

Participation in Initiatives

United Nations Global Compact

The United Nations Global Compact is a set of voluntary action principles for corporations proposed by former UN Secretary-General Kofi Annan at the World Economic Forum held in Davos, Switzerland in January 1999. He proposed a means to harness the creative powers of the private sector to fulfill the wishes of underprivileged people and meet the needs of future generations.

It is neither a regulatory means nor a legally binding code of conduct, but rather a strategic policy initiative that encourages corporations to come together as global citizens to solve the various problems that could arise as a result of economic globalization. Participating corporations are asked to support and put into practice ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. As of July 2020, over 14,600 corporations, labor unions, and civil society organizations from around the world are participating in the UN Global Compact.

Mitsui & Co. signed and pledged its support for the UN Global Compact in October 2004, and has been participating as a corporate director of the Global Compact Network Japan (GCNJ), complying with the Global Compact as part of its own corporate guidelines. At present, as a member company of the GCNJ, Mitsui complies with and practices the Global Compact, and pursues SDGs on a global group basis.



Ten Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labor

3. Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030, with 17 goals and 169 targets. The SDGs call for action to end poverty and create a life of dignity and equality of opportunity for all, with consideration given to balancing sustainable growth and the limits of the Earth.

As a *sogo-shosha* (general trading company), Mitsui & Co. group conducts a diverse range of business across nations and regions. We believe that this allows us to make a wide-ranging contribution to the achievement of all the 17, goals set out under the SDGs. With the recognition that it is increasingly important to work together with our business partners, customers, local communities, NPOs and NGOs, and other stakeholders in order to find solutions to the various issues facing society and industry, we are promoting initiatives based on Goal 17, "Partnerships for the Goals".

To continue promoting our business with a focus on contribution to the achievement of the SDGs, we will further raise awareness of the SDGs and discuss how to reflect them in our business strategies and plans. On page 15 of this report, we also introduce Mitsui & Co.'s Materiality in association with the SDGs.


P.15 Mitsui & Co.'s Materiality

SUSTAINABLE DEVELOPMENT GOALS



TCFD (Task Force on Climate-related Financial Disclosures)

In December 2018, Mitsui declared its support for the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, which aim to facilitate companies to recognize financial impacts arising from the risks and opportunities associated with climate change and to disclose such climate-related information. In our Integrated Report, we have disclosed information in accordance with the disclosure framework that is based on the TCFD Final Report.

 **P.40** Climate Change

 Integrated Report 2020 (P.044 Efforts to Address Climate Change through Our Business)

World Economic Forum

The World Economic Forum is an independent international organization that engages leaders from the worlds of business, politics, academia, and other sectors of society to shape global, regional, and industry agendas in the spirit of global citizenship, through cooperation between the public and private sectors, for the improvement of the world situation.

As a partner company, Mitsui attends the annual meeting of the World Economic Forum held in Davos, Switzerland every January, as well as the regional meetings.

Forest Stewardship Council® (FSC®)

The Forest Stewardship Council® (FSC®) is an international non-profit organization that promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

Mitsui has obtained FSC® forest management (FM) certification at all 74 of its forests, which in total approximately 44,000 hectares, while Mitsui Bussan Forest Co., Ltd., a Mitsui subsidiary, has obtained Chain of Custody (CoC) certification for the processing and distribution of cut lumber (FSC®-C031328). As the biggest supplier of Japanese-grown lumber with FSC® certification, Mitsui is helping to promote FSC® in Japan and to discuss and draft the Japanese version of principles, standards, and risk assessments. Mitsui has obtained FSC® certification for its forest resources business as well, and promotes responsible management of forest resources.

RSPO (Roundtable on Sustainable Palm Oil)

The Roundtable on Sustainable Palm Oil (RSPO) is a non-profit organization established to promote the sustainable production and utilization of palm oil through the conservation of tropical rain forests and biodiversity. Mitsui supports the RSPO's philosophy of contributing to sustainability through industry, and has been collaborating on various business-based initiatives as an ordinary member since joining the organization in 2008. A sustainability-focused procurement code, including specific standards for palm oil, has been formulated for the Olympic and Paralympic Games in Tokyo, which have been postponed to 2021. In connection with this, Mitsui representatives as members of an oil and fat industry association verified progress on and promoted initiatives related to the RSPO and activities under the Malaysia Sustainable Palm Oil (MSPO) and Indonesia Sustainable Palm Oil (ISPO) systems.

