Promotion of Supply Chain Management

Mitsui & Co. has built diverse value chains throughout the world and provides a wide range of functions and services. We are active at every stage of the supply chains, from upstream to downstream, and have as many as 20,000 suppliers. In conducting business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving comprehensive consideration to reduction of the environmental load, and ensuring safety for products and services and consumer confidence. Together with our suppliers, we endeavor to solve various issues present in our supply chains in order to meet society's demands.

To correctly assess and solve issues in the supply chains, Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since made effort to ensure that all of Mitsui’s suppliers fully understand our standards and cooperate in the implementation of the policy: We are working to ensure compliance with and implementation of this policy while continuing to review the policy based on society's changing expectations and demands. We are making every effort to enhance our supply chain management by identifying potential problems in our supply chains and identifying key issues based on the characteristics of each business model, country/region, and industry.

Supply Chain CSR Policy

1. Mitsui & Co. will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of its businesses, consistent with the wishes of its stakeholders.
2. Mitsui & Co. will strive to support improvements in the supply chains by seeking understanding and implementation of the following principles by its business associates:
   1. To engage in fair trade, prevent corruption, and comply with all applicable laws and regulations
   2. Not to be complicit in human rights abuse and violations
   3. To prevent discrimination with respect to hiring and employment
   4. To respect the rights of employees to associate freely and bargain collectively
   5. To appropriately monitor employees’ working hours, holidays, and leaves of absence, and prohibit unlawful excessive work*1
   6. To prevent forced labor, child labor, unlawfully-cheap labor, physical discipline, and physical, sexual and other forms of harassment*2
   7. To ensure a safe and sanitary work environment
   8. To reduce and mitigate business impact on the global environment*3
   9. To ensure the safety and reliability of products and services
   10. To disclose adequate and timely information relevant to the above

*1 This includes measures to reduce excessively long working hours.
*2 This includes measures to secure in each country/region where Mitsui engages in business a living wage that exceeds the minimum wage of the country/region.
*3 This includes measures related to energy usage, climate change issues (including greenhouse gas emissions), water usage, impact on biodiversity, effective use of resources, and waste reduction.

Current State of Implementation of Supply Chain CSR Policy

We attach great importance to interactive communication with suppliers. We also conduct supplier questionnaire surveys and on-site surveys based on our Supply Chain CSR Policy.

Company-Wide Uniform Supplier Communication Forms

Beginning in the fiscal year ended March 2009, we started sending letters (in Japanese, English, Chinese, French, Spanish, and Portuguese) to all suppliers of Mitsui’s business units, overseas offices, and subsidiaries (about 50,000 suppliers in total) requesting their understanding and cooperation in regard to our Supply Chain CSR Policy, in a move to ensure that all Mitsui suppliers are fully aware of this policy. In addition, we conduct internal examinations in alternate years, to verify that the letters were dispatched to the suppliers.

<table>
<thead>
<tr>
<th>Target period</th>
<th>Number of Supply Chain CSR Policy letters sent to new suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014–FY2015</td>
<td>6,130</td>
</tr>
<tr>
<td>FY2016–FY2017</td>
<td>7,130</td>
</tr>
<tr>
<td>FY2018–FY2019</td>
<td>4,752</td>
</tr>
</tbody>
</table>

Supplier Questionnaire Surveys

In promoting compliance with this policy, we consider interactive communication with our suppliers to be very important. We work to build relationships of trust, and strengthen our supply chain management by working jointly on ideas for improvements with our partners, wherever needed.

For this reason, we regularly conduct questionnaire surveys targeting the suppliers of Mitsui and its subsidiaries to confirm the status of their adherence to our Supply Chain CSR Policy, and whether they have their own policies related to such areas as “human rights and labor practices,” “health and safety,” “business ethics,” and “environmental management.”

Mitsui started to conduct supplier questionnaire surveys from the fiscal year ended March 2012, and expanded the target to all of Mitsui’s business domains from the fiscal year ended March 2015, selecting major suppliers from each domain.

