

Promoting the Environmental Management



Environmental Policy

Policy

Guiding Principles

1. Mitsui & Co. believes that one of its most important management themes involves providing a positive response to environmental issues on a global group basis, in order to contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.
2. Mitsui & Co. will make every possible effort towards realizing a “sustainable development” which is aimed at creating a harmony between the economy and the environment on a global group basis.

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

Action Guidelines

- | | |
|---|--|
| <p>1. Compliance with relevant environmental laws and regulations</p> | <p>We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the company for promoting business activities.</p> |
| <p>2. Efficient utilization of resources and energy*</p> | <p>We will strive to reduce the burden on the environment within each of our workplaces and in our business activities through the efficient utilization of resources and energy, as well as the reduction, reuse, and recycling of waste and its proper disposal.</p> |
| <p>3. Environmental care for products and services offered, as well as existing and new businesses</p> | <p>We will give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence in enlisting the understanding and support of involved business partners, as well as evaluating the impact that we have on the environment, not only in the prevention of pollution, but on such issues as global warming and the conservation of biological diversity as well.</p> |
| <p>4. Contribution to providing industrial solutions to environmental issues</p> | <p>We will engage in business activities with the goal of providing rational and permanent industrial solutions, and contribute to the realization of “sustainable development” by exploiting our individual abilities and the collective strengths of our organization in cooperation with our global partners.</p> |

* This includes improvements in efficiency and reduction of the use of such resources and energy.

Environmental Management System

System

Environmental Management Philosophy

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



【Standards Covered】

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

Environmental Management System

We have appointed an executive officer (Representative Director, Executive Vice President) who is responsible for overall environmental management, while the General Manager of the Corporate Sustainability Division supervises the operation of the Environmental Management system, including response to climate related risks including climate change. Under the oversight of the Board, 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 2019)



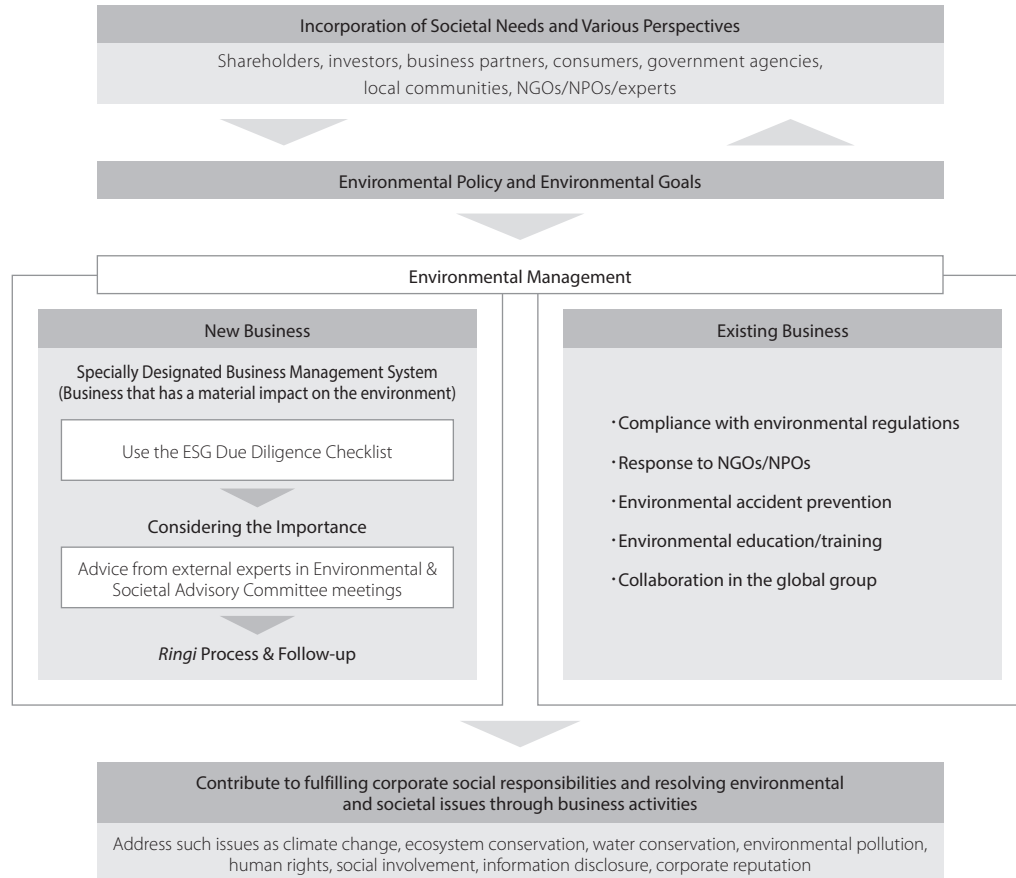
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Management of Environmental and Societal Risks

System

In conducting business, Mitsui has put in place company-wide system for ensuring, both at the stage of launching business as well as for projects that are already in operation, that the utmost consideration is given to the environment and society. As for the environmental and social risks, such as climate related risks, we discuss our policies and countermeasures at the Sustainability Committee, and report them to the Corporate Management Committee and the Board of Directors. After receiving approvals, the policies and countermeasures are implemented.

