

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.

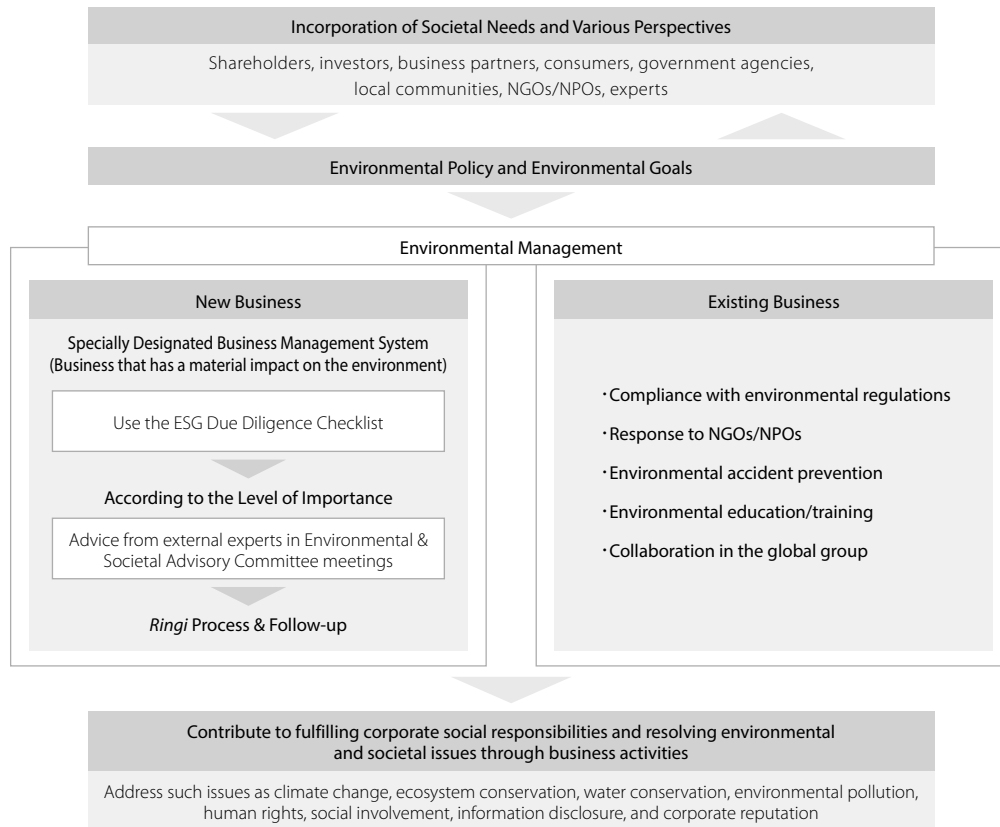
Management of Environmental and Societal Risks

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.  The mark of responsible forestry	Forest Management (FM) certification, and Chain of Custody (CoC) certification	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 m³/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).

Environmental Management

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 PEFC have agreed to the mutual recognition of respective forest accreditation systems since 2016.	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 Mitsui Bussan Forest (Mitsui subsidiary, Certificate no. FSC®-C031328)/approximately 50,000 m ² /year (sells timber and other products produced mostly from Mitsui's Forests)
	CoC certification		



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													
			<table border="1"> <thead> <tr> <th></th> <th>FY2019</th> <th>FY2020</th> </tr> </thead> <tbody> <tr> <td>Handling volume of BAP-certified salmon</td> <td>84,283t</td> <td>90,163t</td> </tr> <tr> <td>Total handling volume of fish and seafood produced/used/processed</td> <td>90,626t</td> <td>90,163t</td> </tr> <tr> <td>Ratio</td> <td>93%</td> <td>100%</td> </tr> </tbody> </table>		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%	
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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 	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.													
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Please check the status of our progress at:
<https://rspo.org/members/220/mitsui-and-co-ltd>

Environmental Management

Acquired Certifications	Coverage (Country)	Certificate Holder/Outline & Scale (Handling Volume)
 <p>Rainforest Alliance</p> <p>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</p>	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
 <p>SQF-TSA</p> <p>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</p>	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 CO₂ emissions.



* 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