<table>
<thead>
<tr>
<th>Target period</th>
<th>Number of companies surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>72</td>
</tr>
<tr>
<td>FY2016</td>
<td>39</td>
</tr>
<tr>
<td>FY2017</td>
<td>50</td>
</tr>
<tr>
<td>FY2018</td>
<td>68</td>
</tr>
<tr>
<td>FY2019</td>
<td>74</td>
</tr>
</tbody>
</table>
**Supplier On-Site Surveys**

In addition to the abovementioned questionnaire surveys of suppliers, we also conduct interviews with persons in charge and on-site inspections of suppliers' manufacturing facilities using a checklist based on the compliance items in our Supply Chain CSR Policy. Based on our understanding of the actual situation at these sites, if necessary, we provide advice and guidance.

We commenced these surveys in the fiscal year ended March 2015. In the fiscal year ended March 2019, we conducted a survey involving visits to salmon farming, processing and sales company, Salmones Multiexport S. A. (hereinafter referred to as Salmex), which Mitsui has invested in and procured from and a feed company operated by one of our seafood suppliers, which is also our investee. The survey focused mainly on "environmental management," "human rights and labor practices," "legal compliance," and "quality control and traceability." We found no violations of our Supply Chain CSR Policy.

### Survey Target

<table>
<thead>
<tr>
<th>Year</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>Supplier of food raw materials (coffee beans)</td>
</tr>
<tr>
<td>FY2016</td>
<td>Supplier of paper raw materials (wood chips)</td>
</tr>
<tr>
<td>FY2017</td>
<td>Supplier of food raw materials (apple juice)</td>
</tr>
<tr>
<td>FY2018</td>
<td>Supplier of oleochemical products (oleochemicals)</td>
</tr>
<tr>
<td>FY2019</td>
<td>Supplier of seafood (salmon), feed manufacturer</td>
</tr>
</tbody>
</table>

### Implementation of Risk Assessment

When engaging in business with new suppliers, we conduct a survey based on our Supply Chain CSR Policy to assess various risks of social issues beforehand, and to ensure that all suppliers of Mitsui understand the said policy. As for the existing business and relevant suppliers, we also conduct regular supplier surveys based on the policy described above, in order to confirm the actual situation of business operations and identify suppliers with high risks in relation to social issues, such as climate change, biodiversity, environment management, human rights, and working environment.

To increase the sensitivity of all employees with respect to human rights, labor, and other issues in our supply chains, and to prevent problems, we will continue to heighten employee awareness and provide training seminars (120 participants in the fiscal year ended March 2019).

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of training participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>101</td>
</tr>
<tr>
<td>FY2018</td>
<td>35</td>
</tr>
<tr>
<td>FY2019</td>
<td>120</td>
</tr>
</tbody>
</table>

**Summary of Supplier On-Site Surveys (Farmed Salmon Procurement)**

Based on a checklist drawn up in accordance with the requirements of Mitsui’s Supply Chain CSR Policy, we have conducted interviews with suppliers' managers and conducted on-site inspections to investigate the state of our sustainability efforts.

In the fiscal year ended March 2019, we visited a Chilean salmon farming, processing and sales company, Salmons Multiexport S. A. (hereinafter referred to as Salmex), which Mitsui has invested in and procured from, visiting a freshwater/seawater farm, a processing plant, and a feed company which is one of the main Salmex suppliers, and conducting a survey of the actual situation. Salmex is engaged, with a vertically-integrated business model, in the farming and sales of salmon, including its mainstay Atlantic salmon, and exports salmon to Brazil, Japan, and other Asian countries, and particularly to the United States, amid growing demand for healthy protein sources.

Farming facilities were visited and inspected, including a hatchery, a sea water farm with a pontoon, feeding control units and a set of net pens. In addition to the processing and packaging lines, automatic quality sensors, smoke facilities, and washing rooms were inspected at the processing plant. Through interviews with managers and employees, surveys were conducted on the aspects of "environmental management," "human rights and labor practices," "legal compliance," and "quality control and traceability." At the feed factory, in addition to the processing facilities, we also inspected storage warehouses, the main control rooms, and the quality control rooms. Through interviews with managers and employees, we confirmed that our environmental, labor, and safety standards, as well as traceability initiatives, were being firmly implemented.

As a result of this survey, we confirmed that all items had been properly addressed and that the items stipulated in the Supply Chain CSR Policy had been satisfactorily implemented.

**Results of Supplier Surveys**

**Environmental management**

- Wastewater: Plant wastewater is treated by a wastewater treatment facility in the plant to filter out organic matter; once it has been confirmed that the wastewater conforms to the wastewater standards, it is discharged into the city sewage system (processing plant).
- Recycling Initiatives: Waste generated from corrugated cardboard/paper, organic processing wastes and plastics, and other residues, are disposed of for recycling/reuse through contracts with third party suppliers.

