

SUSTAINABILITY REPORT

2021

As of July 29, 2022



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Social

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Governance

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Top commitment

Message from Executive Vice President



Mitsubishi Corporation (MC), since its establishment, has held the Three Corporate Principles as its core philosophy, and aims to contribute to the sustainable development of society by conducting its global business activities with integrity and fairness in line with these principles.

The need to find solutions to the challenges facing the global environment and society is becoming more urgent, and expectations upon the private sector to be part of those solutions to societal issues such as climate change, human rights, and biodiversity are increasing year by year.

In Oct 2021, MC formulated its "Roadmap to a Carbon Neutral Society" which sets out our steps towards achieving a carbon neutral society, fulfilling our responsibility as an active player in industries including resources and energy by maintaining stable energy supply while providing decarbonization solutions.

In this Roadmap, in addition to committing to halve GHG emissions by FY2030 & achieve Net Zero by 2050, we have also established "Integrated EX (Energy Transformation)/DX (Digital Transformation) initiatives to 'Create a New Future'" as a common theme for company-wide business promotion.

Furthermore, Midterm Corporate Strategy 2024 sets forth "MC Shared Value (MCSV)" as the continuous creation of significant shared value by enhancing the MC Group's collective capabilities in order to address societal challenges.

Through our efforts to create MCSV, we aim to continue to grow together with society by linking the growth of our employees with the development of the company.

In addition, with the aim of creating MCSV, we also announced the redefinition of our previous "Key Sustainability Issues" in the form of eight "Materiality" as the crucial societal issues that the MC Group will prioritize through our business activities, and our intention to utilize these issues as concrete measures for achieving our "Roadmap to a Carbon Neutral Society". ESG has become an indispensable perspective for long-term corporate growth in recent years, making the formulation of management strategies which incorporate environmental and social impacts an imperative.

Through proactive dialogue with our stakeholders, including by expanding information disclosure in line with the recommendations of the TCFD^{*1}, MC will work to grasp the needs and expectations of society, and in addition to supporting the United Nations Global Compact^{*2}, we will fulfill our responsibilities as a member of the global community.

The MC Group, which has achieved growth by boldly shifting our business models in line with societal changes, will continue to help provide solutions, including with respect to global agenda items such as responding to climate change, through our business.

- * 1 Voluntary disclosure framework formulated by the TCFD (the Task Force on Climate-Related Financial Disclosures, launched by the UN Financial Stability Board) stipulating information that companies and other entities should disclose to financial markets, with the aim of helping those markets to appropriately evaluate the risks and opportunities presented by climate change. The General Manager of MC's Corporate Sustainability & CSR Department has been a member of the TCFD since January 2018.
- * 2 A United Nations initiative for businesses and other organizations to support 10 universal sustainability principles in the fields of human rights, labor standards, environment and anti-corruption. MC declared its support for this initiative in 2010.



Yutaka Kashiwagi

Member of the Board

Executive Vice President

Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR

Philosophy and Approach Related to Sustainability

The Three Corporate Principles ✓ Corporate Standards of Conduct ✓

Mitsubishi Corporation Code of Conduct ✓ Mitsubishi Corporation Environmental Charter ✓

Mitsubishi Corporation Social Charter ✓ MC Group Vision ✓ Value Creation Model ✓

Philosophy and Approach

The Three Corporate Principles

Contributing to Society through Business Firmly Rooted in Principles of Integrity and Fairness

The Three Corporate Principles Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding Through Business have served as MC's core philosophy since MC's inception, inspiring us to conduct fair and sound business activities at all times. We have constantly endeavored to enhance our compliance initiatives. Measures have included establishing the Corporate Standards of Conduct to set forth our expectations with regard to how business should be conducted, in conjunction with developing various compliance-related internal rules, introducing a compliance officer system, and expanding and upgrading risk management frameworks. The Mitsubishi Corporation Code of Conduct requires employees to conduct business in compliance with laws and regulations as well as global standards such as the Universal Declaration of Human Rights established by the United Nations (UN) and the core labor standards of the International Labor Organization (ILO). It also requires officers and employees (including full-time and part-time employees, secondees and temporary staff; hereinafter only referred to as "officers and employees") to act in a socially responsible manner by complying with the highest ethical standards, and to acknowledge commitment to the Mitsubishi Corporation Code of Conduct. MC adopted the Environmental Charter and Social Charter in accordance with the Three Corporate Principles, and we commit to increase our corporate value as well as to contribute to the sustainable development of society, as a globally integrated business enterprise. MC Group companies share a common history and philosophy* as they continue to grow together and learn from one another.

* The Three Corporate Principles, Corporate Standards of Conduct, Code of Conduct, Environmental Charter, and Social Charter are shared with all MC Group employees globally via a portal site for MC Group companies as well as through various internal training programs.



Corporate Standards of Conduct

1. Aim of Corporate Business Activities

Through its business activities, Mitsubishi Corporation will endeavor to increase its value. At the same time, MC will strive to enrich society in all ways, developing and offering its customers the best services and products, with the highest regard for safety.

2. Fairness and Integrity in Corporate Business Activities

Mitsubishi Corporation will continue to develop its business activities in compliance with all relevant laws, international regulations and internal rules. MC will act responsibly and will respect the highest social standards.

3. Respect for Human Rights and Employees

Mitsubishi Corporation will respect human rights and will not engage in any discrimination. MC will preserve and improve its corporate strengths through the development of its employees, all the while respecting the character and individuality of each employee.

4. Information Security and Disclosure

While Mitsubishi Corporation will continue to develop, implement and improve the effectiveness of its information security management system, at the same time MC will disclose information accurately and in a timely fashion, so as to maintain transparency and be correctly understood by both its stakeholders and the general public.

5. Consideration for Environmental Issues

Mitsubishi Corporation understands that an enterprise cannot continue to prosper without consideration for its environmental performance, and will strive to protect and improve the global environment and pursue sustainable development through all aspects of its business activities.

6. Contribution to Society

As a responsible member of society, Mitsubishi Corporation will actively carry out philanthropic programs in an effort to promote the enrichment of society. Moreover, MC will support efforts of its employees to contribute to society.

Mitsubishi Corporation Code of Conduct

○ Basic Policy

All officers and employees of Mitsubishi Corporation (the “Company”) must comply with all applicable laws, rules and regulations where they operate, international standards and rules, and all internal corporate rules and policies. In addition, all officers and employees of MC must act in a socially responsible manner by complying with the highest ethical standards in the conduct of their business.

○ Basic Principles

1. Respect human rights, and do not discriminate on any basis or engage in any form of harassment.
2. Maintain a high regard for environmental considerations in conducting our business operations, and ensure that our business is conducted in an environmentally sustainable manner, and comply with treaties, laws and regulations concerning the environment.
3. Promote fair business practices and comply with trade rules, regulations, and internal corporate rules and policies.
4. Comply with the rules and regulations of international trade.
5. Protect and properly use confidential and proprietary information, protect the rights of MC and respect the rights of others.
6. Do not engage in insider trading.
7. Avoid conflicts of interest with MC; maintain a distinction between corporate and private business.
8. Record and report accounting and financial information timely and accurately.
9. Maintain proper legal and ethical standards with respect to gifts and entertainment.
10. Resolutely oppose any organization, group or individual engaged in unlawful activities and do not provide money or other types of economic benefits to them.
11. Promptly report to or consult the superiors, the Group Compliance Officers, the relevant departments, the Secretariat for the Compliance Committee, or the outside counsel in charge of Compliance upon discovering or committing any violations of this “Code of Conduct.”

Mitsubishi Corporation Environmental Charter

At Mitsubishi Corporation we consider the Earth itself to be our most important stakeholder and are continually working towards the realization of a sustainable society through our business activities.

- We will strive to reduce greenhouse gas emissions by continually implementing new efficiency measures and embracing new technologies.
- We will promote the sustainable use of natural resources including energy, minerals, food stocks and water throughout our global business operations.
- We recognize the critical importance of what ecosystems can provide and are committed to protecting ecosystems and mitigating any potential impacts on biodiversity.
- We will strive to create and enhance environmental value through environmental conservation and environmental impact reduction measures including pollution prevention.
- We will continue to actively engage and work with our various stakeholders openly and transparently and disclose information on the environmental impacts of our business operations in an appropriate and timely manner.
- We will conduct all of our activities in compliance with environmental laws while adhering to international rules and social standards.

Mitsubishi Corporation Social Charter

Mitsubishi Corporation strives to achieve sustainable societal value through our business operations by contributing towards lasting solutions to the wide spectrum of sustainability challenges facing today's global society.

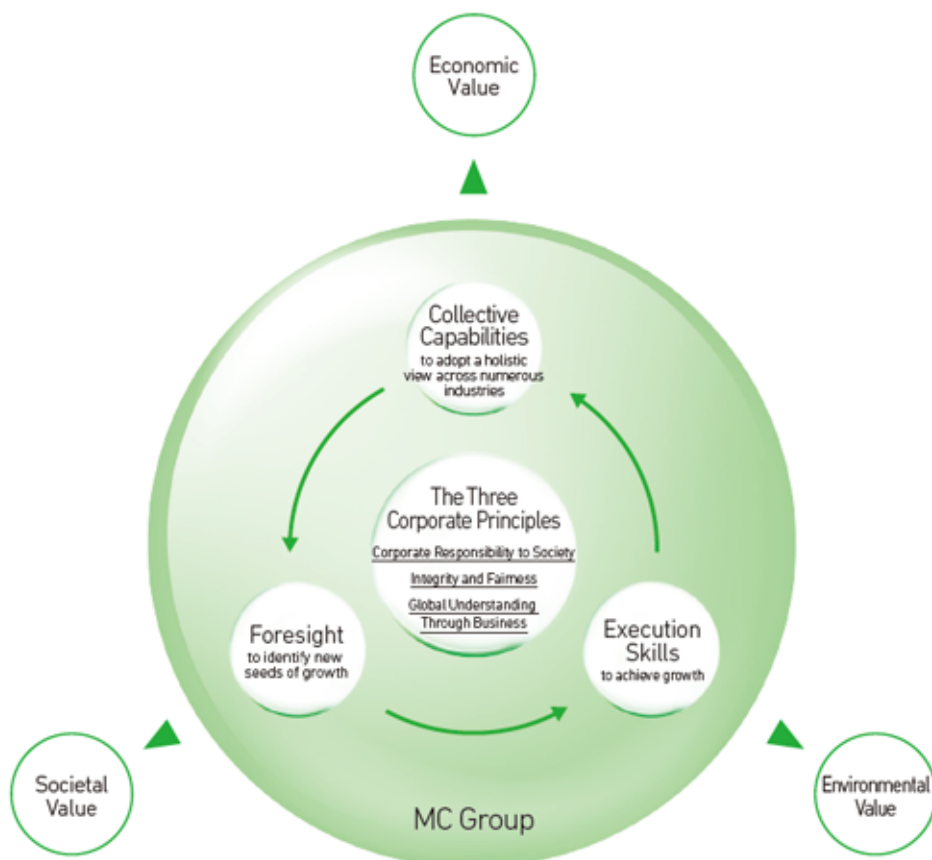
- We will work to address local societal challenges in the regions and communities in which we operate, contributing towards lasting and sustainable development through our business activities.
- We will continue our wide-ranging philanthropic commitments while regularly adapting our approach in line with ever-evolving societal needs and challenges.
- We will fully respect human rights and indigenous peoples' rights.
- We will fully respect fundamental labor rights and endeavor to ensure the provision of proper working environments with consideration for safety, health, and other aspects.
- We will not engage in corruption of any kind and will take appropriate preventative measures to safeguard against such practices.
- We will continue to actively engage and work with our various stakeholders openly and transparently and disclose information on the social impacts of our business operations in an appropriate and timely manner.

MC Group Vision

Achieving Sustainable Growth for the MC Group and Society

The MC Group aims to deliver sustainable growth by adapting to changes in the business environment and fulfilling societal needs in due consideration for the United Nations' Sustainable Development Goals (SDGs). To achieve this aim, the MC Group shall rely on three core strengths, namely its collective capabilities to adopt a holistic view of industry, the foresight to identify new seeds of growth, and its execution skills to germinate them.

○ Simultaneously Generating Economic Value, Societal Value and Environmental Value through Our Businesses



Mission & Corporate Philosophy

- The "Three Corporate Principles" serve as the MC Group's core philosophy and underpin its commitment to fair, responsible, and global business practices.
- By pooling its collective capabilities, the MC Group strives to fulfill societal needs and meet stakeholder expectations by simultaneously generating economic, societal and environmental value.

Adaptability

- The MC Group prides itself in adapting to our ever-evolving world, anticipating and responding to changes in geopolitical, economic and industrial landscapes, the last two of which are being increasingly driven by innovations in technology.

Consolidated Growth Strategy

- The MC Group includes approximately 1,800 enterprises, and as the MC Group works to raise their consolidated earnings, it remains equally committed to growing their individual corporate value, while simultaneously generating three values.
- By leveraging the diverse expertise found throughout its network of Group companies and more than 130 Business Units, MC shall continue to innovate and inspire global industries.
- MC shall optimize its portfolio by dynamically allocating management resources based on its level of engagement in each business. Sizeable growth investments are companywide commitments to develop next-generation earnings drivers.
- The MC Group is dedicated to rearing the highest quality of management professionals, ethically grounded leaders with the foresight to identify new seeds of growth and the execution skills to germinate them.
- Regardless of how our world evolves, there will always be opportunities to deliver goods and services that meet societal needs and improve our quality of life. This recognition is the very foundation of MC's consolidated growth strategy.

Value Creation Model

○ The Sustainable Growth that MC Seeks

The External Environment Surrounding MC's Sustainable Growth

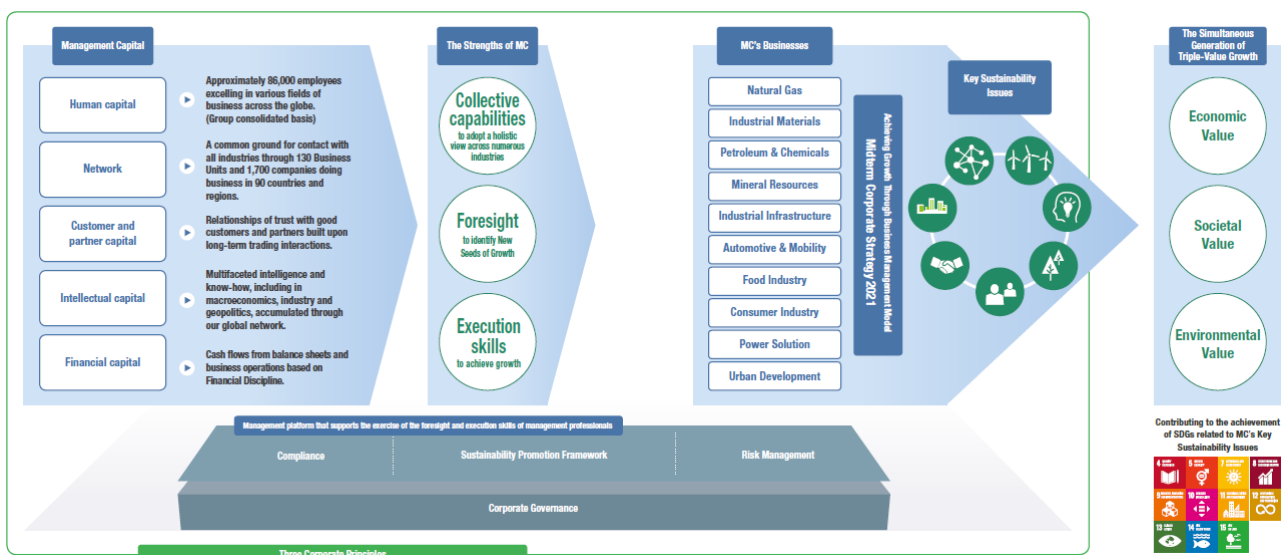
In 2020, the global outbreak of COVID-19 pandemic created unprecedented disruption, and the uncertain outlook for the external environment persists. Even before the pandemic, global shifts such as heightened US-China tensions and a wave of digitalization were already ushering in a new era. As economies and societies worldwide continue this transformation, MC and its Group companies must utilize their collective capabilities to respond. In recent years in particular, we have seen developments such as the Sustainable Development Goals (SDGs) and the Paris Agreement, as well as progress towards the transition to low-carbon/ decarbonized societies targeting net-zero emissions by 2050 and the expansion of ESG investment. Together with stricter laws and regulations and the demand for a sustainable recovery from COVID-19, these developments are all leading to a wider recognition that sustainable corporate growth is tied to the simultaneous generation of not only economic value, but also societal value and environmental value.

Amid these circumstances, we will act in accordance with the Three Corporate Principles, which have served as MC's guiding philosophy since its founding, to stay on top of global trends and to offer solutions to societal issues and needs by uncovering new business opportunities.

Toward Value Creation through the Simultaneous Generation of Triple-Value Growth

Based on the Three Corporate Principles, which have served as MC's guiding philosophy since its founding, MC has continued to pass down the ideals of promoting integrity and fairness through its global business and contributing to the sustainable development of society.

We will continue to work to simultaneously generate triple-value growth, to contribute to the achievement of the SDGs and to raise corporate value by addressing our Key Sustainability Issues, which are issues for management to address to promote sustainable growth. To accomplish these goals, we will leverage the diverse and capable management capital of the entire MC Group by applying the three core strengths of collective capabilities to adopt a holistic view across numerous industries, the foresight to identify New Seeds of Growth, and the execution skills to achieve that growth.



Materiality

Based on the Three Corporate Principles, which have served as MC's core philosophy since its inception, MC identified a set of Key Sustainability Issues in 2016 as mileposts for proactively realizing "triple-value growth" through the simultaneous generation economic, societal and environmental value. While responding to the requests of all stakeholders, MC has worked to address various societal issues through its business activities and has contributed towards the sustainable development of society as well as value creation.

Six years have passed since the Key Sustainability Issues were identified, and stakeholder expectations of companies regarding issues such as climate change have grown even higher, while the issues that companies must address also continue to evolve. Against this backdrop, in order to further raise our corporate value over the medium to long term, we conducted a review of our Key Sustainability Issues from the perspective of their importance to our business activities. The revised "Materiality" was announced in Midterm Corporate Strategy 2024 as a set of crucial societal issues that we will prioritize through our business activities, towards the strategy's goal of continuous creation of MC Shared Value.

Out of the eight redefined material issues, the six that we will pursue through our business activities are categorized as "Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually", while the two that we will pursue through organizational management are grouped as "Striving to Serve as a Platform for Generating Triple-Value Growth". Guided by our Materiality, we will continue to strengthen our efforts toward sustainable corporate growth.

