

# Environment Social Governance

 Mitsubishi Corporation

## MC Shared Value Creation Forum

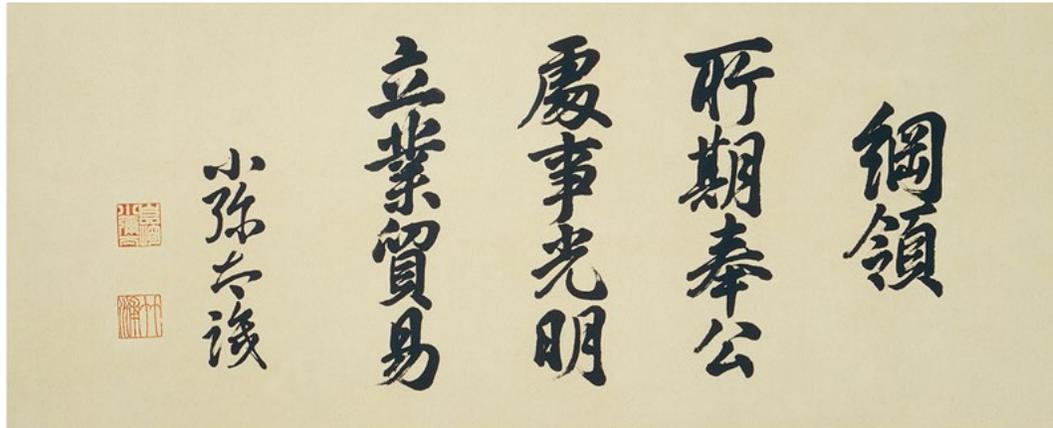
~ ESG Briefing ~

March 1, 2023

Katsuya Nakanishi

Representative Director, President and CEO

# Our Corporate Philosophy: “The Three Corporate Principles”



## Corporate Responsibility to Society

### “Shoki Hoko”

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

## Integrity and Fairness

### “Shoji Komei”

Maintain principles of transparency and openness, conducting business with integrity and fairness.

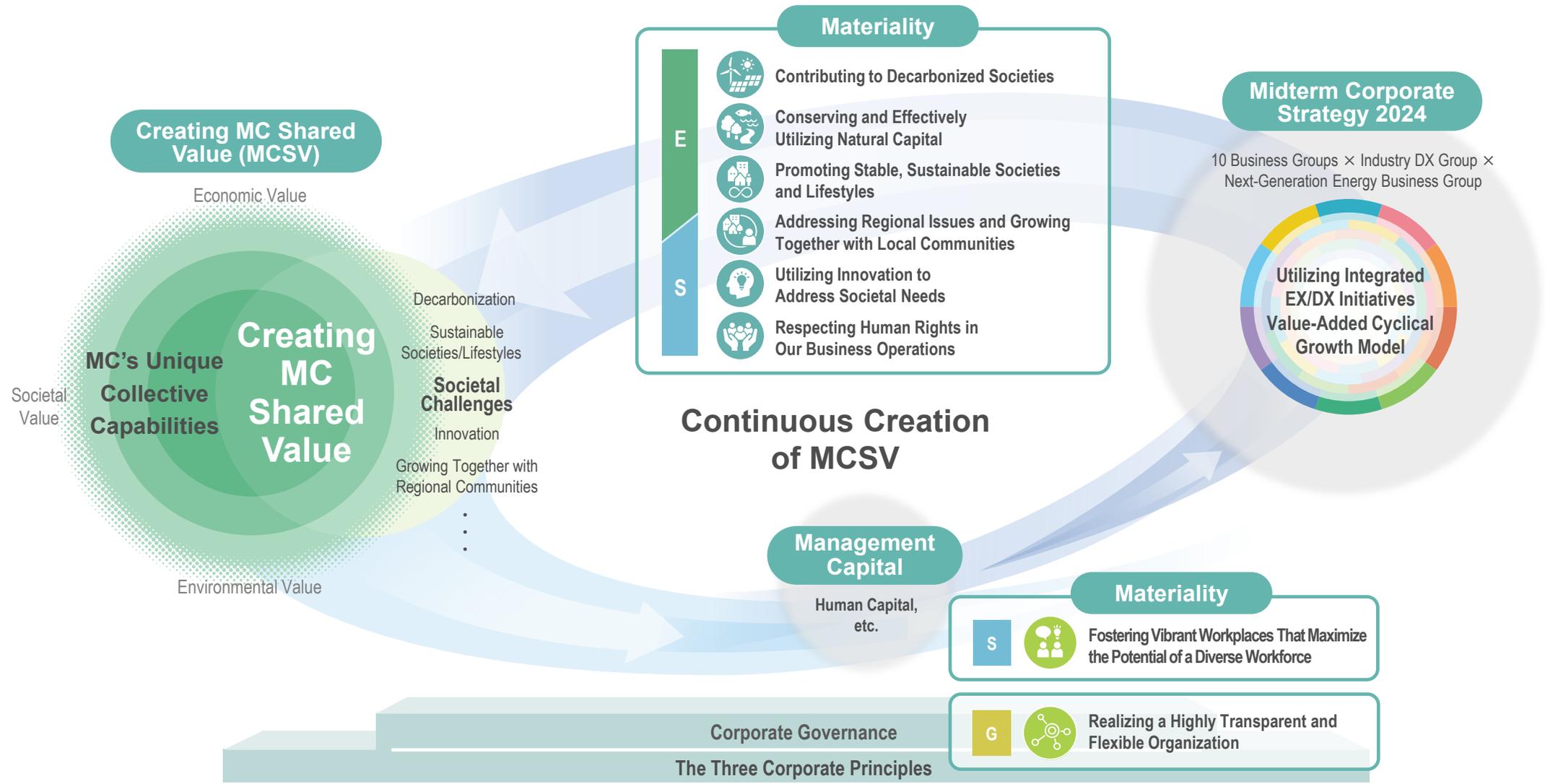
## Global Understanding Through Business

### “Ritsugyo Boeki”

Expand business, based on an all-encompassing global perspective.

(The modern day interpretation of the Three Corporate Principles, as agreed on at the Mitsubishi Kinyokai meeting of the companies that constitute the so-called Mitsubishi group in January 2001.)

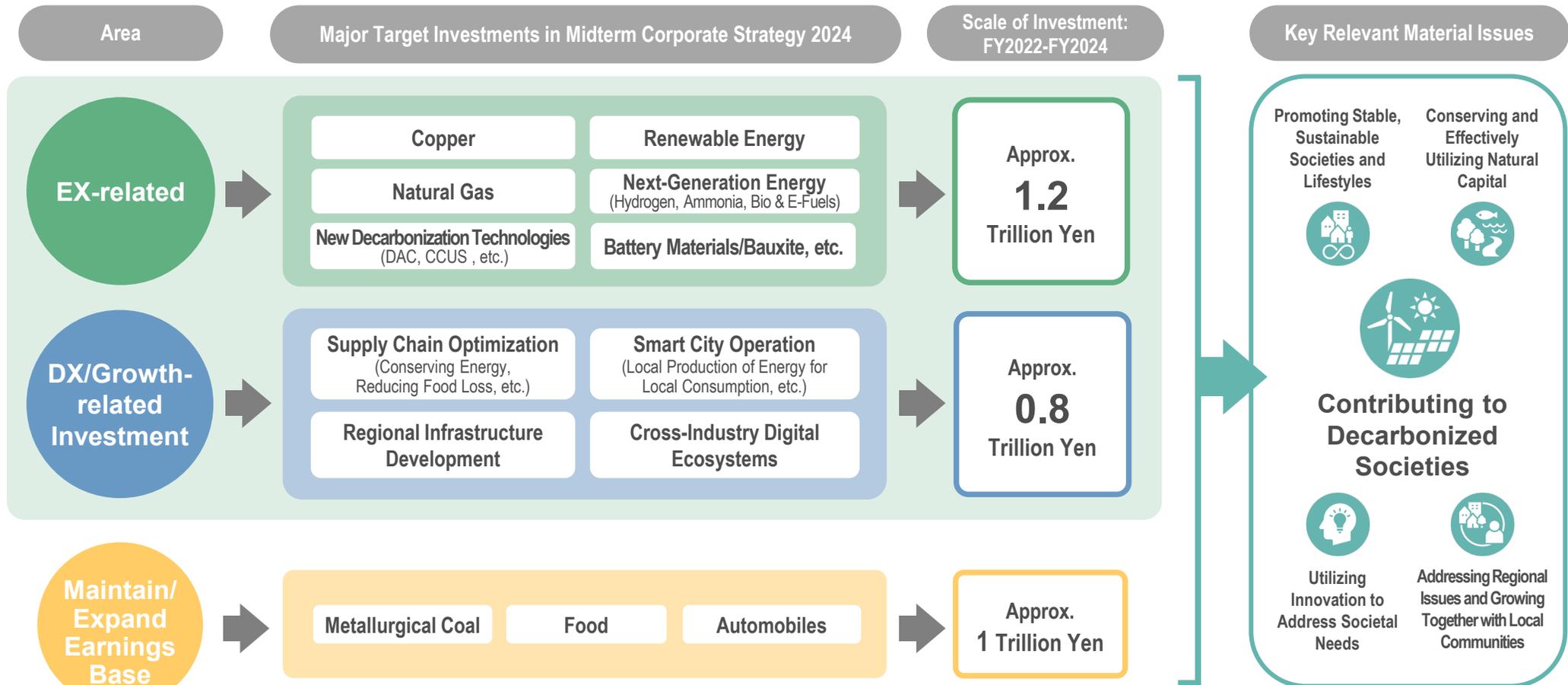
# Midterm Corporate Strategy 2024 Positioning of Materiality in Our Growth Strategies



# Midterm Corporate Strategy 2024

## Addressing Materiality in Our Growth Strategies (Scale of Investment)

■ We are striving to “Realize a Carbon Neutral Society and Enrich Society Both Materially and Spiritually”, as laid out in our Materiality, by investing **3 trillion yen** (including **around 1.2 trillion yen** in EX-related and **around 0.8 trillion yen** in DX/Growth-related Investment areas) during Midterm Corporate Strategy 2024 and promoting initiatives in EX/DX-related fields, etc.