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Promotion of Supply Chain Management
• Climate Change Response: Measurement of greenhouse gases began in the fiscal year ended March 2018, and the goal for the fiscal year ended March 2021 is to reduce greenhouse gas emissions by 20% compared to the fiscal year ended March 2018. In addition, Salmex is establishing a system that enables monitoring of the energy consumption for each process, and of the diesel consumption in the farming facilities.

• Water usage: A system capable of measuring the amount of water usage per process has been introduced (Aquaculture and processing plants).

• Chemical use: The government and industry are working together to reduce the use of antibiotics, and in cooperation with Monterey Bay Aquarium, the industry as a whole has set a target of realizing a 50% reduction from the 2017 level by 2025. At Salmex, through measures such as vaccination and early selection of strong smolts, in the fiscal year ended December 2018 a reduction of approximately 38% (358 g/ton) was achieved compared to the fiscal year ended December 2016 (company-wide).

• Consideration for biodiversity: The cage conditions are checked periodically to prevent escape through damaged marine aquaculture nets, and the number of escapes from cages has been zero in recent years. In addition, in order to prevent damage due to sea lions, predator nets are installed in order to protect the fishes and the facility from potential attacks. By introducing a remote-controlled automatic feeding system, the optimum feeding amount is monitored from below the sea surface using cameras, and each farming site is making efforts to minimize the feed waste that is lost or accumulated in the seabed. After the end of the farming cycle, a 3-month fallowing period is required by law, and there are strict requirements regarding aerobic conditions in the seabed at the end of this period. If anaerobic conditions are found, producers are not allowed to start farming until conditions turn aerobic. Farming activities are carried out with due consideration for the ecosystem, including suspension. Out of the 106 sea water farming concessions, approximately 40 are currently in use yearly (farms). Resting days are implemented according to legal requirements.

Human Rights and Labor Practices

• Working Hours: The aquaculture farm has introduced a two-shift system of 9 hours per shift, and all daily jobs except for special operations (such as vaccination) are done by permanent employees (aquaculture farm).

• Creation of a comfortable working environment (processing factory): A production line that is straight and efficient has been realized, and the floor surfaces are constantly cleaned to maintain a high level of cleanliness and safety.

• Safety and hygiene: When entering the laboratory, special white clothes and masks are worn, and when entering or leaving the laboratory, foreign matter is thoroughly removed and disinfected with adhesive tape (processing plant).

• Occupational Safety: Monthly safety and health committee meetings are held, and decisions are posted and shared on bulletin boards; safety and health experts make weekly rounds to confirm that safety and health practices are being thoroughly implemented. Emergency eye wash kits and tanks are installed at all locations (company-wide).

• Employment: Employees are enrolled in the insurance system, and the same level of medical support is provided to their families (company-wide).

Legal Compliance

• Various certifications relating to environmental, qualitative, occupational safety, and traceability have been acquired, including OHSAS18001*, ISO14001*, and ISO9001*, BRC, IFS, BAPs, Global GAP, MSC, etc. Regional laws and regulations relating to working hours and work, as well as operating licenses, are complied with (company-wide).

Quality Control and Traceability

• Quality control: 300 monthly samples are collected from each net pen, to check the growth status (farm). In order to establish an inspection system, thorough quality control has been carried out, including the introduction of a system for acquiring ISO17025 certification and checking the accuracy of inspection equipment, and the introduction of an automated meat color checking system (processing plants, feed plant).

• Traceability: Data such as egg production, fertilization date, and the hatching case number for each farming tank (farm), are managed. For feed, a lot number is assigned to each flexible bag, and a system for managing information such as delivery destination, detailed ingredient data, supplier of raw materials, etc. has been introduced (feed factory).

Conducting of Supplier Surveys

Since the early 1990’s, Chilean salmon aquaculture has been providing either the largest or second largest amount of salmon exports in the world. In the meantime, while establishing a fish-disease and quarantine control system, government and industry have worked together to reduce the use of chemicals. As a result, significant reductions have been achieved, and Salmex will be continuing with its efforts to keep reducing the chemicals consumption in the future. Also, the use of fishmeal and fish oil in feed has been greatly reduced, due to the substitution of raw materials such as soybean meal and vegetable oils. In recent years, fish meal has accounted for less than 10% of feed, and fish oil for less than 7%.