Overview of Materiality

Issues		Overview
Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually		
	Contributing to Decarbonized Societies	Contribute to the realization of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while providing products and services that support decarbonization during the transition period. →
	Conserving and Effectively Utilizing Natural Capital	Recognizing the Earth itself to be our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint. →
	Promoting Stable, Sustainable Societies and Lifestyles	Promote sustainable societies and lifestyles of the future through businesses in a diverse range of countries and industries, while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, etc., in line with the needs of countries and customers. →
	Utilizing Innovation to Address Societal Needs	Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation. →
	Addressing Regional Issues and Growing Together with Local Communities	Strive to contribute to the development of economies and societies by addressing issues facing countries and regions, while seeking to grow together and collaborate with diverse stakeholders, regions and communities. →
	Respecting Human Rights in Our Business Operations	Respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions for value chain-related issues, while considering the local conditions in each country. →
Striving to Serve as a Platform for Generating Triple-Value Growth		
	Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce	Recognizing that our human resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization, and also seek to develop an organization where diverse human resources share common values and grow together while furthering their connections and inspiring one another to excel. →
	Realizing a Highly Transparent and Flexible Organization	While swiftly responding to changes in the business environment, strive to realize effective governance on a global, consolidated basis and maintain/strengthen a sound organization that is transparent and flexible. →

Relevance of MC's Materiality to the SDGs

By leveraging its collective capabilities and engaging in a variety of businesses, our company will contribute to addressing a wide range of societal challenges and ensure sustainable growth. We believe that promoting businesses based on our material issues will also help to achieve the Sustainable Development Goals (SDGs) related to each key issue.

Issues		Overview	
Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually			
	Contributing to Decarbonized Societies	  	
	Conserving and Effectively Utilizing Natural Capital	    	
	Promoting Stable, Sustainable Societies and Lifestyles	        	
	Utilizing Innovation to Address Societal Needs	  	
	Addressing Regional Issues and Growing Together with Local Communities	    	
	Respecting Human Rights in Our Business Operations	   	
Striving to Serve as a Platform for Generating Triple-Value Growth			
	Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce	  	
	Realizing a Highly Transparent and Flexible Organization	  	

Initiatives to Address our Materiality

In 2016, we identified Key Sustainability Issues as management themes for sustainable growth, and throughout the period of Midterm Corporate Strategy 2021, we strengthened our initiatives by integrating them into business strategy through dialogue and exchange of opinions with each Business Group CEO, setting individual targets for each Business Group to address through their business, and reviewing those targets on a periodic basis.

Based on the recognition that strengthening our sustainability initiatives will link directly to the creation of value and the enhancement of our corporate value over the medium to long term, we will continue to consider specific measures to strengthen initiatives in accordance with our revised Materiality and will further enhance our disclosures to ensure understanding of our initiatives among our various stakeholders.

Materiality Identification Process

STEP 1 Creating a list of potential issues

In keeping with commonly used materiality setting procedures*, MC compiled a list of around 80 potential issues that should be taken into account in order to achieve sustainable growth for the MC Group, which were based on international standards and goals such as ISO 26000 and the SDGs.

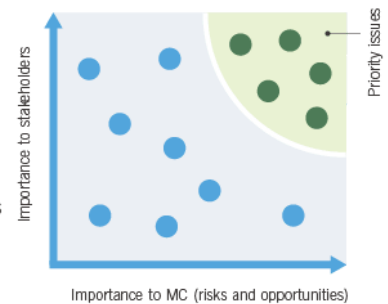


*Referencing reporting guidelines such as those of the Global Reporting Initiative (GRI), an international NGO.

STEP 2 Gauging the importance of each issue based on internal and external perspectives

MC gauged the importance of each theme, in terms of both opportunities and risks, and selected priority issues based on the perspectives of MC's Business Groups as well as those of external stakeholders.

- Through interviews and questionnaires with a variety of stakeholder groups, MC determined each issue's degree of importance to stakeholders.
- Corporate Staff Section and every Business Group evaluated and prioritized each theme to determine its importance to MC.



STEP 3 Identifying the Key Sustainability Issues

MC reexamined the selected priority issues while incorporating the views of the Sustainability Advisory Committee. Following deliberations by the Executive Committee and the Board of Directors, the Key Sustainability Issues were determined.

- Harmony with local communities
- Utilization of advanced technology
- Pollution prevention/countermeasures
- Response to climate change
- Sustainable use of resources
- Expanded presence of developed countries
- Respect for human rights
- Work environmental/labor issues
- Effective water use
- Response to increasing food demand
- Response to population fluctuations
- Response to geopolitical risks



STEP 4 Redefining our Materiality

In conjunction with the establishment of Midterm Corporate Strategy 2024, we redefined our former "Key Sustainability Issues" as "Materiality".

Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually

Striving to Serve as a Platform for Generating Triple-Value Growth



- In order to further strengthen our efforts to address societal issues which have become increasingly important in recent years such as "respect for human rights", "coexistence/co-creation with stakeholders", "natural capital and biodiversity/circular economy", "human capital and DEI", and "governance", we updated and revised the former "Key Sustainability Issues" as our new "Materiality".
- With the aim that all employees will work together to address the eight material issues, we have divided them into the categories of "Pursuit through Business" and "Pursuit by the Organization as a Whole", which advocate the overarching concepts of "Realizing a Carbon-Neutral Society and Striving to Enrich Society Both Materially and Spiritually" and "Striving to Serve as a Platform for Triple-Value Growth" respectively.

Materiality - Setting Targets for 2030

In 2019, MC formulated individual business goals so that each Business Group could autonomously promote initiatives around the Key Sustainability Issues. In 2020, MC reviewed these individual business goals to make them more specific and quantifiable, taking into account the external environment and societal demands. In 2022, these goals were aligned with the newly redefined Materiality.



Contributing to Decarbonized Societies

- Aim to double renewable power generation capacity by fiscal year 2030 compared to the fiscal year 2019 (from 3.3 GW to 6.6 GW).
(In addition, aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.)
- Establish ammonia fuel supply chains for power generation.
- Promote the commercialization of CCUS and next-generation energy related projects.
- Promote initiatives around electric vessels (reducing environmental impact).



Conserving and Effectively Utilizing Natural Capital

- Develop the recycled PET and eco-friendly material manufacturing businesses to achieve low-carbon and circular plastics.



Promoting Stable, Sustainable Societies and Lifestyles

- Reduce food waste by 50% (compared to fiscal year 2018).
- Contribute to providing a stable supply of energy by advancing natural gas/LNG businesses.



Addressing Regional Issues and Growing Together with Local Communities

- Promote natural gas/LNG businesses as an effective solution to reduce air pollution and GHG emissions.
- Promote initiatives around autonomous ships (reducing crew stress and maritime accident).
- Develop the Mobility Services Business.
- Realize and manage self-sustained decentralized urban development projects with accessibility and environmental friendliness.
- Promotion of the sharing economy through the comprehensive rental business.

MC will continue striving for sustainable growth from a long-term perspective.

Materiality Details

- Contributing to Decarbonized Societies ✓
- Conserving and Effectively Utilizing Natural Capital ✓
- Promoting Stable, Sustainable Societies and Lifestyles ✓
- Utilizing Innovation to Address Societal Needs ✓
- Addressing Regional Issues and Growing Together with Local Communities ✓
- Respecting Human Rights in Our Business Operations ✓
- Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce ✓
- Realizing a Highly Transparent and Flexible Organization ✓

Contributing to Decarbonized Societies

Contribute to the realization of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while providing products and services that support decarbonization during the transition period.

MC's initiatives related to Climate Change

Related SDGs Themes



Related Contents

Response to CDP Climate Change

MC has responded to the CDP Climate Change questionnaire since 2003. Please see the link below for MC's response to CDP Climate Change 2021.

↓ CDP Climate Change 2021 Response (PDF:570KB)



Sample Initiatives

- [Global: Contributing to the transition to a low-carbon society through the proliferation of electric vehicles](#)
- [Europe: Initiatives to promote the proliferation of renewable energy \(Eneco\)](#)
- [Realization of International Hydrogen Energy Supply Chain](#)

Conserving and Effectively Utilizing Natural Capital

Recognizing the Earth itself to be our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint.

Related SDGs Themes



Sample Initiatives

- Mexico: Solar salt operations at Exportadora de Sal, S.A. de C.V (ESSA).
- Cermaq initiative on salmon farming and processing business
- Australia: MDP Land Rehabilitation at Post-mining Sites
- Thailand: Participation in the PET chemical recycling business
- Tropical forest regeneration, global coral reef conservation, forest conservation

Promoting Stable, Sustainable Societies and Lifestyles

Promote sustainable societies and lifestyles of the future through businesses in a diverse range of countries and industries, while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, etc., in line with the needs of countries and customers.

Related SDGs Themes



Sample Initiatives

- Indonesia: LNG liquefaction and sales business by PT Donggi-Senoro LNG
- Global: Sustainable supply of food by Olam International
- Japan: MC Fashion's "THE ME" business
- Japan: Initiatives with Lawson Inc. to reduce waste losses
- Japan: Digital transformation (DX) business to reduce food loss in distribution
- Cermaq initiative on salmon farming and processing business
- Global: Supply Chain Management

Utilizing Innovation to Address Societal Needs

Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation.

Related SDGs Themes



Sample Initiatives

- Japan/ Global: HERE's DX business
- Japan: Digital transformation (DX) business to reduce food loss in distribution

Addressing Regional Issues and Growing Together with Local Communities

Related SDGs Themes



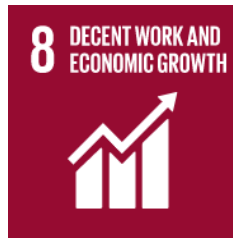
Sample Initiatives

- [Indonesia: Urban development projects to enhance urban value](#)
- [Global: Water infrastructure initiatives](#)
- [Mozambique: Contributing to the community through an aluminum smelting project](#)
- [Australia: Silica mining initiatives](#)
- [Overview of CSR activities](#)

Respecting Human Rights in Our Business Operations

Respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions for value chain-related issues, while considering the local conditions in each country.

Related SDGs Themes



Sample Initiatives

- [Global: Sustainable supply of food by Olam International](#)
- [Global: Human Rights Policy](#)
- [Global: Supply Chain Management](#)

Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce

Recognizing that our human resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization, and also seek to develop an organization where diverse human resources share common values and grow together while furthering their connections and inspiring one another to excel.

Related SDGs Themes



Details

- [Human Resources Development](#)
- [Diversity Management](#)
- [Occupational Health and Safety](#)

Realizing a Highly Transparent and Flexible Organization

While swiftly responding to changes in the business environment, strive to realize effective governance on a global, consolidated basis and maintain/strengthen a sound organization that is transparent and flexible.

Related SDGs Themes



Details

- Corporate Governance: Board of Directors and Shares, etc.
- Corporate Governance: Audit & Supervisory Board and Audit
- Corporate Governance: Directors' and Audit & Supervisory Board Members' Remuneration, etc.
- Compliance
- Risk Management

Activity Examples by Materiality Topic

Indonesia: LNG Liquefaction and Sales Business by PT Donggi-Senoro LNG

PT Donggi Senoro LNG (DSLNG), a joint venture among Mitsubishi Corporation (MC), Korea Gas Corporation, PT Pertamina (Persero) and PT Medco Energi Internasional Tbk, is a LNG production and sales company. DSLNG liquefies natural gas from the gas fields in Central Sulawesi and produces approximately 2 million tons of LNG per annum, which is sold to power and gas companies in Japan and East Asia. The project is in the spotlight as this is the first LNG project that has been run entirely by Asian companies with no participation from oil and gas majors, and also MC takes part in this project as the largest shareholder. DSLNG contributes to the stable supply of energy not only in Japan, but also in East Asia.

In September 2021, the company was awarded the Subroto Prize* by the Ministry of Energy and Mineral Resources of Japan for its outstanding record of safe operation.

* The award presented by the Ministry of Energy and Mineral Resources of Indonesia to companies that have made outstanding achievements. The company was selected as one of the top three companies in the "Safety in the Downstream Sector of Oil and Gas Business" category.



MC Fashion's "THE ME" Business

The Japanese clothing market has shrunk in scale from about 15 trillion yen at the start of the 1990s to about 8-9 trillion yen today. Conversely, the supply of clothing is said to have doubled from 2 billion to 4 billion items. In addition, the unit purchase price and unit import price have fallen to around 60% of their 1991 levels*.

Although many improvements have been made in supply chains relative to the 1990s, the overall balance between production, supply, sales, purchase and end use has seen substantial changes. While consumers are now able to purchase products at low prices and have a wealth of choices, society is questioning the environmental impact and mass amounts of waste brought about by the increase in supply.

Including its predecessor, our subsidiary MC Fashion Co., Ltd. has been supplying clothing products to apparel companies for more than 30 years. Since 2018, MC Fashion has been working to develop businesses to address overproduction and mass waste caused by gaps between supply and demand, and in July 2020, it launched its in-house brand "THE ME," opening a showroom-style store in Jingumae, Tokyo.

Rather than mass-production, the concept behind "THE ME" is to create clothes to suit each individual. With this in mind, "THE ME" has adopted a unique model of producing only what consumers want to buy and delivering it to a designated location within a short period of time, without holding any product inventory. Moreover, since this is a relatively new style of consumption for users, it is developing new consumer values such as "size correction."

As a result of industry efforts to date, a style of product supply similar to "THE ME" already exists, as represented by made-to-order suits. However, "THE ME" aims to optimize overall supply rather than focus on specific items. As such, it covers all products including T-shirts, dresses, skirts and coats, distinguishing itself by incorporating extensive use of IT, not only at the point of contact with consumers, but also in the supply chain.



"THE ME" store in Tokyo's Jingumae district

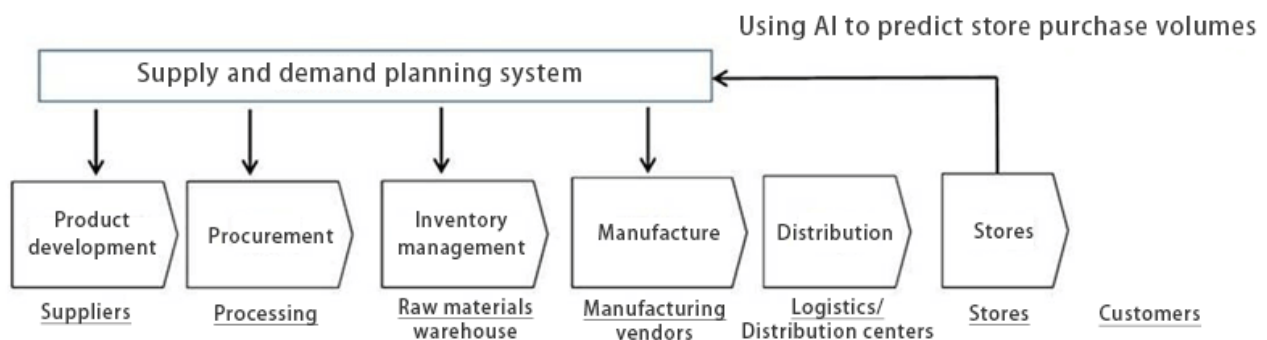
With "THE ME," MC Fashion engages in a series of production, supply, sales and purchasing processes. In doing so, it aims to identify key issues and establish a "single model" by making a series of changes to its business model and through the adoption of IT. The goal behind "THE ME" is to provide this model to as many companies as possible and to play a role in optimizing the supply-demand balance.

* Understanding of the environment based on data released by the Japanese Ministry of Economy, Trade and Industry (METI).

Initiatives with Lawson, Inc. to Reduce Waste Losses

Together with its subsidiary Lawson Inc., MC is implementing initiatives using AI and digital marketing to reduce food waste, which has become a pressing issue in recent years.

By utilizing AI developed by the US-based DataRobot Inc. to analyze purchase records over the past two years, it is possible to automatically predict the individual purchase volumes for approximately 450 items, helping to reduce the waste of raw materials and ingredients. Going forward, we plan to increase the amount of data (weather, etc.) to be included in the AI predictions, as well to allow for purchase volumes to be predicted even before products are released.



In December 2019, MC reached an agreement with Lawson, Inc., Loyalty Marketing, Inc. and KDDI Corporation on an initiative to create a new consumer experience that integrates the digital world with the real world. In October 2020, we conducted a trial at 10 Lawson stores in Saitama Prefecture to deliver information on discounts for products nearing their expiration dates to potential customers identified by location data, thereby encouraging them to visit the stores and reduce food waste.

Based on the results of the demonstration project, we are considering laterally extending the use of this system to more Lawson stores, as well as to other retail and food service companies. Going forward, we will continue to promote initiatives aimed at reducing food waste.



Urban Development Projects to Enhance Urban Value

Through Mitbana, a joint venture with Surbana Jurong, a wholly owned subsidiary of Singapore-government owned investment company Temasek Holdings, MC is promoting a large-scale urban development project of over 100 hectares in collaboration with Sinar Mas Land, one of the largest real estate developers in Indonesia.

This project is the first transit-oriented development* in Indonesia, and it will promote the development of a smart city combining urban functions such as residential units, commercial properties, schools, hospitals, parks and public transportation nodes on a new development site of over 100 hectares in BSD City, on the outskirts of Jakarta.

In addition to promoting convenient, safe and secure urban development and encouraging a modal shift towards the use of public transport, we aim to build a quality city and achieve increases in sustainable urban value that contributes not only to the economy, but also to society and the environment by helping to address issues such as traffic congestion and air pollution.

* Urban development based on public transit, aiming for a society that is not dependent on automobiles.



Project image

HERE's DX Business

In December 2019, MC concluded a capital and business partnership with HERE International B.V. (HERE*), and in May 2020, MC jointly invested 30% in HERE with Nippon Telegraph and Telephone Corporation (NTT). We will leverage our extensive industry knowledge to collaborate with HERE to accelerate the deployment of their solutions (both automotive and non-automotive) in Japan and Asia-Pacific markets, where HERE is focusing.

HERE's specific initiatives are as follows.

- Contributing to the mitigation of environmental impacts by improving the efficiency of logistics and eliminating traffic congestion through the use of route optimization services in distribution and transportation.
- Addressing regional issues such as driver shortages and difficulty accessing stores by improving the efficiency and sophistication of last-mile delivery, for which demand is expected to increase, and middle-mile delivery, for which social infrastructure is being developed.
- Contribute to regional development by providing new mobility solutions for regional cities with aging and diminishing populations.

* HERE is a market leader in location data services and its digital maps can be found in most vehicles sold with embedded navigation systems in North America and Western Europe. Through its recent business transformation, MC has developed digital maps in high-definition that can be used in future automated driving, and provides solutions to a wide range of industries including transportation, logistics, media and telecommunications.

