

# Sustainable Supply of Resources, Energy, Materials, Food and Products



Mitsui & Co. has built optimal supply chains, spanning all stages from upstream to downstream, including procurement, production and logistics etc., and contributes to the sustainable supply of metals, chemicals, energy, food and other resources, raw materials, and manufactured products.

As part of its efforts, Mitsui engages in investment and trading business in such areas as oil and natural gas/LNG, to secure and supply the energy resources essential for social development. In particular, we participate in natural gas/LNG development projects in various parts of the world to ensure stable supplies of gas-derived energy, which has a relatively low environmental load compared to other fossil fuels. Our extensive involvement covers the entire value chain, from production to marketing. In addition, looking ahead toward the realization of the low-carbon society, we are engaging in the field of next-generation energy, for example, the commercialization of renewable energy technologies such as bio-fuels, and the creation of business models for hydrogen transportation and storage.

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

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

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

In our food business, we pursue our goal of enhancing nutritional access through the stable supply of food. Against the backdrop of world population growth widening the gap between food supply and demand, and expanding regional imbalances in supply capacity, we strive to ensure the stable and efficient supply of safe, reliable food resources with our food-related business. In addition, we promote the establishment of an optimal supply chain, and engage in projects that contribute to enhancing adaptability to climate change, abnormal weather, and other disasters.

## Supplying Diverse Food Ingredients in Southeast Asia

Activity

SDGs: 2.1

Southeast Asia has a large population and a high dependency on imported food ingredients, and Mitsui sees the region as an important market. In Indonesia, where economic growth is expanding the middle-income class bracket, growing demand is expected for high-value-added food. In order to meet these needs, Mitsui has strengthened its business in the field of food processing by investing and participating in FKS Food & Agri Pte Ltd. (“FKSFA”). FKSFA has developed a wide range of businesses, mostly in Indonesia, including grain imports and sales, food processing business, such as sugar refining, flour-milling and starch manufacturing, and port facility operations.

We aim to provide a stable supply of diverse food products with carefully-chosen raw materials and ingredients to Indonesia and other Southeast Asian market by linking the business developed by FKSFA with business in Mitsui’s grain producing areas and our wide network, and by building an optimal supply chain from producing areas through to consuming areas.



FKSFA's grain import facility

## Initiatives to Improve Access to Nutrition through Our Sugar Business

Activity

SDGs: 2.1, 2.2, 2.4

The global sugar market is expected to maintain steady annual growth averaging 2%. Asia continues to grow economically, and it is the world’s largest sugar market accounting for 40% of global demand. Accordingly, there is growing demand for safe, reliable, and high-quality sugar. Responding to this demand, Mitsui made the decision to upgrade the facilities of Kaset Phol Sugar Limited, a sugar manufacturing company that we operate jointly with Mitsui Sugar Co., Ltd. in Thailand, which is a major sugar supply region, and is also in close proximity to a region with high demand. The aim is to increase the company’s production capacity and achieve quality improvements, and the full-scale work for the upgrade began in June 2018.

Sugar is particularly important for growing children as it is resolved into glucose in the body to become a source of energy for the body and brain. By supplying high quality sugar to markets such as Asia in particular, we will contribute to better access to nutrition among people living in the region.



A sugarcane field near the Kaset Phol Sugar Factory in Udon Thani Province (Thailand)

## Realizing the Sustainable Supply of Pacific Bluefin Tuna through Wholly-Farmed Aquaculture

Activity

SDGs : 2.1, 12.2, 12.8, 14.7, 15.5

The consumption of tuna has increased in recent years, not just in Japan but also overseas. At the same time, fishing regulations are becoming stricter globally to protect this natural resource. In order to use marine resources sustainably and be able to continue supplying Pacific bluefin tuna in the future, it will be essential to avoid depending on wild young fish, and to realize spawning and the production of young fish from farmed brood stocks. Against this background, Mitsui's associated company Feed One Co., Ltd. succeeded in releasing fish that were farmed entirely from farmed brood stocks into ocean enclosures in 2014. After working in partnership with Kyokuyo Co., Ltd. to establish a value chain from the production of aquaculture stock through to farming and sales, in November 2017 Feed One began shipping wholly-farmed Pacific bluefin tuna under the "Hon Maguro no Kiwami TUNAGU" brand. Feed One has also succeeded in creating a raw mixed feed for use during the fry stage of development prior to releasing into the fish enclosure, which was previously considered to be a difficult challenge in the farming of Pacific bluefin tuna. In 2018, it launched general sales of its mixed feed. Looking to the future, we will continue working hard to reduce the environmental impact on fish farming environments by developing special fishery feeds and by making our business more efficient. We aim to provide steady supply of safe, reliable, and high-quality Pacific bluefin tuna.



Entirely aquacultured Pacific bluefin tuna

## Policy on Mine Closure and Treatment of Tailings and Mine Closure Initiatives

Policy

Activity

SDGs : 15.1

Under our policy, we take proper procedures for mine closure and tailings treatment in line with operating and closure plans to minimize impacts on the environment and society, while promoting development for the surrounding local communities. Mine closure plans are formulated and implemented while assessing environmental impacts at the initial stages of feasibility studies and also during the operational period.

In our mining activities, we formulate business plans which include planning for future mine closures reviewed by the authorities and by relevant experts, to develop surrounding communities and to alleviate any burden on the environment.

For example, Robe River Iron Associates, in which Mitsui has invested, has developed closure plans for iron ore mine in Australia including rehabilitation initiatives, not only to comply with local regulations but also aiming to minimize societal and environmental impact on the surrounding communities.

### Our Stories: Secure sustainable supply of essential products

**P.19** Enhancing Agricultural Productivity in Africa through the Provision of Farming Guidance and Materials

SDGs: 1.1, 1.2, 2.1, 2.3, 2.4, 2.a