As demand for high-quality, safe and secure protein sources continues to increase worldwide, we and our suppliers will continue to work together, including through partnerships with NGO/NPOs such as Global Aquaculture Alliance and Global Sustainable Seafood Initiative, to develop a sustainable fishery and aquaculture industry that can coexist harmoniously with local communities, local residents, and ecosystems.
Introduction of Mitsui Activities: Assessing and Solving Supply Chain Issues

Supply Chain Management in Apparel Operations

Mitsui Bussan I-Fashion Ltd. ("MIF"), a Mitsui subsidiary engaged in the trading of textile raw materials, industrial raw materials, and woven and knitted fabrics, as well as the production and procurement of apparel and fashion goods, continuously promotes supply chain CSR activities, encourages business that seek to create environmental value, and pursues initiatives in human rights management, with the aim of becoming a company that is trusted by stakeholders, including customers, suppliers, employees, consumers, and local communities. Through global partnerships, the company makes earnest efforts to find solutions for issues in the supply chain and realize sustainable growth while coexisting harmoniously with society.

Supply Chain CSR Initiatives

**Environmental Value Creation**

MIF engages in the development and sale of environmentally-friendly, textile-related products with advanced functionality that are eco-friendly. MIF has also obtained certification and registration under bluesign®*1 and the Global Recycle Standard (GRS) *2, and maintains compliance with these standards, which are regarded as among the most stringent in the world.

To obtain bluesign® certification and registration, MIF is required to ensure that its collaborating supply-chain manufacturing facilities in Japan and overseas are taking comprehensive steps to care for not only the environment but also their workers. An applicant company and its supply-chain facilities must meet the standards set out for bluesign® certification, such as the prohibition of child labor, the elimination of forced labor and discrimination, the upholding of freedom of association, and occupational safety and health.

*1 bluesign® is a holistic system that provides solutions in sustainable processing and manufacturing to industries and brands.

*2 GRS is an international, voluntary, full product standard that sets out requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions.

**Safe and Sanitary Working Conditions/Labor Management, and Human Rights Management**

To meet the demands of customers both in Japan and overseas, MIF carries out centralized management of its supplying factories and offers them technical guidance, and other support. Since April 2015, with the aim of building the MIF quality control system, it has been strengthening its sustainability measures, including the establishment of a dedicated organization, the quantification of quality control levels, and the addition of the check point "labor management in consideration of human rights" to the check-sheet items for MIF factories. “Occupational health and safety” and “labor management” are important points in audits. For this reason, before customers carry out their CSR audits (regular audits or new audits) MIF carries out preliminary reviews at domestic clothing factories to see if any major issues exist from the customers' standards, and deals with them accordingly, and thereby supporting the factories' acquiring certification (passing audits), when necessary.

In regard to safe and sanitary working conditions, MIF provides support for the introduction of related measures, such as ensuring the appropriate configuration of aisles and emergency exits, providing evacuation routes and evacuation drills, installing firefighting equipment (fire extinguishers and fire hydrants) and safety equipment, managing chemicals, and collecting employees' opinions and providing hotlines. Regarding labor management, MIF provides domestic clothing factories with checks in respect to issues such as child or forced labor, harassment, human rights violations, discrimination, and punishments (fines). It also reviews and offers support for improvements when required regarding other related aspects such as guaranteeing a minimum wage, appropriate working hours (prohibiting working on holidays and long working hours), and the right to organize and carry out collective bargaining. Furthermore, it plans to examine the actual management of foreign trainees at its domestic clothing factories, and provide support for improvements as needed.

Activities to Contribute to Sustainable Development Goals (SDGs)

In the fiscal year ended March 2019, MIF identified important management priorities (Materiality) in managing the supply chain in consideration of the 17 SDGs in accordance with the SDG Compass.

**STEP 1: Understanding the SDGs**

MIF hosted a seminar conducted by the general incorporated association The Global Alliance for Sustainable Supply Chain ("ASSC") entitled “Initiatives to Contribute to the Sustainable Development Goals.”

**STEP 2: Identifying priorities**

From among the 169 targets corresponding to the 17 SDGs, MIF selected business risks that have been recognized from the past up until the present, and the business opportunities it expects to see both now and in the future for each business field.