# Midterm Corporate Strategy 2024

## Addressing Materiality in Our Growth Strategies (EX Strategy)

- We are strengthening the framework for promoting our EX Strategy by establishing the Next-Generation Energy Business Group and will proceed to implement related initiatives.

### EX Strategy Promotion Framework

Advancing our EX Strategy while promoting coordination between the Next-Generation Energy Business Group and related Business Groups, under the SEVP for Energy Transformation.

#### New Business Group

##### Next-Generation Energy Business Group

- Hydrogen
- Ammonia Fuel
- Carbon Management
- Infrastructure Development, etc.



#### Business Groups



Natural Gas

- LNG Business, etc.



Mineral Resources

- Copper/Lithium, etc.



Power Solution

- Renewable Energy, etc.

Other Business Groups Also Work to Advance EX Strategy

### Image of EX-related Earnings

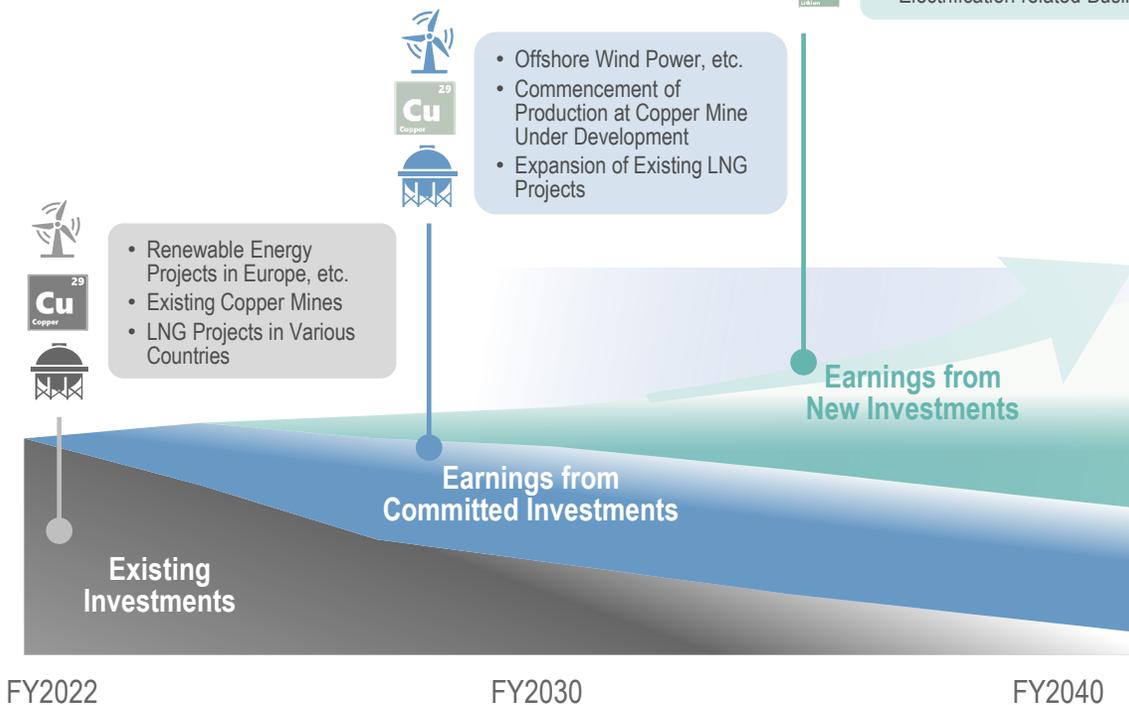
Pipeline of New Investments with Approx. 200 EX-related Projects

Project Assessment Prioritization



Successively Execute Carefully Selected Projects

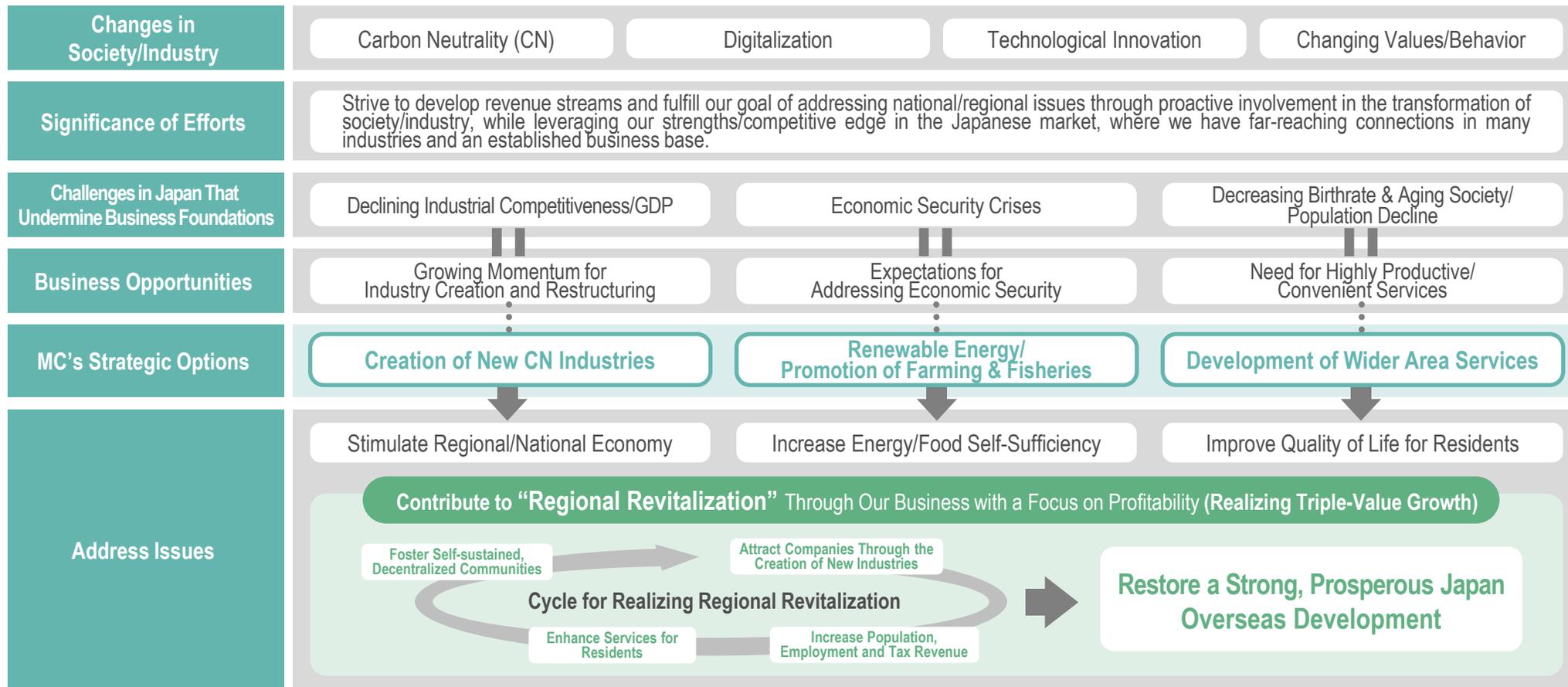
- Blue Hydrogen/Green Hydrogen/SAF
- Offshore Wind Power/Solar Power/Hydropower
- Electrification-related Businesses



## Midterm Corporate Strategy 2024

# Addressing Materiality in Our Growth Strategies (Regional Revitalization)

- We have reframed the various challenges faced by regional communities as business opportunities and will realize regional revitalization through integrated EX/DX initiatives that leverage our collective capabilities.
- A sample case, based on Japan, is shown below. We will seize business opportunities in the future by developing projects overseas, where regions are likely to face similar challenges.



## Midterm Corporate Strategy 2024

# Addressing Materiality in Our Growth Strategies (Progress Report)

### EX Related

- Participation in Breakthrough Energy Catalyst (BEC)
- Commencement of Production at Quellaveco Copper Mine Project in Peru (Around 300,000 Tons)
- Awarded Three Offshore Wind Power Projects (Total 1,740 MW) in Japan (Akita and Chiba Prefectures)
- Awarded Hollandse Kust West Site VI Offshore Wind Farm (760 MW) in the Netherlands
- Studying/Promoting Projects Involving Renewable Energy/Electrification/Natural Gas/Next-Generation Energy (Green/Blue Hydrogen, Ammonia, SAF, CCS , etc.)