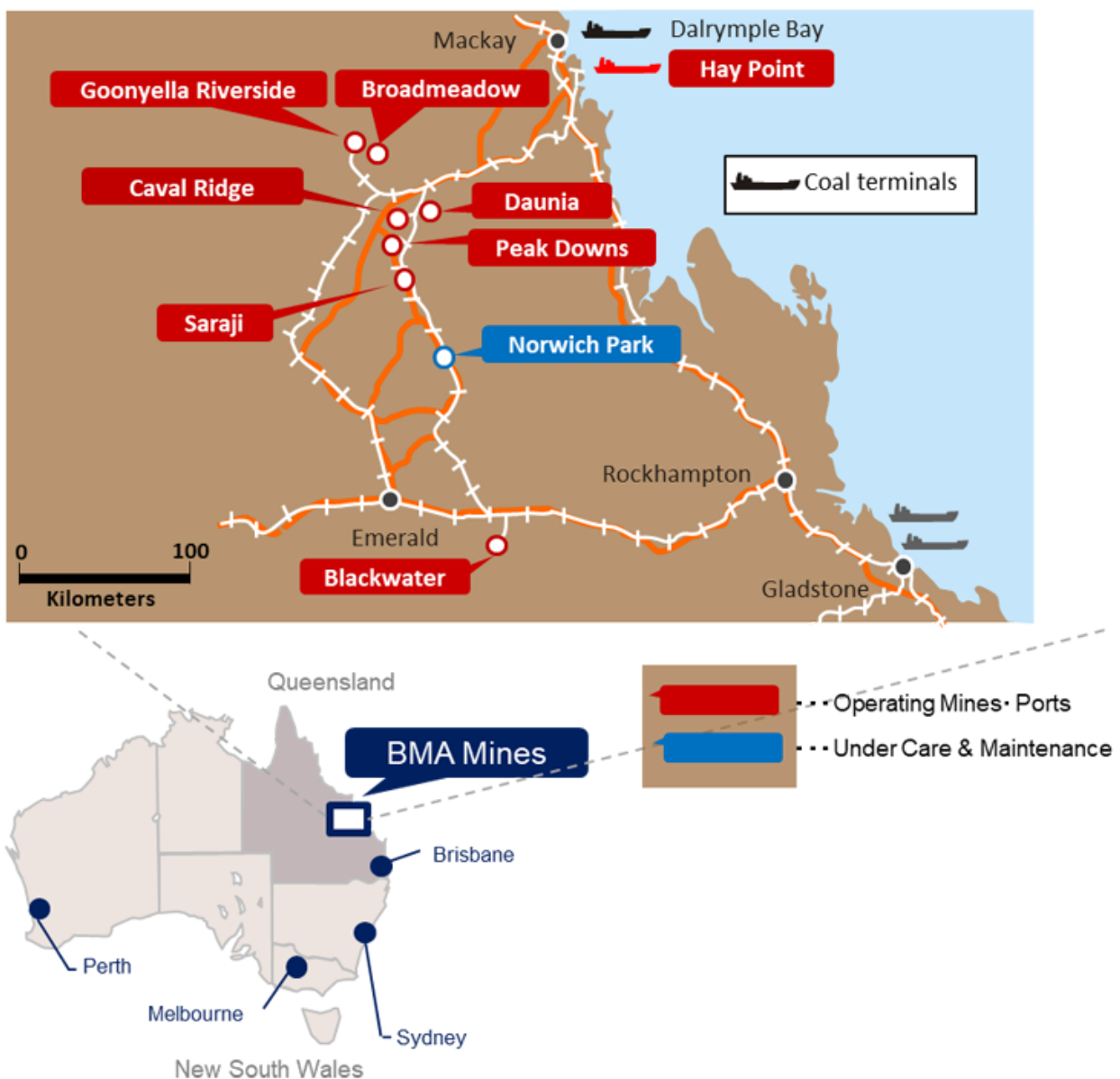


Land Rehabilitation at Post-mining Sites



In developing natural resources, companies need to consider environmental impacts in relation to areas such as biodiversity, forests, and water. The local community must also be duly engaged as an important stakeholder. MC ensures that its mining activities in Australia are conducted in harmony with the natural environment and local communities with utmost care and attention, before, during and after the mining operations.

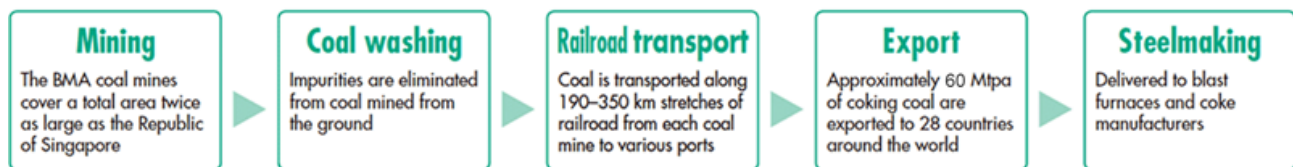
○ Moving into a Resource Business



MC established [Mitsubishi Development Pty Ltd](#) (MDP), a wholly-owned subsidiary, in Australia in 1968 as a mineral resources investment company. Through MDP, we have undertaken a range of investments in mineral resources operations in Australia. In 2001, MDP created BMA together with global mining giant BHP. By increasing our investment in large-scale metallurgical coal mining operations in Queensland, we took a major step toward becoming a globally significant participant in the metallurgical coal industry.

The metallurgical coal operations of the BHP Mitsubishi Alliance (BMA) are located in Queensland, Australia. BMA's mine sites cover an area twice the size of Singapore and produce high-quality metallurgical coal used for steelmaking. BMA's product is the raw material for producing coke which, when charged into a blast furnace with iron ore, acts as a reducing agent to produce crude iron. The metallurgical coal produced by BMA is supplied to customers in approximately 30 countries around the world. BMA is the world's largest seaborne supplier of metallurgical coal, producing and shipping approximately 60-65 million tons per annum.

BMA coal mining project in Australia



○ Rehabilitation of Large-scale Open-cut Mines

BMA acts as responsible miner and ensures its mine closure plans take into account social expectations and environmental regulatory requirements for rehabilitation. While complying with laws and regulations, BMA strives to minimize its impact on the environment and society by developing appropriate mine closure plans, and by implementing rehabilitation projects based on environmental impact reports and review by field experts and authorities. As part of annual renewal of long-term production plans for each site, BMA's planning and investment models are updated including all necessary rehabilitation and closure costs.

The majority of BMA's coal operations are open-cut strip mines, a method requiring overburden removal to depths up to 200+ meters in order to expose the underlying metallurgical coal seams.

The mining process at an open-cut strip mine starts with removal and stockpiling of the topsoil. The area where BMA mines are situated is not heavily forested as it has a dry tropical climate. The topsoil of about 30-40cm depth is removed and preserved in stockpiles and covered with a mixture of grass and scrub to preserve it for later use in rehabilitation.

After this process is complete, overburden removal and subsequent coal mining are carried out, leaving behind a large pit. Once the coal has been mined, the overburden that was moved and placed in spoil dumps during mining operations is profiled. The profiled dump surface is then covered with topsoil mixed with rock mulch and planted with seeds of indigenous grasses, trees and shrubs.



Surface Mining Scenery

After rehabilitation works have been completed, site recovery is monitored to confirm whether the final landforms are stable, water runoff is of acceptable quality and vegetation is taking root. BMA employs ecological specialists for the planning, rehabilitation, and surveying stages to supervise the rehabilitation process.

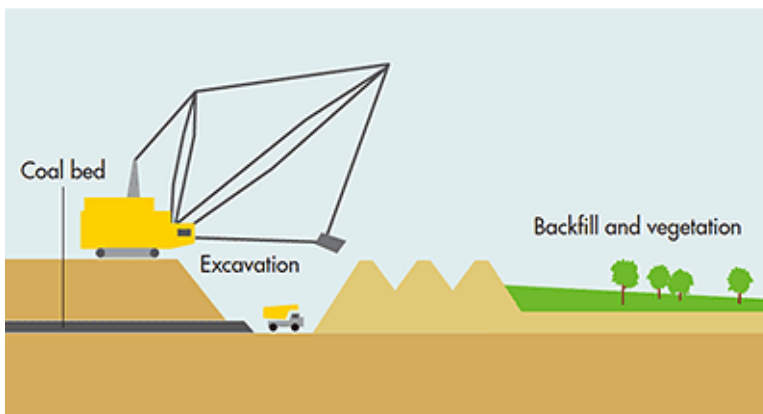


Before Rehabilitation



After Rehabilitation

Mine rehabilitation



Mozambique: Contributing to the Community through an Aluminum Smelting Project

Mozal S.A. is an aluminum smelting company established in 1998 as a joint venture between MC, the government of Mozambique, global mining giant BHP (South 32, an Australian resources company that spun off from BHP in 2015, is currently a shareholder) and the Industrial Development Corporation of South Africa.

Mozal currently produces and exports 570 thousand metric tons of aluminum ingots a year. Today, the aluminum smelting industry as a whole is one of the country's largest, accounting for roughly 20-30% of its total exports in value (for a time it accounted for over 50%).

In order to contribute to the local community, Mozal donates about 200 million yen annually. The funds are used for supporting small businesses in creating employment opportunities, putting in place mechanisms to support education and public health, and activities in other areas such as sports, culture and infrastructure. Examples include the construction of schools and anti-malaria clinics, the provision of HIV education and the drilling of deep wells to alleviate drought damage. Mozal also supports local economic activities through the promotion of local agriculture and the commercial sales of local crafts. Going forward, Mozal remains committed to contributing to local communities through these initiatives.



Aerial view of the Mozal aluminum smelting facility



Activities to support community elementary school established by Mozal



Initiatives to support local orphanages

Participation in the PET*¹ Chemical Recycling Business

In January 2020, MC entered the PET chemical recycling business (MC's equity share: 34%) through an investment in Thai Shinkong Industry Corporation Ltd., which produces PET resins for beverage bottles.

PET is highly recyclable mono-material with a wide range of applications, including in both beverage and food containers as well as textiles, thanks to its excellent transparency, barrier properties, and well-established collection and recycling system. With increasing pressure to transition to a circular economy worldwide, we will strengthen our initiatives around procuring and supplying in a sustainable manner by expanding our capacity for producing PET resins, for which demand is expected to grow in line with the shift towards mono-materials, and by introducing chemical recycling technologies*² through our participation in the PET chemical recycling business.

While environmental awareness in relation to plastics is heightening worldwide, plastics are highly functional basic materials that underpin sustainable economic development. In promoting its plastics business, MC aims to contribute to building a circular society by improving recycling rates and developing alternative materials.

* 1 An abbreviation of polyethylene terephthalate.

* 2 A recycling method in which used plastics are chemically decomposed into the raw material (molecular level) and then re-polymerized. This allows reuse of resources without any degradation in quality due to recycling.



MC's Sustainability Promotion Framework

MC's Sustainability Promotion Framework ✓ Companywide Sustainability Framework ✓

Promoting Sustainability Through Business ✓ Disclosure (about the Sustainability Website) ✓

Dialogue with Stakeholders (Incorporating External Perspectives) ✓

MC's 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 through business, 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.

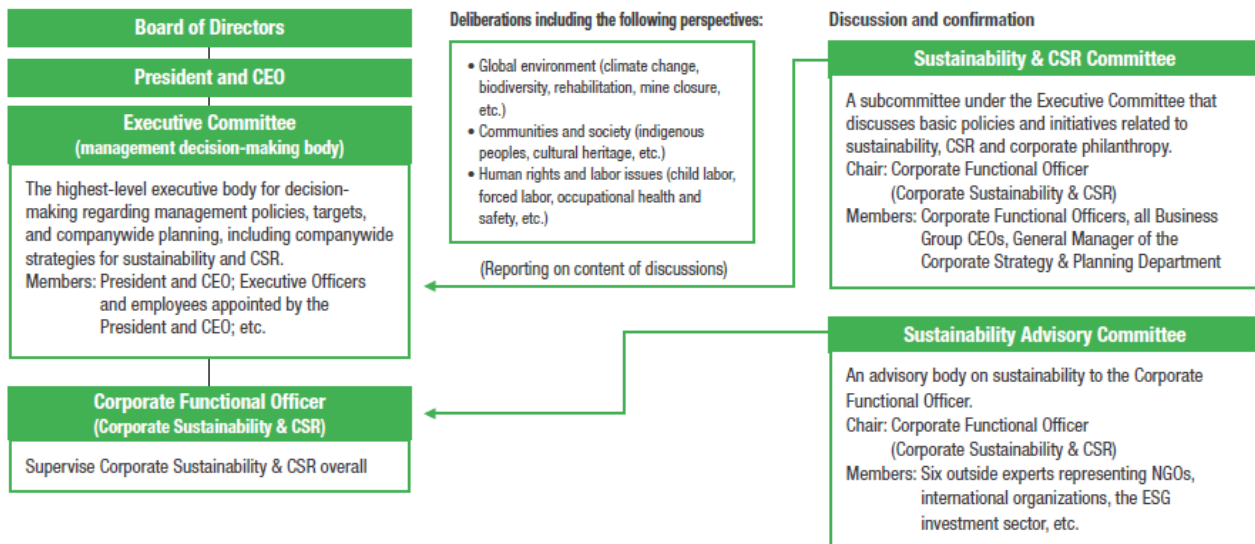


Cycle of Dialogue and Business Strategy Execution

- Determination of policy
- Execution led by each Business Group
- Disclosure
- Dialogue with stakeholders

Companywide Sustainability Framework

In MC's management framework, sustainability initiatives are overseen by the Director/ 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.



Reference: [Sustainability Advisory Committee](#)

Main Discussion Themes for the Sustainability & CSR Committee in the fiscal year ended March 31, 2022.

- Climate change
- GHG emissions management and reductions (e.g., portfolio decarbonization and reinforcement mechanisms in Midterm Corporate Strategy 2024)
- EX-related initiatives
- Sustainability performance report for the fiscal year ended March 31, 2022
- Management of climate risks /opportunities
- Materiality
- Supply chain management
- Stakeholder engagement
- Corporate philanthropy activities

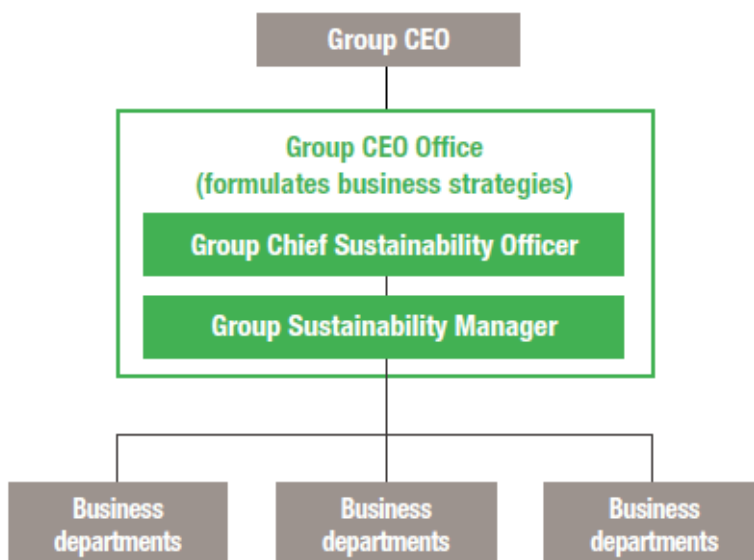


Promoting Sustainability Through Business

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.



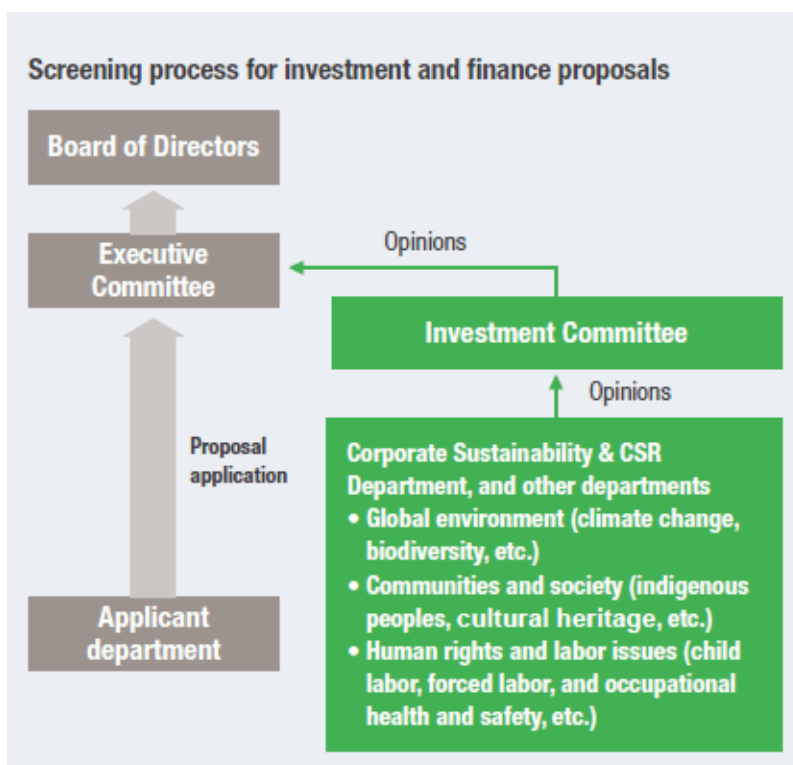
Cycle for Integrating Sustainability into Business Strategy

- 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 Materiality as well as potential environmental and social risks (including scenario analyses), 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.





Disclosure (about the 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.

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.

The website was established 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. Disclosures can also be downloaded in a conventional report format as a PDF.

Looking ahead, we will continue striving to ensure that our ESG disclosure serves as an effective communication tool that contributes to constructive stakeholder dialogue by improving the clarity of our reporting based on the valued feedback we receive from our stakeholders.

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.

Selection of survey targets
(March)

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.

Start of survey
(March)

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.

Completion of survey
(May)

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.

Reporting/ disclosure
(from June)

The survey results are reported to the Sustainability & 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 our annual response to CDP.



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 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 2022, MC received feedback on the following topics:



Main Topics

- Materiality
- Initiatives toward a low-carbon/ decarbonized society
- Supply chain management
- Stakeholder engagement
- Corporate philanthropy activities (including natural climate solutions)

Sustainability Advisory Committee Members

Eiichiro Adachi

Senior Counselor,
The Japan Research Institute,
Limited
Head of ESG Research Center

Masaru Arai

Chair,
Japan Sustainable Investment
Forum

Takejiro Sueyoshi

Special Advisor to the UNEP FI
in the Asia Pacific Region

Peter D. Pedersen

Professor
Graduate School of Leadership and
Innovation, Shizenkan University

Yasushi Hibi

Managing Director, Conservation
International Japan and CI Vice
President
Vice President, Regional Climate
Lead Conservation International
Japan

Miwa Yamada

Senior Researcher Inter-disciplinary
Studies Center
Institute of Developing Economies,
JETRO
Director Law and Institution
Studies Group
Inter-disciplinary Studies Center
(IDE-JETRO)

On-site Observation Tour

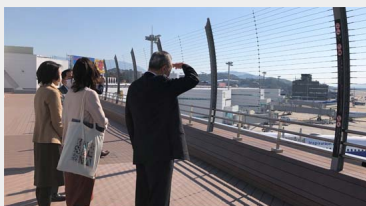
In the fall of 2021, the Sustainability Advisory Committee visited Fukuoka and Oita, Japan.

In Fukuoka, they visited Fukuoka International Airport Co., Ltd. and Next Mobility Co., Ltd, two of MC's affiliates, to observe how public transportation can be used to create a sustainable society. They visited Mitsubishi Shoji & Sun and the Taiyo Museum in Oita, which work to support the independence of people with impairments, and also participated in volunteer activities at the Oita International Wheelchair Marathon, one of the world's top para-sports events.

At Fukuoka Airport, they were briefed on the company's initiatives, including measures regarding relations with the surrounding community, and members introduced overseas examples of airport operations aimed at a decarbonized society, which resulted in a valuable exchange of opinions. At Next Mobility, members boarded the "Knowroute" on-demand bus operated by the company.