Responding to Environmental and Social Risks (as of April 2019)



Environmental Management for New Business

System

Activity

When we embark on new business investment projects, business divisions subject them to environmental, social, and governance (ESG) impact assessments, using ESG due diligence checklists that consider environmental and societal risks based on international standards. Aspects covered by these assessments include pollution prevention, climate change, ecosystems, water stress*, and human rights.

Projects that are found to have significant environmental implications then undergo internal screening under the Specially Designated Business Management System. If necessary, a meeting of the Environmental & Societal Advisory Committee will be convened, as well as a meeting of the Sustainability Committee if the project needs to be considered in relation to corporate policies on the environment. Recommendations about whether or not to proceed with projects and any improvements that may be needed are then submitted to the Board of Representative Directors, where the final decisions are made through a *ringi* deliberation process.

* The state where the annual water availability per capita is less than 1,700 tons and where people feel inconvenience in their daily life.

P.113 Specially Designated Business Management System and Environmental & Societal Advisory Committee

Environmental Management for Existing Business

System

Activity

Mitsui ensures effective monitoring and management of environmental and societal risks for existing business operations based on the international environmental management standard, ISO14001 at the non-consolidated level. We also encourage subsidiaries engaged in activities with the potential to cause significant environmental impacts to establish their own environmental management systems based on ISO14001 or other international guidelines for environmental and social considerations. In addition, we have established comprehensive systems to ensure prompt reporting of the effects of any environmental accidents or violations of laws, regulations, or ordinances. As part of our interactions with stakeholders, we also identify business risks and opportunities through dialogue with NPOs, NGOs, academic organizations, and government agencies and consider appropriate responses.

Management of Subsidiaries

We select subsidiaries in Japan and overseas that need environmental priority management based on comprehensive assessments that take into account such factors as the type of industry, environmental and ecosystem impacts. We promote 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 2019, out of the target companies, 15 subsidiaries have acquired ISO14001.

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Response to Environmental Accidents

During the fiscal year ended March 2019, there was one environment-related incident 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 actual cause of the accident and an assessment to determine appropriate corrective and preventive measures.

Compliance with Environment-Related Laws and Regulations

System

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

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

Energy Saving Laws and Regulations

With the idea of compliance and environmental conservation in mind, we abide by energy saving laws and regulations (laws related to rationalizing energy use), and we are promoting energy conservation in office and energy usage improvement related to transportations, thereby developing environmentally friendly business activities.

Waste Disposal Laws

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

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

Other Applicable Environmental Laws and Regulations

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

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

Acquisition of Environment-Related Certification

System

Activity

SDGs : 7.3, 8.7, 12.2, 12.8, 13.3, 14.2, 14.7, 15.1, 15.2, 15.4

Mitsui promotes sustainable procurement in partnership with suppliers throughout the world. We work actively to achieve environment-related certification in Japan and overseas, recognizing the importance of natural actual capital. We also develop procurement mechanisms that take into account the need to address global warming and conserve biodiversity. Furthermore, at properties we own that have acquired certifications (such as DBJ Green Building certification) through listed REITs operated by asset management companies, we are working to reduce our environmental impact by promoting energy savings and more efficient energy use.

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



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*1 FSC® certification is based on international standards established by the Forest Stewardship Council®, a non-profit committee-type organization that administers an international forest certification system.

*2 This certification system was developed by the Sustainable Green Ecosystem Council, a general incorporated foundation, by adapting the sustainable forest management philosophy promoted globally as the "Montreal Process" to the situation in Japan. In 2016, it became possible to distribute SGEC certified timber as timber certified under another international forest certification, the Program for the Endorsement of Forest Certification Schemes (PEFC), following reciprocal recognition between the two systems.