### DX Related

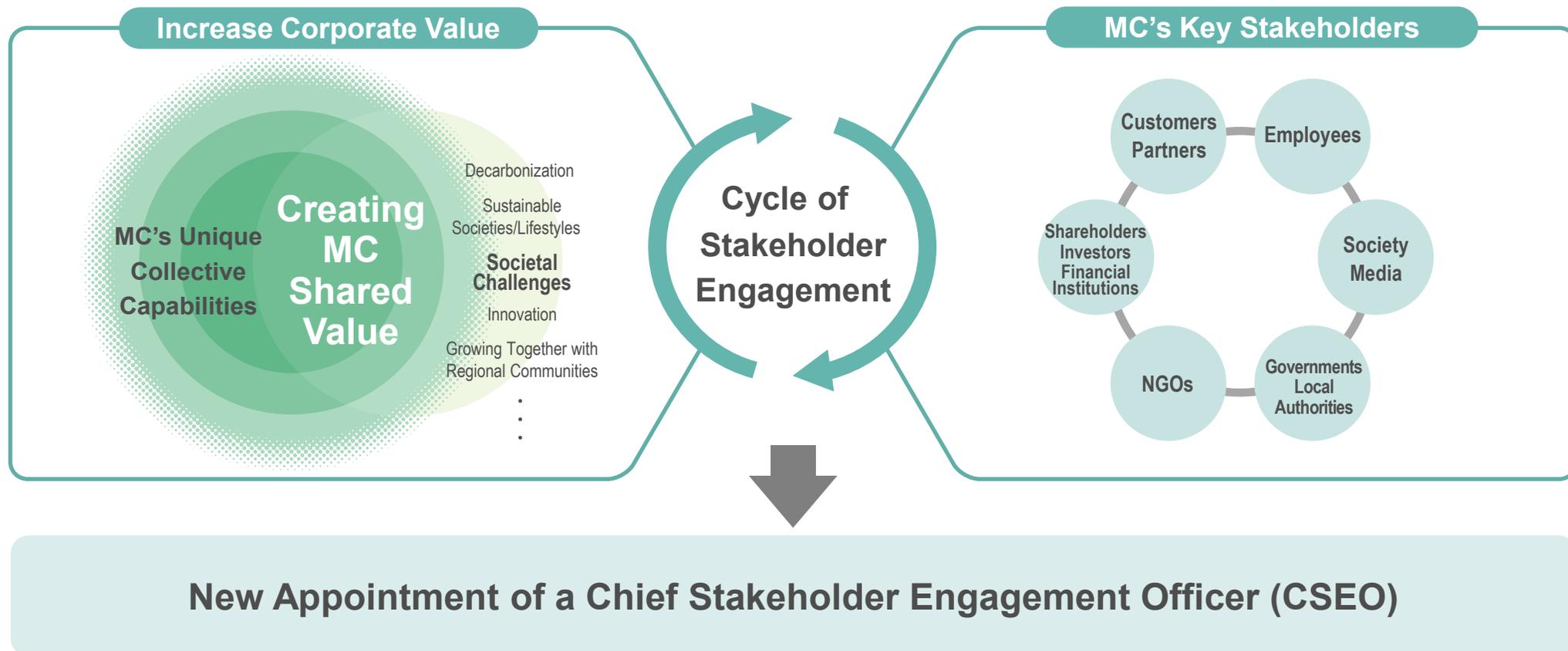
- Launch of Food Distribution DX Initiatives at Mitsubishi Shokuhin Distribution Centers
- Participation in Warehouse Industry DX Initiatives Utilizing Robots
- Launch of Self-Driving EV Pilot Project in Urban Development Project (BSD City in Greater Jakarta)
- Introduction of Autonomous Trucks and Drilling Equipment at Mining Projects

### Creating a New Future Regional Revitalization

- Commencement of Land-Based Salmon Farming Business (Nyuzen Town, Toyama Prefecture)
- Introduction of AI-Based On-Demand Bus System in Nine New Regions
- Signing of Partnership Agreements on Regional Development with Three Municipalities (Kurashiki City, Yatsushiro City and Nasushiobara City)
- Establishment of New Branch Offices in Japan for the First Time in 35 Years (Akita and Choshi Branches)

# Further Strengthening Stakeholder Engagement

- In order to increase corporate value, it is essential to grow together and collaborate with diverse stakeholders as a company with connections to a wide-range of countries and industries.
- We will strive to increase corporate value through the creation of MCSV and achieve sustainable growth together with society by incorporating third-party perspectives into our business strategies through stakeholder engagement.



# Environment Social Governance

## Initiatives Focused on “Realizing a Carbon Neutral Society”

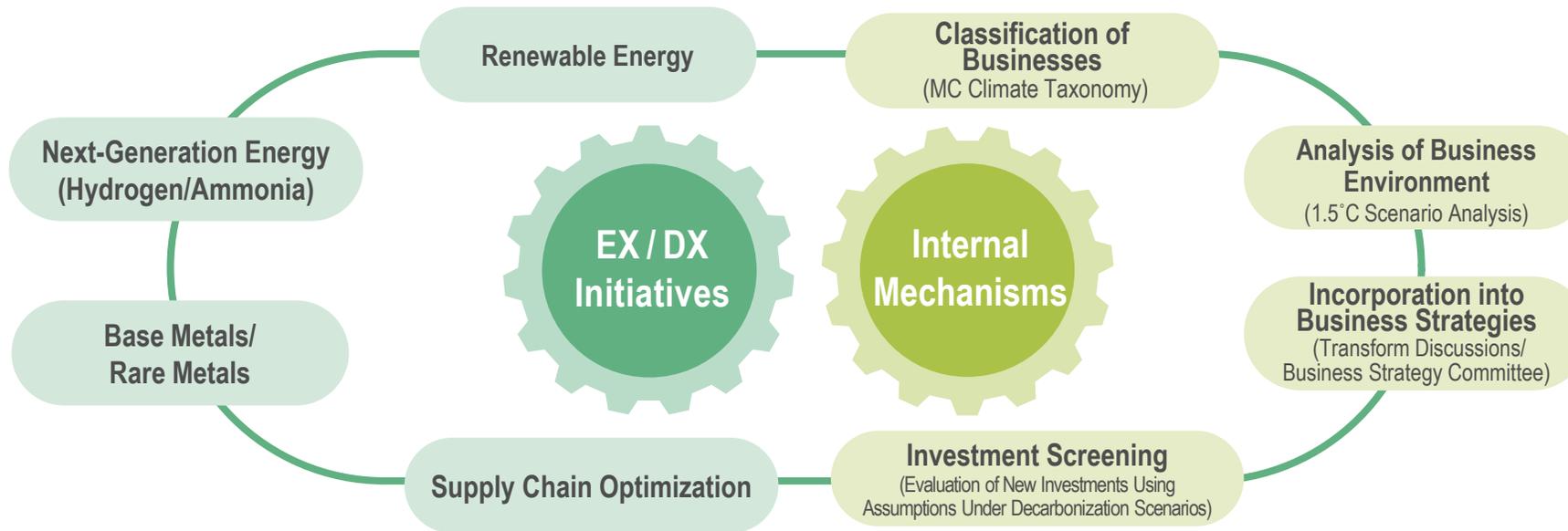
Senior Vice President

**Kenji Kobayashi**

Chief Stakeholder Engagement Officer (CSEO)

