Environment —Executive Summary

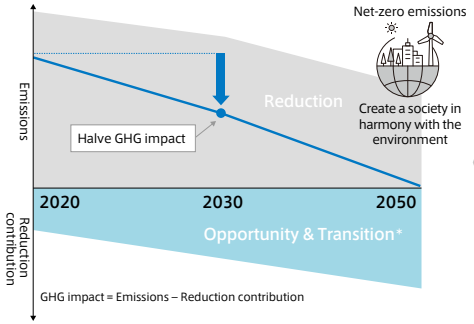
Environmental Management

P.34

In order to actively respond to environmental and societal issues through the business activities of Mitsui global group, we have formulated an Environmental Policy, and operate environmental management systems based on ISO14001 and various international guidelines.

Climate Change

P.40



Medium-term Management Plan 2023 Actions

【Reduction】
Reduce company emissions by improving portfolio quality of resource and power generation assets

【Transition】
In the medium term, promote fuel conversion through LNG and other business to contribute to reducing the environmental burden

【Opportunity】
Contribute to reducing emissions by expanding business that leverages the opportunities to address climate change in Energy Solutions and other areas

Mitsui regards responding to climate change as one of our most important management challenges and has set out a goal of net-zero emissions as our Vision for 2050. In order to achieve this goal, we are promoting the following three measures – "Reduction," which promotes reduction of emissions by improving the portfolio of resource and power generation assets, "Transition," which aims for a low-carbon society by promoting fuel conversion to LNG, etc. in the medium term, and "Opportunity" which promotes business that leverages the opportunities to address climate change. In environment-related business, we engage in renewable energy projects, modal shift projects, and the expansion of other business initiatives as well as diffusion of technology that contribute to the reduction of CO_2 emissions and improvement in energy consumption efficiency.

Solar Power Generation Business (Tottori Yonago Solar Park)

Water Resources

P.45

Reflecting the growing interest from a global perspective in the water-related problems, Mitsui is engaging in water projects, such as tap water supply, sewage treatment plant, power and water desalination and desalination and conveyance which promote the conservation and sustainable use of water resources. Furthermore, we support an NGO initiative to provide rainwater storage and treatment facilities to provide safe drinking water in mountainous areas and on remote islands in Bohol Province in the Philippines through the Mitsui & Co. Environment Fund.

Circular Economy

P.46

Mitsui is working to realize a circular economy by curbing the resources and energy consumption and waste generation through circulation of resources and products at various stages in economic activities, while aiming to achieve both economic growth and reduction of environmental loads by creating added value through circulation. Our business initiatives include 3Rs, reusable and biodegradable materials, life cycle extension and reuse, waste reduction and recycle, sharing platform and XaaS.

Environmental Pollution

P.47

Mitsui engages in business initiatives that lead to the reduction of water and soil contamination and the reduction of the quantity of chemical substances released into the atmosphere. Mitsui also engages in a research project which develops and operates of an HAB (Harmful Algal Bloom) Early Warning System as joint Project with JICA/researchers.

A sampling operation near the city of Puerto Montt in southern Chile (January 2019)

Biodiversity

P.48

We promote business initiatives that lead to conservation of biodiversity through business. In addition, we engage in biodiversity conservation activities at "Mitsui's Forests," which we own in 74 locations throughout Japan (approx. 44,000 hectares) and biodiversity conservation activities in cooperation with NGOs.

Tropical lowland evergreen forest in Prey Lang ©Jeremy Holden

Environmental Performance Data

P.49

Mitsui has carried out GHG emissions surveys since the fiscal year ended March 2006. Reflecting the growing interest towards climate change issues, we have gradually extended the boundary of our GHG emissions and since the fiscal year ended March 2020, we have added Scope 3, Category 15 (indirect emissions associated with investments) in our boundary to grasp the emissions on a global group basis and to carry out initiatives for reduction. Furthermore, we will continue to monitor water risk and explore new initiatives to reduce water consumption, and promote reducing waste, reuse, recycling and appropriate waste dispose.

Environmental Management

Environmental Policy

Policy

Guiding Principles

Under our Mission, Vision, Values, we at Mitsui & Co. have set our goals to realize a better tomorrow for the earth and its people to "Build brighter futures, everywhere." In order to realize this mission, we have included initiatives to "create an eco-friendly society" among our material issues (our important management goals).
Mitsui & Co. will make every possible effort towards realizing sustainable development as part of our aim to create harmony between the economy and the environment on a global group basis.

Action Guidelines

Mitsui & Co. will design, periodically evaluate, and continually improve appropriate risk management systems that include our response to climate change, nature conservation in consideration of biological diversity, and pollution prevention. These systems will cover the business activities that we undertake as a global group. At the same time, we will strive to ensure the development and dissemination of technologies with a low impact on the environment, and further reinforce our responsibility with respect to the environment. Accordingly, we have set out the following Action Guidelines.

1. Compliance with relevant environmental laws and regulations
   We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the company for promoting business activities.
2. Efficient utilization of resources and energy*
   We will strive to reduce the burden on the environment in our business activities through the efficient utilization of resources, energy, and water, as well as the thorough reduction, reuse, and recycling of waste, including harmful substances, and its proper disposal.
3. Environmental care for products and services offered, as well as existing and new businesses
   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 by evaluating the impact that we have on the environment, not only in the prevention of pollution, but also on such issues as climate change and the conservation of biological diversity.
4. Contribution to providing industrial solutions to environmental issues
   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.

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

Promoting Environmental Management

System

Mitsui & Co. maintains an environmental management system 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. The certification was last renewed on February 23, 2020, and is valid through February 22, 2023. Since the fiscal year ended March 2017, we have been working to strengthen our compliance with ISO14001: 2015, which includes 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

To steadily promote environmental management, we have established the environmental management system as a global group. We appointed an executive officer (Representative Director, Senior Executive Managing Officer) 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 change and other climate-related risks. Under the oversight of the Board of Directors, business units and other organizations have established their own environmental management structures managed by the head of each organization.

We set company-wide targets, and are continually improving our environmental and societal risk management framework by means of periodic reviews, including through Sustainability Committee meetings.

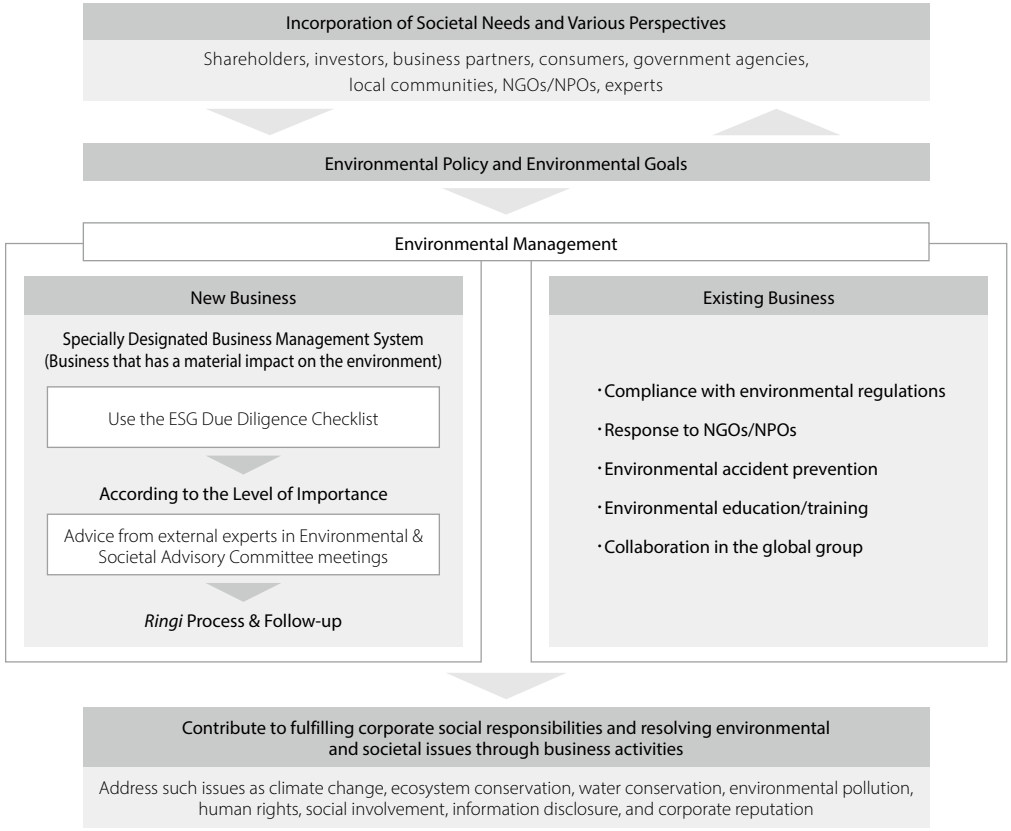
Management of Environmental and Societal Risks

System

In conducting business, Mitsui has put in place a company-wide system for ensuring the utmost consideration is given to the environment and society in projects at all stages, from business launch to operation as well as the exit stage.

