted by society, the Mitsui &amp; Co. group is working at the global group level to ensure the compliance awareness of its employees and build an organization with integrity.</p>	<ul style="list-style-type: none"> <li>• Mitsui &amp; Co. Group Conduct Guidelines "With Integrity"</li> <li>• Business Conduct Guidelines for Employees and Officers of Mitsui &amp; Co., Ltd.</li> <li>• Code of Conduct in relation to the Prevention of Cartels</li> <li>• Mitsui &amp; Co., Ltd. Anti-Corruption Policy</li> <li>• Global Tax Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Anti-competitive Behavior</li> <li>Socioeconomic Compliance</li> </ul>
Corporate Governance & Internal Controls		<p>In structuring the corporate governance framework, Mitsui &amp; Co. places emphasis on "improved transparency and accountability" and "clarification of the division of roles between management oversight and execution." In the construction of internal control processes, various systems are implemented in accordance with the basic framework of the internal control indicated by the Business Accounting Council, an advisory body to the Financial Services Agency of Japan.</p>	<ul style="list-style-type: none"> <li>• Mitsui &amp; Co., Ltd. Corporate Governance and Internal Control Principles</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> </ul>
Risks Management		<p>Business areas affected by high qualitative risks relating to the environment, society, governance, and other aspects are classified as "specially designated businesses," and business initiatives in these areas are implemented under the specially designated business management system.</p>	<ul style="list-style-type: none"> <li>• Specially Designated Business Management System</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Human Rights Assessment</li> <li>Local Communities</li> <li>Customer Health and Safety</li> </ul>
		<p>Information is a vital business asset. Mitsui recognizes the importance of appropriate information management and implements measures to protect personal information and cyber-security measures.</p>	<ul style="list-style-type: none"> <li>• Rules on Information Management</li> <li>• Rules on Information System Management</li> <li>• Rules on IT Security</li> <li>• Information Security Policy</li> <li>• Personal Information Protection Guidelines</li> <li>• Rules on the Protection of Personal Information</li> </ul>	
		<p>We regard business continuity in the event of disasters as an important priority. Under our business continuity management (BCM) system, we formulate and regularly review a business continuity plan (BCP) to ensure that we will be able to maintain effective management structures.</p>	<ul style="list-style-type: none"> <li>• Business Continuity Management Policy</li> <li>• Rules on Emergency Business Continuity Management</li> </ul>	
Promotion of Supply Chain Management		<p>Mitsui has built diverse supply chains throughout the world to provide a wide range of functions and services. In order to find solutions to various issues in supply chains, we place focus on complying with laws, respecting human rights, maintaining safe and sanitary working conditions, reducing environmental load, and ensuring consumer safety and confidence in relation to products and services. Together with our business partners, we endeavor to meet society's expectations. Specifically, we conduct supplier surveys based on our Supply Chain CSR Policy every year to monitor the status of our suppliers' sustainability measures, and conduct on-site surveys with certain suppliers.</p>	<ul style="list-style-type: none"> <li>• Supply Chain CSR Policy</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Supplier Environmental Assessment</li> <li>Freedom of Association and Collective Bargaining</li> <li>Child Labor</li> <li>Forced or Compulsory Labor</li> <li>Human Rights Assessment</li> <li>Supplier Social Assessment</li> </ul>

Our Stories: Build an organization with integrity

# Sharing Values by Promoting the Concept of Integrity



**Motoki Yasue**

Deputy General Manager, Compliance Department, Legal Division

\* Title as of the time of interview.

Mitsui & Co. believes that, in business, trust is most important. In order to maintain and enhance trust, besides compliance with laws, regulations and rules, it is also vital for employees to be aware of the need for integrity, in terms of one's own conscience and dignity.

To ensure that values relating to integrity and compliance are shared throughout the Mitsui & Co. group, we put together the Mitsui & Co. Group Conduct Guidelines "With Integrity" in November 2018.

In order for the Mitsui & Co. group to continue to be a corporate group that is genuinely trusted by society, we are taking steps on a global group basis to build an organization with integrity, in which individual employees will act with integrity.



5.5

Respecting the individuality and diversity of each employee, and maintaining and cultivating a corporate culture that is open-minded and accepting of others



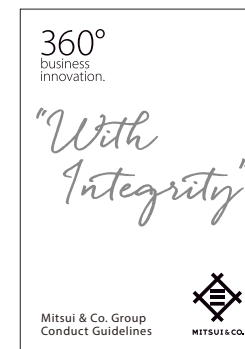
10.2, 10.3

Cultivating a corporate culture that fosters the empowerment of every individual employee and promotes equal opportunity



16.5

Specifying the need to comply with anti-bribery legislation and striving to heighten awareness among our employees



## Our Stories: Build an organization with integrity

### Encouraging employees to think about what integrity is

The Compliance Department of Mitsui's Legal Division is responsible for liaising with the managers overseeing compliance in each unit, for putting in place the overall compliance framework and compliance programs, and for responding to compliance issues when they occur. One of our most important missions is to promote the concept of integrity throughout the Mitsui & Co. group.