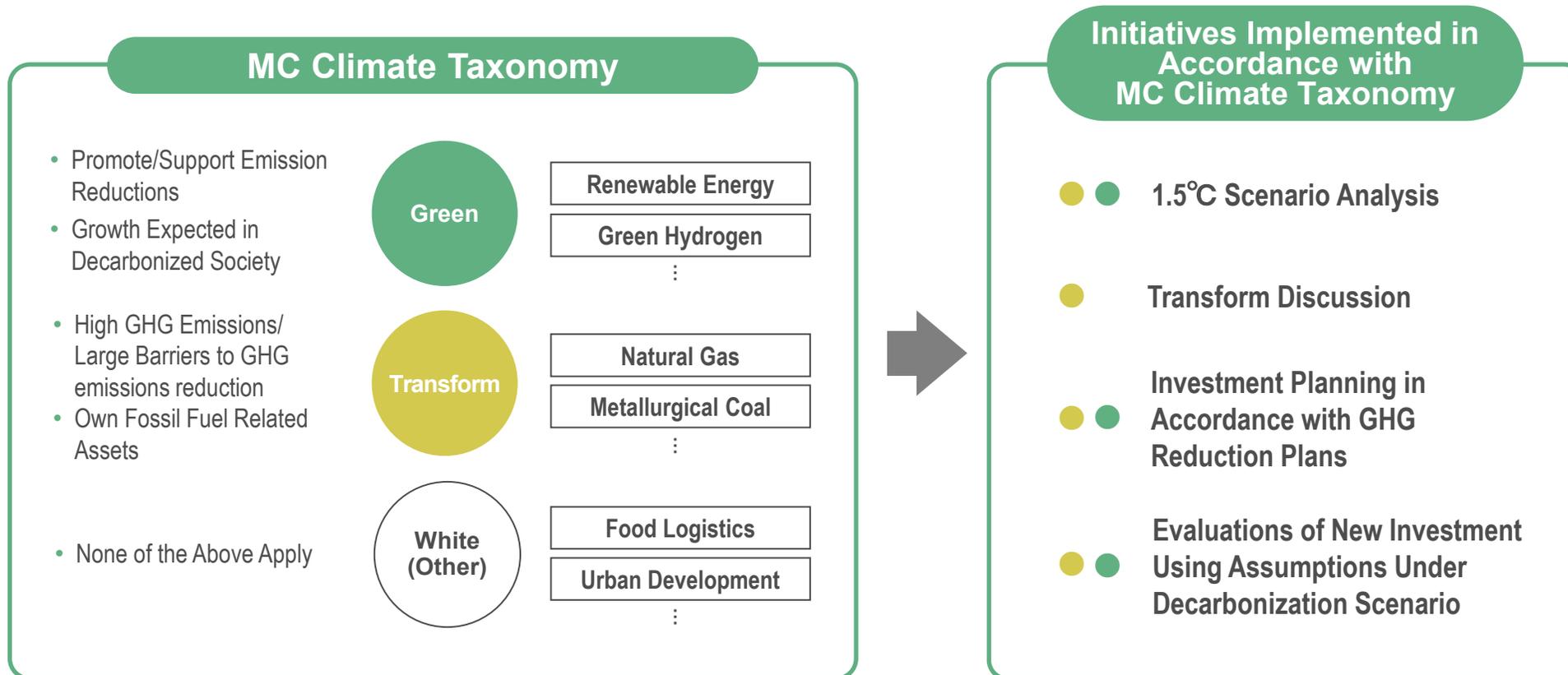
# Initiatives Focused on “Realizing a Carbon Neutral Society”

■ We are proceeding with decarbonizing and reinforcing our portfolio in line with efforts to create MC Shared Value (MCSV).



# Starting Point for Our Internal Mechanisms: MC Climate Taxonomy

- We have classified each of our approximately 130 business units as “Green”, “Transform” or “White” businesses, based on factors such as GHG emissions volumes and barriers to GHG emissions reduction, in accordance with the MC Climate Taxonomy.
- All climate initiatives are applied in accordance with the MC Climate Taxonomy.



# Analysis of Business Environment (1.5°C Scenario Analysis)

- In FY2018, MC began to conduct business resilience assessments in line with the TCFD recommendations. In FY2021, we conducted a 1.5°C scenario analysis using the International Energy Agency’s Net Zero Emissions by 2050 scenario (IEA NZE).
- In FY2022, we sought to enhance our 1.5°C scenario analysis, adding a quantitative perspective by supplementing data not included within the IEA NZE.

## Previous Thinking

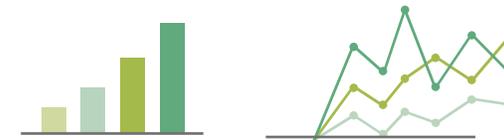
The IEA NZE does not specify data on certain products.



This presents difficulties in implementing/disclosing an impact assessment of the effect of the transition to a decarbonized society on MC’s business based on a 1.5°C scenario.

## New Initiatives in FY2022

Conducted a quantitative analysis by devising a 1.5°C scenario supplemented with more granular data having integrated core macro data and the IEA NZE.



Businesses Selected for Scenario Analysis:

- **Natural Gas/LNG**
- **Metallurgical Coal**
- **Renewable Energy**

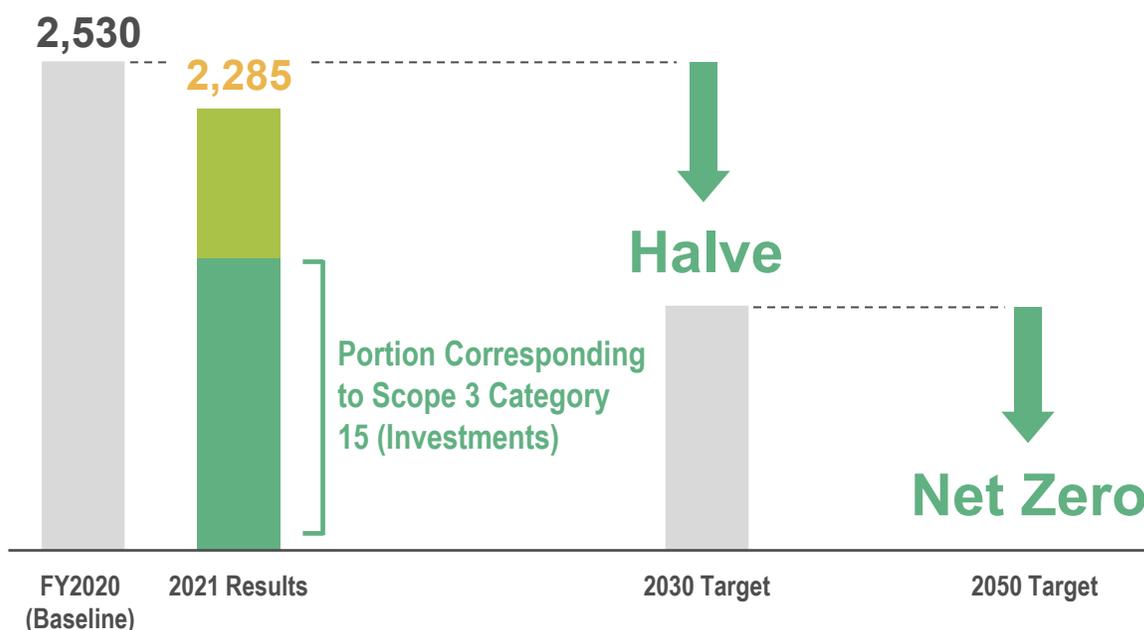
▶ For details on analysis results, refer to the attached “1.5°C Scenario Analysis – Details” as well as MC’s Sustainability Website.

# Progress on Reducing Emissions for Scope 1/2 and Scope 3 Category 15

- We established GHG reduction targets for Scope 1/2 and Scope 3 Category 15, specifically “Halve by FY2030 (FY2020 baseline) and Net Zero by 2050”, in MC’s “Roadmap to a Carbon Neutral Society”, formulated in October 2021.
- We confirm short and mid-term GHG reduction plans when formulating investment plans through “Investment Planning in Accordance with GHG Reduction Plans”, an internal mechanism announced in Midterm Corporate Strategy 2024.

## Company-Wide GHG Emissions Reduction Targets and Progress

Unit: 10,000 Tons CO<sub>2</sub>e



▶ See MC’s Sustainability Website for details.

## Breakdown by Business Group

Unit: 10,000 Tons CO<sub>2</sub>e

Business Groups	FY2021 Results
Natural Gas	317
Industrial Materials	41
Petroleum & Chemicals Solution	122
Mineral Resources	320
Industrial Infrastructure	13
Automotive & Mobility	14
Food Industry	143
Consumer Industry	24
Power Solution	1,289
Urban Development	2

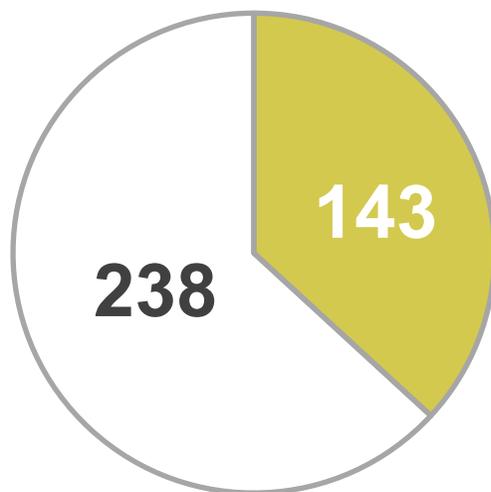
**Total** **2,285**

## Scope 3 Category 11 Emissions

- MC has newly disclosed Scope 3 Category 11 emissions, which account for the majority of MC's Scope 3 emissions.
- Because Scope 3 emissions, including Category 11, are generated by other companies, MC will need to work with a wide range of partners throughout its supply chains to tackle the societal challenge of reducing Scope 3 emissions.
- We will tackle this through integrated EX/DX initiatives (e.g. supply of renewable energy, next-generation energy, climate technology investments through Breakthrough Energy Catalyst, etc.), and will collaborate with various stakeholders to achieve decarbonization of social and economic activities.

### Breakdown According to MC Climate Taxonomy

Unit: Million Tons CO<sub>2</sub>e



- Transform (Metallurgical Coal Production, Natural Gas Production and Liquefaction, etc.)
- White (Fossil-fuel Trading, EPC (Engineering, Procurement and Construction), Automobile Sales, etc.)

