

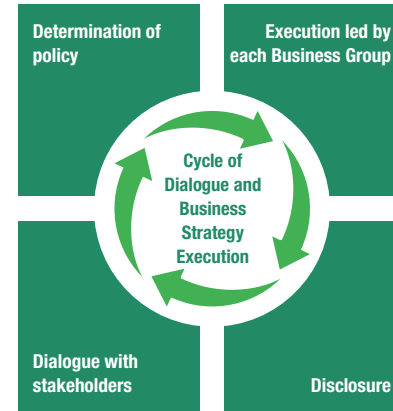
# Sustainability Promotion Framework

## Sustainability Initiatives

The Three Corporate Principles, which have served as MC's corporate philosophy since its inception, exhort us to "strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment." Recognizing that social and environmental issues represent both risks that must be addressed and new business opportunities, we believe that creating not only economic value, but also societal value and environmental value is essential for the sustainable growth of MC.

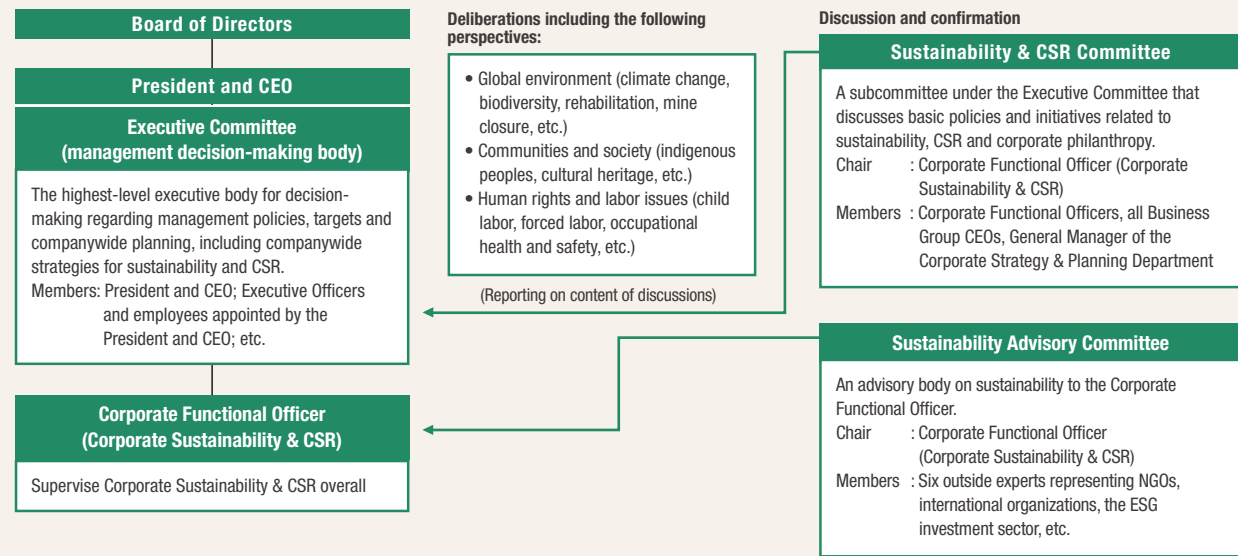
MC defines sustainability initiatives as the creation of societal value and environmental value through business activities. By distinguishing this from corporate philanthropy activities (CSR) such as charitable donations, we are further strengthening initiatives to achieve triple-value growth through our business.

Furthermore, to meet the ever-changing demands of society, we believe it is important to maintain a cycle of dialogue with stakeholders combined with the drafting and execution of related measures.



## Companywide Sustainability Framework

In MC's management framework, sustainability initiatives are overseen by the Member of the Board/Corporate Functional Officer in charge of Corporate Sustainability and CSR. The Corporate Sustainability & CSR Department plans and drafts related policies and measures. Following deliberations by the Sustainability & CSR Committee, which convenes approximately twice a year, items are put forward or reported to the Executive Committee and the Board of Directors.