As for environmental and societal 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 Societal Risks (as of April 2020)



P.40 Climate Change

Integrated Report 2020 (P.044 Climate Change)

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, as well as the Environmental and Social Risk Heat Map for Business. 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. The committee members consist mainly of external experts who are familiar with a broad range of fields, including climate change, environmental policy with respect to water, energy, etc., technology trends, human rights, and labor issues. In addition, a meeting of the Sustainability Committee will be convened if the project needs to be considered in relation to company-wide 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 Representative Directors, where the final decisions are made through a *ringi* deliberation process.

*A condition in which the annual water availability per capita is less than 1,700 tons, causing people to feel inconvenience in their daily lives.

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 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 Consolidated 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 and impacts on the environment and ecosystem. We encourage 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 2020, out of 32 target companies, 10 subsidiaries have acquired ISO14001 certification. Besides the target companies, 19 subsidiaries located in Japan and overseas have also acquired ISO14001 certification.

Response to Environmental Accidents

During the fiscal year ended March 2020, there were no environment-related incidents at Mitsui or our subsidiaries in Japan and overseas.

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.

Measures Based on Life Cycle Assessment

Since the relocation to the new Head Office in May 2020, we have been using the life cycle assessment to ensure that containers and packaging used at the employee cafeteria and cafe have a low environmental impact. Paper cups with an original, environmentally conscious design are used for all takeaway drink containers. They have been designed so that even cold beverages can be enjoyed without using a straw. For utensils, we use biodegradable plastic developed in collaboration with an affiliated company. Products such as disposable chopsticks and chopstick stands are made using FSC®-certified wood and thinned wood materials from our company-owned forests "Mitsui's Forests." We have made efforts to reduce our impact on the environment regarding both use and disposal. For example, at the cafe corners located within work areas, we supply grab-and-go style green tea in cartons with an original design (cylindrical paper containers) made from Japanese wood and thinned wood materials. In addition, we refrain from using disposable containers for the drink delivery service used to supply meeting rooms, etc.

Containers and utensils with environmentally conscious design

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 programs and other methods to ensure that our employees understand and comply with various environmental laws and regulations in Japan and overseas.

At the start of each fiscal year, officers at each department identify environment-related laws and regulations that are relevant to the operations of their units, and conduct a compliance assessment 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 and its subsidiaries whose activities could have significant environmental impacts, have acquired certification under ISO14001 or equivalent standards, establishing secure and effective environmental law compliance mechanisms.

Energy Conservation Law

From the viewpoint of compliance and environmental conservation, we abide by the Energy Conservation Law (Act on Rationalizing Energy Use), and conduct environment-minded business activities through promotion of energy conservation in offices and energy usage improvement related to transportation.

Waste Disposal Law

Mitsui operates in compliance with the Waste Management and Public Cleansing Law (also referred to as the "Waste Disposal Law" or "Waste Law"). In order to properly manage the 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 are utilized by relevant divisions and departments. We also hold periodic internal seminars 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 Major Environmental Laws and Regulations

In promoting business activities, we comply with various environmental laws and regulations which includes, but not limited to, the following:

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/Poisonous and Deleterious Substances Control Act/Fire Service Act/Industrial Safety and Health Act/REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations

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 officers and employees at all levels. Through initiatives such as holding regular seminars and environment law training sessions, and regularly publishing in-house newsletters related to the environment and society on the intranet, we work to raise awareness of environmental issues among officers and employees of Mitsui, its subsidiaries, and its affiliated companies. Furthermore, we also work on initiatives to gain specialized knowledge through ISO14001 Provisional Auditor Training and other programs.

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. In the fiscal year ended March 2020, approximately 100 people participated from Mitsui & Co. group companies. We also conducted a separate training seminar on Japan's Waste Management and Public Cleansing Law, which consists of a lecture session focused on precautions in regard to complying with the law, as well as checkpoints at waste disposal facilities and an on-site tour session of such facilities.

Employees attending a lecture on industrial waste and a tour of a processing facility.

Lecture and Training Sessions Held in FY 2020

Title	Number of Time per Year	Target Audience	Outline
Environmental Laws and Regulations	Held twice Attended by approx. 100 participants in total	Mainly officers and employees of Mitsui and affiliated companies	Basic knowledge on environmental laws and regulations, recent trends, key law amendments, etc.
Lecture on Industrial Waste and Tour of a Processing Facility	Held twice Attended by approx. 90 participants in total	Officers and employees of Mitsui and affiliated companies	Lecture on the responsibilities of Generator (waste-disposing parties) and precautions related to industrial waste. The tour of a processing facility aims to promote understanding of the importance and efficacy of on-site verification.

Acquisition of Environment-Related Certifications

System Activity

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

Acquisition of Environment-Related Certification in Company-Owned Forests "Mitsui's Forests", Forest Resources Business, etc.

Acquired Certifications		Coverage (Country/Region)	Certificate Holder/Outline & Scale (Handling Volume)
FSC® 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. FSC www.fsc.org FSC® C057355 The mark of responsible forestry	Forest Management (FM) certification, and Chain of Custody (CoC) certification	Company-Owned Forests "Mitsui's Forests" (Japan)	Mitsui & Co. (License Code FSC®-C057355)/All 74 locations of Mitsui's Forests (approximately 44,000 hectares) throughout Japan
	CoC certification		Mitsui Bussan Forest (Mitsui subsidiary, License Code FSC®-C031328)/approximately 50,000 m^3/year (sells timber and other products produced mostly from Mitsui's Forests)
		Forest Resources Business	Forest Resources Marketing Dept., Living & Environmental Business Div., Performance Materials Business Unit, Mitsui & Co. (License Code FSC®C104107)/ woodchip: 1.226 mil. t/year (FSC 100%: 36,000t, FSC Mix: 642,000t, FSC Controlled Wood: 548,000t)
		Forest Resources Business (Australia)	Mitsui Bussan Woodchip Oceania Pty. (Mitsui subsidiary, License Code FSC®C107463)/woodchip: 1.407 mil. t /year (FSC Mix: 1.041 mil. t, FSC Controlled Wood: 366,000t)
		Procurement and sales of pulp, paper, paperboard, and paper products (globally)	Mitsui Bussan Packaging Co. (Mitsui subsidiary, License Code FSC®-C009939)/accreditation obtained for pulp, paper, paperboard, paper packaging materials such as corrugated carton box, household paper, and paper stationery.
		Biomass Fuel Trading	Biomass Fuel Dept., Fuels Div., Energy Business Unit I, Mitsui & Co. (License Code FSC®-C140620)/acquired for wood pellets trading (accredited materials).

Acquired Certifications		Coverage (Country/Region)	Certificate Holder/Outline & Scale (Handling Volume)
PEFC/CoC An accreditation program operated by the international NGO PEFC (the Programme for the Endorsement of Forest Certification) for countries' mutual recognition of respective forest accreditation systems		Forest Resources Business (Australia)	Forest Resources Marketing Dept., Living & Environmental Business Div., Performance Materials Business Unit, Mitsui & Co./ woodchip: 1.102 mil.t/year
		Biomass Fuel Trading	Biomass Fuel Dept., Fuels Div., Energy Business Unit I, Mitsui & Co. (Certificate no. SGSJP-PCOC-2026)/ acquired for wood pellets trading (accredited materials)
SGEC SGEC certification system was developed by the Sustainable Green Ecosystem Council, a general incorporated foundation, by adapting the global sustainable forest management philosophy (known as the "Montreal Process") to the situation in Japan. SGEC and PFEC have agreed to the mutual recognition of respective forest accreditation systems since 2016. SGEC/31-21-1101	Forest Management (FM) certification	Company-Owned Forests "Mitsui's Forests" (Japan)	Mitsui & Co. (Certificate no. SGEC/31-21-1101)/All 74 locations of Mitsui's Forests (approximately 44,000 hectares) throughout Japan
	CoC certification		Mitsui Bussan Forest (Mitsui subsidiary, Certificate no. FSC®-C031328)/approximately 50,000 m^3/year (sells timber and other products produced mostly from Mitsui's Forests)

Acquisition of Environment-Related Certification in Food Business

Acquired Certifications		Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)
Organic Japanese Agricultural Standard (Organic JAS)	A system for accrediting agricultural produce grown with the lowest possible impact on the environment, in accordance with the Japanese Agricultural Standards	Japan	Feed One Co. (Mitsui affiliated company)/manufactures and sells organic JAS-certified feed materials
		Japan	Fujieda Plant and Sutama Plant, Mitsui Norin Co. (Mitsui subsidiary)/sells organic JAS-certified tea leaves to commercial customers
ASC	An accreditation system by the Aquaculture Stewardship Council for "responsibly produced aquaculture products" meaning that consideration for local communities is taken and the environment is not significantly harmed	Japan	Toho Bussan Kaisha (Mitsui subsidiary)/imports and sells products in accordance with buyers' requests
		Chile	Chilean salmon farming, processing and sales company, Salmones Multiexport S. A. (our invested company, Salmex)/ runs four aquaculture sites; preparations are underway to make additional acquisitions (as of the end of Mar. 2020)