### Breakdown by Business Group

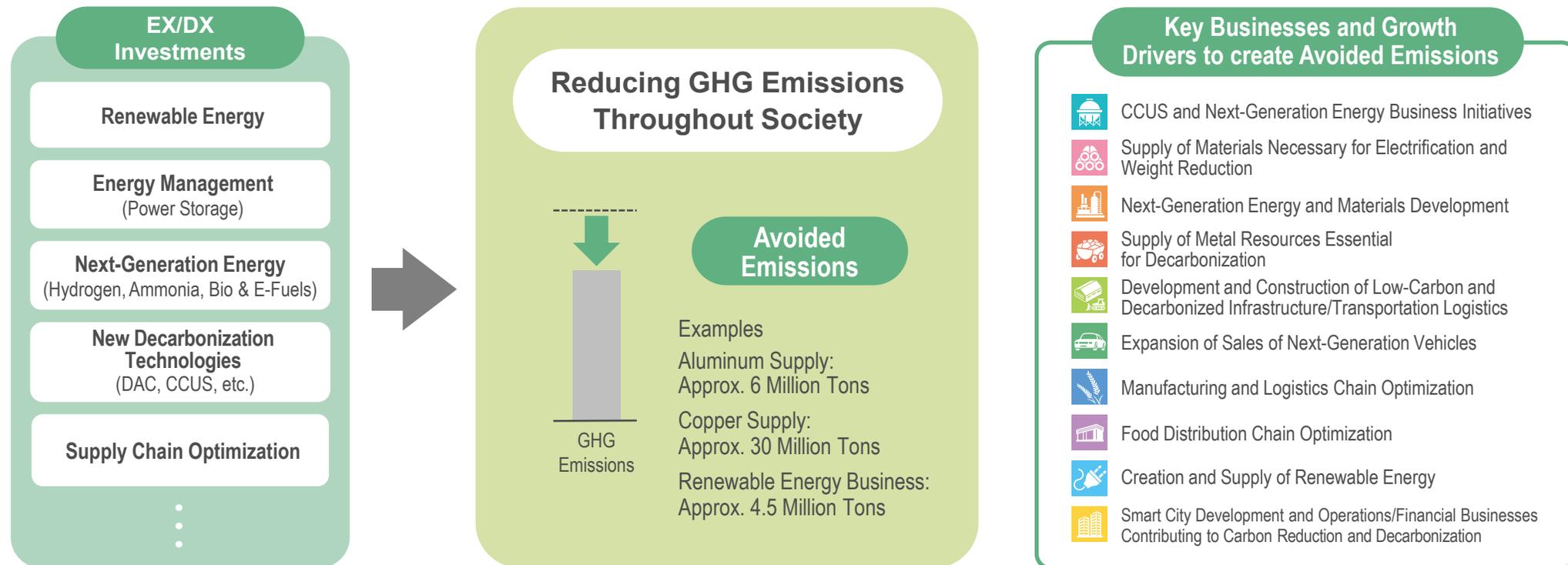
Unit: 10,000 Tons CO<sub>2</sub>e

Business Group	FY2021 Results	Main Businesses Responsible for Scope 3 Category 11 Emissions
Natural Gas	11,141	Natural Gas Production and Liquefaction Natural Gas and LNG Trading
Industrial Materials	90	
Petroleum & Chemicals Solution	4,130	Petrochemical Products Trading
Mineral Resources	9,407	Metallurgical Coal Production Mineral Resources Trading
Industrial Infrastructure	8,847	EPC (Engineering, Procurement, and Construction)
Automotive & Mobility	3,009	Automobile Sales
Food Industry	143	
Consumer Industry	436	
Power Solution	898	
Urban Development	24	
<b>Total</b>	<b>38,125</b>	

# Contributing to a Decarbonized Societies through “Integrated EX/DX Initiatives”

## Avoided Emissions

- We have decided to newly disclose “avoided emissions” as one expression of MC Shared Value. This will be utilized as a quantitative indicator to measure the degree of contribution we are making to GHG emissions reductions as well as the extent to which we are capturing business opportunities in the transition to a decarbonized society.
- We will contribute to global decarbonization by promoting integrated EX/DX initiatives such as renewable energy and supply chain optimization.

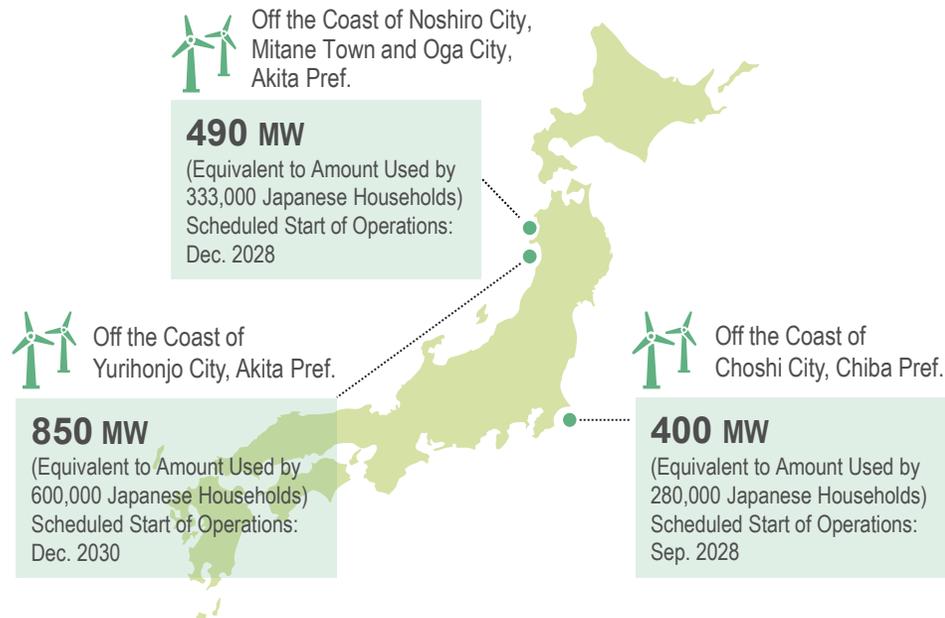


# EX Businesses Contributing to Avoided Emissions (1)

- We continue to develop a base of high-quality projects through the expansion of our renewable energy business and initiatives focused on base metals that underpin electrification.

## Offshore Wind Power Projects in Japan and Overseas

- Aiming to double our renewable power capacity by FY2030.
- Having been awarded three offshore wind power projects in Japan in 2021 (contributing future CO<sub>2</sub> reductions of 2.4 million tons), and the Hollandse Kust West Site VI project in the Netherlands in 2022 (contributing future CO<sub>2</sub> reductions of around 1.2 million tons), MC will continue to make progress toward building a portfolio to meet this target.
- We plan to develop future projects that use offshore wind power to produce green hydrogen.

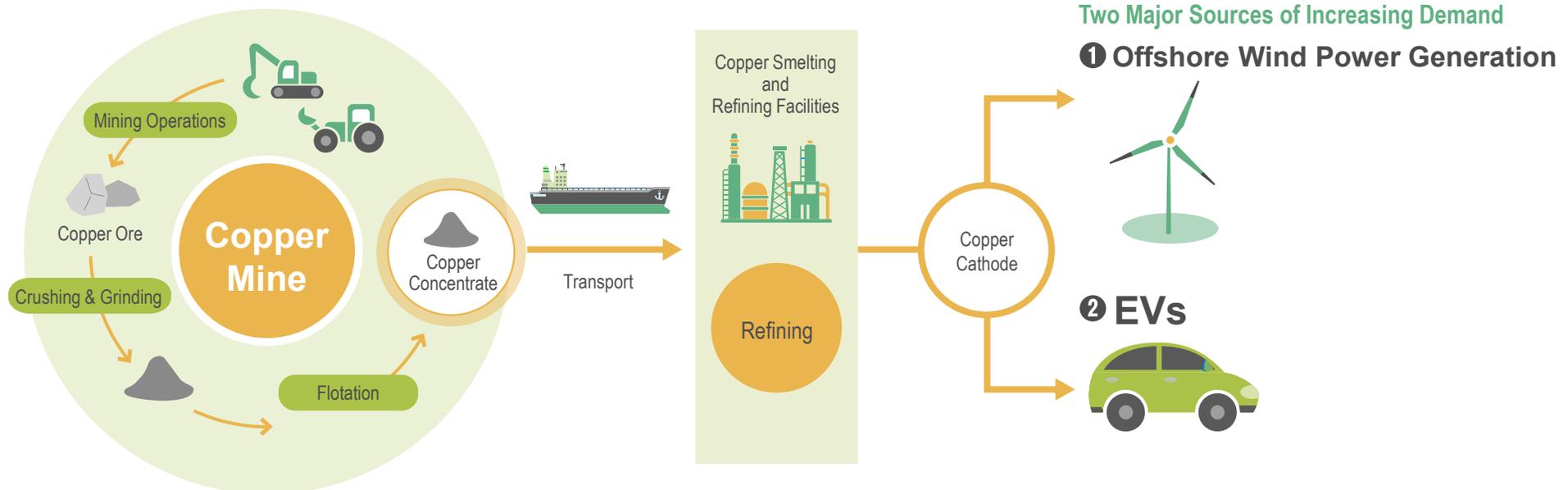


## EX Businesses Contributing to Avoided Emissions (2)

- We continue to develop a base of high-quality projects through the expansion of our renewable energy business and initiatives focused on base metals that underpin electrification.