Forest Resources Business (Australia)

Along with business partners, Mitsui is involved in plantation business in Australia with a scale of approximately 23,000 hectares. The goal is to ensure stable procurement of paper manufacturing resources. The business has acquired FSC®/CoC certification (Forest Resources Marketing Dept., Living & Environmental Business Div., Mitsui & Co.: FSC®-C104107, Mitsui Bussan Woodchip Oceania Pty. Ltd.: FSC®-C107463), as well as PEFC/CoC certification. This allows us to promote the responsible management and handling of forest resources. Moreover, our subsidiary Mitsui Bussan Packaging Co., Ltd. holds FSC®/CoC certification (FSC®-C009939). This allows us to link certified paper supply chains and further promote responsible management of forest resources.

Feed Business (Japan)

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



Palm Oil Import Business (Malaysia)

Mitsui and our investee, Wangsa Mujur Sdn. Bhd. have acquired certification from the Roundtable on Sustainable Palm Oil (RSPO), *3 a nonprofit organization that promotes the production and use of sustainable palm oil. The RSPO stipulates the legal, economic, environmental, and social conditions required for sustainable palm oil production in 8 principles and 43 criteria, and both Mitsui and Wangsa Mujur operate in accordance with its policy. In the fiscal year ended March 2019, RSPO-certified palm oil accounted for 3.6% of palm oil handled by Mitsui, and we aim to increase the ratio of sustainable certified palm oil including RSPO-certified, that we procure to 100% by 2030.



*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.

Mitsui's Handling Volume of RSPO-Certified Palm Oil and Its Ratio to Total Handling Volume

	FY2018	FY2019
Handling volume of certified palm oil	14,500t	21,500t
Total handling volume of produced/used/processed palm oil	520,000t	600,000t
Ratio	2.8%	3.6%

Salmon Farming Business (Chile)

Mitsui is a shareholder and participant in the business operations of Salmenes Multiexport S.A. ("Salmex"), a major salmon farming, processing, and sales company in Chile. This company has obtained certification as a sustainable aquaculture business under the Best Aquaculture Practices (BAP) ® system*4, which focuses on the five key areas of environmental conservation, social responsibility, animal welfare, food safety, and traceability. Salmenes Multiexport also achieved Aquaculture Stewardship Council (ASC) certification*5 for two of its sites in 2017, and is now preparing to obtain certification for additional locations. Of the total amount of fishery product sales of Salmex in the fiscal year ended March 2019, products that have acquired BAP certification accounted for 93%.



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

Salmex's Handling Volume of BAP-Certified Salmon and Its Ratio to Total Handling Volume

	FY2019
Handling volume of BAP-certified salmon	84,283t
Total handling volume of fish and seafood produced/used/processed	90,626t
Ratio	93%

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Food Importation and Sales (U.S.)

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



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

Shrimp Exporting Business (Vietnam)

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



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

Green Buildings (Japan)

Listed REIT Japan Logistics Fund, Inc. is operated by Mitsui & Co. subsidiary Mitsui & Co., Logistics Partners Ltd. It has acquired DBJ Green Building certification*8 at twelve of its owned properties, including some with five-star certification, which is the highest certification class in Japan. MIRAI Corporation is a listed REIT operated by Mitsui Bussan & Idera Partners Co., Ltd., which is a Mitsui associated company. It has also acquired DBJ Green Building certification at one of its properties and LEED® certification*9 at another of its properties. Owning these types of properties helps us to promote measures to reduce our impact on the environment, and contributes to reduced energy usage and CO₂ emissions.



*8 DBJ Green Building is a certification system for assessing real estate that takes the environment and society into consideration. In addition to assessing buildings' environmental performance, it provides an overall assessment of how buildings meet the needs of a variety of stakeholders, including matters such as disaster prevention and consideration for the local community. It provides assessments and certifications for real estate that meet the needs of both society and the economy.

*9 LEED® has been developed and operated by the U.S. Green Building Council® (USGBC®) as a certification system for assessing the environmental performance of buildings and the use of premises. The LEED® certification system has multiple assessment categories for assessing the environmental performance of buildings and the use of premises from a variety of different perspectives. LEED®, and its related logo, is a trademark owned by the U.S. Green Building Council® and is used with permission.

Japan Logistics Fund, Inc.