Acquired Certifications		Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)
MSC	An accreditation system by the Marine Stewardship Council for marine products harvested through sustainable fishing, with appropriate processing and distribution	Japan	Toho Bussan Kaisha/imports and sells products in accordance with buyers' requests
		USA	Mitsui Foods, Inc. (Mitsui subsidiary, MFI)/Imports and sells canned tuna. MFI has also obtained MSC Chain of Custody certification for its thorough management at the distribution stage
BAP	An accreditation system by American NGO, Global Aquaculture Alliance (GAA), to certify sustainable aquaculture businesses based on five key aspects: environmental conservation, social responsibility, animal welfare, food safety, and traceability	Japan	Toho Bussan Kaisha (as an Endorser)/imports and sells products in accordance with buyers' requests
		Chile	Salmex/all marine products sold during the fiscal year ended March 2020
		Vietnam	Shrimp exporting business company, Minh Phu Seafood Joint Stock Company ("Minh Phu," our invested company)
Global GAP	An accreditation system to certify that a company has met global standards for food safety and sustainable production management at all stages, including brood stock, farming, feed, and processing	Vietnam	Minh Phu
RSPO Please check the status of our progress at: https://rspo.org/members/220/mitsui-and-co-ltd	The RSPO (Roundtable on Sustainable Palm Oil) is an accreditation that stipulates the legal, economic, environmental, and social conditions required for sustainable palm oil production (8 principles and 43 criteria)	Malaysia	Mitsui and Wangsa Mujur Sdn. Bhd. (our invested company)/ Both Mitsui and Wangsa Mujur operate in accordance with its policy, and we aim to increase the ratio of sustainable certified palm oil (including RSPO-certified) that we procure to 100% by 2030. Specifically, we will promote procurement based on the NDPE (No Deforestation, No Peat, No Exploitation) principle. In the fiscal year ended March 2020, RSPO-certified palm oil accounted for 5.0% of palm oil handled.

Salmex/all marine products sold during the fiscal year ended March 2020

	FY2019	FY2020
Handling volume of BAP-certified salmon	84,283t	90,163t
Total handling volume of fish and seafood produced/used/processed	90,626t	90,163t
Ratio	93%	100%

Mitsui and Wangsa Mujur Sdn. Bhd. (our invested company)/ Both Mitsui and Wangsa Mujur operate in accordance with its policy, and we aim to increase the ratio of sustainable certified palm oil (including RSPO-certified) that we procure to 100% by 2030. Specifically, we will promote procurement based on the NDPE (No Deforestation, No Peat, No Exploitation) principle. In the fiscal year ended March 2020, RSPO-certified palm oil accounted for 5.0% of palm oil handled.

	FY2018	FY2019	FY2020
Handling volume of certified palm oil	14,500t	21,500t	20,000t
Total handling volume of produced/used/processed palm oil	520,000t	600,000t	400,000t
Ratio	2.8%	3.6%	5.0%

Acquired Certifications		Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)
Rainforest Alliance	Certification awarded to farms that follow more sustainable farming practices that protect forests, improve their livelihoods, promote human rights of farm workers, and help them mitigate and adapt to the climate crisis	Brazil	MA Coffee Trading. (Mitsui subsidiary in Brazil)/supplies coffee beans to customers
		Japan	Coffee Dept., Food & Beverage Materials Div., Food Business Unit, Mitsui & Co./supplies raw coffee beans to customers Confectionery & Dairy Products Dept., Food & Beverage Materials Div., Mitsui & Co./supplies accredited ingredients to confectioners
SQF-TSA	A system that combines SQF – accreditation standards for food safety and quality control in the food chain as a whole – and the TSA food safety and accreditation standards, which are set out by the Tokyo Organising Committee of the Olympic and Paralympic Games	Japan	Prifoods Co., LTD. (Mitsui subsidiary)/2,806kg/year (supplies major supermarkets with products made at 20 plantations and the Hosoya and Hosoda package plants)

Green Buildings

Listed REIT Japan Logistics Fund, Inc., which is operated by Mitsui & Co. subsidiary Mitsui & Co., Logistics Partners Ltd., has acquired DBJ Green Building certification* at 13 of its owned properties. Also, MIRAI Corporation, a listed REIT operated by Mitsui Bussan & Idera Partners Co., Ltd., which is a Mitsui associated company, has also acquired DBJ Green Building certification at three 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 CO_2 emissions.

DBJ Green Building

* 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.

Japan Logistics Fund, Inc.

Acquired Certifications	Rank	Property
DBJ Green Building Certification	2018★★★★	M-6 Funabashi Nishiura 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 Sagamihara Logistics Center
	2018★★★★	M-31 ShinKiba Logistics Center II
	2018★★★★	M-32 Yokohama Machida Logistics Center
	2019★★★★	M-11 Yachiyo Logistics Center
	2019★★★★	M-24 Shin-Koyasu Logistics Center
	2018★★★	M-5 Urayasu Chidori Logistics Center
	2018★★★	M-22 Musashimurayama Logistics Center
	2019★★★	M-28 Chiba kita Logistics Center II
	2019★★★	O-4 Kazo Logistics Center

MIRAI Corporation

Acquired Certifications	Rank	Property
DBJ Green Building Certification	2019★★★★	Shinjuku Eastside Square
	2018★★★	Shinagawa Seaside Parktower
	2019★★★	Rokko Island DC

Climate Change

Policy Responses to Climate Change-Related Matters

Policy

In addition to responding to climate change through initiatives such as the Sustainable Development Goals (SDGs) and ratification of the Paris Agreement at the United Nations, the response of companies to the recent increase in frequency and severity of natural disasters has also become an urgent challenge for the sustainability of society.

Based on our Materiality—"Secure sustainable supply of essential products", "Enhance quality of life" and "Create an eco-friendly society"—Mitsui & Co. contributes to the development of economies and societies in many countries and regions around the world, as well as to the provision of solutions to global challenges such as climate change. We believe that pursuing a balanced approach to both of these objectives from a long-term perspective through our global and wide-ranging business activities will indeed constitute a sustainable growth strategy for our company.

In December 2018, Mitsui declared its support for the Task Force on Climate-related Financial Disclosures (TCFD). We will continue to seek ways of actively disclosing information in accordance with the recommendations of the TCFD.

Governance System for Climate Change Response

System

Mitsui regards responding to climate change as one of our most important management challenges. Our response is deliberated upon and decided by the Sustainability Committee, an organization under the control of the Corporate Management Committee. The content of these deliberations is reported regularly to the Corporate Management Committee and the Board of Directors and utilized for promoting sustainability management at Mitsui. Particularly important matters are debated and decided by both bodies. Climate change-related discussions were held a total of 28 times in the three-year period from the fiscal year ended March 2018 to the fiscal year ended March 2020.

Major Climate Change-Related Topics Discussed/Reported at the Sustainability Committee over the Past Three Years

FY2018	FY2019	FY2020
• Policy deliberations for coal-related business initiatives • Report on latest trends in climate change issues • Discussion on information disclosure policy for environment-related data • Deliberations on enhanced disclosures of non-financial information in consideration of the external environment	• Deliberations on enhanced disclosures of non-financial information • Discussion on reviewing the Materiality • Report on external environment in relation to climate change • Discussion on declaration of support for TCFD	• Discussion on climate change scenario analyses • Discussion on key priorities established in relation to sustainability • Discussion on the introduction of internal carbon pricing system • Discussion on establishment of GHG-related targets

P.7 Sustainability Management Framework

Strategy and Risk Management for Climate Change Response

Policy System

Major risks and opportunities associated with climate change

Mitsui is engaged in a wide range of business in various countries and regions around the world, and we view the diverse risks and opportunities presented by climate change as important factors that we must take into account when formulating our business strategies. In each business field, we have identified the internal and external business environments and defined the risks and opportunities surrounding each business.

Integrated Report 2020 (P.044 Principal Climate Change Risks and Opportunities)

P.113 ESG-Related Risk Management

Business impact assessments and countermeasures associated with transition risks

We have selected business fields considered to possess significant financial and non-financial impacts in related to transition risks*, used multiple climate change scenarios to carry out impact assessments for each business, and investigated countermeasures based on the results.

Business fields selected for scenario analyses in FY2020

We selected the following business fields in consideration of GHG emissions from the perspective of the whole supply chain:

- Oil and gas development business, and LNG business
- Coal business
- Thermal power generation business

Selected scenarios

We have used the following scenarios taken from World Energy Outlook, which is published by the internationally recognized International Energy Agency (IEA):

- New Policies Scenario (NPS): scenario under which countries extend the current policies to 2040, based on greenhouse gas reduction plans submitted by each country to the United Nations
- Sustainable Development Scenario (SDS): scenarios needed to uphold the Paris Agreement, which seeks to keep global warming within 2.0°C of the pre-Industrial Revolution level

* "Transition risks" refer to risks caused by changes in policy/legal regulations, technology development, market trends, market evaluation, etc.