### Commencement of Production at Quellaveco Copper Mine Project in Peru

- Production commenced in 2022. Total development cost for MC was approx. US\$2.2 billion.
- Our copper equity production volume, including that from Quellaveco, exceeds 250,000 tons per year. After the full-scale launch of Quellaveco, this figure is expected to increase to approx. 320,000-370,000 tons (equivalent to the amount of copper used to produce approx. 8-10 million electric vehicles).
- We will continue to secure and provide a stable supply of copper, an essential resource for supporting the progress of electrification and the spread of electric vehicles.



# Environment Social Governance

## **Human Rights and Supply Chain Management**

Senior Vice President

**Kenji Kobayashi**

Chief Stakeholder Engagement Officer (CSEO)

## **Maximizing the Value of Our Human Capital**

Executive Vice President

**Yutaka Kashiwagi**

Corporate Functional Officer (CAO)

# Initiatives Regarding Human Rights and Supply Chain Management

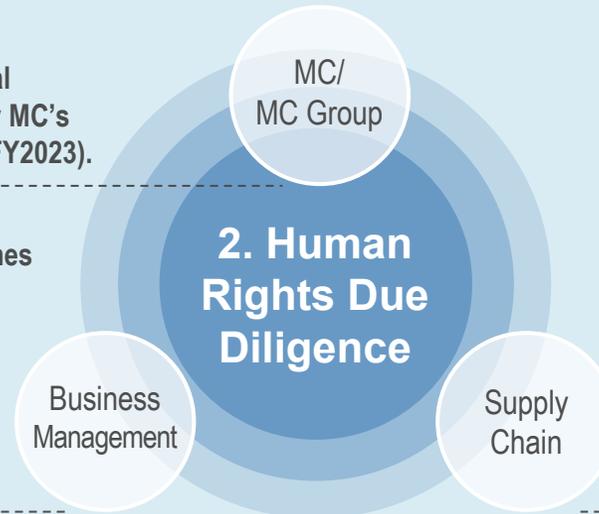
Social

## 1. Policy Regarding Respect for Human Rights and Supply Chain Management

We believe respect for human rights is fundamental to doing business globally. We will strive to ensure respect for human rights and a sustainable supply chain through the MC Group's business activities, including within our supply chains.

- Training for employees.
- **Addition of human rights/environmental scope to audits of group companies by MC's Internal Audit Department (starting in FY2023).**

- **Establishment of due diligence guidelines for environmental and societal matters when executing new investments and acquisition of fixed assets.**
- Monitoring of activities through audits of environmental and societal matters on a consolidated basis.



\*Items in bold indicate key updates.

- **Conducting Sustainable Supply Chain Surveys (in FY2022, 894 responses received from supplier companies in approximately 50 countries and regions).**
- **Expansion of tiers/products of Sustainable Supply Chain Survey (in FY2023, we will include paper and soybeans, and expand shrimp, cacao and coffee to Tier 2).**
- **Establishment of separate procurement guidelines.**

## 3. Remediation

We have established grievance mechanism in February 2023 to handle consultations from external stakeholders regarding cases of adverse human rights and environmental impacts of the MC Group's business activities, including within its supply chains.

# Midterm Corporate Strategy 2024: HR Policies

- We are enabling motivated professionals who take pride in actively fulfilling their responsibilities with a view toward creating MC Shared Value, while interconnecting with members of our diverse and versatile talent pool. We strive to maximize the value of our human capital by creating a dynamic, spirited and vibrant organization.



Social

# HR Strategy

- We are proceeding to dynamically shift and appoint human resources across organizations into priority areas/fields in response to advancements in the Value-Added Cyclical Growth Model and management strategies such as Utilizing Integrated EX/DX Initiatives. We are working to develop and re-skill our human resources so that all employees understand how EX/DX trends relate to their own activities and promote business accordingly.



**Strengthen Adaptability to Changes in the Business Environment**

- EX** Establish training programs on EX-related themes for various training courses to be conducted regardless of employee workplace affiliations.
- DX** Establish on-demand training programs for all employees/officers as well as programs for specific skills such as web service development.



# Engagement

- We foster a corporate culture that capitalizes on diversity by encouraging connections that transcend organizations, age groups and job titles.
- At the same time, we continue to develop initiatives that empower members of our diverse and versatile talent pool to fully demonstrate their talents and autonomously develop their careers in ways that enable them to flourish.

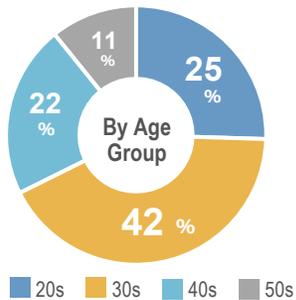
## Fostering a Corporate Culture That Capitalizes on Diversity

- MC's President personally responds to a wide-range of questions and opinions, not limited to specific themes.
- Diverse participation across organizations/age groups.

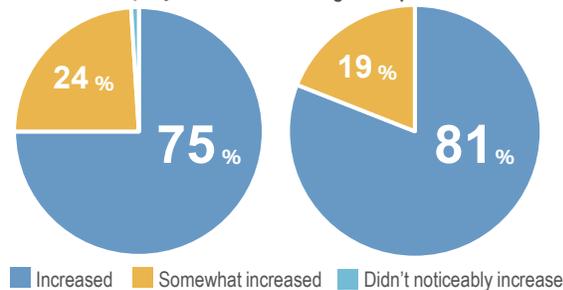


Town hall-style meeting with MC's President

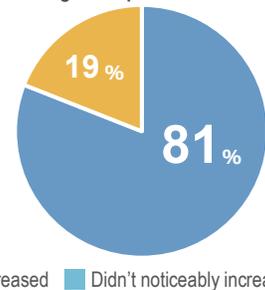
### Overview of Participants



### Percentage whose engagement increased with their work and the company



### Percentage whose comprehension of Midterm Corporate Strategy/management policies increased



## Talent Management That Leverages Individuality

Create/expand initiatives to encourage career autonomy that reflects the career and skill development aspirations of individual employees.

### Career Choice System (Open Recruitment for Transfer Assignments)

Review System



### Dual Career System (Multiple Internal Assignments)

Newly Established



### Sabbatical Leave System (Educational Leave)

Newly Established

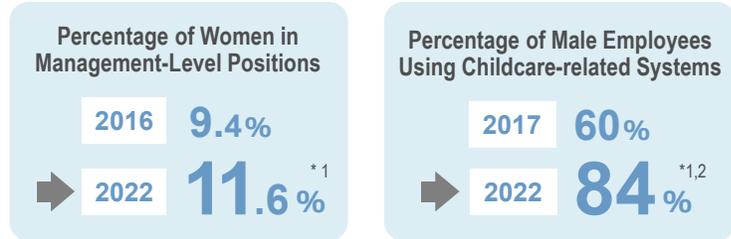


# Diversity, Equity, and Inclusion (DE&I)

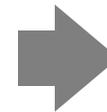
- Our “diversity and versatility” is the foundation for DE&I at MC.
- We have established a company-wide working group directly under MC’s President and are promoting the development of an environment and organizations where all employees can flourish by fully demonstrating their individual strengths.

## Developing systems and enhancing initiatives to support employees with child care, family care and other responsibilities associated with major life events.

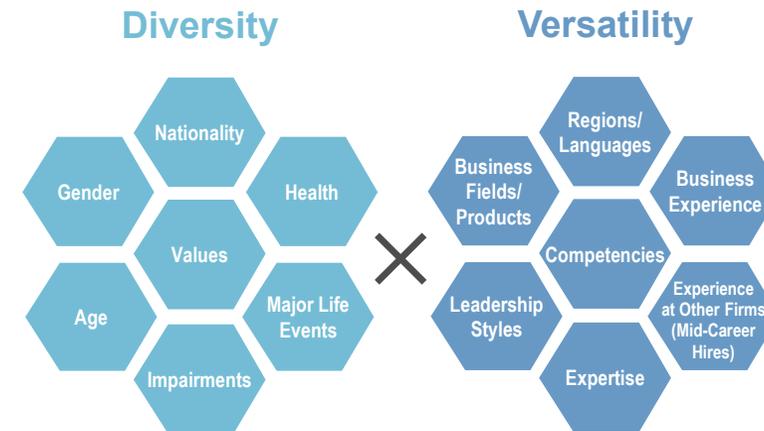
- Enhancing the Child Care Support System for Employees (Supporting Women’s Careers Package)
- Training for Management-Level Staff (Supervisors)
- Culture Cultivation for Child Care Gender Gap
- Career Development Program for Female Employees (Mentor System, etc.)
- Diversity Training (Corporate Culture Development)



<sup>\*1</sup> As of March 2022  
<sup>\*2</sup> Percentage of men working at the Head Office or MC domestic offices and subsidiaries as of the end of the fiscal year whose spouse gave birth in the relevant fiscal year and who used childcare-related systems including childcare leave and spousal childbirth leave.