Mitsui has been actively using the term "integrity" in its efforts to enhance employees' compliance awareness since April 2017. However, some employees were unsure as to what "integrity" (a word which has come into Japanese from English) actually meant. Integrity is inherently difficult to define, and difficult to find an exact Japanese equivalent for; we realized that there was a need to explain in an easy-to-understand way, Mitsui's intention in adopting the concept of integrity, and how it differs from compliance. With this in mind, we have put together "With Integrity," working in collaboration with many others in the company.

"With Integrity" defines integrity, in the sense in which it is used by the Mitsui & Co. group, as thinking for oneself about what is right, in light of one's own conscience and dignity, and then acting accordingly. Actual examples of integrity would include, besides the obvious example of compliance with laws and regulations, respect for human rights and diversity, the elimination of discrimination, the cultivation of an open-minded corporate culture, and above all, acting honestly in accordance with the highest ethical standards.

Whereas compliance, which involves complying with laws, regulations and rules, has a heteronomous (i.e. imposed from outside) aspect to it, integrity could be considered as constituting a more autonomous approach. When viewing things only from the compliance perspective, there can be a rather "passive" stance of focusing only on complying with relevant laws, regulations and rules; this tends to lead to uncertainty when faced with situations that are not clearly addressed by the rules, and there is a risk that people may think that, because something is not explicitly prohibited by rules, it is acceptable to do it. At Mitsui, our recommendation is that, when dealing with this kind of situation, employees should think for themselves about what they should do

in light of the principle of integrity, and then take appropriate action. "With Integrity" specifies three questions that can be useful when thinking about this type of issue: "Is it right?", "Is it honest?" and "Is it ethical?" The important thing is to verify the appropriateness of our words and actions in light of our sense of integrity, and to consider what the right thing to do is.

In the past, compliance-related awareness-raising activities have tended to focus on asking employees to comply with laws, regulations and rules. By contrast, integrity has a more autonomous aspect to it; it is not something that the company forces employees to implement. For this reason, when promoting the concept of integrity, we have been rolling out programs that are deliberately designed to create opportunities for getting employees to think by themselves, and to discuss issues together with their colleagues. One example of this approach is sending out messages from senior management. On the blog of the Chief Compliance Officer (CCO) on Mitsui's intranet, besides blog posts that are directly related to compliance operations, the CCO also posts about aspects of daily life that have a bearing on integrity. Sent out to all employees twice a month or so, these blog posts act as a catalyst for getting employees to think about integrity. We have often seen employees discussing the content of these blog posts among themselves, and employees who have read the blog sometimes contact the CCO directly with messages outlining what they think integrity means. In the future, we would like to continue to roll out initiatives that, rather than positioning integrity as something that is forced on employees by the company, instead help employees to think more deeply about integrity by getting them to think about the concept themselves and discuss it with others. Also, if while reading "With Integrity" an employee thinks "I don't agree with this part," then we hope that they will share their views with other employees. It is only through this kind of process that the concept of integrity as used at Mitsui can take on content that strikes a chord with everyone working for the company.

“Integrity can be thought of as thinking for oneself about what is right, in light of one's own conscience and dignity, and then acting accordingly.”

### Speaking up is also an aspect of integrity

"Speak Up" is another concept that we are working to promote in parallel with integrity. The "Speak Up" initiative aims to foster the development of a corporate culture in which employees who feel that something is wrong will speak up about it, and make effective use of the company's internal whistleblowing system. There is a tendency for people to have reservations about internal whistleblowing systems, and to be embarrassed about using them. However, at Mitsui we see the internal whistleblowing system as constituting a very effective means for identifying problems at an early stage so that we can nip them in the bud; we actively encourage employees to report problems, rather than pretending that they haven't noticed them. Possibly as a result of the "Speak Up" initiative, there has been an increase in the number of reports submitted via the company's internal whistleblowing system, and we are in the process of developing a more open internal environment in which employees feel comfortable about using the system. When employees speak up about problems that in the past they would have tended to ignore or adopt a laissez-faire attitude towards, this can be a first step towards solving those problems.

### Employees' integrity can enhance the level of trust that people have in the company

If a company is not trusted by society, then that company will not be able to achieve sustainable growth. Building this trust depends on the trustworthiness of individual employees, in terms of compliance and integrity. We believe that, if every one of us always acts with integrity, and speaks up without hesitation when we feel that something is wrong, then we can build an even better company.