Certifications received	Rank	Property
DBJ Green Building Certification	2016★★★★★	M-24 Shin-Koyasu Logistics Center
	2018★★★★★	M-6 Funabashi Nishiura Logistics Center
	2016★★★★★	M-11 Yachiyo Logistics Center
	2018★★★★★	M-12 Yokohama Fukuura Logistics Center
	2018★★★★★	M-13 Yachiyo Logistics Center II
	2018★★★★★	M-19 Souka Logistics Center
	2018★★★★★	M-26 Sagamiara Logistics Center
	2018★★★★★	M-31 ShinKiba Logistics Center II
	2018★★★★★	M-32 Yokohama Machida Logistics Center
	2016★★★★★	T-8 Tajimi Logistics Center
	2018★★★★	M-5 Urayasu Chidori Logistics Center
	2018★★★★	M-22 Musashimurayama Logistics Center

MIRAI Corporation

Certifications received	Rank	Property
DBJ Green Building Certification	2018★★★★	Shinagawa Seaside Parktower
LEED® Certification	Silver Class	MIUMIU Kobe

Environment-Related Training

System	Activity

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

Regular Seminars and Training Sessions

We work to raise awareness of environmental issues among officers and 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 environmental and social newsletters through the intranet.

Promoting the Environmental Management

	Awareness activities (seminars, etc.)	Environmental auditor training	
At time of induction	Induction Course (Environment) for Temporary Staff Induction Course (Environment) for Contract Employees/Second-ees working at Mitsui	ISO14001	ISO14001 Provisional Auditor Training ISO14001 Lead Auditor Training
Continuing education	Environment Month (Seminars, lectures, etc.) Environment Seminar Environment-related Newsletter	Environmental Management	Environmental Management Officers Induction Course Training Seminars on Environmental Laws and Regulations Lectures on industrial waste and field trips to waste processing facilities

Training Seminars on Environmental Laws and Regulations

We continually hold seminars regarding environmental laws and regulations for officers and employees of Mitsui and its subsidiaries and affiliated companies regarding environmental laws and regulations. In the fiscal year ended March 2019, approximately 160 people participated from Mitsui & Co. group companies. We also conducted a separate training seminar on Japan's Waste Management and Public Cleansing Law, providing classroom training focused on precautions in regard to complying with the Law, as well as training that covered procedures for on-site checks at waste disposal facilities and actual visits to such facilities.



Employees attend lectures about industrial waste and visit disposal facilities and plants

Lecture and Training Sessions Held in FY 2019

Title	Number of times per year	Target audience	Outline
Environmental Laws and Regulations	Held twice approx. 160 participants	Mainly officers and employees of Mitsui and its affiliated companies	Basic knowledge on environmental laws and regulations, recent trends, key law amendments, etc.
Lecture on Environmental Waste and Tour of Processing Facility	Held twice approx. 90 participants	Officers and employees of Mitsui and its affiliated companies	Lecture on the responsibilities of Generator (waste-disposing parties) and precautions related to industrial waste. The tour of the processing facility aims to promote understanding of the importance and efficacy of on-site verification.
Temporary Staff Induction Training (Environment)	Held 8 times approx. 30 participants	Temporary employees	The programs include explanations on the environmental policy of Mitsui as a part of introductory training provided by the Human Resources and General Affairs Division to inform newly hired employees about Mitsui's management philosophy (MVV) and rules and regulations, the importance of compliance, and other matters.
Induction Training (Environment) for General/Seconded Contract Staff	Held 4 times approx. 100 participants	General and seconded contract employees	

Mitsui Environment Month

As part of the environmental education activities for officers and employees of Mitsui and its affiliated companies, a variety of programs are offered during Mitsui Environment Month, which is held each year. The following seminar took place during Mitsui Environment Month 2018.

Mitsui Environment Month Program "We borrow the Earth from our descendants."
Speaker: Mr. Soh Kuramoto, playwright. (attended by approximately 200 people)

For Mitsui Environment Month Program in the fiscal year ended March 2019, Mitsui invited Mr. Soh Kuramoto as a speaker, who implements an environmental education program in Furano City, Hokkaido, and for many years has called for action on environmental problems as issues that directly affect everyone. Presentation, which ran beyond the allotted time, Mr. Kuramoto covered various perspectives, including the significance of forest logging, the history heading toward oil depletion, the impact of fossil fuel resource and food wastage on humanity, and the importance of air and water to people. There were comments from the audience including the following: "Fossil fuels are finite resources. We really need to think about what we can do and take action amid the trend toward mass-consumption of energy." "When we think about our future work, we should never forget to be thankful to the Earth." "The speech was entitled 'We borrow the Earth from our descendants.' That's a novel perspective. Usually we tend to think that something is important because we inherited it from our ancestors. I was deeply impressed by the idea that we must leave the Earth in good condition for the future." "I was surprised to hear about the amount of fossil fuels remaining on the Earth. Food waste has become the focus of concern. In that context, I was very interested in the story about the basic living needs of members at the Furanojuku (environmental education program ran by Mr. Kuramoto) in the old days."