The on-demand bus service is expected to become the regional transportation infrastructure of the future, aiming for both convenience and efficiency and using artificial intelligence (AI) to change routes as needed, in real time, in response to passenger requests. They discussed how sustainable cities should be as well as the role that community-based public transportation should play in such cities.

At Mitsubishi Shoji & Sun, an IT-based service provider, the Committee members observed a workplace where people with and without impairment are able to work alongside each other. In addition, at the Taiyo Museum, which opened in 2020, the members were able to gain an understanding of the current state of support for people with impairments through their lives, work, and sports, as well as the philosophy of Dr. Yutaka Nakamura, the founder of the social welfare organization Japan Sun Industries(Taiyonoie). Furthermore, through volunteer activities at the Oita International Wheelchair Marathon, to which MC has provided ongoing support with the aim of fostering an inclusive society (one of the three pillars of our social contribution activities), the Committee members were able to directly experience the enthusiasm and resolve of the athletes.



Fukuoka Airport



"Knowroute" on-demand bus



With employees at the Mitsubishi Shoji & Sun. office

Participation in Initiatives

Support for the UN Global Compact

MC became a signatory to the UN Global Compact (UNGC) in 2010, and has engaged at the Participant level as of the year ended March 2019. The UNGC has laid out a set of universal principles for signatories to observe, organized into the four fields of human rights, labor standards, environment and anti-corruption. MC has declared its support for the principles, and is promoting initiatives in each field in the spirit of the Three Corporate Principles. Furthermore, MC is an executive member of the Global Compact Network Japan, which was launched as a local network in Japan in 2003. We actively participate as part of our stakeholder engagement activities aimed at understanding the external environment and fostering collaboration with other companies.

○ The Ten Principles of the United Nations Global Compact

Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2	make sure that they are not complicit in human rights abuses.
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labor;
	Principle 5	the effective abolition of child labor; and
	Principle 6	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses are asked to support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility; and
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.



Network Japan
WE SUPPORT

WBCSD

MC has been a member of the World Business Council for Sustainable Development (WBCSD)* since the organization's founding in 1995, and since March 2016 has seconded an employee full-time to the WBCSD, tasked with advancing the SDGs. Through participation in a wide variety of WBCSD initiatives, MC strives to strengthen the exchange of information and best practices with leading companies and apply such information to business practices. Since January 2018, Sunny Verghese, CEO of MC affiliate company Olam International, has been appointed Chair of the WBCSD.



* The World Business Council for Sustainable Development. The WBCSD is an international organization working to facilitate sustainable development. It has approximately 200 member companies representing a broad range of industries from more than 30 countries.

Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD was launched by the Financial Stability Board with the aim of enabling financial markets to properly assess climate-related risks and opportunities, creating a framework for the voluntary disclosure of information that companies should disclose to the market. MC recognizes the importance of climate-related disclosures and supports the recommendations made by the TCFD. MC continues to strive to expand its disclosures in line with these recommendations.



In addition, the General Manager of MC's Corporate Sustainability & CSR Department has served as a TCFD member since January 2018, and primarily through participation in seminars and lectures, MC is supporting the TCFD's activities and helping its recommendations to take root throughout the business community.

Please click [here](#) for details on MC's disclosures in line with the TCFD.

Environmental

Climate Change	50
Environmental Management	120
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Climate Change

External Environment ✓ Policy ✓

Utilizing the TCFD Recommendations to Capture Business Opportunities and Mitigate Risks ✓

Initiatives ✓ External Collaboration ✓ Performance ✓ Additional Reference Data ✓

External Environment

The impacts of climate change are becoming increasingly severe year after year. Climate change is now having a significant impact on the environment, society and people's daily lives as well as on corporate business activities. The Paris Agreement was adopted to promote the global reduction of greenhouse gas emissions, and it was also announced that the EU, the United States and Japan would target net-zero emissions by 2050, and China by 2060. The agreement has heightened expectations not only for countries and governments to fulfill key roles in mitigating climate change, but also for the private sector as well. Companies are expected to implement measures to achieve a low-carbon/ decarbonized society through their business activities. There have also been stronger calls for companies to provide disclosure of climate change-related information stemming from the TCFD^{*}, an initiative led by institutional investors. As a result, opportunities for dialogue on climate change between companies and investors are expanding, including the institutional investor initiative Climate Action 100+ and the TCFD Consortium launched in Japan in 2019. The purpose of these initiatives is to encourage the disclosure of information that will enable investors and other stakeholders to properly monitor and evaluate the climate-related risks of companies.

^{*} The Task Force on Climate-related Financial Disclosures (TCFD) set up by the Financial Stability Board. In June 2017, the TCFD announced its recommendations on climate-related financial disclosures in order for investors to be able to make appropriate investment decisions. Please see the details in the column below. The General Manager of MC's Corporate Sustainability & CSR Department is a TCFD member, and mainly through its involvement in the task force's seminars and meetings, MC is supporting the TCFD's activities and helping its recommendations to take root throughout the business community.

Policy

Our planet and its ecosystems, human beings and corporate activities are highly vulnerable to climate change. At MC, our belief is that while climate change does pose significant threats, it also presents the MC Group with new business opportunities. Accordingly, MC has identified "Contributing to Decarbonized Societies", which is part of its Materiality, as one of the key issues for management to address and respond to as MC strives to achieve sustainable growth. MC aims to fulfill its mandate to meet the demand for energy, while at the same time helping to achieve international objectives, such as the UN Sustainable Development Goals (SDGs) and the 2°C target laid out in the Paris Agreement. To realize that aim, MC works in collaboration with a wide range of stakeholders, including governments, other businesses and industry associations. MC also recognizes the importance of climate-related financial disclosures and supports recommendations made by the TCFD. MC continues to strive to expand its information disclosure in line with the recommendations.

COLUMN

TCFD Recommendations (June 2017)

The Financial Stability Board (FSB) launched the TCFD in recognition of both the likelihood that climate change would result in further risks and opportunities for businesses in the future, and the heightening concerns about it destabilizing the value of assets and financial markets.

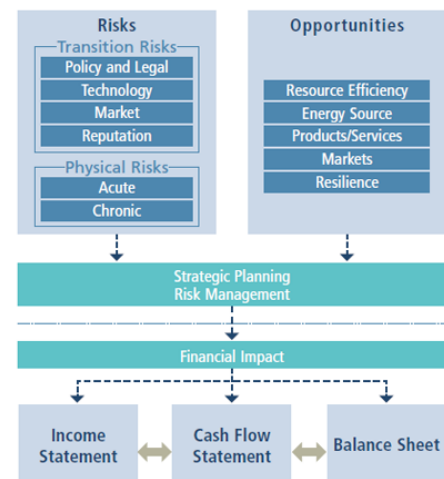
To help the markets to properly evaluate those risks and seize the opportunities they present, the TCFD has established a voluntary framework for climate-related financial disclosures.

Reflecting the need for investors to get a clear picture on how climate-related risks and opportunities will affect future cash flows, assets and liabilities of entities receiving investment to facilitate financial decision-making, the report recommends disclosing key points on Governance, Strategy, Risk Management, and Metrics and Targets.

Core Elements of TCFD's Climate-Related Financial Disclosures

Governance	The organization's governance around climate-related risks and opportunities
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (including analyses of the 2°C Scenario, etc.)
Risk Management	The processes used by the organization to identify, assess, and manage climate-related risks
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Reference: TCFD website (<https://www.fsb-tcfd.org/>)



Utilizing the TCFD Recommendations to Capture Business Opportunities and Mitigate Risks

Due to the high degree of uncertainty surrounding the impacts of climate change, MC has adopted a flexible portfolio capable of adapting to medium to long-term changes in its operating environment. MC believes it is vital to capture business opportunities associated with climate change and take appropriate action to mitigate risks. The TCFD provides business entities and investors with guidelines on voluntary climate-related financial disclosures and information useful for their decision making. MC utilizes these TCFD data as benchmarks for verifying its own climate-related action plans, identifying growth opportunities and strengthening risk management in ways that are designed to ensure its sustainable growth. Portions of the TCFD's recommendations are still in the discussion stages, and others may take several years before action can be taken. Nevertheless, MC will disclose its efforts in a stepwise fashion to strengthen its information disclosure.

Governance

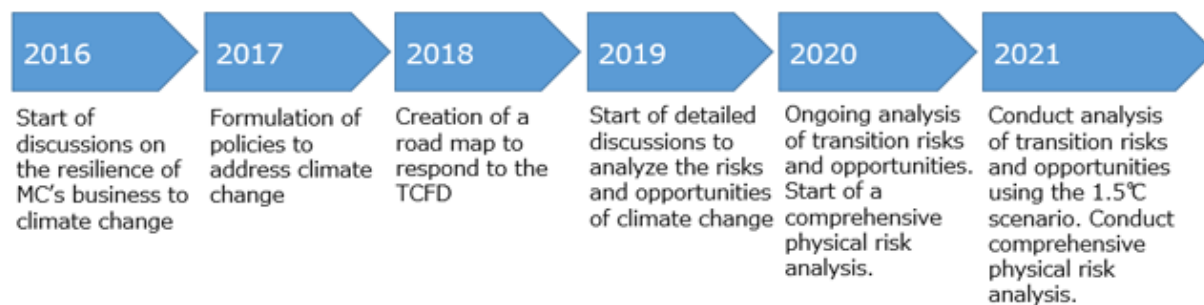
Climate change is one of the most important issues acknowledged by MC's top management. MC's basic policy on climate change and important matters therein are deliberated and decided upon by its Executive Committee, MC's officer-level decision-making body. As stipulated in the regulations governing MC's board of directors, the Executive Committee reports its findings regularly (approximately twice a year) to the board, appropriate supervision of which is facilitated by the structure of MC's governance framework.

Before the Executive Committee has addressed basic policy and important matters pertaining to climate change, actions are taken by MC's Sustainability Advisory Committee and Sustainability & CSR Committee. The former fields opinions and advice from outside experts, and the latter (which reports directly to the Executive Committee) holds extensive hearings with all of the Business Group CEOs. The Business Groups also act independently to address climate change. Group Chief Sustainability Officers and Group Sustainability Managers are appointed within each Group's department responsible for management strategy in order to oversee sustainability-related initiatives (including climate change) and reflect climate-related opinions and information into their respective businesses and strategies. MC's basic policy on climate change and important matters therein are comprehensively addressed when making decisions on business strategies and screening new loans and investments.

○ Board of Directors and Executive Committee Deliberations and Reports

Basic Policy on Climate Change	Covers climate-related initiatives through MC's businesses, adoption of TCFD recommendations, details on climate-related financial disclosures, etc.
Important Matters	Assessments of climate-change risks and business opportunities (including scenario analyses), greenhouse-gas reduction targets and action plans, etc.

○ Initiatives to Date



○ Climate-Change Governance Structure

Board of Directors	Supervises MC's climate-related actions and initiatives	Convenes approx. twice a year
Executive Committee	Makes decisions regarding MC's basic policy on climate change Makes decisions regarding important matters pertaining to climate change	Convenes approx. twice a year
Sustainability & CSR Committee (reports directly to Executive Committee)	Deliberates on MC's basic policy on climate change and important matters therein, and reports findings to Executive Committee	Convenes approx. twice a year
Sustainability Advisory Committee	Offers advice and recommendations regarding MC's basic policy on climate change and important matters therein	Convenes approx. twice per year
Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)	
Department in Charge	Corporate Sustainability & CSR Department	

Reference: [Diagram of the Sustainability Promotion Framework](#)

Strategy

MC considers the risks and opportunities associated with climate change to be key variables in establishing its business strategies, and recognizes the possibility that the impact of climate change on its operations will grow over the medium to long term. Accordingly, MC is identifying where the risks and opportunities are likely to reveal themselves up to and even beyond the year 2030. Regular internal analyses and assessments also factor in changing external trends.

○ Main Risks and Opportunities Associated with Climate Change

Transition Risks and Opportunities

Regulations	<ul style="list-style-type: none"> • Low-carbon and carbon-free products/ proliferation of service-related subsidies • Growing operational and systems-related costs due to carbon pricing mechanisms (carbon taxes, etc.) and increasing regulations
Technologies	<ul style="list-style-type: none"> • More new business opportunities due to the development and proliferation of renewable energy sources, electric vehicles and other new technologies or alternative products • Obsolescence of products and services that rely on older technologies
Markets	<ul style="list-style-type: none"> • Shifting demand from fossil-fuel products and services to low-carbon products and services

Physical Risks

Increase in Unusual Weather Patterns	<ul style="list-style-type: none"> • Risks of water shortages, floods and other resulting phenomena having an adverse impact on business operations
Climate Change	<ul style="list-style-type: none"> • Risk of climate change, rising temperatures, etc. having an adverse impact on businesses

* The impacts of the above transition risks and opportunities and physical risks will depend on both the relevant regions and products.

* With respect to physical risks, it is important to consider environmental changes (or possibilities thereof) on a region-by-region or product-by-product basis. Accordingly, MC's responses to phenomena such as floods and water shortages are tailored to the on-the-ground characteristics and needs of each of its businesses.

○ Transition Risks and Opportunities

Scenario Analysis

1) Process

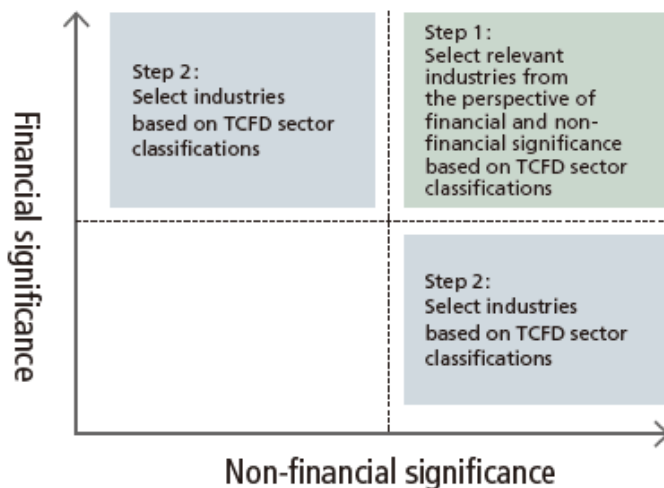
Based on the following process, MC identifies businesses with the largest impact in relation to climate change, and conducts scenario analyses around each of them.

(1) Selecting Climate Scenarios

In addition to the 2°C climate scenarios set out by the IEA (International Energy Agency) and other organizations (World Energy Outlook Sustainable Development Scenario, Energy Technology Perspectives Sustainable Development Scenario, etc.), 1.5°C scenarios assuming further decarbonization (including Net Zero by 2050 - A Roadmap for the Global Energy Sector) are selected for this analysis to objectively assess both new opportunities and the resilience of MC's business in cases where climate change causes significant deviations from Business as Usual (BAU).

(2) Identification of Businesses Most Affected by Climate Change

Industries in which MC is involved where financial and non-financial factors have significant impacts are identified. In addition, those industries most affected by climate change are also identified, taking into account the TCFD's four sector classifications^{*1} (However, industries where both financial and non-financial factors have low impact to MC are excluded from the scope).

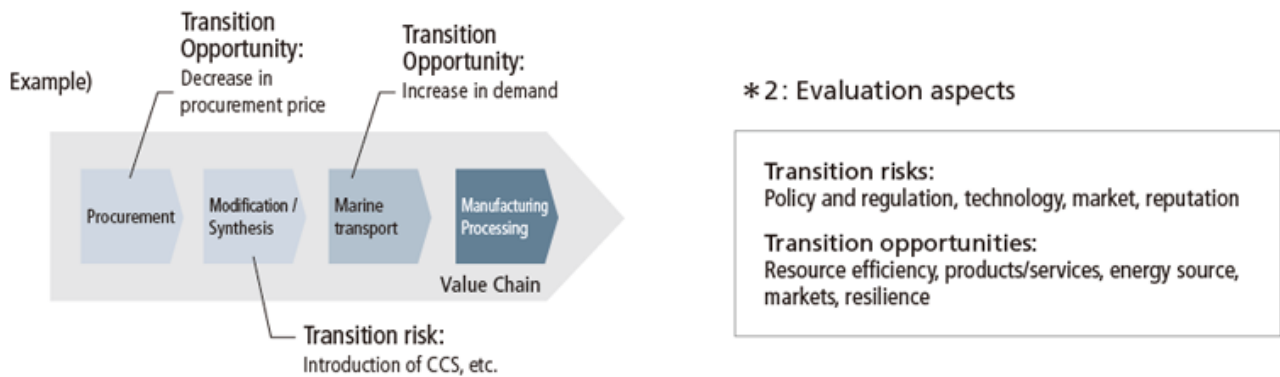


* 1: TCFD's four sector classifications

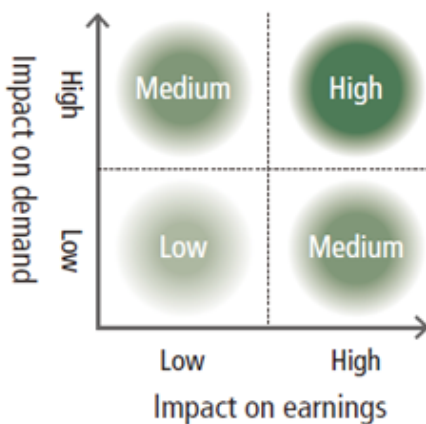
Sector	Main industries
Energy	Oil and gas, etc.
Transportation	Automobiles, passenger air, etc.
Materials and Buildings	Metals and mining, chemicals, etc.
Agriculture, Food and Forest Products	Food, agriculture, etc.

(3) For the Industries Selected in (2), Identification of the Applicable Industry Risks and Opportunities

Based on the evaluation aspects^{*2} recommended by TCFD, commonly projected climate-related risks and opportunities under the 2°C Scenario and 1.5°C Scenario are identified at each stage within MC's selected industry-specific value chains.

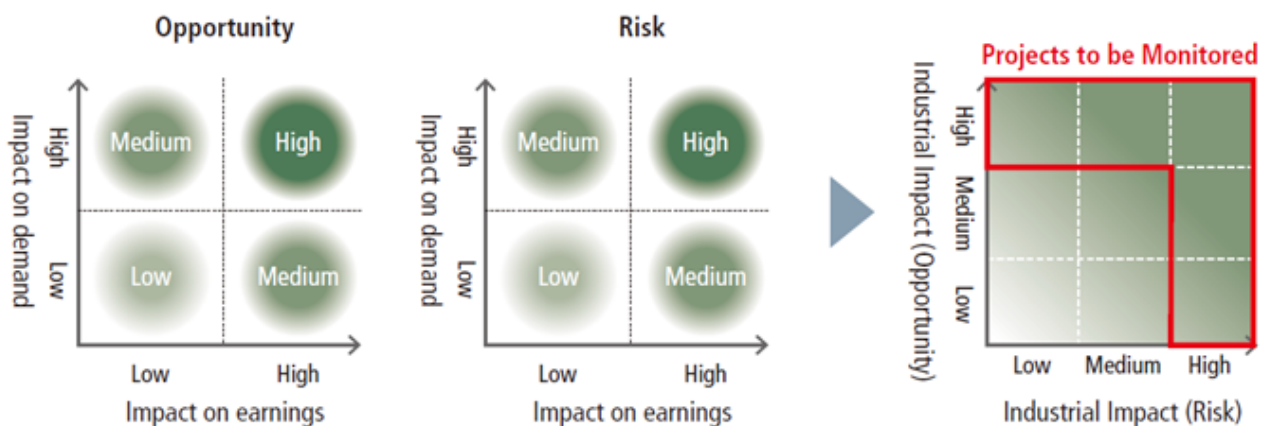


The risks and opportunities identified are divided into "impact on demand" and "impact on earnings", and climate change impacts are plotted for the categories detailed above and classified into three levels of low, medium and high.