**STEP 3: Setting targets**

MIF management engaged in discussions to identify material issues.

**STEP 4: Integrating into management**

MIF is currently integrating measures to be taken to address these issues into its management, and working on internal and external disclosure.
Supply Chain CSR Activities at MIF

October 2008  MIF established its Supply Chain CSR Policy. The company began sending notices to its suppliers, including contracted manufacturers in Japan and overseas, to request their understanding of and support for MIF’s policy, and obtaining their written confirmation.

August 2014  MIF conducted a questionnaire survey of its 93 main suppliers concerning the utilization of the Technical Intern Training Program.

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

September 2015  MIF asked the 241 suppliers from which it had obtained “written confirmation on understanding the MIF’s policy” to replace this expression with “written confirmation on complying with the MIF’s policy.”

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

July 2018  MIF joined the general incorporated association The Global Alliance for Sustainable Supply Chain ("ASSC") with the aim of changing corporate behavior by solving the environmental and social issues identified in the supply chain.

March 2019  In accordance with the SDG Compass process, MIF identified four material issues as important management priorities among the 17 SDGs. MIF is in the process of disclosing them both internally and externally. MIF had obtained written confirmation on MIF’s policy from a total of 5,554 suppliers: 4,226 in Japan, and 1,328 overseas.

Introduction of Mitsui Activities: Assessing and Solving Supply Chain Issues

MIF's Materiality | Theme of initiatives | Corresponding SDG
--- | --- | ---
Respecting human rights in the value chain | • Ensure that human rights are respected at all companies in the value chain | • 7.2, 8.5, 8.7, 8.8, 10.2, 12.2, 12.5, 12.8, 15.1, 15.2, 15.5
| • Work to strengthen checking functions at supplying factories and undertake the elimination of human rights violations, such as forced labor and child labor | • 10.2, 12.2, 12.5, 12.8, 15.1, 15.2, 15.5
| • Work to respect the human rights of foreign workers |
Function to “connect” as a trading company | • Support initiatives to contribute to the Sustainable Development Goals (SDGs) at all companies across countries and regions in the value chain | • 12.2, 12.5, 12.8, 15.1, 15.2, 15.5
| • Lead the development, manufacture, and sales of eco-friendly materials and products |
Water safety and environmental conservation | • Eliminate the use of harmful dyes, and work to purify factory waste water | • 12.2, 12.5, 12.8, 15.1, 15.2, 15.5
| • Adopt dyeing methods that reduce water use by 99% |
Promoting recycling and reuse | • Work to reduce the use of fluorine water repellents | • 12.2, 12.5, 12.8, 15.1, 15.2, 15.5
| • Reduce harmful waste disposal |
| • Develop recycled and sustainable materials |

Measures for the Stable Supply of Oleochemical Products

Oleochemicals are natural oil-derived fatty acid products, such as palm oil and palm kernel oil. They are widely used as ingredients for a variety of everyday products, such as detergent and shampoo, as well as industrial products. In order to realize the sustainable procurement of high quality oleochemical products, Mitsui along with a third-party expert in this field, visited a manufacturing company’s factory and group-owned plantations, and conducted on-site surveys in accordance with the checklist prepared under our Supply Chain CSR Policy.

At the manufacturing company’s factory, we inspected the manufacturing process, the quality control laboratory, the control room, the storage facility, the packaging processes, the wastewater treatment facility, and the employees’ canteen. Through interviews with the company’s managers and employees, we carried out checks on environmental management, human rights and labor practices, legal compliance, and quality control and traceability. At the palm plantations, we inspected the plantations, the oil mill, and the biomass power plants. Through the interviews, we examined initiatives related to the environment, as well as safety and labor practices, and confirmed that operations and management are being undertaken appropriately.