Analysis Results

• Oil and gas development businesses and LNG businesses

Evaluation of the impact on existing businesses	Countermeasures
With reference to short-term market levels and the outlooks of multiple third-party organizations, Brent Crude is expected to trend between $30 and $80 per barrel in the medium to long-term. Even under the SDS, which is a more conservative scenario than the NPS, the Company's highly cost-competitive assets are expected to maintain their advantages to a certain extent.	While facing the dual challenges of the need to realize increased volume and improved quality, renewable energy is expanding steadily. Meanwhile, fossil fuel will remain an indispensable energy source for the time being. We will strengthen the cost-competitiveness of new business projects while considering the carbon costs. At the same time, we will focus efforts on gas and LNG projects, which have comparatively low environmental burdens.

• Coal businesses

Evaluation of the impact on existing businesses	Countermeasures
The SDS is premised on further spread of the electric furnace method and on substitutes for coking coal being realized through innovative steel technologies, which have yet to be established. Ongoing verification of the possibility of realizing new steel technologies and of their impact is required.	We will pay close attention to trends in new technologies and to progress in relation to the Electrical Arc Furnace and the policies of respective countries. At the same time, over the medium-to-long term a steady increase in demand for high-quality coking coal centered on India and Southeast Asia is expected. While providing stable supplies to customers, we will strengthen our competitiveness.

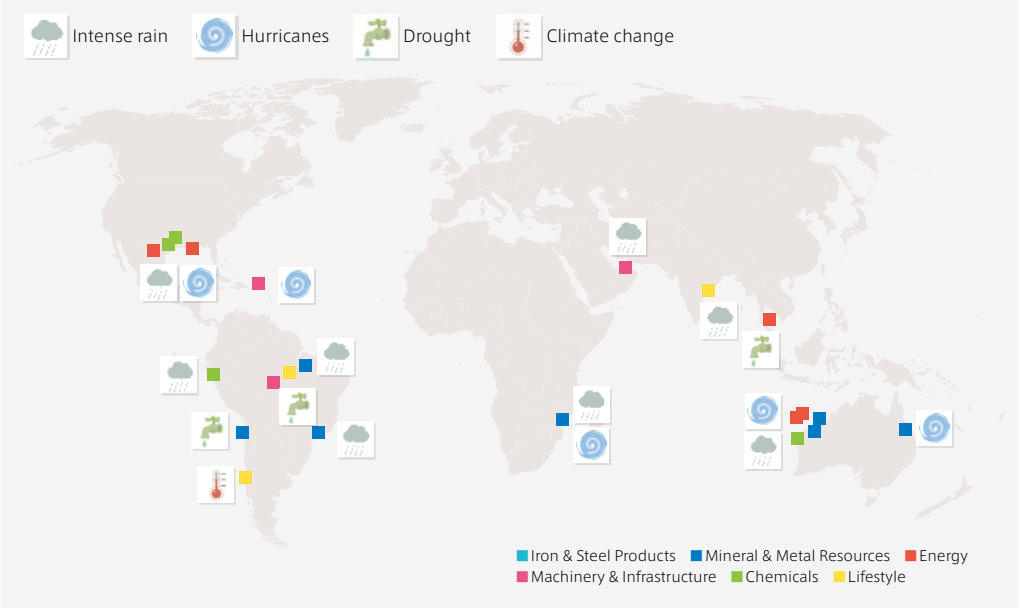
• Thermal power generation businesses

Evaluation of the impact on existing businesses	Countermeasures
Even based on the SDS, the impact on existing businesses will be limited as businesses contracted under long-term power purchase agreements—in which a consideration is paid for generation capacity rather than for generation volume—account for the majority (96% as of March 31, 2020) of the Company's power generation business portfolio.	In stages, we intend to lower coal-fired thermal power as a percentage of our equity share of power generation capacity and increase the percentage of renewable energy, including hydropower, to 30% by 2030.

Major physical risks and countermeasures

Under the NPS scenario, the physical risks* would be relatively higher because the target agreed under the Paris agreement to keep global warming within 2.0℃ of the pre-Industrial Revolution level would not be met. Mitsui has carried out a survey of the impact of physical risks over the past five years on important investment assets, as well as an analysis based on the RCP (Representative Concentration Pathway) used by the IPCC (Intergovernmental Panel on Climate Change).

* "Physical risks" refer to the risk of physical damage caused by increases in natural disasters and abnormal weather arising from climate change.

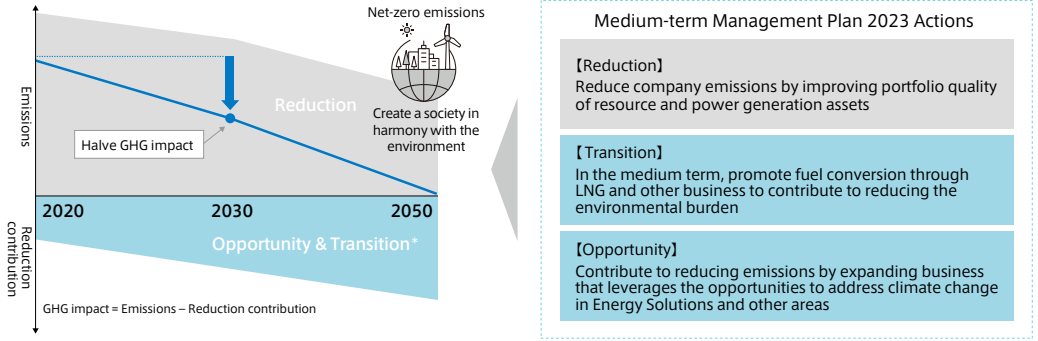


The major physical risks facing assets owned by Mitsui include the potential for localized storms, particularly strong tropical hurricanes and cyclones arising in the Atlantic and South Pacific, which could cause negative impacts on operations in our mineral and metal resources projects. Furthermore, in cases of severe damage to production plants or facilities or infrastructure, such as the roads, railways, and ports used for shipments, there is a risk that production or shipments could be suspended for long periods until these facilities are restored. On top of Mitsui's own investments, in cases when Mitsui suppliers suffered significant damage, there is the risk of the overall supply chain failing, including failures to receive supplies of raw materials. Mitsui implements measures such as taking out insurance coverage, establishing crisis management policies, and upgrading facilities as necessary. Furthermore, we are also considering the establishment of a system to assess whether each of these measures is the best possible risk mitigation measure.

Aiming for Net-zero Emissions in 2050

Policy Activity

Mitsui has set out the goal of net-zero emissions as our Vision for 2050. By 2030, we aim to halve our GHG impact versus 2020 as the path to achieving the Vision.



Medium-term Management Plan 2023 Actions

【Reduction】
Reduce company emissions by improving portfolio quality of resource and power generation assets

【Transition】
In the medium term, promote fuel conversion through LNG and other business to contribute to reducing the environmental burden

【Opportunity】
Contribute to reducing emissions by expanding business that leverages the opportunities to address climate change in Energy Solutions and other areas

* For Transition, we only assume reduction contribution attributable to the company in the future

Medium-Term Management Plan

GHG impact is calculated by deducting the Opportunity & Transition reduction contribution from our GHG emissions. The aim is to halve our GHG impact by 2030 compared to 2020.

In order to achieve this goal, we are promoting the following three measures – "Reduction," "Transition," and "Opportunity".

Introduction of Internal Carbon Pricing System

At Mitsui, we introduced the internal carbon pricing system in April 2020 in order to increase the medium to long-term resilience of businesses emitting large volumes of GHG, and to encourage the development of projects that are effective at reducing GHG emissions. Regarding new business projects, in projects with potential risks or opportunities from GHG regulations, etc., we have added analysis of the potential impact of a 2°C scenario to the project screening factors, as well as the reasonableness of countermeasures in the event these risks are realized. We will also use the internal carbon pricing system for assessing risks in existing projects.

Enhancing GHG Emissions Disclosures

Mitsui has carried out GHG emissions surveys domestically since the fiscal year ended March 2006 and in overseas since the fiscal year ended March 2009. Until now we have disclosed Scope 1 and Scope 2 of GHG emissions under the GHG Protocol* control standards. Since the fiscal year ended March 2020, we have disclosed Scope 3, Category 15 (indirect emissions associated with investments) that is estimated GHG emissions from i) energy, mineral and metal resources, and thermal power generation projects not included in Scope 1 and 2, and from ii) other affiliated company businesses. We have enhanced the scope of disclosures to promote continuous reviews of our portfolio considering our risk tolerance to climate change. This also takes into account Mitsui's strategy of using our wide range of business activities to take on the challenge of new opportunities in an agile way.