(4) Determining Businesses to be Monitored

Lastly, from among the businesses exposed to a high level of industrial impact (both risks and opportunities), the target businesses that should be monitored for climate change impacts going forward are qualitatively determined, taking into account aspects such as strategic impacts.



2) Results of the Analysis

The results of the scenario analyses for the eight businesses selected for monitoring through the process detailed above (power generation (fossil fuels), metallurgical coal, natural gas/ LNG, automobiles (passenger cars, pickup trucks), ships, petroleum products (domestic service stations), power generation (renewable energy) and copper) are as follows*:

* The analysis based on the 1.5°C scenario conducted in FY2021 focuses on the businesses selected for monitoring for the 2°C scenario analysis in FY2020.

How to view the charts

Name of Selected Business

	STEPS Scenario *1	2°C Scenario (SDS) *2	1.5°C Scenario (NZE) *3
Demand Outlook	The trajectory forecast from the present to 2040-2050 *4 for the global supply and demand related to the selected businesses under the <u>STEPS scenario</u> in publications such as the IEA's World Energy Outlook and Energy Technology Perspectives is expressed in seven levels (significant decrease, decrease, slight decrease, flat, slight increase, increase, significant increase).	The trajectory forecast from the present to 2040-2050 *4 for the global supply and demand related to the selected businesses under the <u>2°C scenario</u> in publications such as the IEA's World Energy Outlook and Energy Technology Perspectives is expressed in seven levels (significant decrease, decrease, slight decrease, flat, slight increase, increase, significant increase).	The trajectory forecast from the present to 2040-2050 *4 for the global supply and demand related to the selected businesses under the 1.5°C scenario in publications such as the IEA's Net Zero by 2050 is expressed in seven levels (significant decrease, decrease, slight decrease, flat, slight increase, increase, significant increase).
Awareness of the Business Environment	Introduction of the general awareness of the business environment as expressed in the <u>STEPS scenario, etc.</u> (BAU scenario)	Introduction of the general awareness of the business environment under the <u>2°C (SDS) Scenario</u> .	Introduction of the general awareness of the business environment under the <u>1.5°C (NZE) Scenario</u> .

Policies and Initiatives Based on the Awareness of the Business Environment

Analysis of the impact to MC's business based on the awareness of the business environment detailed in the scenarios above, and related policies and initiatives.

* 1 STEPS Scenario

One of the primary scenarios of the World Energy Outlook 2019 and Energy Technology Perspectives 2020 published by the IEA. It is a scenario based on each country's reduction targets and climate change mitigation measures post-2020 as pledged in the Paris Agreement. Businesses that refer to documents other than World Energy Outlook 2019 and Energy Technology Perspectives 2020 are clearly indicated in the footnotes.

* 2 SDS Scenario

One of the primary scenarios of Energy Technology Perspectives 2019 and Energy Technology Perspectives 2020 published by the IEA. It is a scenario based on mitigation of climate change while taking into account the stable supply of energy. Businesses that refer to documents other than World Energy Outlook 2019 and Energy Technology Perspectives 2020 are clearly indicated in the footnotes.

* 3 NZE Scenario

The scenario in Net Zero by 2050 - A Roadmap for the Global Energy Sector, published by the IEA, which describes the pathway required for the global energy sector to reach net zero by 2050. Businesses that refer to sources other than Net Zero by 2050 are clearly indicated in the footnotes.

* 4 For businesses for which data from 2040 to 2050 is not available, demand is calculated based on the available data and is noted as such in the footnotes.

○ Power Generation (Fossil Fuels)

	STEPS Scenario	2°C Scenario (SDS)	1.5°C Scenario (NZE)
Demand Outlook			
Awareness of the Business Environment	<p>In order to respond to an increase in electricity demand, opportunities are anticipated for businesses such as renewable energy and clean gas-fired power generation. However, given the nature of power generation being produced locally for local consumption, MC feels it is important to continue managing businesses by responding to the policies, etc. of each country and region.</p>	<p>Business opportunities are expected to decline in line with the reduction of fossil fuel power generation amount from the 2020s, which will exert downward pressure on profits. Also, in the 2030s, it is anticipated that the strengthening of restrictions and regulations could increase the cost of existing thermal power plants, and the profit structure will further change as gasfired power generation shifts to a dispatchable source of power. Moreover, from the 2040s, thermal power plants used for regulating supply and demand may also be required to reduce their CO₂ emissions, which could necessitate further reductions in operating hours.</p>	<p>The amount of electricity generated from fossil fuels is expected to decrease significantly with the achievement of Net Zero in the power sector in the 2030s in developed countries and in the 2040s in developing countries. Also, significant changes in the cost structure of thermal power plants due to the future tightening and expansion of regulations such as carbon taxes as well as an increase in capital investment in CCUS and other methods expected to reduce CO₂ emissions, are expected to reduce the competitiveness of power from fossil fuels.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

As the global trend towards carbon reduction/ decarbonization becomes ever more pronounced, MC recognizes that the resulting increase in risk of stranded assets and reputational damage due to restrictions and tighter regulations on fossil fuel-based power generation businesses could make it difficult to withdraw from existing projects in the future.

Accordingly, MC has disclosed specific policies in relation to coal-fired power generation businesses. In the gas-fired power generation business as well, by conducting a risk analysis based on the impacts of climate change. MC will promote strategic divestment from existing power generation assets and consider switching to zero-emission thermal power for retained assets in the effort to achieve a 100% non-fossil power generation portfolio by 2050.

Policy on Coal-fired Power Generation Businesses (IPP and EPC)




<Independent Power Producer (IPP) Business for Coal-fired Power Generation>

- As of March 31, 2022, MC's coal-fired power generation capacity (for businesses in which MC serves the role of Independent Power Producer, or "IPP"), including projects under development and construction, is approximately 1.7GW on an equity share basis (roughly 15% of MC's total capacity as of the same date).
- MC has adopted a policy to reduce its equity share to approximately one-third by 2030 (compared to 2020 levels) by not entering into any new coal-fired power generation businesses, with the Vung Ang II project in Vietnam being the last, and to exit all existing coal-fired power generation projects by 2050. Furthermore, we will work to reduce CO₂ emissions in our thermal power generation business by taking steps such as converting to alternative fuel sources. We will subsequently aim to achieve a 100% non-fossil power generation portfolio by 2050 by 1) decarbonizing our thermal power generation business by switching to zero-emission thermal power and 2) further expanding our renewable energy business.

<Engineering, Procurement and Construction (EPC) Business for Coal-fired Power Plants>

- MC will not enter into any new EPC (Engineering, Procurement and Construction) businesses for coal-fired power plants, with the Quang Trach 1 project in Vietnam being the last. However, MC will continue to provide after-sales services for installed plants in cases such as when MC has a contractual obligation with the relevant power generation company, or when it is requested to do so by the power generation company or equipment manufacturer.
- Furthermore, MC will continue additional construction work and equipment replacement to reduce the environmental impact of existing coal-fired power plants, while assessing the effectiveness of such measures, as an initiative linked to the transition to a low-carbon/ decarbonized society.

Metallurgical Coal

	STEPS Scenario	2°C Scenario (SDS)	1.5°C Scenario (NZE) *1
Demand *2 Outlook			
Awareness of the Business Environment	<p>Firm demand growth for steel is anticipated, particularly in locations such as India and Southeast Asia. Steel production is divided into the blast furnace method, which uses iron ore and metallurgical coal and the electric furnace method, which mainly uses steel scrap as raw materials. Although new technologies to replace the current blast furnace method are being researched, from the perspective of technology development trends and economic viability, new technologies are not expected to be developed and spread rapidly, and it is projected that the blast furnace method will continue to be the main method of steel production.</p>	<p>Although the demand for steel is predicted to steadily increase, in line with the introduction of carbon pricing, the proportion of steel produced by the electric furnace method, which uses iron scrap as raw material, is expected to increase steadily, followed by the commercialization of steel production using new low-carbon production methods (e.g. the hydrogen reduction method). However, the shift to a low/decarbonized society consists of timing and regional differences, and metallurgical coal will continue to be the main raw material during the transition period. While the demand for metallurgical coal is expected to decrease in developed countries and China in the years leading to 2050, seaborne trade volume is expected to increase in developing countries such as India, which rely on metallurgical coal imports. As the pursuit of low/decarbonization in blast furnaces advances, blast furnaces will be outfitted with CO₂ capture capability with the spread of CCUS, and the demand for high-quality metallurgical coal, which contributes to low-carbonization compared to other grades, is expected to increase.</p> <p>On the supply side, a slowdown in investment in new coal mines due to the increased difficulty in obtaining environmental permits is expected to result in reduced supply.</p>	<p>Demand for steel, which supports a wide range of manufacturing industries as a base for infrastructure and a basic raw material, is estimated to increase by 12% in 2050 compared to 2020. Although the steel industry is a difficult sector in which to reduce CO₂ emissions, it is expected that the proportion of electric furnace and new steelmaking methods will increase more rapidly than in the 2°C scenario, that CCUS for blast furnaces will spread more rapidly, and that Net Zero emissions will be achieved in 2050 on the assumption that the blast furnace method will continue in some regions. The achievement of this goal is dependent on the commercialization of the hydrogen reduction method in the 2030s, which is earlier than in the 2°C scenario.</p> <p>Therefore, although the overall demand for metallurgical coal is expected to decrease toward 2050 in comparison to the 2°C scenario, it is anticipated that the reduction in demand for high-quality metallurgical coal, which contributes to decarbonization, will be relatively low as a result of plans to further improve the efficiency of blast furnaces to decarbonize them by outfitting them with CCUS. On the supply side, a slowdown in investment in new coal mines and a decrease in supply due to the increased difficulty in obtaining environmental permits and further reduction in future demand forecast compared to the 2°C scenario.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

Since steel is a basic material that is difficult to replace, its demand is expected to remain strong over the long term in line with global economic growth under any scenarios. The steel industry is expected to enter a decades-long transition period in response to the trend toward low/ decarbonization. During this transition period, demand for high-quality metallurgical coal (our main products), is expected to increase relatively more than other quality of metallurgical coal due to its contribution to the low-carbonization of existing blast furnaces. On the other hand, on the supply side, supply from new projects is expected to be limited due to the increasing difficulty of new mine's development, and MC will continue to fulfill our responsibility to provide a stable supply of high-quality metallurgical coal to customers and contribute to the low-carbonization of the steel industry.

In the business environment under the 2°C/ 1.5°C scenarios, our metallurgical coal business will be affected in terms of both supply and demand by the introduction of carbon pricing, the projected increase in the percentage of steel production using the electric furnace method and new low-carbon steelmaking methods, and supply constraints due to the growing trend toward low/ decarbonization. However, as mentioned above, the need for high-quality metallurgical coal in the shift to a low-carbon society is expected to exhibit a relative increase, and it is anticipated that our metallurgical coal business, with its mainstay high-quality metallurgical coal products, will maintain its advantage to a certain extent. MC will continue to strive to strengthen the competitiveness of our metallurgical coal assets by assessing the external environment (which affects the supply of metallurgical coal), as well as the progress of decarbonization in the steel industry, including new technologies (new steelmaking methods, CCUS), electric furnaces, and policies in various countries (which may affect the demand for metallurgical coal).

Furthermore, as a concrete initiative in the transition to a low/ decarbonized society, MC is working to reduce GHG emissions in the production process at BMA, our Australian metallurgical coal business through MC subsidiary MDP. Furthermore, in collaboration with BHP, our partner in the metallurgical coal business, MC is considering support research that will contribute to reducing emissions throughout the metallurgical coal value chain, and are considering business initiatives in growth areas that will contribute to the low/ decarbonization of the steel industry.

* 1 Demand is determined using approximate values based on IEA Net Zero by 2050 data.

* 2 Global metallurgical coal demand, including domestic and international (land and sea) transactions.

Natural Gas/ LNG

	STEPS Scenario	2°C Scenario (SDS)	1.5°C Scenario (NZE)
Demand Outlook			
Awareness of the Business Environment	<p>In all regions with the exception of Europe, demand for natural gas is expected to increase (average annual growth of 1.4% between 2018-2040), mainly as fuel for power generation to support the increasing electricity demand that will surpass the deployment of renewable energy, as chemical feedstock and as transportation fuel, among other uses. It is recognized that LNG demand in particular will grow due to its high transportability (at an annual rate of 3.4% from 2018 to 2040).</p>	<p>Global gas demand is projected to increase by 8% by 2030 compared to 2018 levels, and then to decrease to 2% below 2018 levels by 2040 *. By region, natural gas demand in Asia-Pacific will increase significantly through 2040, primarily in China and India. On the other hand, in North America, Europe and Eurasia, natural gas demand is expected to decrease from 2040. By industry, demand for gas in power generation and for use in buildings will gradually decline, but demand for alternative fuels and heat sources in hard-to-decarbonize sectors such as large-scale transport and heavy industry is expected to increase.</p>	<p>Global natural gas demand and LNG trade are expected to decline by 46% and 33%, respectively, by 2040 compared to 2018. On the other hand, the demand for hydrogen, a next-generation energy source that is expected to support a low/ decarbonized society, will increase especially in the shipping, land transportation, and heavy industry sectors, and the significance of natural gas as a raw material for blue hydrogen is expected to increase further in the future. Approximately half of the total demand for natural gas in 2050 will be directed to hydrogen production, and 40% of hydrogen demand will be sourced by natural gas.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

In addition to strengthening the foundations of existing businesses and steadily launching projects under construction, MC will fulfill its responsibility to provide a stable supply of LNG, an important energy source in the transition to a low/ decarbonized society, as well as aim to increase its profits from the LNG business by participating in competitive new projects to meet growing demand, developing demand in emerging markets, and strengthening our sales functions. Global demand for LNG is expected to increase in the medium to long term under the 2°C scenario, while it is expected to decrease under the 1.5°C scenario. However, MC believe demand in Asia to be remained firm for the time being, and also the demand for LNG as a next-generation energy source, such as hydrogen and ammonia, to be grown as well.

MC will continue to monitor the policies of various countries, such as the introduction of carbon taxes, and trends in technology development, such as CCUS, which may affect the competitiveness and profitability of our LNG business under the 2°C/ 1.5°C scenarios. At the same time, MC will promote initiatives that contribute to making the LNG value chain itself carbon neutral, and study the possibility of utilizing existing LNG infrastructure for the production and supply of blue hydrogen, in order to strengthen our resilience to the risks associated with the transition to a low/ decarbonized society and to proactively capture opportunities.

* Compared to 2018 levels, LNG trade volume is expected to increase by 81% by 2040.

○ Automobiles (Passenger Cars, Pickup Trucks)

	STEPS Scenario	2°C Scenario (SDS)	1.5°C Scenario (NZE) *1
Demand Outlook			
Awareness of the Business Environment	<p>With global population growth in the medium to long-term and economic growth in developing countries, the demand for passenger cars and trucks is projected to grow significantly (from 2015, +120% in passenger vehicle demand and +150% in truck demand). Alongside a hike in demand for internal combustion engine vehicles, especially in Southeast Asia, demand for electric vehicles (electric vehicles (EVs), plug-in hybrid EVs (PHEVs), and hybrid vehicles (HEVs)) is also expected to grow in China and Europe, due to tightening global environmental regulations. Moreover, the automotive industry is undergoing a once-in-a-century transformation, driven largely by digitization and the CASE (Connected, Autonomous, Shared/ Service and Electric) evolution. Demand for mobility services that take into account the shift from internal combustion engine vehicles to hybrid and electric vehicles is expected to grow, and consumer needs are projected to shift from vehicle owning to shared mobility.</p>	<p>Although the overall demand for automobiles is projected to grow to a certain extent, the cost of owning and operating a vehicle may increase due to the revision of automobile-related tax and regulation systems in each country, such as the tightening of environmental regulations for the automotive industry, resulting in a modal shift towards public transit systems. As such, the level of demand expansion is not expected to be as high as in the STEPs Scenario (Demand in 2040 is expected to be +21.9% compared to 2018 [-24.4% compared to STEPS]).</p> <p>In China and Europe, the shift from internal combustion engine vehicles to electric vehicles is also expected to accelerate. However, due to issues such as installation of power charging infrastructure in emerging markets such as India and Southeast Asia, etc, the demand for internal combustion engines for both passenger and commercial vehicles is expected to be firm.</p>	<p>Even under the 1.5°C scenario, the overall demand for automobiles is expected to remain almost the same as under the 2°C scenario until 2030. On the other hand, the share of electric vehicles *2; in new vehicle sales is expected to increase from 2% in 2018 to about 80% *3 in 2040 (STEPS scenario: 25%, 2°C scenario: 75%). In developing countries, almost all new vehicle sales are expected to be electric by mid-2030. Furthermore, governments are expected to provide support for the further spread of electric vehicles by encouraging changes in consumer behavior such as through specific policies to limit the number and use of private cars and promote the use of public transportation and ride-sharing.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

In ASEAN, which is positioned as a key market and where further growth can be expected, MC handles Mitsubishi Motors Corporation (MMC) vehicles and Mitsubishi Fuso Truck and Bus Corporation vehicles in Indonesia, and Isuzu Motors vehicles in Thailand. MC will continue to be deeply involved in each stage of the value chain (upstream-midstream-downstream) including production, distribution, financing and after-sales services. MC will further strengthen its business foundations in both markets and further expand its value chains into emerging markets represented by ASEAN countries. Although we expect that internal combustion engine vehicles will remain the primary source of vehicle demand in ASEAN for the time being, even under the 2°C/ 1.5 °C scenarios, we will contribute to the spread of electric vehicles in terms of sales and production, primarily in the markets we handle, while taking into consideration factors such as the trends of automobile policies including environmental regulations, as well as the current status of distribution and power systems in each country. MC and MMC have been actively working to expand sales of EVs for some time, including by building up sales of PHEV vehicles mainly in the UK and the Netherlands. In anticipation of future growth in demand, MC and MMC launched the first PHEV in Indonesia in FY2019, ahead of other companies in ASEAN. We will continue to contribute to society by expanding sales of electric vehicles, including PHEVs.

MC will also maintain the sustainability of its businesses by helping to address societal issues through its mobility service business, as well as by further strengthening its functions and community-based networks built up over many years. Furthermore, as part of our low/ decarbonization efforts, MC plans to promote the realization of a Green Fleet Management Concept, which combines mobility business and EX through collaboration with other business groups within our company.

* 1 This demand forecast is based on data from the 1.5°C scenario in WEO 2020, and is presented here as of 2030, a period for which the data is available.