CLOMA (Japan Clean Ocean Material Alliance)

CLOMA was established in January 2019 to find solutions to the emerging global challenge of marine plastic debris through the sustainable use of plastic products, the development and introduction of alternative materials, and the acceleration of innovation. Mitsui is one of the 26 secretary companies. As of April 1, 2020, 325 companies and organizations have joined CLOMA, including a few of Mitsui's subsidiaries namely, Mitsui & Co. Plastics Ltd., Mitsui Bussan Chemicals Co., Ltd., Mitsui Bussan Packaging Co., Ltd., and Vendor Service Co., Ltd.

Mitsui participates in the Dissemination & Promotion Working Group, which shares technological information to make it easier to select the best alternative materials for each application, the Technology Working Group, which holds technological exchanges and technological seminars on the latest development results, and the International Working Group, which collects information through collaboration with international organizations and research institutions and provides information and technological consulting services in developing countries. Mitsui chairs the Indonesia Cooperation Working Group, which was formed under the supervision of the International Working Group, and plans contributions with a focus on specific countries. Looking ahead, Mitsui will continue to take the actions needed to help resolve the problem of marine plastic waste.

CEFLEX (Circular economy for flexible packaging)

CEFLEX is a European NGO that hosts discussions on the recycling of plastic packaging materials. Mitsui is one of more than 130 companies participating in the consortium that are involved in the plastic packaging materials value chain. CEFLEX investigates the construction of infrastructure systems to collect, sort, and recycle plastic flexible packaging. Mitsui will continue to contribute to the realization of a circular economy through its participation in CEFLEX.

ASI (Aluminium Stewardship Initiative)

ASI was established in 2012 with a vision of maximizing the contribution of aluminum to a sustainable society. As of May 2020, 122 companies and groups have joined ASI, including a variety of stakeholders such as aluminum producers and users and the International Aluminium Institute. Its purpose is to increase sustainability in the aluminum supply chain and contribute to ESG engagement by formulating international standards and establishing certification systems. Mitsui supports these initiatives as a member of ASI.

Japan Business Federation (Keidanren)

Mitsui is a member of various Keidanren committees, including the following:

- Committee on Responsible Business Conduct & SDGs Promotion, which works to make the Charter of Corporate Behavior well known, disseminate and promote "Society 5.0 for SDGs", and promote corporate social contribution activities
- Committee on Population Issues, which works to take measures to tackle the issue of Japan's declining birthrate and promote participation of foreign workers in the workforce
- Committee on Diversity & Inclusion, which works to implement action plans on women's active participation in the workforce, pursue promotion of female employees to managerial and executive positions, and realize a society in which diverse people, including LGBT people, can fully exert their capabilities
- Committee on Overseas Development Cooperation, which aims to coordinate with national governments and international institutions for the purpose of developing infrastructure overseas, in particular, in emerging countries
- Committee on Energy and Resources, which aims to realize an energy mix that maintains energy diversity and promote policies toward economical and stable energy supply
- Committee on Environment and Safety, which works on countermeasures to deal with climate change, formation of a circular society, and improvements in environmental regulations and systems

In addition, we have also participated in the Task Force on Business and Human Rights and engaged in activities directed towards realization of a sustainable society, which Keidanren pursues.

Moreover, since 2012, a Mitsui employee has been seconded to Keidanren's Committee on Nature Conservation, which is dedicated to conserving biodiversity and protecting the natural environment, to a) support the nature conservation activities of NGOs, b) promote interchange between corporations and NGOs, and c) encourage corporations to act towards nature conservation and biodiversity.

Japan Foreign Trade Council

As a member of the Global Environment Committee of the Japan Foreign Trade Council Inc., Mitsui monitors energy use for all trading companies and promotes reduce/reuse/recycle (3Rs) activities. We also gather information about new energy technology through our business activities, and contribute to the formulation of the Long-term Vision for Climate Change Measures.

Mitsui also engages in activities as a member of the Japan Foreign Trade Council's Sustainability/CSR Study Committee, which studies Sustainability/CSR-related issues and conducts surveys and research about trends in Japan and overseas.

Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was established through a collaborative initiative by Keidanren, the Japan Chamber of Commerce and Industry, and Keizai Doyukai (Japan Association of Corporate Executives) with the aim of promoting private-sector initiatives on biodiversity. As a member company, Mitsui promotes biodiversity conservation initiatives in partnership with NPOs, NGOs, research institutions, and other related entities in Japan and overseas. Furthermore, Mitsui contributes to conservation of biodiversity in its supply chains by promoting a sound resource-cycle policy in its business management focusing on the life cycles of products and services.