In the fiscal year ended March 2020, our GHG emissions at the Head Office, all offices in Japan and subsidiaries were 0.75 million tons, whereas GHG emissions at un-incorporated joint ventures in mineral and metal and energy resources fields totaled 3.07 million tons. In total, our emissions came to 3.82 million tons. GHG emissions under Scope 3, Category 15 investments came to 32 million tons.

* GHG Protocol is a GHG emissions calculation and reporting standard formulated through an initiative led by the WRI (World Resources Institute) and the WBCSD (World Business Council for Sustainable Development).

P.49 Environmental Performance Data

Making Mitsui's Electricity Use Carbon Neutral in All of Our Business Locations in Japan

As a specific measure aimed to achieve net-zero emissions in our Vision for 2050, since July 2020 Mitsui has made its electricity use carbon neutral at its Head Office and all business locations in Japan. Specifically, the electricity used at the Head Office to which we moved in May satisfied the RE 100 requirements* (achieving 100% RE). Most of the electricity is procured from the Fukushima Natural Gas Power Plant (Shinchi Town, Soma, Fukushima Prefecture), in which Mitsui has invested. The electricity we use satisfies the RE100 requirements by applying renewable energy-derived credits created at a biomass plant of Mitsui's affiliated company Konan Utility Co., Ltd. ("Konan Utility") to the electricity used in the Head Office building. For the electricity used in other business locations in Japan, including all offices and training centers, we have applied credits created at Konan Utility and our company-owned forest, "Mitsui's Forests", allowing us to switch to practically zero-CO_2 electricity.

* RE 100 is an international initiative that aims to encourage procurement of 100% renewable energy for the energy consumed in business activities. The RE 100 requirements define the electricity that can be recorded under the initiative as renewable energy, taking into account institutional differences among various countries.

Environment-Related Business

Policy

Our Medium-Term Management Plan and environmental policy call for action on climate change. Our business activities are directed toward both economic development and response to climate change; therefore we engage in renewable energy projects, modal shift projects, and the expansion of other business initiatives as well as diffusion of technology that contribute to the reduction of CO_2 emissions and improvement in energy consumption efficiency.

Renewable Energy Projects

Activity

We are developing our renewable energy business and expanding our capacity in this area as part of our electric power generation business. As of March 31, 2020, renewable energy, including hydroelectric power, accounted for approximately 14% of Mitsui's total power generating capacity of 11.1GW, and we are aiming to increase the share held by renewable energy to 30% by 2030.

Type	Country	Generation capacity (gross)
Centralized solar power generation	Japan	330MW
	Mexico	104MW
	Jordan	52MW
	Thailand	22MW
Distributed solar power generation	UAE	103MW
	India	32MW
	China	26MW
	Brazil	36MW
	U.S.	78MW
Solar thermal power generation	Spain	51MW
Wind power generation	Japan	69MW
	Australia	165MW
	Mexico	324MW
	Argentina	97MW
Biomass power generation	Japan	8MW
Run-of-river hydroelectric power generation	Brazil	3,750MW
	Spain	84MW
Hydropower generation	Laos	1,900MW
Geothermal power generation	Japan	7MW

*As of March 2021

Bii Stinu Wind Project (Oaxaca, Mexico)

Solar Power Generation Business (Tottori Yonago Solar Park)

Modal Shift

Activity

In addition to the railway leasing business that we have been engaging in over many years, we have also been actively launching and operating various railway projects, thereby developing and improving social infrastructure while promoting modal shift to contribute to green logistics. Of the rail networks in whose operation Mitsui participate as of March 31, 2020, the freight railroad network has a total route length of 10,700 kilometers, and the passenger network has a total route length of 2,810 kilometers.

Main business	Country/Region	Project size
Freight wagon leasing business	U.S.	Four global bases (U.S., Brazil, Europe, Russia): approx. 15,300 Freight wagons, approx. 340 Locomotives
	Russia	
Freight wagon rental business	Brazil	
Locomotive leasing business	Europe	
Freight wagon transportation business	Brazil	Operating a railway network of approx. 10,700 km, and port terminals
Passenger railway transportation business		
Rio de Janeiro suburban railway	Brazil	Transportation record: Approx. 590,000 passengers per day (December 2019)
Rio de Janeiro Light Rail Train		Transportation record: Approx. 110,000 passengers per day (December 2019)
São Paulo metro line no. 4		Transportation record: Approx. 700,000 passengers per day (December 2019)
East Anglia	U.K.	Transportation record: Approx. 250,000 passengers per day (December 2019)
West Midlands		Transportation record: Approx. 200,000 passengers per day (December 2019)
Car sharing business	Singapore	Fleet of cars: Approx. 230

Reducing Power Consumption in an Office Building through BEMS-Based Power Use Visualization

A building energy management system (BEMS) has been installed in the Bussan Building, a rental office building owned by Mitsui's subsidiary, Mitsui & Co. Real Estate, in Nishi-Shinbashi, Minato-ku, Tokyo. This system visualizes energy use and helps to reduce total and peak power consumption based on the obtained information, such as by preventing unnecessary operation of equipment and adjusting operating hours. In the fiscal year ended March 2020, these measures helped to reduce power consumption in the building by around 19% compared with the previous fiscal year.

The Bussan Building owned by Mitsui & Co. Real Estate

Other Environment-Related Business

Activity

Reducing Energy Consumption through Optimized Operation and Management of Air Conditioning Systems in Commercial Buildings

Through Air as a Service., Ltd. ("AaaS"), a company established by Mitsui and Daikin Airtechnology and Engineering Co., Ltd., we are offering a subscription-type service* that provides users with comfortable, air-conditioned spaces for a fixed monthly subscription fee.

AaaS installs and owns air-conditioning equipment instead of the owners of facilities. It provides optimal management of its equipment in each facility by combining an IoT system capable of remotely monitoring the operational status of each air conditioner on a 24-hour, 365-day basis with technologies for analyzing data acquired through this system. The system visualizes the operational status of equipment and reduces energy usage and costs by eliminating unnecessary operation. This results in the reduction of power consumption by around 20% compared with levels before the introduction of the system. In addition, AaaS maximizes equipment life by reliably monitoring operating hours and loads and undertaking preventive maintenance. Mitsui will continue to work through AaaS to support the improvement of energy efficiency in office buildings and commercial facilities.

* With a subscription-type service, the user acquires the right to use equipment instead of purchasing it outright and pays charges based on the period of use.

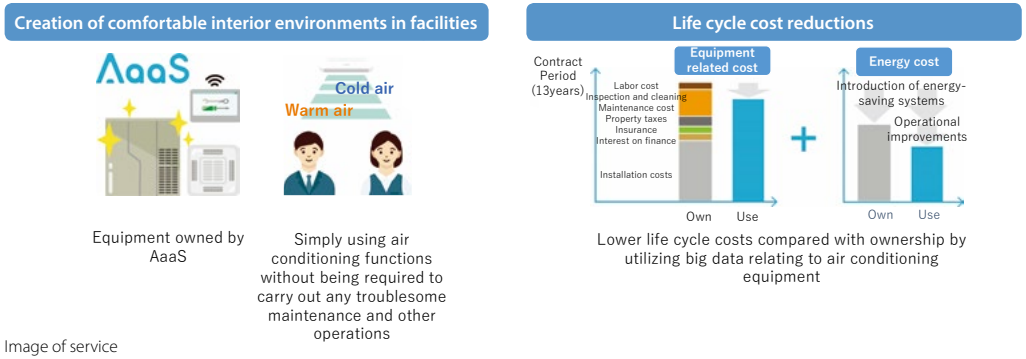


Image of service

Provision of Power Supply Optimization Capabilities Using a Stationary Energy Storage System Based on Electric Vehicle (EV) Batteries

Mitsui, in partnership with Renault S.A.S ("Renault"), Fonds de Modernisation Ecologique des Transports (an infrastructure fund managed by Demeter Partners of France), and The Mobility House AG ("TMH"), has established a joint project company, Tokai 2 GmbH ("Tokai2"), with the aim of providing power supply optimization capabilities in Germany using a stationary energy storage system based on electric vehicle (EV) batteries. Tokai2 will develop a stationary storage system with a total power output of 20 MW by installing containerized Renault EV batteries at multiple sites. Tokai2 will provide frequency containment reserve services to the German power grid using battery management systems developed by TMH. The company aims to increase the number of battery installation sites so as to also provide services to power users and generators.

Containerized Battery Storage

Forest Carbon Sinks, Emissions Trading Business

Mitsui has invested and participated in New Forests Pty Limited ("New Forests") of Australia, which has been engaging in the forestry asset management business in Oceania, Asia, and North America (forestry funds under management totaling approximately ¥380 billion and assets covering approximately 760,000 hectares). New Forests manages forest assets that store the equivalent of 130 million tons of carbon dioxide (tCO_2e) and earned carbon credits amounting to 2.4 million tCO_2e in 2019. Mitsui is committed to the supply of sustainable forest resources and will continue to contribute to the prevention of global warming through the forest fund business that creates forest carbon sinks and generates emission rights.