* 2 "Electric vehicles" in the IEA Net Zero by 2050 covers PHEVs (plug-in hybrid electric vehicles), BEVs (battery electric vehicles), and FCEVs (fuel cell electric vehicles)

* 3 The demand forecast provides a rough estimate of the midpoint between the respective ratios of electric vehicles to new vehicle sales in 2030 and 2050 under IEA Net Zero by 2050.

Ships

	STEPS Scenario	2°C Scenario (SDS)	1.5°C Scenario (NZE) *
Demand Outlook			
Awareness of the Business Environment	<p>Shipping already comprises 70-80% of the global logistics (including land transport), and as a key component of the transport infrastructure that is irreplaceable amid an ongoing modal shift, demand for shipping is expected to soar (demand in 2070 will be 260% higher than in 2019). The International Maritime Organization (IMO) has set the goal of improving greenhouse gas emissions per transport unit by 40% by 2030 compared to that of 2008, and halving total greenhouse gas emissions by 2050 compared to 2008. From the late 2020s, the shift to next-generation fuels, mainly low-sulfur and LNG fuels with lower environmental impact, is expected to progress.</p>	<p>Although the volume for shipping demand will be lower than STEPS, demand as of 2070 is expected to increase significantly, by 230% compared to 2019. As existing regulations are tightened and new rules are brought in, the use of next generation fuels such as biofuels, hydrogen and ammonia fuels, as well as low-sulfur and LNG fuels will increase exponentially (by 2050, the fuel share of what are now mainstream fossil fuels will have decreased by more than 20% compared to 2019). These changes will compel the shipbuilding industry to develop and build new types of ships using the next generation of fuels as mentioned instead of heavy oil fuels and establish a supply chain network and a supply infrastructure at ports for the same.</p>	<p>Although the shipping demand will decrease compared to the STEPS and 2°C scenario, the overall growth trend is expected to remain unchanged, with a 153% increase in 2050 compared to 2019. On the other hand, the market share of marine fuels is expected to change dramatically, and the share of next-generation fuels such as hydrogen and ammonia is expected to increase, with the share of fossil fuels in 2050 decreasing by more than 80% compared to 2019. Although the shipping sector is considered to be one of the industries that will not achieve net-zero emissions by 2050 due to the long service life of ships, the time required to switch to next-generation fueled ships, and the difficulty of electrification, it is assumed that emissions will decrease by an average of about 6% per year by 2050.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

The shift to next generation fuels expected above may generate demand for refurbishment and replacement of vessels owned by MC in the future, but as switching to next generation fuels and developing supply infrastructure will accelerate after 2030, the extra cost borne by MC for such refurbishment and replacement of vessels currently owned by MC is expected to be very limited. We will seek out fresh new business opportunities by monitoring trends in the switchover to next-generation fuels, performance, costs and infrastructure, as well as the price of constructing new ships, freight rates and the state of supply systems. In the bigger business picture, the additional costs associated with the fuel required for operation will remain incumbent on the shipper/ operator, which will limit the risk to MC.

By exploring new business targeting next generation fuels such as hydrogen and ammonia, and developing and introducing advanced vessels, MC will make our business more sustainable and add value to the coastal shipping industry.

* Based on the available data, the demand forecast is as of 2070 for the "STEPS scenario" and the "2°C scenario," while it is as of 2050 for the "1.5°C scenario."

Petroleum Products (Domestic Service Station) *1

	STEPS Scenario *2	2°C Scenario (SDS) *2	1.5°C Scenario (NZE) *2
Demand Outlook			
Awareness of the Business Environment	Global oil demand is expected to increase by approximately 7% in 2040 compared to 2018 (104 million barrels per day), as rising oil demand in emerging economies outpaces declining demand in Europe and other developed countries due to electrification and energy conservation. Growing demand for oil in the transportation sector, especially as fuel for passenger cars, aviation, and ships, is expected to be significant, offsetting the decline in demand in the power generation sector.	Compared to the STEPS scenario, there is a significant decrease in oil demand, especially in the transportation sector, and demand in emerging economies will peak in 2030 before starting to decline, resulting in a global demand decrease of about 32% in 2040 compared to 2018 (66 million barrels per day).	Oil demand is expected to decline by approximately 56% in 2040 compared to 2018 (43 million barrels per day), mainly due to further increases in the rate of electrification. The proportion of internal combustion engine vehicles that use petroleum-based fuels in new vehicle sales is expected to decline to about 20% *3 by 2040 (STEPS scenario: 75%, 2°C scenario: 25%). As oil prices are expected to decline due to a significant decrease in oil demand, the market share of certain low-cost producers, including OPEC, is expected to increase. In response, it is believed that policies and regulations are needed to avoid a recovery in oil demand caused by falling oil prices.

Policies and Initiatives Based on the Awareness of the Business Environment

As a company that has been involved in the supply of petroleum products that support social infrastructure for many years, MC will continue to fulfill our responsibility to provide a stable supply of various fuels and raw materials and will work to transform our business into a next-generation energy service station business utilizing our nationwide customer base and assets as a platform. Although domestic demand for petroleum products is expected to gradually decline in the medium-to-long term, in the short term, MC will pursue an optimal business portfolio by optimizing the domestic service station business while strengthening its competitiveness in a timely manner, and by expanding the fleet station business based on the sale of diesel fuel for cargo vehicles in response to increasing logistics demand. Furthermore, in the medium to long term, in addition to building a supply base for next-generation energy including hydrogen, MC will work on the vehicle maintenance business utilizing digital technology and the next-generation network business by combining and upgrading the functions of logistics bases.

*1 The "Policies and Initiatives Based on Recognition of the Business Environment" covers the "Domestic Service Station Business," which is of high importance to MC.

*2 The "STEPS scenario" and "2°C scenario" are based on data from IEA World Energy Outlook 2020, and the "1.5°C scenario" is based on data from IEA Net Zero by 2050.

*3 The demand forecast provides a rough estimate of the midpoint between the respective ratios of internal combustion engines vehicles to new vehicles sales in 2030 and 2050 under IEA Net Zero by 2050.

Power Generation: Renewable Energy

	2°C Scenario (SDS)	1.5°C Scenario (NZE)
Demand Outlook		
Awareness of the Business Environment	<p>Under a 2°C Scenario, it is believed that policies to capture renewable energy as a main power source will become mainstream. It will be necessary to promote deregulation and technological innovation to construct an energy system that is not only sound environmentally, but economically and socially as well. Regarding this point, MC understands the need for multifaceted initiatives involving technologies that support the expansion of renewable energy while maintaining safe and stable supplies of power (energy storage, hydrogen, transmission technology, supply and demand adjustment technology, and energy trading) and anticipates that these markets will expand.</p> <p>As the expansion of renewables progresses together with the proactive deployment of renewable technologies in each region around the world, starting with offshore wind in Europe, the grid configuration and supply of power will change. As a result, opportunities are anticipated for energy transmission and businesses that regulate the supply and demand for power such as battery storage, services using storage batteries, and VPP (virtual power plant) businesses.</p> <p>In the renewable energy generation business, as is the case for thermal power generation, given the nature of power generation being produced locally for local consumption, MC feels it is important to continue managing businesses by responding to the policies, etc. of each country and region. On the other hand, as the market expands and commoditization progresses, cost competition is expected to intensify.</p> <p>Furthermore, MC recognizes that trends towards decentralization of the energy system driven by the spread of renewable energy, batteries and other technologies along with movements around thermal power generation, including next-generation types, may vary greatly in terms of timing and content depending on the status of government regulation and technological innovation, as well as the country or region.</p>	<p>Under a 1.5°C Scenario, electricity demand is expected to double by 2040, with about 85% coming from renewable energy sources, assuming the further spread of electrification.</p> <p>In particular, solar and wind power are growing rapidly, and will require about 18 times (for solar) and 10 times (for wind) more additional capacity than in 2019. This means that additional solar and wind power generation capacity of approximately five times the average of the last three years will be required every year after 2020, and continuous large-scale investment will be essential to achieve this goal.</p> <p>Also, in line with the expansion of renewable energy, power generation amount of which varies according to weather conditions and which has a strong aspect as a distributed power source, further business opportunities are expected to increase, such as the expansion of transmission capacity, utilization of storage batteries, and demand response, which will contribute to improving the flexibility of the power supply and demand system.</p> <p>In addition, due to the rapid progress of electrification in a variety of fields, the significance of policies and regulations to strengthen and ensure the security of the electricity supply and demand system is expected to increase further.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

Under the 2°C/ 1.5°C scenarios, energy management services that utilize battery storage, electric vehicles (EVs), and plug-in hybrid vehicles (PHVs) are expected to become widespread due to the increased introduction of renewable power generation (solar and wind) in the shift toward a low-carbon society as well as changes in the power business structure (increased need for grid stabilization due to increased VRE^{*}). 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 to region depending on the status of policies, regulations, and technological innovations, and the timing of their manifestation may also differ significantly. While taking into account the characteristics of each country and region, MC will work to increase the business value of the entire power value chain by promoting the integration of supply-side power generation and demand-side retail businesses, while optimizing our portfolio to "double renewable energy power generation capacity by FY2030 compared to FY2019 (from 3.3 GW to 6.6 GW). In addition, we will promote the energy management and virtual power plant (VPP) businesses, which are becoming increasingly necessary as renewable energy becomes more widespread.

Based on this policy, we are actively engaged in the development of offshore wind power generation and distributed power supply businesses, mainly in Japan, the US and Europe.

* VRE: variable power source whose output fluctuates, such as solar and wind power (abbreviation for "variable renewable energy").

Copper

	2°C Scenario (SDS) *1	1.5°C Scenario (NZE) *2
Demand Outlook		
Awareness of the Business Environment	<p>Under the 2°C scenario, Electric Vehicles (EV) (including hybrids), which emit less CO₂, and renewable energy generation, mainly wind and solar power, are expected to become more widespread worldwide. Demand for copper is expected to increase by 40% in 2040 compared to 2020 (the STEPS scenario: 32% increase) due to the greater use of highly conductive copper in EVs compared to Internal Combustion Engine vehicles (ICEV), as well as the increase in power generation and associated transmission and distribution networks that are essential for accelerating electrification.</p> <p>On the supply side, copper supply against demand is expected to be tight in the future due to difficulty in expansion and new development at mines.</p>	<p>Under the 1.5°C scenario, the need to further reduce CO₂ emissions will accelerate the spread of EVs (including hybrids) and renewable power generation, especially wind and solar. As a result, copper demand is expected to increase even further compared to the 2°C scenario; about 60% in 2040 compared to 2020.</p> <p>While there are many mines and projects that are difficult to expand or newly develop, copper demand is expected to grow more rapidly than under the 2°C scenario, further tightening the balance of copper supply and demand.</p>

Policies and Initiatives Based on the Awareness of the Business Environment

Under both the 2°C and the 1.5°C scenarios, copper demand is expected to increase steadily due to the widespread use of EVs (including hybrids) and renewable power generation, and the associated development of power transmission and distribution networks, while copper supply and demand is expected to tighten due to the increasing difficulty of developing new copper projects. MC is currently participating in copper mining projects in Chile and Peru, and have a production capacity of 200,000-250,000 tons per year. MC plan to start production at Quellaveco mine in FY2022, which is currently under development, and our equity production is expected to increase by 120,000 tons per year, i.e., to 300,000 tons per year. We will continue to position the copper business as the core of our metal resources business, along with high quality metallurgical coal, and strive to increase the value of our existing assets, while at the same time considering opportunities to develop new competitive projects, in order to fulfill our responsibility to provide a stable supply of copper to customers.

In addition, as a measure to reduce environmental impact, we will promote initiatives such as switching to renewable energy sources for electricity used in operations at the copper mines in which we have invested. At the same time, we will closely monitor trends in new technologies that will improve the recovery rate of copper resources for the effective use of resources.

* 1 Demand in the 2°C scenario is calculated based on data from IEA Role of Critical Minerals in Clean Energy Transitions.

* 2 Demand in the 1.5°C scenario is estimated from data in IEA Role of Critical Minerals in Clean Energy Transitions and IEA Net Zero by 2050.

Thermal coal has been excluded from this analysis, given that MC sold all of its thermal coal interests as the result of a review conducted from the perspective of strengthening its business portfolio.

3) Incorporation into Business Strategy

For the eight businesses selected for monitoring (for both transition risks and opportunities) mentioned above, the results of the transition risk /opportunity analysis for each business, assuming the 1.5°C scenario as a decarbonization scenario, are incorporated into strategy when each business group formulates its own business strategy, for the purpose of optimizing our portfolio.

○ Physical Risks

Physical climate risks (e.g. floods, droughts and temperature increases) could affect the operations of some of the MC Group's businesses.

In order to comprehensively understand the potential physical risks that climate change poses to the MC Group's business, MC has conducted following assessment.

1) Process

MC has a large global portfolio of companies with diverse and widespread assets. To determine which of the MC Group's assets are potentially most exposed to the physical impacts of climate change, MC is undertaking the following systematic process:



Phase 0: Identification of material assets

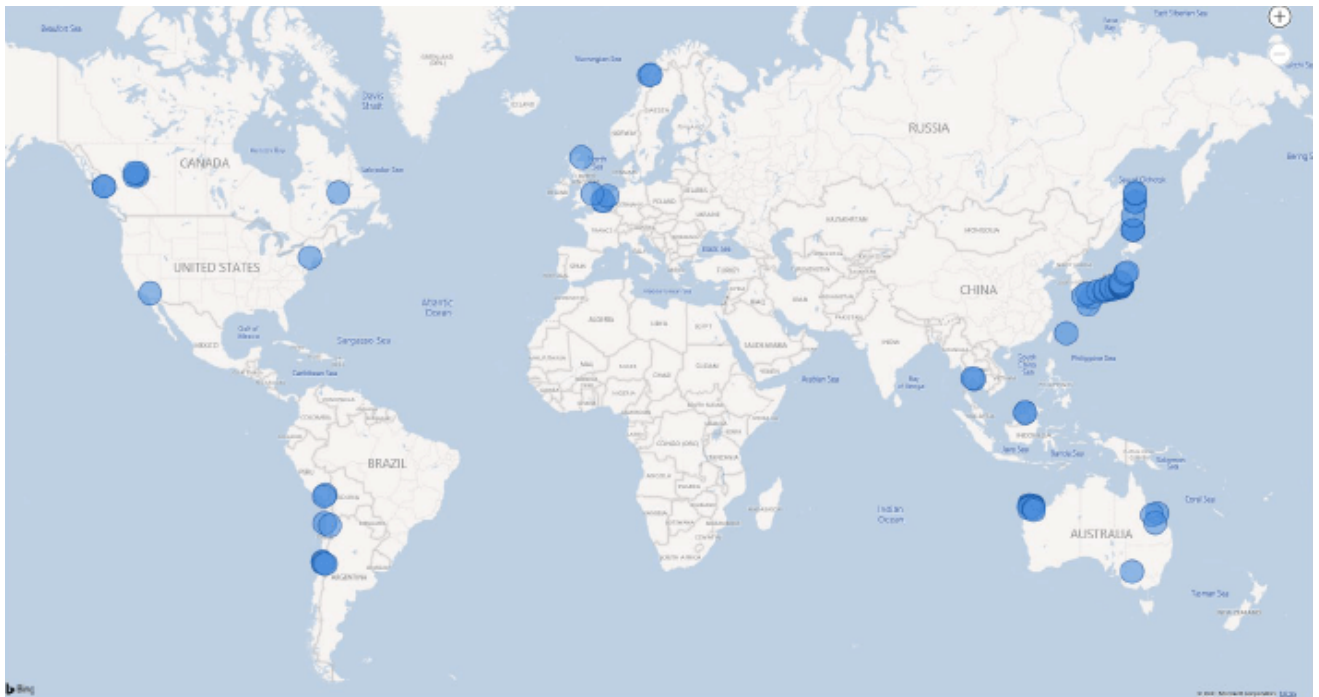
To determine MC Group assets that are material to the operational performance of MC, MC first identified a subset of subsidiaries/ affiliates that have the greatest potential to have a material financial impact on MC using financial metrics such as profits and total asset values. Each of these subsidiaries/ affiliates then identified assets that are material to their business.

Phase 1: Screening

MC engaged an independent specialist consultant to conduct a climate hazard screening exercise to identify high-risk assets that should be analyzed in Phase 2. This assessment focused on 74 assets across 38 MC subsidiaries/ affiliates located in 13 countries, identified in Phase 0 to evaluate exposure of each asset to the hazards through to 2030* using observational data and climate model projections.

* The coastal flooding assessment considered exposure to sea level rise through the year 2050

<Assets included in Phase 1>



<Hazards>

- Coastal flooding (storm surges, sea level rise)
- Stormwater flooding
- Wildfires
- Extreme heat
- Tropical cyclones
- Water stress

<Scenarios>

Intergovernmental Panel on Climate Change (IPCC)'s Representative Concentration Pathway (RCP) 8.5 scenario

<Time horizons>

2030

<Rating system for Phase 1>

Each asset was assigned a numerical exposure score for each climate hazard. Each asset was then given a qualitative exposure rating ('High', 'Medium', or 'Minimal') based on the asset's overall numerical hazard exposure score.

Hazard Exposure Rating	Description
High	Overall hazard score greater than 30
Medium	Overall hazard score 15-30
Minimal	Overall hazard score less than 15

Phase 2: Detailed analysis

On the basis of the Phase 1 results, 18 of the high ranked assets located in 8 countries were selected for a more detailed climate hazard analysis in Phase 2. The purpose of the Phase 2 analysis was to perform a more detailed analysis of the current and anticipated physical climate hazards for each asset through to 2080, using observational data, climate model projections and information such as previously experienced impacts due to physical climate hazards.

<Scenarios>

IPCC's RCP 8.5 scenario and RCP 4.5 scenario

<Time horizons>

2030, 2050, 2080

<Rating system for Phase 2>

The potential severity of climate hazards at each asset were ranked by considering the probability that the climate hazard will occur, the magnitude of the hazard's impact on the asset and the likelihood of the impact occurring and were ranked on a 5-level color scales (red, orange, yellow, green and gray) which indicates the priority for action in developing adaptation strategies.

Hazard Rating	Description of Hazard Severity and Level of Recommended Action
4	Present-day hazards causing material impacts. Adaptation strategies should be evaluated and deployed.
3	Imminent hazards likely to result in material impacts during the planning time horizons. Adaptation strategies should be developed in the near future.
2	Lower likelihood or lower impact hazards which may occur during the asset hold period but are unlikely to cause material impacts and/ or for which more information is required. Impacts should be monitored but may not need action at this time.
1	Hazards currently modeled to have minimal impact and/ or to occur after the planning time horizons; may be re-evaluated in the future.
0	Site is not exposed to this hazard.

Phase 3: Confirmation of future adaptation strategies

Based on the results of Phase 2 assessment, for each asset that received a red hazard ranking for any of the hazard types covered by the assessment, MC confirmed current measures and future adaptation strategies.

2) Assessment Results

The results of the assessment are shared with each MC Group company to inform their future adaptation measures. The current measures and future adaptation strategies for assets that received a red hazard ranking for any of the hazard types covered by the assessment are detailed below.

