Reducing Impacts on Biodiversity, and Promoting the Conservation and Recovery of Ecosystems

In Mitsui & Co’s forest resources business, we have acquired FSC® certification to promote responsible forest resource management, and give consideration to biodiversity. Mitsui also promotes our food resources business using farming methods that encourage biodiversity. In our hydropower business, we have implemented an environmental program that aims to promote operations in a way that gives maximum consideration to the environment. This includes the conservation of plants and animals, including fish species and mammals. In addition, we have obtained FSC® and SGEC certifications for all of our company-owned forests, “Mitsui’s Forests,” which we own in 74 locations throughout Japan (approx. 44,000 hectares). Approximately 10% of the forest areas under our management have been designated as “biodiversity conservation forests,” and we maintain and manage these forests accordingly.

Initiatives by Mitsui & Co.

<table>
<thead>
<tr>
<th>Business</th>
<th>Description</th>
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<tr>
<td>Hydroelectric Power Plant Business</td>
<td>The Madena River is a tributary of the Amazon River and forms part of the Amazon Basin, a region that is known for its rich biodiversity but which is also under serious threat from forest depletion. Located on the Madena River in northern Brazil, the Jirau Hydroelectric Power Plant has been closely watched by many parties, including local communities and NGOs because of its location, and every possible step is being taken to ensure that the plant is operated in an environmentally responsible way. As part of an approximately ¥60 billion environmental program, we conducted preliminary surveys to identify every possible impact that could affect the local environment and local communities. We then built hospitals, schools, and new housing to improve the local living environment. Other initiatives include measures to protect flora and fauna, such as fish and mammals.</td>
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<td>Forest Resources Business</td>
<td>Along with business partners, Mitsui is carrying out a plantation business in Australia (as of March 31, 2019, the project area was approximately 23,000 hectares), with the aim of ensuring the stable provision of wood chips, the raw material for paper. The business has acquired FSC® (FSC®-C104107/FSC®-C107463) as well as PEFC certification, and manages forest resources responsibly. It also carries out measures in consideration of biodiversity protection.</td>
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<tr>
<td>Production and sale of rice</td>
<td>Toho Bussan, a consolidated subsidiary, supports the production and sales of rice using farming methods that encourage biodiversity, such as the minimum use of agrichemicals and chemical fertilizers.</td>
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Biodiversity Conservation Activities at Mitsui’s Forests

Mitsui owns forests in 74 locations in Japan, from Hokkaido in the north to Kyushu in the south. Mitsui’s Forests cover a total area of approximately 44,000 hectares, which is equivalent to about 70% of the area of Tokyo’s 23 wards, or 0.1% of Japan’s territory. Mitsui’s Forests are divided into “Forests for Regeneration and Harvest” (approximately 40% of the total) and “Natural Forests and Naturally Regenerated Forests” (approximately 60%). Furthermore, especially important areas from the viewpoint of biodiversity are designated as “Biodiversity Conservation Forests” (approximately 10% of all Mitsui’s Forests) and are managed with care given to conserving the living environments of rare species.

Biodiversity Conservation Activities in Cooperation with NGOs

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

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

In partnership with Conservation International, an international NGO, Mitsui has been using the REDD+ mechanism established under the Paris Agreement in cooperation with the Cambodian Ministry of Environment to reinforce forest patrols to prevent illegal logging in the Prey Lang Forest. Moreover, Mitsui has been engaging in dialogue with local communities to provide alternative sources of livelihood that do not rely on logging, with the aim of contributing to forest and biodiversity conservation.

Supporting Research Aimed at Restoration of Ecological Systems

In the forest of Shiretoko, the Graduate School of Environment and Information Sciences of Yokohama National University conducts research in order to forecast changes to forest dynamics over the next 200 years, using a method called the “process base model.” The model is designed based on findings acquired by the quantification of plant biodiversity and soil biodiversity, and various functionalities, such as decomposition of organic matter and retention of nutrients in the soil. Building on this research, the group aims to propose a comprehensive recovery method.

Mitsui was impressed by the fact that this study focuses on the multi-functionality of ecosystems, a type of research that has not been conducted so far, and have decided to support the research as one of the grant projects under the Mitsui & Co., Ltd. Environmental Fund.