### Main Discussion Themes for the Sustainability & CSR Committee in the Fiscal Year Ended March 31, 2021.

- Sustainability survey report**  
Reference: Please refer to pages 51 and 120 for the survey results for the fiscal year ended March 31, 2021.
- Setting of 2030 targets for MC's Key Sustainability Issues**  
Reference: Please refer to page 35 for more about these targets.
- Analysis of the impact of climate change on MC's business activities (transition risks and physical risks)**  
Reference: Please refer to pages 58-61 for more about MC's climate change initiatives.
- Initiatives toward a low-carbon/decarbonized society (including the establishment of a study group to explore ways to achieve net-zero emissions)**  
Reference: Please refer to pages 38-43 for more about MC's EX initiatives.
- NGO/Shareholder engagement policy**  
Reference: Please refer to pages 49, 62-63 for more information about MC's stakeholder engagement policy.
- Corporate philanthropy activities (including disaster relief projects)**

## Promoting Sustainability Through Business

To continuously create societal value and environmental value through our business activities, we have established a framework through which not only Corporate Departments, but also Business Groups proactively promote sustainability.

### Sustainability Promotion Framework in Each Business Group

- To further promote Business Group initiatives, management personnel responsible for promoting business strategy in each Business Group have been appointed as Chief Sustainability Officers.
- To promote collaboration, MC holds meetings for Group Sustainability Managers as needed to share information and explain measures related to sustainability.



### Cycle for Integrating Sustainability into Business Strategy

- Each Business Group formulates its business strategy based on content deliberated by the Sustainability & CSR Committee.
- In the Business Strategy Committee, in which the President and Group CEOs discuss the future strategies for each business, policy approaches based on analyses of multiple climate change scenarios are confirmed for certain Business Groups.



### Incorporating Sustainability into Individual Projects

- By having the General Manager of the Corporate Sustainability & CSR Department serve as a member of the Investment Committee, MC has put in place a screening system that reflects potential environmental and social impacts in decision-making.
- For proposal applications such as management plans for subsidiaries and affiliates, by requiring details on aspects including the position of the business in relation to promoting Key Sustainability Issues as well as potential environmental and social risks (including scenario analyses). Through this process, MC seeks to assess risks and create project proposals with an awareness of impacts on the environment and society.
- The Corporate Sustainability & CSR Department has dedicated staff tasked with monitoring both the risks and opportunities of individual proposals for each Business Group from environmental and social perspectives. In reviewing proposals, the department conducts risk management including by performing environmental due diligence together with the Business Group as necessary, as well as by sharing stakeholder concerns and referring to International Finance Corporation (IFC) guidelines. In addition, the Corporate Sustainability & CSR Department helps MC seize new opportunities by offering knowledge and coordination as a department dedicated to sustainability issues.

### Screening process for investment and finance proposals





### Disclosure (Sustainability Website)

MC's approach to the disclosure of sustainability-related information is guided by a recognition that corporate value can be enhanced from a medium- to long-term perspective through a continuous cycle of stakeholder dialogue and strategy execution. Based on requests from investors and other stakeholders, we provide details on how our sustainability initiatives contribute to corporate value creation in the medium to long term through timely and accurate disclosures. The feedback we receive in response to these disclosures is consistently captured and reflected in our initiatives.

In March 2021, MC launched the Sustainability Website as a new platform for ESG disclosures with the aim of centralizing ESG-related information disclosed separately through such channels as the Integrated Report and the ESG Data Book, and of responding in a timely manner to the increasingly complex requirements of ESG evaluation bodies and disclosure standards.

The website is primarily aimed at stakeholders who have a strong interest in ESG investment. Referring to multiple ESG reporting guidelines, it has been organized according to ESG topic for easier reference as listed below.

Furthermore, disclosures are made through the Sustainability Website after approval by the Corporate Functional Officer in charge of Corporate Sustainability & CSR and after reporting to the Disclosure Committee, a subcommittee of the Executive Committee.