Metallurgical coal business

Assets subject to assessment	Mines and coal terminal owned by BHP Mitsubishi Alliance (BMA) *
Location	Australia
Type of hazard	Stormwater flooding
Current measures	<p>Given that flooding due to heavy rain at mines has the potential to disrupt operations, the following measures have been implemented to improve resilience of the sites to flooding since the last flood events in 2011:</p> <ul style="list-style-type: none"> • Implementation of water storage inventory procedure based on climate forecasts; • Utilization of the pits under care and maintenance for its water storage management; • Installation of floods levees to prevent flood water entering pits, pumping and water pipeline systems to move surplus water around and between mine sites and water storage locations, and additional excess water discharge infrastructure.
Future adaptation strategies	MC together with BMA will continue to enhance physical risk mitigation in response to climate change forecasts.

* To address the risk of the storm surges associated with cyclones at the coal terminal, which was ranked as orange in the assessment, the latest port berth infrastructure installed has been designed to withstand a 1 in 1000 year wave event factoring in rises in sea levels and cyclone impacts due to climate change. An additional project is currently underway to upgrade an older berth to the same design standard.

Copper business

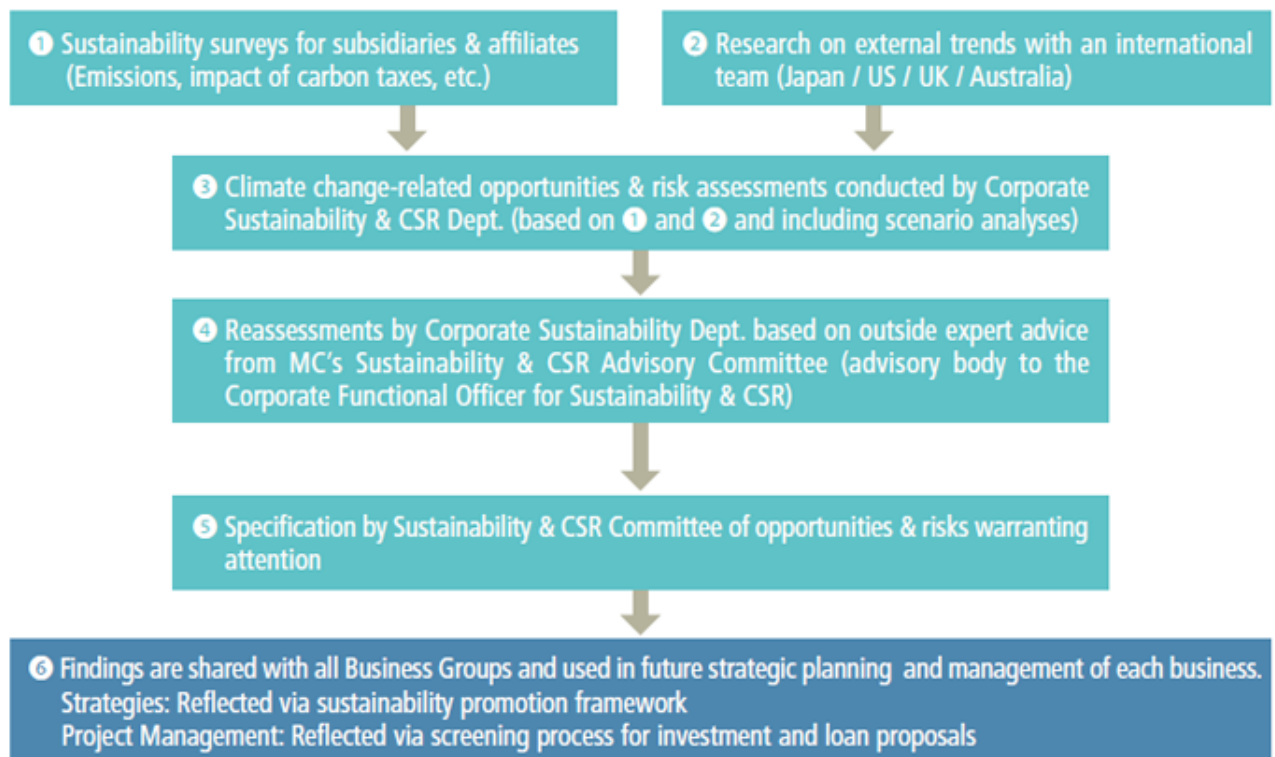
Assets subject to assessment	Copper mines owned by Anglo American Sur, S.A
Location	Chile
Type of hazard	Drought
Current measures	<p>While most of the water required for the operations is reused within the mine, a certain amount is lost due to evaporation and other factors, and this water must be replenished from external sources. Since in the drought condition, there is a possibility that sufficient water intake may not be possible which could affect operations, resilience measures are considered through increased procurement of industrial wastewater and treated sewage from third parties.</p>
Future adaptation strategies	In addition to the current measures, further diversification of external water procurement is under consideration. Moreover, new technologies to further improve water reuse efficiency at the operations are also being considered.

3) Incorporation into Business Strategy

The above assessment will allow MC to identify assets that are most exposed to climate hazards and will enable MC to prioritize adaptation measures and incorporate them into business strategy.

Risk Management

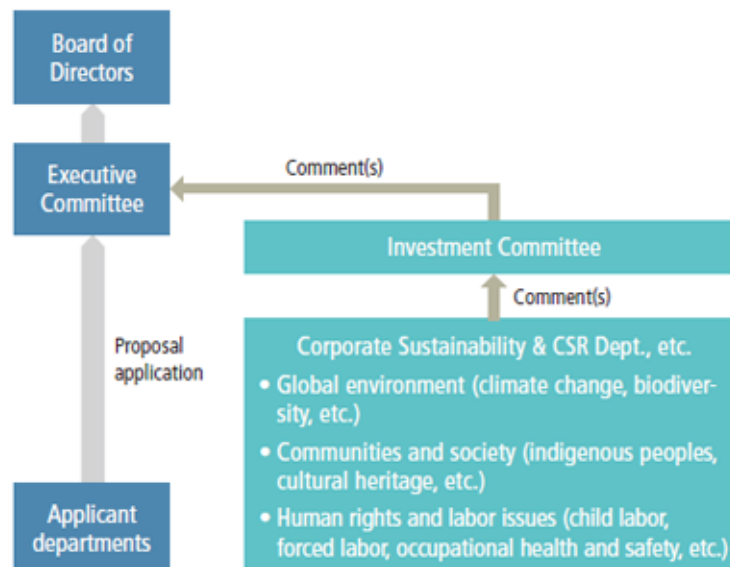
MC regularly assesses which climate-related risks and opportunities warrant the most attention through both regular internal and external surveys, and makes official determinations and assessments at the Sustainability & CSR Committee, which consists of Group CEOs from each of MC's Business Groups. The specified risks and opportunities are applied under MC's sustainability promotion framework from two perspectives: Strategic Planning and Project-by-Project Business Management.



○ Screening Process for Loan and Investment Proposals

When reviewing and making decisions on loan and investment proposals, MC has adopted a process in which the Investment Committee deliberates all proposals to be discussed by the Board of Directors and the Executive Committee comprehensively based not only on economic aspects, but on ESG factors as well. By having the General Manager of the Corporate Sustainability & CSR Department take part in Investment Committee meetings as a committee member, MC has put in place a screening process to facilitate decision-making that takes into account environmental and social impacts. Besides screening new and exit proposals, the Investment Committee also strives to help make improvements to existing business investees by monitoring their management practices. From the perspective of climate change-related transition risks and opportunities, review of proposals and decision-making takes into consideration quantitative data such as greenhouse gas emissions as well as national policies and industry trends.

Screening Process for Loan and Investment Proposals



Reference:

For information on measures to address various ESG-related risks, please see the risk management information provided in each section.

[Human Rights and Environmental Due Diligence](#)

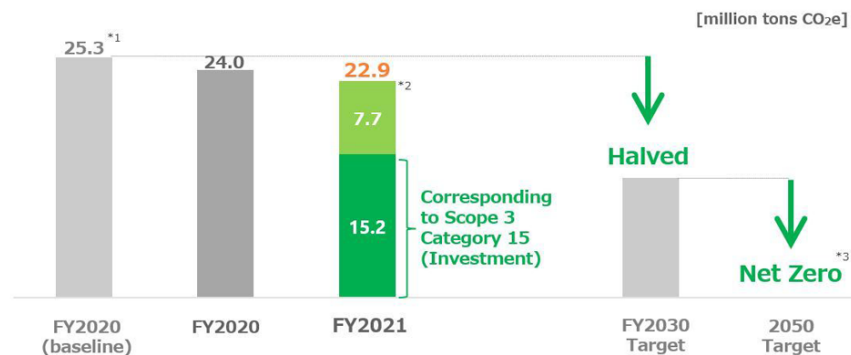
Metrics and Targets

MC has set the following climate-related targets to capitalize on opportunities and mitigate risks on a consolidated basis.

Target 1: Greenhouse Gas (GHG) Emissions Reduction Targets

- **Net zero GHG emissions by 2050, and a new FY2030 target with a detailed reduction plan.**
- **Emissions halved by FY2030 through portfolio replacement driven predominantly by divestment of thermal power assets.**

MC believe that it is appropriate to set a reduction target that includes the GHG emissions of affiliated companies, which are also important as a profit base. Therefore, in calculating GHG emissions, which is the premise of this target, MC have adopted the GHG Protocol's equity share approach that includes GHG emissions for affiliated companies. The progress of Target 1 as of the end of FY2021 is as follows. (Please see the [Performance Data](#) for actual results.)



* 1 The above figures represent the Scope 1 and Scope 2 emissions of MC and its consolidated companies, including affiliates, based on the GHG Protocol's equity share approach. Furthermore, base year figures include emissions from thermal power generation and natural gas projects, which comprises (i) assumed peak emissions from pre-operational committed projects and (ii) projected full-capacity emissions for partially-operational projects.

* 2 The above figure, 7.7 million tons CO₂e, represents the Scope 1 and Scope 2 emissions of MC and its consolidated subsidiaries under the GHG Protocol's equity share approach. It would be equivalent to 8.3 million tons CO₂e under the GHG Protocol's financial control approach. Please see the [Performance Data](#) for details.

* 3 Any residual emissions, after reduction efforts have been made, will be neutralized using internationally-accepted offsetting methods including carbon removal. The specific reduction plan and measures for the GHG emissions reduction targets will be adjusted as required in line with progress of technological developments, economic viability and policy/ institutional support.

Target 2: Non-Fossil %

Aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.

Target 3: Renewable Energy

Doubling MC's renewable energy power generation capacity by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2021 level).

Reference: For the relevant data, please see the [Initiatives](#), [Performance Data](#) and [Additional Reference Data](#) sections, and the [Water Resources](#) section.

Initiatives

Carbon Reduction/ Decarbonization Projects

MC considers transitioning to a low-carbon society to be one of the key issues for management to address and respond to, and through its businesses, MC is working to reduce and eliminate carbon in a variety of fields. In particular, under the name of Energy Transformation (EX), we are taking on the challenge of reforming the energy field with a view to a low-carbon/ decarbonized society, and evolving our energy-related business portfolio in the process. By addressing the common issue of decarbonization across all industries in this way, we aim to both meet environmental challenges and fulfill our social mission of providing a stable supply of energy, which will lead to the sustainable growth for MC over the medium- to long-term.

Renewable Energy

The deployment of renewable energy is expected to further increase with the introduction of promotion systems by national governments and local authorities, technological advancements and other developments. For renewable energy businesses, MC has set a target aiming to double renewable power generation capacity by the fiscal year ending March 2031 compared to the fiscal year ended March 2020 (from 3.3GW to 6.6GW). Embracing the trend that renewable energy will become the world's main energy source, MC's policy is to expand investment and initiatives from power generation to sales centered on renewable energy. This is exemplified by MC's purchasing the Dutch company Eneco in 2020. Eneco operates an integrated energy business that actively promotes the business development of renewable energy and cogeneration businesses. By combining renewable energy with digital technology, MC aims to contribute to establishing a sustainable society. MC will do so by providing new value to customers, such as the adjustability of the supply and demand of energy depending on power usage, as well as contributing to the stable supply of energy by compensating for renewable energy, intermittency*.



* A trait of renewable energy is that it cannot maintain a stable daily or hourly supply of energy due to environmental conditions.

Renewable Energy Projects

(As of March 31, 2022)

Country	Power plant	Fuel	Net equity basis (Net, 10,000 kW)
United States	Nexamp	Solar power	30.0
Mexico	Eolica del Sur	Wind power	19.8
Portugal	Amper	Solar power	1.2
France	Toul-Rosières SAS1	Solar power	2.2
France	Crucey SAS1	Solar power	1.4
France	Massangis SAS 2	Solar power	0.8
France	Ecotera/ Plaine de l'Escrebieux	Wind power	0.6
France	Ecotera/ Seuil de Bapaume	Wind power	0.8
France	Ecotera/ Basse Thierache Sud	Wind power	1.2
France	Ecotera/ Plateau d'Andigny	Wind power	1.1
The Netherlands	Other renewable energy projects owned by ENECO	Solar power	136.8
		Wind power	
		Offshore wind power	
		Biomass	
UK	Moray Firth	Offshore wind power	15.9
Jordan	Shams Ma'an	Solar power	1.8
Philippines	NLREC	Wind power	2.2
Indonesia	Star Energy	Geothermal	7.9
Thailand and others	Other renewable energy projects owned by EGCO	Solar power	6.5
		Wind power	
		Geothermal	
		Hydraulic power	
		Biomass	
Thailand	Impact Solar Group(ISL/ ISGT)	Solar power	1.4
Malaysia	Gebeng Solar	Solar power	0.3
Japan	Kumamoto Aso Solar	Solar power	0.2
Japan	Onahama Solar	Solar power	0.5
Japan	Onahama/ Izumi Solar	Solar power	0.2
Japan	Nippon Paper Mega Solar Komatsushima	Solar power	1.3
Japan	Tahara Solar	Solar power	3.6
Japan	Nagasaki Tadewara Mega Solar	Solar power	0.6
Japan	Higashi Nozaki Solar Energy	Solar power	0.7
Japan	Kochi Solar	Solar power	1.7
Japan	JAMC Solar	Solar power	2.1
Japan	Akita Katagami wind farm	Wind power	2.9
Japan	MCPV	Solar power	0.3
Japan	MCKB Energy Services	Solar power	1.2

○ Initiatives in Europe for the Promotion of Renewable Energy (Eneco)

The Dutch integrated energy company Eneco is operating power generation businesses, power and gas trading businesses, power and gas retail businesses, and district heating businesses focused in the Netherlands, Belgium, and Germany with renewable energy at its core. With a solid customer base that is the third largest in the Netherlands, Eneco has approximately 1.7 GW of renewable energy assets. Since 2007, Eneco has developed renewable energy ahead of its competitors and has established a position as a green brand by providing consumers with 100% green energy (including the use of green certificates) since 2011. Eneco is an innovative company that has set customer-focused services as an objective since very early on. In addition, Eneco has announced its One Planet Plan, which aims to achieve carbon neutrality by 2035, covering CO₂ emissions not only from its own activities (Scope 1/2) but across its value chain (Scope 3) as well, which includes electricity, gas, and heat retailing to businesses and households. Eneco is also recognized both domestically and internationally as a company actively working toward measures to address climate change.

MC and Eneco, have contributed to the deployment and expansion of renewable energy in Europe, working together on three European offshore wind projects (1.23 GW) along with Europe's largest electricity storage project (50 MW). MC aims to contribute to the establishment of a sustainable society through the simultaneous realization of the three types of value—economic, societal and environmental —

by utilizing Eneco's technology and expertise to accelerate the development of renewable energy inside and outside of Europe. Also, by combining Eneco's customer base and MC's various products and services, MC aims to improve services related to energy management for Eneco's customers and to achieve growth through the business model outlined in Midterm Corporate Strategy 2021.

The electric power business is facing a transition period brought about by the increase in small-scale decentralized power sources and developments in storage batteries and digital technology that have arisen with the dissemination of renewable energy. Under such circumstances, MC, along with its partner Chubu Electric Power, aims to contribute to solving societal issues such as the transition to a low-carbon society and the preservation of the global environment. Both companies will do so by supporting the infrastructure of people's lives through the growth of the innovative integrated energy company Eneco, which provides customer-focused services that utilize renewable energy development along with digital technology.



○ Japan's First Long-term Corporate PPA for Amazon

MC has signed a long-term Corporate Power Purchase Agreement (Corporate PPA) with Amazon. Facilitated by MC Retail Energy Co., Ltd., this Corporate PPA represents Amazon's first use of renewable energy in Japan. Under the agreement's terms, West Holdings Corporation will build and maintain roughly 450 solar power stations (with a total installed capacity of approximately 22 megawatts) for Amazon and supply the online retailer with wholesale electricity. MC subsidiaries Mitsubishi Corporation Energy Solutions Ltd. and ElectroRoute will also be involved. The former will manage construction of the solar power facilities and provide tech support, while the latter will forecast the facilities' outputs and hedge power generation imbalances*.

* Investments to hedge costs incurred through supply-demand imbalances that occur when solar power outputs fail to match their original forecasts.



○ Hydro Power Alliance in Hokkaido's Donan Region

Hokkaido Electric Power Company (Hokuden) and MC established a new joint venture in November 2021 that will be dedicated to hydroelectric power generation. The company, Donan Hydroelectric LLC (Donan Hydro), will be headquartered in Hakodate City, Hokkaido Prefecture. In conjunction with the new joint venture's establishment, Hokuden and MC have also agreed to form a hydroelectric power alliance that will service Hokkaido's Donan region.

Our alliance will begin by Hokuden replacing in stages five existing power plants in Southern Hokkaido Prefecture, with Donan Hydro managing their operations thereafter. The five plants that will be replaced are all located in the Donan region. They include four that are directly owned by Hokuden (Nanae Power Station, Isoyagawa Daiichi Power Plant, Isoyagawa Daini Power Plant, and Ainumanai Hydro Plant), and one owned by Hokuden's subsidiary Eco Energy Corporation, Ltd. (Ono Power Station).

Our alliance will combine Hokuden's long-established expertise in hydro power generation with MC's global know-how in renewable energies, thereby enabling both efficient replacements of the existing facilities and long-term stability of the new plants' operations.



○ Supply Lawson Stores with Renewable Energy through Off-site PPA

MC and Lawson, Inc. (Lawson) have launched a new collaboration in the supply of renewable energy to Lawson convenience stores. This project's solar facilities will rank among the largest in Japan built through an off-site PPA*. The project also satisfies the conditions for carbon-offset additionality and will contribute to global growth in the use of renewables.

* Long-term power-purchase agreement through which new renewable-power-generation facilities are constructed in remote locations and the electricity generated by them is conveyed to the customers using existing power-transmission-and-distribution networks.

- Lawson will use renewables to power approximately 3,600 of its stores in the Kanto-Koshin District and the prefectures of Gifu, Shizuoka, Aichi and Mie.
- MC will contract the construction of new solar-power facilities to West Holdings Corporation and supply the electricity generated by those facilities to Lawson's stores.
- The total installed capacity of the facilities will be approximately 45 MW (enough to satisfy the electricity demands of roughly 9,000 households).
- Supply of the electricity will commence in April 2022.
- In the future, MC and Lawson plan to increase this supply of renewable energy to approximately 8,200 stores across Japan.