## In the Future



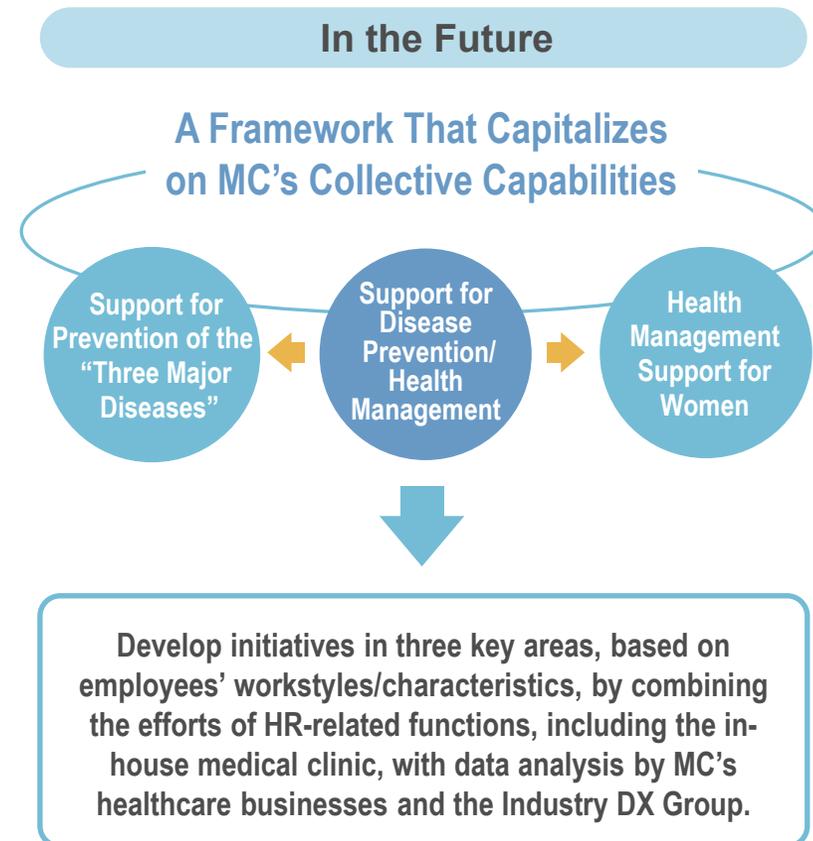
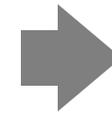
**Establishment of a Working Group Reporting Directly to MC’s President**  
 Proceed to study/implement initiatives that empower employees to succeed by respecting/accepting their individuality and leveraging our versatility.

# Health Management (Well-being)

- The health of our employees is a vital management issue for us as we seek to realize a “dynamic, spirited and vibrant organization”.
- We are implementing various initiatives in line with our Management Message on Safety and Health. In the future, we will leverage MC’s collective capabilities to strengthen initiatives tailored to our employees in three areas.

## Enhancing Initiatives to Improve Employee Health

- Efforts to Promote Health Awareness and Healthy Lifestyles
  - Use of internal publications and other means to disseminate information from healthcare professionals.
  - Holding health-related seminars/events.
  - Provision of health-related apps.
- Efforts to Promote Early Detection /Prevention of Mental Health Issues
  - Conducting stress checks/individual consultations.
  - Establishment of a mental health support desk.
  - Establishment of a company-wide “mental health support period” during the COVID-19 pandemic.
- Health Management of Employees and Their Families on Overseas Appointments
  - Establishment of systems for local health examinations and consultations with the head office medical clinic.
  - Use of a survey to monitor and improve employees’ health/working environments.
- Enhancing Training/Education on Health/Safety
  - Hosting lectures on themes such as “safety and health management”, “stress management”, “mental health” as part of various level-specific training sessions.



# Environment Social Governance

## **Initiatives to Enhance the Effectiveness of Corporate Governance**

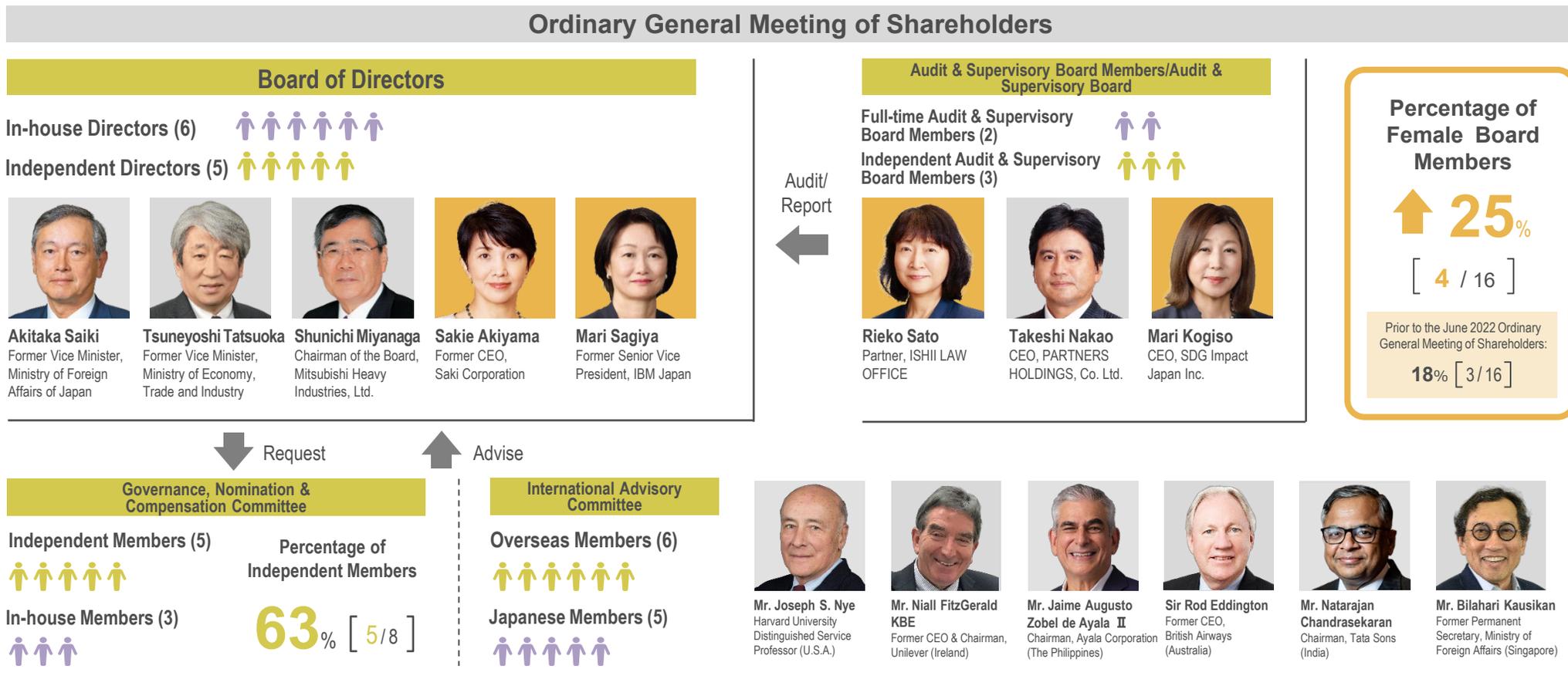
Executive Vice President

**Yutaka Kashiwagi**

Corporate Functional Officer (CAO)

# Corporate Governance Framework

- The strengthening of corporate governance on an ongoing basis is an important subject for management.
- We have established an effective corporate governance framework by (1) appointing directors with a wealth of experience and high levels of expertise; and (2) establishing advisory bodies with a majority composition of independent directors.



**Governance, Nomination & Compensation Committee**

Independent Members (5)

In-house Members (3)

**Percentage of Independent Members**

**63%** [ 5 / 8 ]

**International Advisory Committee**

Overseas Members (6)

Japanese Members (5)

**Mr. Joseph S. Nye**  
 Harvard University  
 Distinguished Service  
 Professor (U.S.A.)

**Mr. Niall FitzGerald**  
 KBE  
 Former CEO & Chairman,  
 Unilever (Ireland)

**Mr. Jaime Augusto Zobel de Ayala II**  
 Chairman, Ayala Corporation  
 (The Philippines)

**Sir Rod Eddington**  
 Former CEO,  
 British Airways  
 (Australia)

**Mr. Natarajan Chandrasekaran**  
 Chairman, Tata Sons  
 (India)

**Mr. Bilahari Kausikan**  
 Former Permanent  
 Secretary, Ministry of  
 Foreign Affairs (Singapore)

Governance

# Experience, Knowledge and Expertise Expected of Members of the Board of Directors

- We have established “Basic Items” as skill areas to be shared by all members.
- We also established “Management Strategy” items as areas of expertise needed to monitor progress on aspects of Midterm Corporate Strategy 2024, such as “Utilizing Integrated EX/DX Initiatives” and “Creating a New Future”.

