

CSR & Environmental Affairs Advisory Committee

MC's CSR & Environmental Affairs Advisory Committee is made up of eight external experts.

In the fiscal year ended March 31, 2009, the committee met in November 2008 and March 2009, and provided a broad range of advice on subjects such as the MC Group's CSR and environmental affairs and social contribution activities.



Members of the CSR & Environmental Affairs Advisory Committee

Eiichiro Adachi

Research Chief, The Japan Research Institute, Ltd.

Hiroshi Kito

Professor of Economic History and Historical Demography, Sophia University

Takejiro Sueyoshi

Special Advisor to the UNEP Finance Initiatives in the Asia Pacific Region

Yasushi Hibi

Director of Japan Program, Conservation International

Yukio Ueno (Chairperson)

Senior Executive Vice President, CSR and Environmental Affairs

Keiko Katsu

Freelance Newscaster

Mizue Unno

Managing Director, So-Tech Consulting, Inc.

Peter D. Pedersen

Chief Executive, E-Square

James E. Brumm

Executive Advisor, Mitsubishi International Corporation

Main Opinions and Suggestions to Date

CSR & Environmental Activities in the Current Economic Climate

- The recent economic crisis has exposed the failures of short-term profit seeking and surely serves to underline the importance of paying due consideration to CSR for the benefit of long-term business development. The current economic climate is also a good opportunity for MC to differentiate itself from other firms by actively adopting a CSR-based approach.
- Financial instability has now started impacting at the household level, and we are witnessing increasing public concern regarding economic insecurity and poorer employment prospects. People expect companies such as MC to take a global view and remain focused on social contribution activities, while at the same time providing practical support to alleviate underlying social concerns.
- Although some might initially feel that tough economic times mean less attention on CSR, the consensus in the EU is that tough times are exactly when firms need to be reviewing their operations and undertaking CSR-related initiatives.
- From a global perspective, in an increasingly multi-polar world, MC should also be involved in businesses that help benefit the poorer inhabitants of the world's developing nations.

General Comments on CSR-Related Activities

- Tapping into the capabilities of partners such as NGOs is a highly effective strategy for companies in their environmental and CSR-related activities. One option might be to focus on specific communities or themes and then work on cultivating strong relationships with the most relevant NGOs in those particular areas.
- For many Japanese companies, the issue of human rights means putting the rights of employees first. Global enterprises such as MC should look to give appropriate consideration to the rights of communities globally, particularly within the developing world in relation to decent living standards.
- In the past, CSR was mainly regarded as a voluntary responsibility for companies. Recently, however, there is an increasing view that a combination of regulation and voluntary action is essential. While many Japanese companies tend to be opposed to increased regulation, there are many firms in the West that operate on the idea that new rules inevitably generate fresh business opportunities. Companies need to pay close attention to these rules individually so as to adopt a clear regulatory response and policy stance.

On the Environment

- MC should adopt a global perspective, acknowledging and supporting the so-called "Green New Deal" in Japan as well as the "Global Green New Deal" that the United Nations has advocated.
- There are two approaches to dealing with global warming. The first is to adopt measures that try to mitigate impact by reducing CO₂ emissions, and the second is to try and adapt to the inevitable changes that we will face in the future. With many examples of progressive action in today's world, MC needs to adopt the environment as a business theme.
- It is important for all businesses, including individual ventures to study in advance what sort of environmental value their business can generate.

On Social Contribution Activities

- There is great merit to MC's project which focuses on making educational materials for elementary schoolchildren*1. This initiative could be broadened to include materials aimed at children of middle or high school age in order to explain environmental terms or raise global awareness through the use of language that is easily understood.
- MC could engage in ongoing social contribution activities that seek out areas where MC's areas of business intersect with issues in our society.

*1: MC has published a supplementary school text aimed at elementary school children in Grade 5 and 6 entitled "Industry and Trade Linking the World." Using the medium of *manga*, it illustrates the role of Japan in international society through the activities of general trading companies. Further details can be found on our website.
URL: <http://www.mitsubishicorp.com/jp/en/csr/report/society.html>



Response to Opinions and Suggestions

Incorporating the CSR & Environmental Affairs Advisory Committee's Discussions Into Future Business Plans

For a long time at MC, we have recognized that taking the initiative on environmental and CSR-related matters is an important management issue and have worked to consistently upgrade our involvement in this field. In that context, the CSR & Environmental Affairs Advisory Committee has an extremely valuable role to play. Supplementing our internal discussions on related activities, with the opinions and advice provided by outside experts is a critical part of how we develop MC's global business going forward and maintain active stakeholder dialogue.

From the committee meetings to date, we have received a wide range of comments from all members, along with some stimulating suggestions and inspirational ideas. The discussion has impressed on me that, as well as profitability, environmental and CSR aspects are critical in evaluating the success of a business. Another notion that I now see as extremely important is the idea that raising environmental and CSR-related sensitivity and awareness across the company is key to creating businesses that will generate superior value on a sustained basis.

Going forward, we plan to create a forum for discussion involving MC employees who are directly involved with environmental and CSR-related issues on the business frontline. We would then hope to be better positioned to study and implement relevant initiatives within MC's core business activities.

During the year ending March 31, 2010, I will

also be discussing with the members of the CSR & Environmental Affairs Advisory Committee how we should incorporate these key aspects into our future business plans in practical terms.

Yukio Ueno

Senior Executive Vice President, CSR and Environmental Affairs

