

Governance—Executive Summary

Integrity and Compliance

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In order for the Mitsui & Co. global group to continue to be a truly trustworthy corporate group for society, we make serious efforts to ensure that all officers and employees are aware of the importance of compliance and act with integrity, while preventing compliance violations by maintaining our status as an organization with integrity on a global group basis.

Mitsui & Co. Group Conduct Guidelines—With Integrity

We formulated the Mitsui & Co. Group Conduct Guidelines -With Integrity to further clarify our basic approach towards integrity and compliance which had been shared within the global group. We revised these guidelines in November 2019 particularly to enhance items on human rights. We will continue to review these guidelines in accordance with changes both within and outside the company.

Compliance Program

The President & CEO, CCO, and other executives are proactively engaging in awareness-raising activities in order to realize an organization with integrity. At the “With Integrity Month” in November 2019, the President & CEO directly delivered his message about integrity to employees under the theme “Thinking about Integrity.” Other “With Integrity Month” programs included a panel discussion about integrity between young employees and members of the Compliance Committee as panelists, including the CCO, and lectures by external speakers. We held the Mitsui & Co. group CCO meeting, attended by the CCOs of Mitsui and its affiliated companies in Japan, which included seminars and group discussions about the whistleblowing system, and also formulated the Guidelines on the Establishment of Compliance System at Affiliated Companies. As the first step, these guidelines have been used to deepen discussions at the Board of Directors meetings and other such occasions at respective affiliated companies in Japan so that each company can strengthen the compliance framework based on its own issues and tasks.



Group CCO meeting (September 2019)

Facilitating Communication and Fostering a “Speak Up” Culture

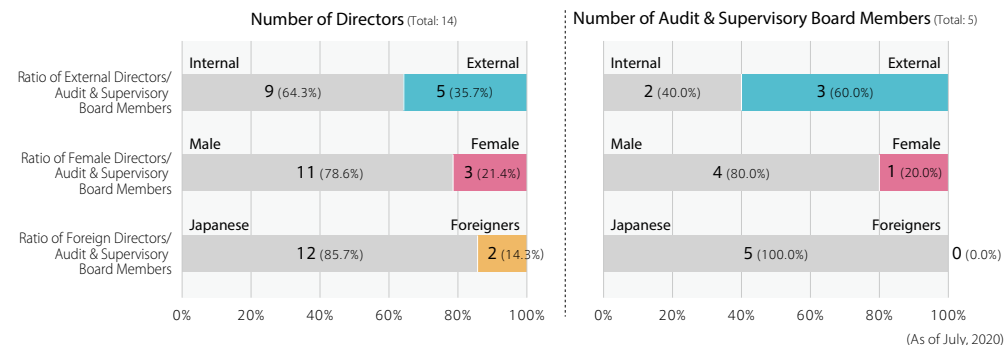
We believe that the essence of compliance lies in the development of an open working environment that reflects our management philosophy and values, so that problems can be prevented through smooth communication. Mitsui is also actively fostering a culture in which people speak up when they become aware of issues to discover problems at an early stage.

Corporate Governance and Internal Controls

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Corporate Governance

Mitsui places emphasis on “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and the executive activities of management.” Sound supervision and monitoring of management with the viewpoints of External Directors and External Audit & Supervisory Board Members are ensured, and an internal control system for disclosure is established so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure. While increasing the effectiveness of supervisory functions by having Audit & Supervisory Board Members, Mitsui implements corporate governance by maintaining an Audit & Supervisory Board system, believing that having Internal Directors who are familiar with its business practices and operations is essential to the business of a general trading company. By adopting a Committee System in which External Directors and External Audit & Supervisory Board Members participate, we achieve highly effective corporate governance to secure “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and the executive activities of management.”



Internal Controls

In accordance with the basic framework of the internal control process introduced by Business Accounting Council, the various systems are implemented in order to achieve the following: “Improvement of effectiveness and efficiency of operations,” “Compliance with accounting standards and securing reliability of financial reporting,” “Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy,” and “The conservation of company assets.”

Risk Management

ESG-Related Risk Management

In order to comprehensively manage risk from both quantitative and qualitative perspectives, while responding appropriately to changes in social conditions and business models, we have defined the business that has high qualitative risks, such as ESG-related risks, as “Specially Designated Business,” and are pursuing such businesses with due caution under our Specially Designated Business Management System.

Information Risk Management

Based on our Information Security Policy, we have established the Information Risk Management Subcommittee under the Information Strategy Committee, with the CDIO serving as the committee chair. Having developed the Rules on Information Management, Rules on Information System Management, and Rules on IT Security, we are properly managing our information assets (information and IT systems) on a global group basis, and will continue making improvements to information management.

Business Continuity

We have formulated Business Continuity Management (BCM) framework to minimize business risks, such as the loss of customers and damage to our corporate reputation, resulting from the suspension of important business processes in the event that our ability to maintain our business operations is seriously impeded by earthquakes, floods, terrorism, epidemics, power shortages or other contingencies, or when such situation is expected to continue for a significant period of time.

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