Position	Name	Responsibilities/ Main Career Experience	Basic Items		Management Strategy				
			Business Management/ Organizational Management	Risk Management	Innovation		Global Intelligence	Human Resource Strategy	Environment and Society
					Energy	Digital			
Independent Director	<b>Akitaka Saiki</b>	Former Vice Minister, Ministry of Foreign Affairs of Japan	●	●			●		
	<b>Tsuneyoshi Tatsuoka</b>	Former Vice Minister, Ministry of Economy, Trade and Industry	●	●	●				●
	<b>Shunichi Miyanaga</b>	Chairman of the Board, Mitsubishi Heavy Industries, Ltd.	●	●	●		●		
	<b>Sakie Akiyama</b>	Former CEO, Saki Corporation	●	●		●			
	<b>Mari Sagiya</b>	Former Senior Vice President, IBM Japan	●	●		●		●	
Independent Audit & Supervisory Board Member	<b>Rieko Sato</b>	Partner, ISHII LAW OFFICE	●	● (Legal)Attorney					
	<b>Takeshi Nakao</b>	CEO, PARTNERS HOLDINGS, Co. Ltd.	●	● (Finance/Accounting) Certified public accountant					
	<b>Mari Kogiso</b>	CEO, SDG Impact Japan Inc.	●	●				●	●

# MC Governance Initiatives in Recent Years

## Reevaluation of the Rules and Operating Processes of the Board of Directors

FY2017

Evaluated the effectiveness of the Board of Directors and began investigation by the Governance, Nomination & Compensation Committee.

FY2018

1. Doubled the monetary threshold for the submission and reporting of investment and loan proposals.
2. Enhanced monitoring of business investees.
3. Enhanced briefing sessions before Board of Directors' meetings.

## Further Enhancement of the Content of Deliberations Conducted by the Board of Directors

FY2019

Enhanced time spent deliberating the overall direction of management strategies and other key topics by the Board of Directors (conventional, detailed business execution reporting conducted outside of meetings).

FY2021

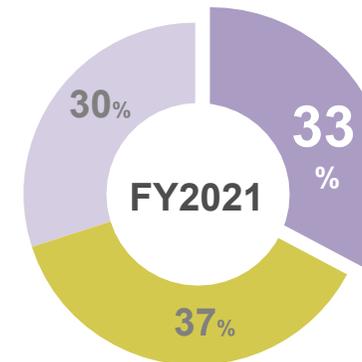
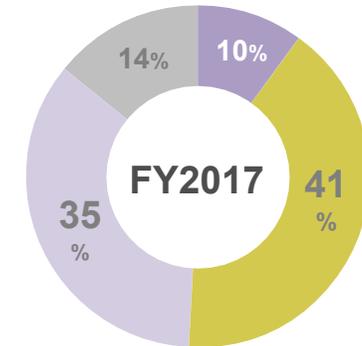
Review of "Midterm Corporate Strategy 2021" by the Board of Directors and other bodies.

Established "Midterm Corporate Strategy 2024" after several exchanges of opinions with MC's Independent Directors and Independent Audit & Supervisory Board Members.

FY2022

Monitoring of progress on key aspects of "Midterm Corporate Strategy 2024" by the Board of Directors and other bodies.

Breakdown of Time Spent on Deliberations at Meetings of the Board of Directors



- Management Strategy and Sustainability
- Governance/Corporate Initiatives
- Investment and Loan Proposals
- Conventional Business Execution Reporting

# 1.5°C Scenario Analysis - Details

Identifying of Businesses Subject to Analysis	<ul style="list-style-type: none"> <li>• “Transformer” Businesses: Businesses for which MC has especially large assets.</li> <li>• “Green” Businesses: Core businesses within MC’s EX Strategy.</li> </ul>
Businesses Subject to Analysis	<ul style="list-style-type: none"> <li>• Natural Gas/LNG, Metallurgical Coal (Significant Climate Change-related Risks)</li> <li>• Renewable Energy (Significant Climate Change-related Opportunities)</li> </ul>
1.5°C Scenario Used for FY2022 Analysis	<ul style="list-style-type: none"> <li>• A 1.5°C scenario supplemented with detailed data regarding the above businesses after integrating core macro data aligned with the IEA NZE.</li> </ul>


**Business Policies Based on Our 1.5°C Scenario Analysis**


Natural Gas/ LNG	<ul style="list-style-type: none"> <li>• Natural gas and LNG are energy sources that will play a key role in the transition period. Although natural gas and LNG demand is expected to decline overall in the long term, Asia, which is a strategic region for MC’s LNG business, is still expected to maintain a certain level of demand in the long term.</li> <li>• Taking into account the business environment mentioned above, MC will be focusing on strengthening its LNG business and decarbonizing its LNG value chain in order to achieve a stable supply of energy and resources as well as decarbonizing its social and economic activities. This is in line with the Midterm Corporate Strategy 2024. For the longer term, MC shall continue to: 1). work on initiatives to progress the decarbonization of its LNG value chain, 2). optimize its LNG portfolio, and 3). scale-up investment in next-generation energy, while closely monitoring the overarching business environment, including the development on technological innovation and climate-related regulations by various governments.</li> </ul>
Metallurgical Coal	<ul style="list-style-type: none"> <li>• The steel industry is expected to see a long transition period and the need for high-quality metallurgical coal, which is BMA’s main product, will likely increase relative to low-quality metallurgical coal since it contributes to the reduction of emissions in blast furnace steel making process. On the other hand, the supply of metallurgical coal is expected to decrease as a result of the increasing difficulty of obtaining necessary environmental approvals, and therefore fewer investments in new coal mines.</li> <li>• With assets that are among the world’s best in terms of cost competitiveness and quality, BMA will continue to fulfill its responsibility to provide a stable supply of high-grade metallurgical coal to customers. At the same time, BMA is exploring and implementing initiatives for reducing GHG emissions, including renewable energy procurement and alternatives to diesel fuel.</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• The introduction of renewable energy and the spread of battery storage, as well as the accompanying trend toward decentralization of the power supply system, will vary according to country and region depending on the status of policies, regulations, and technological innovations, and the timing of their manifestation may differ significantly. MC “produces” (generates) renewable energy, “integrates” weather-dependent electricity (through a sophisticated balance of supply and demand), and “delivers” this integrated electricity and high added-value services. By strengthening each of these functions of the power value chain, MC aims to expand our renewable energy business in Japan, where offshore wind power is expected to grow, and in Europe, where Eneco’s platform stands, as well as in the Americas, Asia, and other regions.</li> </ul>

# Avoided Emissions - Details

■ Evaluation Period: One Year. For the Power Solution business, etc., the amount of contribution created in a single fiscal year is calculated (Power Generation business is based on MC's equity capacity as of the end of December 2022).

Assessed Product	Avoided Emissions (Unit: Thousand Tons CO <sub>2</sub> )	Evaluation Period	Final Product	Baseline	Calculation Formula	Details of Contributions
Carbon Credits	5	Stock Basis (One Year)	—	Before the Project	Carbon credits generated by regrowth of native forests × Ownership of the company	Contribution by capture and storage of CO <sub>2</sub> from new land-management practices to facilitate the regeneration of native woodlands that have been lost over the past few centuries due to clearing and overgrazing
Solar	579	Stock Basis (One Year)	—	Average Energy Mix in Each Country	Power generation capacity (MW) × 24 hours × 365 days × Capacity factor × Emissions factor (tCO <sub>2</sub> /MWh) × Equity ratio of the company (Only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated)	Contribution by the creation of renewable energy (solar, onshore wind, geothermal, hydroelectric, biomass, and offshore wind power generation)
Onshore Wind	1,812					
Geothermal	289					
Hydroelectric	110					
Biomass	252					
Offshore Wind	1,472					

■ Evaluation Period: Lifetime. For materials and products that exhibit long-term reduction effects, the lifetime reduction contribution is calculated by multiplying the durability of the final product (based on the sales volume forecast for FY2022). The contribution rate of materials supplied by MC is not considered at this time due to the limitations of calculation.

Assessed Product	Avoided Emissions (Unit: Thousand Tons CO <sub>2</sub> )	Evaluation Period	Final Product	Baseline	Calculation Formula	Details of Contributions
Aluminum	76	Flow Basis (Lifetime)	Battery Electric Vehicle	Internal Combustion Engine Vehicle	(Life-cycle emissions of ICEVs (tCO <sub>2</sub> ) - Life-cycle emissions of EVs (tCO <sub>2</sub> )) × Number of EVs that incorporate our aluminum	Contribution by supplying aluminum which is essential for EV bodies, etc.
	6,405		Solar Power and Wind Generation Facilities	Average Energy Mix in Each Country	Power generation capacity (MW) × 24 hours × 365 days × Capacity factor × Emissions factor (tCO <sub>2</sub> /MWh) × Number of solar and wind power facilities that incorporate our aluminum × Economic life (Only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated)	Contribution by supplying aluminum which is essential for solar power generation frames, panels, wind power blades, towers, connectors, etc.
Copper	765	Flow Basis (Lifetime)	Battery Electric Vehicle	Internal Combustion Engine Vehicle	(Life-cycle emissions of ICEVs (tCO <sub>2</sub> ) - Life-cycle emissions of EVs (tCO <sub>2</sub> )) × Number of EVs that incorporate our copper	Contribution by supplying copper which is essential for EV batteries, motors, wires etc.
	30,394		Solar Power and Wind Generation Facilities	Average Energy Mix in Each Country	Power generation capacity (MW) × 24 hours × 365 days × Capacity factor × Emission factor (tCO <sub>2</sub> /MWh) × Number of solar and wind power installations that incorporate our copper × Economic life (Only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated)	Contribution by supplying copper which is essential for solar power generation wiring, solar thermal collectors, wind power generation generators, wiring, etc.



(Forward-Looking Statements)

- This release contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.
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