A forest plantation managed by New Forests in Australia

Our Company-Owned Forests, "Mitsui's Forests," Absorb and Fixate 160,000 Tons of Carbon Dioxide Annually

It is estimated that the carbon dioxide absorbed and fixated by Mitsui's Forests amounts to approximately 160,000 tons per year, and CO_2 accumulation has reached approximately 10 million tons*1. We contribute to the mitigation of climate change risk through sustainable forest management. The public value of Mitsui's Forests is estimated to be approximately 200 billion yen*2.

*1 This calculation is based on the Tier 2 approach in Chapter 4, "Forest Land," in Volume 4 of the "2019 Refinement to the 2006 IPCC Guidelines on National Greenhouse Gas Inventories." The calculation was based on the Tier 1 approach in the 2006 IPCC Guidelines in the past, but we changed the calculation method from the fiscal year ending March 31, 2021 in view of accuracy and refinement.
*2 This calculation is based on "Comprehensive Assessment of Biodiversity and Ecosystem Services" published by the Ministry of Environment.

Our Stories: Create an eco-friendly society

P.25 Creating Community-Based Biomass Power Generation Business for the Post-Carbon Society

Water Resources

Reflecting the growing interest from a global perspective in water-related problems, Mitsui & Co. stipulates efficient utilization of water in Mitsui's environmental policy and engages in water projects and various initiatives which promotes the conservation and the sustainable use of water resources. In addition, we conduct investigations with experts for new business investment projects that are likely to have a significant impact on the environment. For risk assessments in water-stressed areas, in particular, we use the portal site Aqueduct from the World Resource Institute (WRI) to monitor and analyze water risks, not only for new business but also for our existing business, with the aim of reducing water stress.

Long-term Supply of Water through Power Generation and Desalination Independent Water and Power Producer (IWPP) Project in Qatar

Activity

Mitsui is participating in the Ras Laffan C power and water desalination (IWPP) project in Ras Laffan Industrial City, located 80 km north of Qatar's capital of Doha. The project was initiated in response to demand increase of electric power and water as a result of Qatar's rapid economic growth. Qatar uses seawater desalination to produce 99.9% of its water supplies. In this project, energy efficiency will be optimized through the use of a desalination process designed to utilize waste heat from power generation.

With a power generation capacity of 2,730 MW and desalination capacity of 290,000 tons per day, this project will operate seawater desalination facilities for a period of 25 years starting in 2011. It will supply water and electric power to the Qatar General Electricity and Water Corporation (Kahramaa), accounting for around 24% of Qatar's electricity supply and approximately 14% of its water supply.

The Ras Laffan C water desalination plant

Mitsui 's Business Initiatives Relating to Water Resource

Business	Country	Wet weather capacity
Tap Water Supply	Thailand	1,000,000t/day
Sewage Treatment Plant	Mexico	3,600,000t/day
Power and Water Desalination	Qatar	290,000t/day
Desalination and Conveyance	Chile	Under construction

Support through an NGO for the Development of a Rainwater Reuse System to Supply Safe Drinking Water

Activity

In mountainous areas and on remote islands in Bohol Province in the Philippines, it is difficult to access safe drinking water and water stress is high. Water from wells in coastal areas and on remote islands is unsuitable for drinking because of seawater contamination. Boat trips to buy water are a part of everyday life for island residents, imposing a heavy burden in terms of both costs and time. The Mitsui & Co. Environment Fund has provided a grant to Ikaw Ako, an NGO to fund an initiative to provide rainwater storage and treatment facilities so that residents in this region can have easier access to safe drinking water. To create sustainable water supply systems, tanks with the optimal size for each community will be designed and built by the residents, allowing the facilities to be maintained and managed locally.

A rainwater storage tank (November 2019)

Caring for Water Resources During Shale Gas Extraction

Activity

Through its investee, Mitsui E&P USA LLC, Mitsui is engaged in the Marcellus shale gas development and production project and the Eagle Ford shale oil/gas development and production project. The gas and oil are extracted using hydraulic fracturing (fracking), and Mitsui E&P USA gives consideration water resources by ensuring that water for hydraulic fracturing (fracking water) is properly used (including the recycling of wastewater), managed, and discharged.

Circular Economy

Mitsui & Co. is working to realize a circular economy by curbing the resources and energy consumption and waste generation through circulation of resources and products at various stages in economic activities, while aiming to achieve both economic growth and reduction of environmental loads by creating added value through circulation.

In addition to the traditional "3Rs", the creation of a circular economy requires efforts on various levels, such as introduction of designs and materials that minimize resource inputs, promotion of sharing to improve usage rates for products and services, extension of product life cycle through maintenance and repurposing, and development of mechanisms that allow the utilization of items once regarded as waste for other purposes. Using robust business infrastructure built through the repetition of "challenge and innovation", Mitsui is contributing to the creation of a circular economy through initiatives in various business fields.

Business Initiatives Relating to a Circular Economy

Activity

Theme	Activities /Scale
3R design, reduce	Our partner Gestamp Automoción S.A. contributes to energy efficiency improvement of vehicles on a global basis by designing and supplying light weight parts that are 100% recyclable.
	By manufacturing high-performance packaging materials, Prime Evolue Singapore Pte., in which Mitsui has invested, is responding to demand for down gauging packaging so as to reduce the amount of raw material in packaging while maintaining the quality of the packaging itself.
	Mitsui subsidiary Vendor Service Co. supplies thinner, lighter, and simpler food packaging materials, such as top seals, to convenience stores.
	The U.S. company Osisoft, LLC, in which Mitsui has invested, is contributing to reduce defective parts percentages in manufacturing by providing IoT data management services and software to various industries.
	Through its participation in CEFLEX (a circular economy for flexible packaging), an NGO dedicated to collaboration on plastic packaging recycling in Europe, Mitsui is exploring collection, sorting, and recycling infrastructure systems for flexible plastic packaging.
Reusable and biodegradable materials	Mitsui subsidiary Vendor Service Co. uses biomass film, biomass ink, aluminum-free paper packaging, thinned wood, recycled film, and FSC-certified paper in its products.
	Prime Evolue Singapore Pte., in which Mitsui has invested, manufactures high-performance packaging materials and develops more functional and new packaging materials to realize recyclable and sustainable packaging.
	Through its investment in Minima Technology Co. in Taiwan, our subsidiary Mitsui & Co. Plastics is building a business based on biodegradable plastic compounds and products.
Life cycle extension, reuse	By utilizing comprehensive maintenance technology provided by SHO-BOND & MIT Infrastructure Maintenance Corporation (SB&M), a joint venture with SHO-BOND HOLDINGS CO. Mitsui is exploring to extend the service life of infrastructure in overseas countries.
	Our affiliated company M&B Conversions facilitates the repurposing of passenger aircraft replaced by newer models by converting them to cargo aircraft.
Waste reduction, recycling	Our affiliated company MM & KENZAI Corporation collects and sells metal scraps from demolished structures and from the processing of iron and steel products. It also promotes recycling of non-metallic materials. Handling volume of metal scraps: 7 million tons/year
Waste reduction, recycling	Our affiliated company Kyoei Recycling Co. uses dust mainly obtained from shredded end-of-life vehicles as feedstock for gasification melting furnaces. Gas produced is used as fuel at the nearby Kyoei Steel Yamaguchi Division facility, while the hot slag produced is sold to refiners. Waste processing capacity: 28,000 tons/year
	Our subsidiary Mitsui Bussan Metals Co. collects and sells non-ferrous scrap, such as aluminum, copper, and titanium, from various sources, including demolished buildings, disassembled automobiles and electrical goods, and scrapped PCBs. It also handles recycled metals and alloys made from non-ferrous scrap. Handling volume of non-ferrous scrap and recycled metal: 300,000 tons/year
	Our investee Sims, one of the world's leading recyclers, engages in recycling of metals and electronic equipment as well as processing of municipal waste from New York City. Handling volume of metal scraps: 9.8 million tons/year
	Beijing Shougang LanzaTech New Energy Science & Technology (SGLT) in China, in which Mitsui has invested, is a next-generation ethanol manufacturing company. It uses microbial fermentation technology developed by US-based LanzaTech Inc., a company that we invested in to convert waste gas into fuels and chemicals. SGLT is a commercial-scale manufacturer of next-generation ethanol using waste gas from steel works as raw material. By using waste gas that was formerly released into the atmosphere to produce ethanol as an alternative to petroleum-derived gasoline, SGLT contributes to the reduction of GHG emissions. Greenhouse gas emission reduction: 50-70% (compared with gasoline)
	Our subsidiary Mitsui Norin Co. effectively utilizes waste, including the use of tea leaf residues as a raw material for fertilizers. Waste reduction: 920.4 tons/year
	Our subsidiary Bussan Food Materials Co. produces juice from fruit pulp attached to calyces (sepals) from cut strawberries. Waste reduction: 13 tons/year
	Our affiliated company Konan Utility Co. dries sludge from sewage treatment plants and converts it into boiler fuel in a drying and conversion facility. As a company engaged in environment-friendly business activities, it is registered under the Hyogo Prefectural Government's Hyogo Biomass Eco Model scheme. Waste reduction: 3,080 tons/year
	Our subsidiary Prifoods Co. effectively utilizes waste through the commercial use of poultry manure as a fertilizer, and as a snow melting agent after carbonization. Waste reduction: 71,670 tons/year
	Sugar cane residue (bagasse) from a sugar manufacturing business operated jointly by Mitsui and Mitsui Sugar Co. in Thailand is used as fuel for biomass power generation, and the electric power is used for the operation of its plants with surplus electric power being sold, contributing to an increase in the use of renewable energy in Thailand. Waste reduction: 900,000 tons/year
	Our subsidiary Retail System Service Co. recycles animal feed and compost and has developed a practical deodorizing and sterilizing material for cleaning retail outlets by use of recycled coffee grounds.
Sharing platforms	Our subsidiary Car Club Pte operates Singapore's largest car sharing business.
	Mitsui has conducted two trials of an on-demand taxi-sharing scheme in Arao City, Kumamoto Prefecture. A full-scale service is planned to commence in the year ending March 2021.
XaaS (X as a Service)	Mitsui provides battery leasing services (Battery as a Service) through its investee, Forsee Power in France.
	Our affiliated company NOBORI operates a cloud-based medical picture archiving and communication system (PACS) in Japan. It has a 70% share of the market of cloud-based PACS services.
	Our subsidiary +Automation Inc. provides a Robotics-as-a-Service (RaaS) that enables logistics facilities to cope efficiently with increasing cargo volumes in an environment of labor shortages as well as smaller lot and more diversified delivery patterns.
	Through Air as a Service (AaaS), jointly established by Mitsui and Daikin Airtechnology and Engineering Co., we provide subscription services for optimized air conditioning for a fixed monthly fee by means of IoT-based remote management. Power consumption in facilities that use this service is reduced by around 20%.