#### Sustainability Website Disclosures by ESG Category

Environment	Social	Governance
<ul style="list-style-type: none"> <li>Climate Change</li> <li>Environmental Management</li> <li>Water Resources</li> <li>Biodiversity</li> <li>Prevention of Pollution</li> <li>Efficient Use of Resources</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights</li> <li>Labor Practices</li> <li>Diversity Management</li> <li>Occupational Health and Safety</li> <li>Human Resource Development</li> <li>Customer Responsibility</li> <li>Community</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors and Shares, etc.</li> <li>Audit &amp; Supervisory Board and Audit</li> <li>Directors' and Audit &amp; Supervisory Board Members' Remuneration, etc.</li> <li>Compliance</li> <li>Risk Management</li> </ul>

### Collecting Sustainability Information on a Consolidated Basis

To fully grasp qualitative and quantitative information around corporate sustainability, MC annually conducts environmental and occupational health and safety surveys targeting all subsidiaries and affiliates on a global, consolidated basis. The aggregated results are reported to management and are used as basic materials when considering sustainability initiatives and other measures.

<p><b>Selection of survey targets (March)</b></p>	<p>The subsidiaries and affiliates subject to the survey are determined by the relevant Business Groups/Divisions. In principle, the survey covers all subsidiaries and affiliates including consolidated subsidiaries, affiliates (including affiliates of subsidiaries) under the equity method, and jointly managed projects and companies.</p>	<p>Greenhouse gas emissions from subsidiaries and affiliates and other figures are aggregated and managed through an internal online system to enable accurate and timely data collection.</p>
<p><b>Start of survey (March)</b></p>	<p>The survey items include greenhouse gas emissions, water, waste, occupational health and safety data, expenditures for philanthropic activities, environmental management measures and other management policies.</p>	
<p><b>Completion of survey (May)</b></p>	<p>Data on consolidated greenhouse gas emissions, energy usage, electricity consumption, non-consolidated occupational health and safety performance and other aspects has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. to improve data reliability.</p>	
<p><b>Reporting/disclosure (from June)</b></p>	<p>The survey results are reported to the Sustainability &amp; CSR Committee, the Executive Committee and the Board of Directors. A portion of the data is disclosed on the Sustainability Website, in our Sustainability Report and in our annual response to CDP.</p>	



### Dialogue with Stakeholders (Incorporating External Perspectives)

MC places great importance on its ability to identify and appropriately address the ever-changing demands of society. We engage in direct dialogue with investors including shareholders and NGOs, and hold discussions with local communities on individual projects. In addition, we carry out supply chain surveys as part of our supply chain management. We see constructive dialogue with all of our stakeholders and the reflection of input from that dialogue in our policies and actions as being vital to the achievement of sustainable medium- to long-term improvement in our corporate value.

Moreover, to better understand global environmental and societal trends, MC has established sustainability departments in Europe, the Americas, Southeast Asia and other regions to share and coordinate information. We are also a signatory of the UN Global Compact and are a member of organizations such as the World Business Council for Sustainable Development (WBCSD). In addition, the Sustainability Advisory Committee, which we established in 2008, is working to incorporate external perspectives into our sustainability activities. The committee meets twice a year to provide advice and recommendations.

#### Dialogue with Stakeholders in the Fiscal Year Ended March 31, 2021

In the fiscal year ended March 31, 2021, MC held approximately 30 direct dialogues with shareholders on the topic of sustainability. We also conducted 70 direct dialogues with NGOs, including two in Japan, 48 in Europe and 20 in Americas. These meetings provided valuable insights into stakeholders' perspectives, including expectations in relation to our strategies toward the transition to a low-carbon/decarbonized society, as well as policies around individual fossil fuel projects. MC will firmly consider the suggestions we have received and will strive to provide timely and appropriate disclosure of the response measures and policies we formulate.

#### Sustainability Advisory Committee

MC has established the Sustainability Advisory Committee which consists of six outside experts representing the perspectives of MC's diverse stakeholders including NGOs, international agencies and the ESG investment sector, as an advisory body to the Corporate Functional Officer (Corporate Sustainability & CSR). MC conveys its thinking on sustainability policies to committee members and, with the aim of improving stakeholder engagement, receives advice and recommendations from them. Moreover, MC conducts tours of business sites for committee members in order to deepen their understanding of MC's businesses. At the Sustainability Advisory Committee meeting held in May 2021, MC received feedback on the following topics:

#### Sustainability Advisory Committee Members

<p><b>Eiichiro Adachi</b> Counselor, Head of ESG Research Center</p>	<p><b>Masaru Arai</b> Chair, Japan Sustainable Investment Forum</p>
<p><b>Peter D. Pedersen</b> Professor Graduate School of Leadership and innovation, Shizenkan University</p>	<p><b>Yasushi Hibi</b> Vice President, Regional Climate Lead Conservation International Japan</p>
<p><b>Takejiro Sueyoshi</b> Special Advisor to the UNEP FI in the Asia-Pacific Region</p>	<p><b>Miwa Yamada</b> Director, Law and Institution Studies Group, Inter-disciplinary Studies Center (IDE-JETRO)</p>

#### Main Discussion Topics

- MC's Key Sustainability Issues
- Responding to climate change
- Supply chain management
- Stakeholder engagement
- Corporate philanthropy activities (including recovery activities)
- Consideration of important policies for the future

#### On-Site Observation Tour

In the fall of 2020, MC conducted a site visit to imperfect Inc.,\* in Omotesando, Tokyo. During the visit, Sustainability Advisory Committee members learned about the role imperfect's activities play and the challenges faced in promoting sustainable activities to support livelihoods and conserve the environment.



\*imperfect Inc. sells products that combine ingredients such as nuts, cacao and coffee produced through initiatives with high environmental and societal value, based on MC's commitment to "address societal issues related to food and agriculture through business practices."

## Supply Chain Management

### Basic Approach on Human Rights (Including Response to International Norms)

MC believes that respect for human rights is fundamental to doing business globally. MC stipulates its respect for human rights in its Corporate Standards of Conduct and Social Charter. MC's Code of Conduct for executives and employees states that MC will "respect human rights; will not engage in discrimination on the basis of race, ethnicity, creed, religion, or any other grounds; will not tolerate harassment; will respect the cultures, customs, and languages of other countries and regions" both inside and outside MC. MC also supports international norms such as the UN Guiding Principles on Business and Human Rights, the core labor standards of the International Labour Organization (ILO), and the Voluntary Principles on Security and Human Rights. Furthermore, in the UK, the government established the UK

Modern Slavery Act (MSA), which requires certain companies to disclose actions taken to mitigate modern slavery in their supply chains. In response to this legislation, MC publishes a statement annually. The Mitsubishi Corporation Policy for Sustainable Supply Chain Management includes clauses covering the prohibition of forced labor and child labor. MC expects its suppliers to understand, embrace and abide by this policy.

**Reference** Please refer to the Mitsubishi Corporation's Corporate Standards of Conduct, the Mitsubishi Corporation Code of Conduct and the Mitsubishi Corporation Social Charter. FY2020 Modern Slavery Statement:  
[https://www.mitsubishicorp.com/jp/en/csr/management/pdf/modern\\_slavery\\_statement.pdf](https://www.mitsubishicorp.com/jp/en/csr/management/pdf/modern_slavery_statement.pdf)

### Policy and Structure for Supply Chain Management

#### Policy

For MC, as a global company involved in businesses across a wide range of products and services, ensuring sustainable supply chains is a key issue. MC has established its approach into a supply chain policy. Furthermore, MC has formulated individual guidelines for certain products that require specific individualized initiatives.

#### Structure

Basic policies and survey results for supply chain management, are determined by the Executive Committee based on deliberations by the Sustainability Advisory Committee and the Sustainability & CSR Committee, and are also reported to the Board of Directors.

#### Basic Policy/Survey Results for Supply Chain Management



### Mitsubishi Corporation Policy for Sustainable Supply Chain Management

#### Basic Policy

Since its foundation, MC has adhered to the Three Corporate Principles which have guided its corporate philosophy and which place considerable emphasis on the importance of its corporate social responsibilities. Moreover, our Corporate Standards of Conduct outline our commitment to comply with all relevant laws and international regulations and to act responsibly with respect to the highest social standards. Our Corporate Standards of Conduct further elaborate on our commitment to preserving the global environment and pursuing sustainable development through all aspects of our business activities.