The supplier whom we visited this time has been a member of the RSPO since its establishment. It is a large company that carries out appropriate management and safe operation in accordance with not only the RSPO standards, but also other standards. At the plantations, by-products are used to generate electricity (thereby reducing greenhouse gas emissions), functions provided by animals and plants are effectively utilized to reduce the use of agrichemicals for pest control, and nesting boxes are installed on the premises of the plantations for the preservation and breeding of a domestic species of barn owl.
**Introduction of Mitsui Activities: Assessing and Solving Supply Chain Issues**

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

Our subsidiary Mitsui Norin Co., Ltd., who markets “Nittoh Black Tea,” which is a very familiar brand in Japan, procures tea leaves from tea plantations around the world and blends them to develop and manufacture the product. In order to meet a wide range of customer needs, a stable procurement of high-quality tea leaves is essential. At present, it procures tea leaves from approximately 430 tea producers in six countries, including India, Sri Lanka, Kenya, and Indonesia. The tea producers who give appropriate consideration to quality and safety, the environment, and work conditions, such as carrying out controls based on Rainforest Alliance certification* and Hazard Analysis and Critical Control Point (HACCP) certification, being committed to Fairtrade, and engaging in organic cultivation, etc. are designated as Mitsui Norin’s preferred suppliers.

For instance, one tea producer in the Darjeeling district of India has been making various efforts to improve both the work conditions of employees and the profitability of the business through measures such as introduction of a small hydroelectric generator on the farm of which the management and operation are entrusted to the workers, and cultivation of organic ginger and oranges and production of honey. The producer also raises cows on the farm to provide milk to children to enhance the quality of life of the workers and their families, and uses the manure as fertilizer for organic cultivation to contribute to reducing environmental load. In August 2017, Mitsui Norin had the honor of being awarded a Certificate of Appreciation from Sri Lanka’s Minister of Plantation Industries for its long-standing commitment to Sri Lankan black tea over seven decades.

Mitsui and Mitsui Norin undertake comprehensive quality control in all phases of the value chain. To ensure complete traceability in all product stages from procurement of raw materials to manufacturing, inspection, shipment, and delivery, both companies worked together to create an original traceability system. In tea-producing regions, Mitsui and Mitsui Norin periodically visit tea plantations to conduct on-site surveys of tea-growing environments, quality control, and agrochemical controls and other aspects. With regard to agrochemical controls, both companies have tests for residual agrochemicals on the tea leaves conducted at a third-party contract institution, in addition to on-site visits and confirmation at the tea plantations.

* The Rainforest Alliance Certified indicates that a plantation, forest, or tourism enterprise has been audited to meet standards that require environmental, social, and economic sustainability.

**The Black Tea Manufacturing and Sales Business Value Chain**

- **Tea picking**
- **Tea leaf appraisal by tea tasters**
- **Quality management guidance**
- **Agrochemicals management guidance**
- **Tea-planting**
- **Fresh tea leaves**
- **Tea plantations**
- **Forestry management guidance**
- **Shipper**
- **Tea leaves**
- **Japan**
- **Customers/Consumers**
- **Mitsui & Co., Ltd.**
- **Mitsui Norin Co., Ltd.**
- **Packaging**
- **Procurement**
- **Blending**
- **Inspection**
- **Agrochemicals**
- **Products**

**Improving Procurement Reliability Through Legal Compliance and the Forest Certification System**

Significant deforestation, as well as reduction and degradation of biodiversity and forest ecosystems caused by illegal logging have become major environmental issues globally. In 2006, as a countermeasure against illegal logging, the Japanese government enacted the Green Purchasing Law, which requires that government agencies purchase lumber that is certified as legal logging from sustainably managed forests.

As one of Mitsui’s missions is to ensure the stable supply of building materials, paper resources, and other wood products, we cooperate with suppliers from around the world to ensure that our purchases contain no illegally logged lumber.

For example, in our forest resources business in Australia, Mitsui implements environmental management and operation procedures based on the two major forest certifications, FSC® (the Forest Stewardship Council [FSC®-C107463] and PEFC (the Programme for the Endorsement of Forest Certification Schemes), and conducts regular checks to ensure that only reputable plantation operators are used, the operations do not result in environmental destruction such as chemical soil contamination, and the obligation to replant logged areas is being fulfilled. In addition to Mitsui’s Australian business, in 2014 Trans Pacific Fibre, a forest resources business for pulp and paper manufacturing joint venture company in Chile, obtained both FSC® (FSC®-C124327) and PEFC certification.

Increased awareness of environmental conservation has led to an increased number of companies and consumers who choose wood and paper products with the above-mentioned forest certifications. Mitsui cooperates with its partners and manufacturers to increase the use of FSC® and PEFC certified products in the supply chain, in order to create products that are in accordance with higher awareness of environmental conservation.