Environmental Pollution

Reducing and Preventing Pollution

Activity

Mitsui & Co. bases its environmental policy on pollution prevention. In particular, we engage in initiatives that lead to the reduction of water and soil contamination and the reduction of the quantity of chemical substances released into the atmosphere, with the aim of reducing and preventing pollution.

Business Initiatives against Environmental Pollution

Activity

Aim	Initiatives
Prevention of atmospheric pollution through the detoxification of exhaust gas	As a distributor, Mitsui & Co. Plastics, one of our subsidiaries, is building and expanding a nationwide network of sales and logistics locations and infrastructure for AdBlue®, which converts the nitrogen oxides contained in exhaust gases from trucks and buses into harmless water and nitrogen.
Proper treatment of industrial water	In addition to monitoring and managing water quality in mining and surrounding areas, we minimize wastewater through maximization of recycling.
Reduction of atmospheric pollution from transportation vessels	We are updating our fleet, including increased orders for vessels with substantially lower SOx and NOx emissions.
Reduction of soil pollution through the optimization of fertilizer usage quantities	We are stabilizing soil quality and reducing soil pollution by using digital technology to ensure the appropriate application of fertilizers. Examples include the use of satellite images to analyze vegetation and monitor farmland topography, the use of yield trends and soil analysis results in digital mapping and fertility analysis, automatic fertilizer application from tractors, and timely system-based monitoring of fertilizer applications.
Reduction of soil contamination	Initiatives by Certis USA P.19 Our Stories: Secure sustainable supply of essential products
Reduction of marine pollution	Participation in CLOMA P.13 CLOMA (Japan Clean Ocean Material Alliance)

Joint Project with JICA/Researchers —Development and Operation of an HAB (Harmful Algal Bloom) Early Warning System

Activity

HABs (harmful algal blooms), including red tides, are caused by abnormal concentrations of phytoplankton in seawater. In recent years, the phenomenon has been attributed to environmental pollution and global warming. A record HAB outbreak occurred in Chile in 2016, causing major damage to salmon farming and fisheries, which are among the country's main industries. Universities and research institutes in Japan and Chile have established a research project in collaboration with government agencies and other organizations in Chile with the aim of developing and operating an HAB early warning system.

Mitsui, which has invested in the salmon farming business in Chile, was also asked to cooperate in this initiative through the Japan International Cooperation Agency (JICA) following a request for assistance from the Chilean government. Our role is to consolidate and extend the results of the project in society. In April 2018, we began to collaborate in the project after concluding an agreement with JICA, which was participating on a technical assistance basis. Since then we have supported industry-academia collaboration in Japan and Chile toward the development of an HAB monitoring system.

We believe that this project can contribute to the reduction of damage caused by HABs by issuing warnings based on forecasts from this system, and by sharing information about preventive measures with people working in the fisheries industry. We also believe that it can contribute to the reduction of environmental pollution in local environments, and further regional economic development.

A sampling operation near the city of Puerto Montt in southern Chile (January 2019)

Initiatives to Reduce and Prevent Pollution —Actions Relating to Radioactive Substances

Activity

A wholly owned subsidiary in the United States purchases and sells uranium concentrate. However, the scale of business is extremely limited in terms of value and quantities handled when seen in the context of Mitsui's overall business operations, and furthermore, the materials are not physically relocated and do not leave the storage facility. The storage contractor to which the materials are entrusted has been licensed by the U.S. Nuclear Regulatory Commission (NRC) to handle radioactive materials and ensures that the employees in its storage facility maintain strict compliance with NRC standards concerning the management of radioactive materials and the risk of exposure. The storage contractor also undergoes regular inspections by the NRC. On this basis, we believe that the risk that uranium concentrate owned by Mitsui's subsidiary will damage the local environment or cause exposure is extremely limited. All of the uranium concentrate handled is intended solely for peaceful, civilian purposes such as power generation, and is compliant with all NRC regulation. It should be noted that Mitsui and its subsidiary rigorously ensure compliance with NRC management standards (including those for nuclear waste) in handling the materials, but no nuclear waste is handled whatsoever.

Biodiversity

Mitsui & Co. bases its environmental policy on nature conservation in consideration of biological diversity. We promotes initiatives that lead to conservation of biodiversity through business. 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.

Business Initiatives relating to Biodiversity

Activity

Business	Description
Hydroelectric Power Plant Business	The Madeira River is a tributary of the Amazon River and forms part of the Amazon Basin, a region that is known for its rich biodiversity. Located on the Madeira 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 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.
Forest Resource Business	Along with business partners, Mitsui is carrying out plantation business in Australia and Chile (the combined project area is approximately 20,000 hectares as of March 31, 2020), with the aim of ensuring the stable supply of wood chips, the raw material for paper. The business has acquired international forest certification from organizations such as FSC®, and manages forest resources responsibly. We also carry out measures in consideration of biodiversity protection.
Production and Sale of Rice	Toho Bussan, a subsidiary, supports the production and sale of rice using farming methods that encourage biodiversity, such as the minimum use of agrichemicals and chemical fertilizers.
Shipping Business	To prevent negative effects on the ecosystem by marine creatures in ballast water, we actively promote initiatives including installment of ballast water treatment equipment on vessels.
Production and Sale of Solar Marine Salt	Shark Bay Salt Pty, a Mitsui subsidiary, owns a solar marine salt field in Shark Bay, Western Australia. It produces and sells some of the world's purest salt while actively working to improve the local ecosystems of Shark Bay, an internationally renowned World Heritage site. With a dedication to maintaining harmony with nature, the company continuously monitors the terrestrial environment and mangrove ecosystem both in the salt field and across the surrounding maritime environment, to ensure that its business operations have no impact on the local ecosystem. As a result of these efforts, local wildlife populations continue to prosper.

Biodiversity Conservation Activities at Mitsui's Forests

Activity

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%). Especially important areas from the viewpoint of biodiversity are designated as Biodiversity Conservation Forests (approximately 10% of all Mitsui's Forests). They are further categorized in accordance with their qualities into Special Conservation Forests, Environmental Conservation Forests, Water and Soil Conservation Forests, and Cultural Conservation Forests. By clarifying the conservation objective, such as conservation of rare species, we conduct forest management that is more strongly oriented toward the preservation of biodiversity.

Biodiversity Conservation Activities in Cooperation with NGOs

Activity

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 GHG emissions that would normally be accumulated 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 support for activities, such as instruction for and promotion of organic farming and rice farming as alternative sources of livelihood that do not rely on logging, with the aim of contributing to forest and biodiversity conservation.

Tropical lowland evergreen forest in Prey Lang
©Jeremy Holden

* REDD+ (Reducing Emissions from Deforestation and forest Degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries): A scheme which provides economic incentives such as carbon credits through the mitigation of deforestation and degradation of forests in developing countries.

Environmental Performance Data

The data marked with "★" (FY2020) are assured by Deloitte Tohmatsu Sustainability Co., Ltd., an external assurance provider based on International Standard on Assurance Engagements (ISAE) 3000 and ISAE3410.