#### 1. Policy

For MC, as a global company involved in businesses across a wide range of products and services, ensuring sustainable supply chains is a key issue. MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, which outlines MC's actions to address human rights, labor rights and environmental issues in the supply chain. This policy serves to convey MC's fundamental perspective to all its suppliers.

#### 2. Monitoring

MC conducts regular surveys to suppliers to monitor the status of their compliance with the Basic Policy and to strengthen communication with suppliers. Furthermore, MC visits suppliers to confirm the status of their activities when it determines that site visits are necessary based on the regions where suppliers are active and their business activities.

#### 3. Response to Compliance Violations

If a violation of the Basic Policy is confirmed, MC will demand that the relevant supplier implement corrective measures and will provide guidance and assistance to the supplier as necessary. If MC determines that the supplier is unlikely to implement corrective measures even after providing continuous guidance and assistance, MC will re-evaluate its business relationship with the relevant supplier.

- |  |                           |                             |
|--|---------------------------|-----------------------------|
| (1) Forced Labor                                     | (5) Discrimination        | (9) Anti-Corruption         |
| (2) Child Labor                                      | (6) Abuse and Harassment  | (10) Environment            |
| (3) Safe and Healthy Working Environments            | (7) Working Hours         | (11) Information Disclosure |
| (4) Freedom of Association and Collective Bargaining | (8) Suitable Remuneration |                             |

**URL** <https://mitsubishicorp.disclosure.site/en/themes/126#1147>

### Supply Chain Management Initiatives

#### Our Approach to Supply Chain Management

MC regularly conducts surveys of suppliers, with a focus on those in industries where environmental and social risks are considered higher such as marine/agricultural products and apparel, in order to monitor their compliance with MC's Policy for Sustainable Supply Chain Management. MC determines the target products and suppliers to be surveyed, and conduct post-survey follow-up in line with the approach outlined below.



**Survey Results** MC received responses from about 1,000 suppliers in approximately 30 countries and regions including China, Vietnam and Thailand via its survey conducted in the fiscal year ended March 31, 2021 (survey based on transactions during the fiscal year ended March 31, 2020). Based on these results and other factors including the external environment, MC will conduct additional surveys and site visits for a number of the suppliers.

#### Communication with Suppliers

In the fiscal year ended March 31, 2021, MC employees visited a garment factory in Japan, which supplies apparel products to MC's subsidiary Mitsubishi Corporation Fashion Co., Ltd., and conducted interviews with employees and company management.

Working in partnership with suppliers, MC will continue to promote sustainable operations throughout its supply chains.



Garment factory site visit

**URL** <https://mitsubishicorp.disclosure.site/en/themes/126#1147>

#### Employee Training

Many employees at MC have the opportunity to undertake trading activities such as purchasing and sales, or to support such activities at some time in their careers. For this reason, MC strives to deepen the knowledge of all employees as buyers by explaining MC's corporate

philosophy, including respect for human rights in the supply chain. MC also integrates the relevant supply chain policy into buyer training such as programs geared toward specific levels of management including those for new employees as well as training on trading practices.

#### Communication with Stakeholders

Through dialogue with stakeholders, MC exchanges opinions on supply chain management and perform reviews as necessary to make improvements. The table to the right shows the type of reviews that MC has conducted to date, drawing on comments from stakeholders.

In addition to questionnaire surveys, MC regularly conducts site visits to its suppliers (including its subsidiaries and affiliates) worldwide. (Past visits have included shrimp hatcheries and processing companies, coffee milling plants and farms, tea producers, garment factories, pangasius aquaculture and processing plants, chicken processing plants, etc.). Through the site visits and interviews with management and employees, MC confirms that its suppliers understand, embrace and abide by its Policy for Sustainable Supply Chain Management. MC also shares best practice examples in relation

to sustainability policies and initiatives to achieve two-way communication with our suppliers. MC will continue communicating with our suppliers to ensure that our supply chains operate sustainably.

#### Examples of items revised based on comments from stakeholders:

- Began regularly obtaining suppliers' agreement with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management
- Added more target products to the survey
- Developed an online system aimed at improving convenience and accessibility for suppliers answering the survey

**Past site visit report archive** <https://mitsubishicorp.disclosure.site/en/themes/155>