P.120 Independent Practitioner's Assurance Report

Energy Consumption

Activity

Mitsui & Co. has set the goal of "reducing energy consumption intensity by 1% or higher on average per year" for Mitsui and its subsidiaries in Japan. We aim to achieve this goal through a variety of measures, including a group-wide effort to improve energy efficiency.

From the fiscal year ended March 2019, the scope of coverage has been expanded to joint control businesses (Un-incorporated Joint Ventures). We will continue to monitor energy consumption and explore new initiatives to reduce energy consumption on a global group basis.

Category		Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Energy Consumption								
	Non-consolidated	Head Office and all offices in Japan	GJ	207,259	205,182	202,522	★	
	Consolidated	Subsidiaries		11,157,784	18,700,216	22,671,923	★	
		Un-incorporated JVs		—	24,533,657	19,901,035	★	
	Total			**11,365,043**	**43,439,056**	**42,775,480**	★	
(Breakdown)								
	Fuels			5,617,840	33,551,624	30,823,685		
	Electricity			4,923,641	8,630,815	10,730,337		
	Steam, heat, cold water			823,561	1,256,617	1,221,458		
Intensity	Non-consolidated	Head Office and all offices in Japan (per square meter)	MWh/m^2	0.121	0.120	0.112	★	

Greenhouse Gas (GHG)

Activity

Mitsui is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions on a global group basis. Mitsui has carried out GHG emissions surveys domestically since the fiscal year ended March 2006, and for overseas since the fiscal year ended March 2009, in order to grasp the amount of its emissions year by year. From the fiscal year ended March 2018, the GHG accounting boundary has been extended to joint control businesses (Un-incorporated Joint Ventures), and from the fiscal year ended March 2020, the scope of coverage has been enhanced to Scope 3, Category 15 (indirect emissions associated with investments). Such initiatives are our response towards the growing interest in the issue of climate change, and we will continue to monitor our GHG emissions and explore further initiatives to reduce our GHG emissions on a global group basis.

Category		Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Greenhouse Gas (GHG) Emissions								*1
Scope1	Non-consolidated	Head Office and all offices in Japan		1	1	1	★	
	Consolidated	Subsidiaries		358	331	386	★	
		Un-incorporated JVs		3,089	2,857	2,848	★	
	Total			**3,448**	**3,189**	**3,235**	★	
Scope2	Non-consolidated	Head Office and all offices in Japan		10	9	8	★	
	Consolidated	Subsidiaries		295	368	355	★	
		Un-incorporated JVs		232	210	222	★	
	Total			**537**	**587**	**585**	★	
Scope1+2	**Total**			**3,985**	**3,776**	**3,820**	★	
Scope3	Investment	Emissions related to our investment	thousand t-CO_2e	—	—	32,000		*2
	Transportation	Consigned logistics in Japan with Mitsui as the shipper		27	31	25	★	
	Commuting	Head Office		1	1	1		
	Business trips	Head Office		10	10	10		
Scope1 (breakdown)	CO_2	Carbon dioxide		1,652	2,278	2,202		
	CH_4	Methane		1,796	908	1,032		
	N_2O	Carbon monoxide		0	3	1		
	HFCs	Hydrofluorocarbons		0	0	0		
	PFCs	Perfluorocarbons		0	0	0		
	SF_6	Sulfur hexafluoride		0	0	0		
	NF_3	Nitrogen trifluoride		0	0	0		

*1 [Standards/Guidlines for Scope1+2 calculation] GHG Protocol "Emission Factors from Cross-Sector Tools" (March 2017), International Energy Agency (IEA) Emissions Factors 2019, IPCC 2006 Guidelines for National Greenhouse Gas Inventories, Act on Rationalizing Energy Use
*2 [Scope3 Investment] Estimated values of emissions from mineral and metal resources, energy and thermal power generation businesses not included in Scope 1+2 and other affiliated company businesses using LCA databases (IDEA, Ecoinvent), input-output models, etc.

Water Consumption

Activity

Mitsui started surveying water intake and drainage data by water source from the fiscal year ended March 2019. We will continue to monitor water risk and explore new initiatives to reduce water consumption on a global group basis. At the Head Office, we use 100% recycled drainage water for toilet flushing in order to promote reduction in water consumption.

Category		Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Water Intake								
	Non-consolidated	Head Office and Mitsui-owned buildings	thousand m^3	65	64	61	★	
	Consolidated	Subsidiaries and Un-incorporated JVs		—	330,906	377,769	★	*1
	Total			**65**	**330,970**	**377,830**	★	
(Breakdown)								
	Industrial water, water utility			—	10,998	7,619		
	Pumped groundwater			—	18,161	12,791		
	Rivers, lakes			—	24,577	21,780		
	Sea			—	273,034	329,907		
	Rainwater			—	3,661	3,379		
	Others			—	539	2,354		
Intensity	Non-consolidated	Head Office and Mitsui-owned buildings (per employee)	m^3/employee	16.36	16.10	16.24	★	
Drainage Water								
	Non-consolidated	Head Office and Mitsui-owned buildings	thousand m^3	65	64	61	★	
	Consolidated	Subsidiaries and Un-incorporated JVs		—	38,769	32,137	★	*1
	Total			**65**	**38,833**	**32,198**	★	*2
(Breakdown)								
	External disposal facilities (sewers)			—	6,837	6,759		
	Groundwater			—	406	390		
	Rivers, lakes			—	6,636	6,274		
	Sea			—	19,509	18,557		
	Others			—	5,445	218		
Water recycling			thousand m^3	—	8,474	7,172		

*1 [Boundary] Domestic and overseas consolidated subsidiaries and major Un-incorporated JVs
*2 Drainage water is assumed to be equal to intake water quantity in case there is no drainage data

Waste and Paper Consumption

Activity

Mitsui has set the goal of "recycling rate of 85% or higher" for Head Office and corporate buildings in Osaka and Nagoya and promote reducing waste, reuse, recycling, and appropriate waste dispose. We are working to reduce paper consumption at the Head Office and all offices in Japan by introducing various IT tools and promoting paperless meetings.

Category		Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Waste								
	Waste amount	Head Office and all offices in Japan	t	1,259	1,220	1,190	★	
	Recycling rate		%	83.4	81.9	82.2	★	
	Intensity	(per employee)	t/employee	0.316	0.309	0.316	★	
	Hazardous waste	Specially-controlled industrial waste	t	1.3	1.1	1.1		*
Paper Consumption								
	Paper consumption	Head Office and all offices in Japan	Thousand sheets (A4 size equivalent)	45,894	38,614	28,778	★	
	Intensity	(per employee)	Thousand sheets/ employee	11.20	9.51	7.18	★	

* Infectious waste discharged from in-house clinic

Environmentally-Friendly Logistics

Activity

In collaboration with our logistics partners, we implement energy-saving measures including promotion of economical driving practices and other fuel-saving techniques, improvement in transportation efficiency by using larger transport vehicles, introducing cargo consolidation arrangements, reviewing transport routes, and modal shift using rail and ship transport.

Category		Scope of Coverage	Unit	FY2018	FY2019	FY2020	External Assurance	Remarks
Environmentally-friendly Logistics								
	Freight volumes handled by Mitsui	Domestic logistics handled by Mitsui	Million ton-kilometers	705	769	631	★	
(Breakdown)								
	Ship			624	677	558	★	
	Truck			81	92	73	★	
	Air/Rail			0	0	0	★	
	Intensity	(fuel per thousand ton-kilo-meters)	kl/thousand ton-kilometers	0.014	0.015	0.015	★	

Initiatives toward Environmentally-Friendly Logistics

Improvement of Land Transport Efficiency	We will use more energy efficient transportation methods. • Using consolidated cargo • Using larger transport vehicles to increase loading rates • Reviewing transport routes and methods
Improvement of Sea Transport Efficiency	We will continue to provide the following guidance for vessels chartered and/or operated by our affiliated companies. • Increasing ship loading rates • Economic cruise speed operation

Environmental Conservation/Economic Effects

Activity

The environmental conservation and economic effects in the areas of paper consumption and energy consumption during the fiscal year ended March 2020 are shown below.

Category		Scope of Coverage	Environmental Conservation Effects	Economic Effects
Environmental Conservation/Economic Effects				
	Paper consumption	Head Office and all offices in Japan	9,836 thousand sheets	6,884 thousand JPY
	Electricity consumption	Head Office and Mitsui-owned buildings	631 MWh	18,765 thousand JPY

Assessment of Environmental Liabilities

Activity

Currently, corporate management is strongly expected to proactively deal with environmental issues. In addition to complying with legal requirements, we are working to monitor environmental risks of tangible fixed assets through self-driven surveys such as of land and buildings of Mitsui subsidiaries in Japan, especially for asbestos, PCB, and soil pollution, and make prompt decisions on management policies.

Environment-Related Fines and Penalties

Activity

Mitsui did not incur any environment-related fines or penalties in the fiscal year ended March 2020.