○ Power Transmission Businesses

For the offshore wind business, which is expanding in Europe, the offshore power transmission cables that connect offshore wind power generation facilities to the onshore power grid are essential. In the UK, MC entered the offshore power transmission business that supports the proliferation of the offshore wind business at an early stage, and has established a firm position in the industry.

Power Transmission

(As of September 30, 2021)

Country	Portfolio asset	Transmission capacity (10,000 kW)	MC's share	Cable route length (Onshore/ offshore km)
UK	Walney 1	18.4	50%	48
	Walney 2	18.4	50%	48
	Sheringham Shoal	31.5	50%	45
	London Array	63	50%	55
	Burbo Bank Extension	25.8	50%	35
	Race Bank	57.3	51%	83
	Galloper	35.3	51%	46
	Walney Extension	66.0	51%	73
	Hornsea One	121.8	20%	183



○ Distributed Power Supply Business in Off-Grid Regions

According to UN statistics, Sub-Saharan Africa's population will double to 2.1 billion by 2050. Among the current population, more than 600 million people are living in off-grid areas (without access to electricity) where transmission and distribution networks have yet to be established, and this number is predicted to rise. MC is promoting a distributed power supply business using battery storage in these off-grid regions of Africa. MC provides equipment that combines power sources (solar panels, battery storage) with appliances (lighting, radios, TVs, etc.) as a service for households in order to supply power to off-grid areas. This also plays a role in reducing the health and environmental impacts of kerosene lamps, which at present are commonly used for lighting in these areas.

(As of September 30, 2021)

Project	Business Activities	Project Details
Bboxx	Distributed power generation business in off-grid areas	Operating in 13 countries across Africa and Asia, serving approx. 340,000 households.
NEoT Off Grid Africa	Asset finance for distributed power companies in off-grid areas	Providing asset finance for off-grid operators in Côte d'Ivoire/ Nigeria.



Electric Vehicles (EV · PHEV)/ Battery

Currently, it is said that the transportation sector accounts for approximately 20% of global CO₂ emissions, and the reduction of CO₂ emissions as well as of the use of fossil fuels in the automotive industry pose significant issues. As part of its involvement in the automobile sales business worldwide, MC is engaged in expanding the sales of the Outlander PHEV^{*1}, a plug-in hybrid electric vehicle, manufactured by Mitsubishi Motors Corporation (MMC), which has less impact on the environment while operation. Through the promotion of these electric vehicles, MC is contributing to the realization of a low-carbon and sustainable, energy-efficient society.

○ Sales Expansion and Promotion Activities

MC implements a variety of initiatives, including through collaboration with local affiliates, to promote and expand sales for the Outlander PHEV, developed and sold by Mitsubishi Motors Corporation(MMC). MC further promotes electric vehicles through initiatives such as hosting test-ride events, participating in events that utilize electric vehicles, collaborating in environmental initiatives with other companies including power companies, and participating in energy-saving projects that utilize electric vehicles. The Outlander PHEV, launched in Indonesia in November 2019, was the first PHEV launched in the ASEAN region. Interest in environmental measures such as reducing CO₂ emissions has been increasing in Indonesia, and MC will contribute to society by expanding the sales of the EVs including PHEV. In addition, we are collaborating with other companies that are tackling environmental issues. PT Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI)^{*2}, our affiliated company, signed a memorandum of understanding with the state-owned power company to expand the charging environment for EVs. Through initiatives such as these, we are supporting the proliferation of EVs in Indonesia, helping them to spread even further.

* 1 Outlander PHEV The world's first plug-in hybrid SUV

* 2 PT Mitsubishi Motors Krama Yudha Sales Indonesia An MC affiliated company involved in the automobile sales business in Indonesia



Outlander PHEV when charging stations are installed at luxury shopping malls

○ Low-carbonization of Electric Vehicle (EV) Manufacturing and Utilization of Waste Batteries

Through initiatives such as the installation of solar power generation equipment for MMC's factories and the innovation of technology for the reuse of EV batteries, MC and Mitsubishi Corporation Energy Solutions Ltd.*¹ (MCES) are reducing the environmental impact of the manufacture and proliferation of EVs, helping them to spread even further.

MCES has installed rooftop solar panels (approximately 3.3MW) at the Mitsubishi Motors Okazaki Plant (Okazaki City, Aichi Prefecture)—one of MMC's main EV-producing plants—and the power generated is supplied to the facility. This is reducing the plant's CO₂ emissions (by roughly 1,600 tons/ year) and contributing to the creation of an environment which enables the clean, low-carbon production of EVs.

In addition, together with MCES, MC is planning to build a demonstration battery storage system with a maximum capacity of 1MWh utilizing waste batteries (produced by Lithium Energy Japan*²) from the Outlander PHEVs manufactured at the Okazaki Plant. Through this project, we aim to create a system to reuse the large number of used batteries that will result from the spread of EVs.

* 1 Mitsubishi Corporation Energy Solutions Ltd. A 100% subsidiary of MC involved in the power generation business

* 2 Lithium Energy Japan A joint venture company between MC, Mitsubishi Motors Corporation and GS Yuasa Corporation



○ Energy Storage Businesses

MC is promoting the development, manufacturing and sales of lithium-ion batteries, which are expected to become increasingly prevalent for use in environmentally-friendly vehicles and power storage applications. We aim to develop our power storage and energy storage related businesses in response to growing demand for automotive and industrial storage applications.

(As of September 30, 2021)

Project	Business Activities	Capacity
Lithium Energy Japan	Lithium-ion battery manufacturing	Production capacity: 1.5GWh
Energy storage demonstration project in India	Energy storage business	Storage capacity: 10MW (10MWh)



Ammonia Fuel/ Hydrogen Energy

○ Ammonia Fuel

MC is focusing on ammonia and hydrogen which are seen as promising next-generation energies. MC is proceeding with joint testing with our partners at each stage of the ammonia fuel value chain, “production,” “transportation” and “usage.”

For the “production” stage, MC is currently assessing the production process of ammonia fuel with a combination of fossil fuels and CCUS. MC is considering this a practical option both from a technical and economic perspective. However, at the same time, MC is also proceeding with reviewing more environmentally-friendly methods such as hydrogen and ammonia production derived from renewable energies and hydrogen production that utilizes photocatalytic technology.

For the “transportation” stage, it is assumed that large-scale transportation and storage of ammonia fuel will be necessary, so MC will respond by utilizing its expertise in logistics cultivated through its existing businesses.

For the “use” stage, MC will leverage our relationships with energy industry players that we have cultivated through our existing businesses. MC has also begun detailed studies for the joint full-scale introduction at each company.

CCS Joint Study for Clean Fuel Ammonia Production in Indonesia

Japan Oil, Gas and Metals National Corporation (JOGMEC), MC, Bandung Institute of Technology (ITB), a national university in the Republic of Indonesia, and PT Panca Amara Utama (PAU) have conducted a joint study on carbon capture and storage (CCS) and carbon dioxide utilization for clean fuel ammonia production in Central Sulawesi, the Republic of Indonesia.

Agreement with Denbury on CO₂ Transport and Storage Operations for Fuel Ammonia Production

MC has reached an agreement with the Texas-based independent energy company Denbury Inc (“Denbury”) on the key term-sheet of CO₂ transport and storage operations, via Denbury’s wholly owned subsidiary Denbury Carbon Solutions LLC. The business is in line with MC’s aim to commence production of fuel-use ammonia in the US Gulf of Mexico (“GoM”). MC aims to produce one million tons of fuel ammonia annually in the US GoM and export to the Japanese market towards the late 2020s. The estimated CO₂ volume to be captured from the ammonia facility is maximum 1.8 million metric tons per annum. Under the terms of our agreement with Denbury, the captured CO₂ will be either sequestered underground via Denbury’s EOR* or CCS which Denbury plans to develop in the future. The term sheet contemplates an initial period of 20 years, with the ability to extend further.

* EOR: Enhanced Oil Recovery.

○ Hydrogen Energy

The use of hydrogen as a source of energy is gaining attention as a low-carbon alternative. We participated in the New Energy and Industrial Technology Development Organization (NEDO)-subsidized Demonstration of Unused Energy-Based Hydrogen Supply Chain Using Organic Chemical Hydride Method^{*1} project, which came to a successful conclusion in December 2020, and we have now entered the commercial project development phase.

^{*1} This demonstration project is an initiative for the establishment of the mass transportation of hydrogen from overseas and supply technology that will be necessary for the full-scale introduction of hydrogen power generation for the power generation business in 2030 to realize phase two of METI's Strategic Road Map for Hydrogen and Fuel Cells (published in June 2014, revised edition published in March 2016). In 2020, MC implemented a demonstration project transporting hydrogen from Brunei to Japan. Based on the Paris Agreement that was adopted at COP21 in December 2015, with the increasing need to reduce future greenhouse gas emissions, MC will contribute to the realization of utilizing hydrogen, which does not emit CO₂ during combustion, in the field of large-scale power generation.

Realization of International Hydrogen Energy Supply Chain

In March 2020, MC along with five private Singaporean companies (City Energy (formerly City Gas), Jurong Port, PSA Corporation Limited, Sembcorp Industries and Singapore LNG Corporation) and Chiyoda Corporation executed a MOU aimed at the realization of a sustainable hydrogen economy in Singapore in the presence of Singapore government officials.

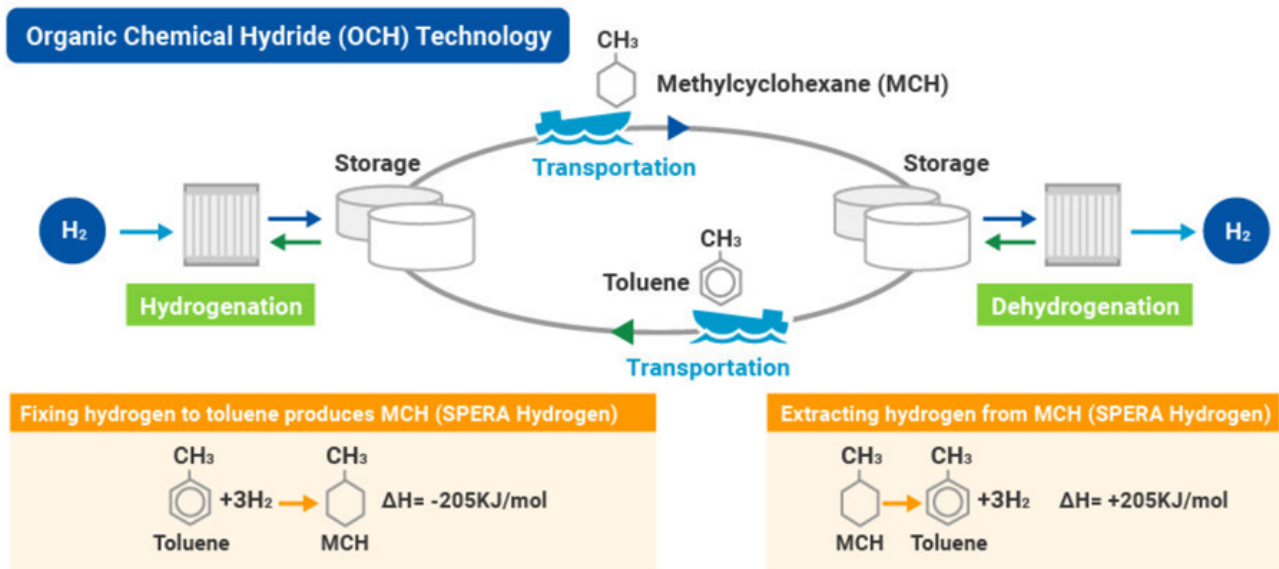
In addition, MC executed a MOU in July 2021 with the Port of Rotterdam Authority, Koole Terminals and Chiyoda for the joint-study of commercial-scale imports of hydrogen to the Port of Rotterdam. Furthermore, in October 2021, MC signed a MoU with Sembcorp to establish a strategic alliance aimed at exploring the feasibility and implementation of a commercial-scale, decarbonized hydrogen supply chain in Singapore.

Chiyoda Corporation's hydrogen storage and transportation technology (SPERA Hydrogen®^{*2}) is expected to play a key role in MC's aforementioned initiatives.

We will continue to discuss, consider and take concrete steps for the realization of a cost-effective, international hydrogen energy supply chain together with the above companies and others who have shown significant interest in SPERA Hydrogen® technology and related business opportunities.

^{*2} SPERA hydrogen®: Hydrogen is converted into methyl-cyclohexane (MCH) through a chemical reaction with toluene and is then stored and transported. The MCH will go through a dehydrogenation process where the hydrogen is separated from the MCH, leaving the toluene to be reused. As both toluene and MCH are stable and can be transported in a liquid state at ambient temperature and pressure SPERA Hydrogen technology is viewed as one of the important solutions for tackling the difficulties of hydrogen transportation.

Chiyoda's SPERA Hydrogen



MoU to Collaborate on Hydrogen Plans in Alberta

MC and Shell Canada Products, by its managing partner, Shell Canada Limited (Shell Canada) have signed a Memorandum of Understanding relating to the production of low-carbon hydrogen through the use of carbon capture and storage (CCS) near Edmonton, Canada. MC aims to build and start-up the low-carbon hydrogen facility near the Shell Energy and Chemicals Park Scotford towards the latter half of this decade, and Shell would provide CO_2 storage via the proposed Polaris CCS project.

CCUS

MC, as a company aiming to contribute towards achieving the goals of the Paris Agreement, recognizes that Carbon Capture, Utilization and Storage (CCUS) will play a major role in achieving those goals. The International Energy Agency (IEA) has stated that CCUS must be used to reduce roughly 10% of CO₂ emitted in 2050 in order to achieve the 2°C target (the remaining amount to be reduced through renewable energy and energy-saving technology), and the IPCC* has also emphasized the role that technology should play. CCUS is a field that spans multiple industries, from those that are the source of CO₂ emissions, to those that produce end-products such as fuel and chemical materials. Therefore, MC recognizes CCUS as a business opportunity to demonstrate its comprehensive capabilities as a company that interacts with many industries. To take advantage of this business opportunity, MC will promote the commercialization of CCUS by establishing a cross-group task force and liaison committee.

For CCU, MC is working on short-term initiatives in the construction materials field where there are already commercialized products (such as concrete) and technology. It is also working on medium- to long-term initiatives in the petroleum and chemicals field where further research and development is necessary for demonstration (such as jet fuel and synthetic fibers). Through the above initiatives, MC is developing new businesses and technology through investment and collaboration with various domestic and international corporations. In addition, MC is accelerating efforts in the wide-ranging field of CCUS, including participating in demonstration projects through Japan CCS Co., Ltd.

* IPCC: Intergovernmental Panel on Climate Change. The IPCC is an intergovernmental organization established by the UNEP (United Nations Environment Programme) and the WMO (World Meteorological Organization) that collects and organizes scientific research regarding climate change.

○ Initiatives in the Field of Construction Materials

MC is working in the field of construction materials where technological maturity is high and where commercialized projects already exist. There are many kinds of construction materials, such as ready-mixed concrete, precast concrete (concrete block products) and aggregates (raw material of concrete). As a suitable CO₂ reduction method is required for each, MC aims for the maximum reduction in CO₂ by approaching each product with a combination of various technologies and collaborations with corporations (Green Concrete Concept).

SUICOM

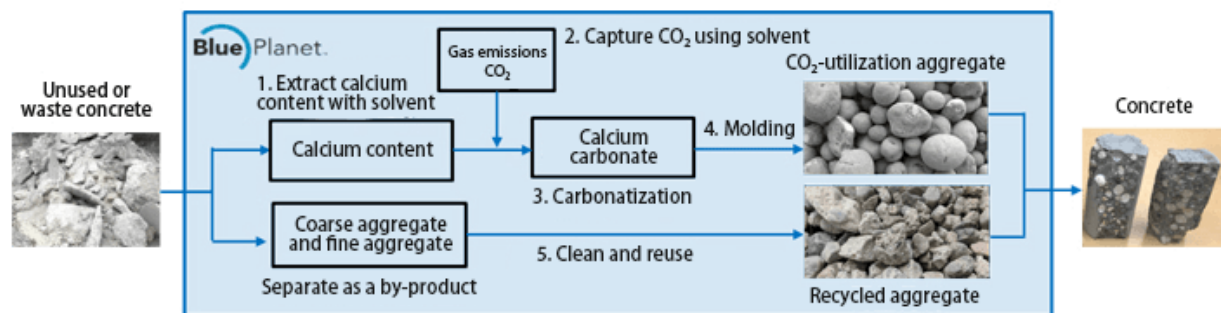
CO₂-SUICOM, which is already commercialized, is the world's first concrete block manufacturing technology to achieve net-zero CO₂ emissions during concrete production. Net-zero CO₂ emissions are achieved by reducing CO₂ in cement production—the raw material of concrete—, and the absorption of CO₂ to concrete. In Japan, the technology has been used in the construction of the Tokyo Outer Ring Road and other paved roads, and MC is proceeding with commercialization overseas. Four companies, Chugoku Electric Power Co., Inc., Kajima Corporation, Denka Company Limited and Landes Co., Inc., are responsible for the technology, and MC is primarily responsible for overseas commercialization. Also, three companies, Kajima Corporation, Chugoku Electric Power Co., Inc and MC, were chosen in NEDO's* publicly-offered commissioned project, "Carbon Recycling, Development of Next-Generation Thermal Power Generation/Technological Development at CO₂ Utilization Sites/ Technology Development and Demonstration Projects of the Effective Utilization of CO₂ at Research Bases/Research and Development of Concrete that Effectively Utilizes CO₂." In this project, MC is working on research and development into new CO₂-utilizing concrete such as ready-mixed concrete and reinforced concrete that makes the application of CO₂-SUICOM technology outside of ready-mixed concrete possible.

* NEDO: New Energy and Industrial Technology Development Organization



Blue Planet

Blue Planet is an US-based start-up company that possesses technology for producing aggregates—the raw material for concrete—by fixing CO₂ to unused and scrap concrete from industrial waste. Blue Planet's CO₂-utilization aggregate was used in the renovation of San Francisco International Airport and is addressing industry issues of both CO₂ emissions and unused and scrap concrete. MC is financing Blue Ocean and is responsible for the technology's domestic and international commercialization. MC has signed a collaboration agreement with Blue Ocean to commercialize their CO₂-utilization technology. Throughout the fiscal year ending March 2022, MC will conduct a demonstration project for CO₂-utilization technology in California's Silicon Valley region and is subsequently planning full-scale commercial development.



Process Flow of Blue Planet's Technology

CarbonCure

CarbonCure Technologies Inc. is a Canadian company that possesses technology for fixing CO₂ into concrete building materials. MC has made an equity participation in CarbonCure and has a business partnership to expand businesses related to CarbonCure's technology. CarbonCure's carbon recycling technology fixes and utilizes CO₂ into fresh concrete during production, reducing CO₂ emissions by reducing the amount of cement used.

The strength and dependability of CarbonCure's concrete is the same as traditional concrete, and it is currently widely used commercially, mainly in North America.

Building A Greener Future

with CARBONCURE.



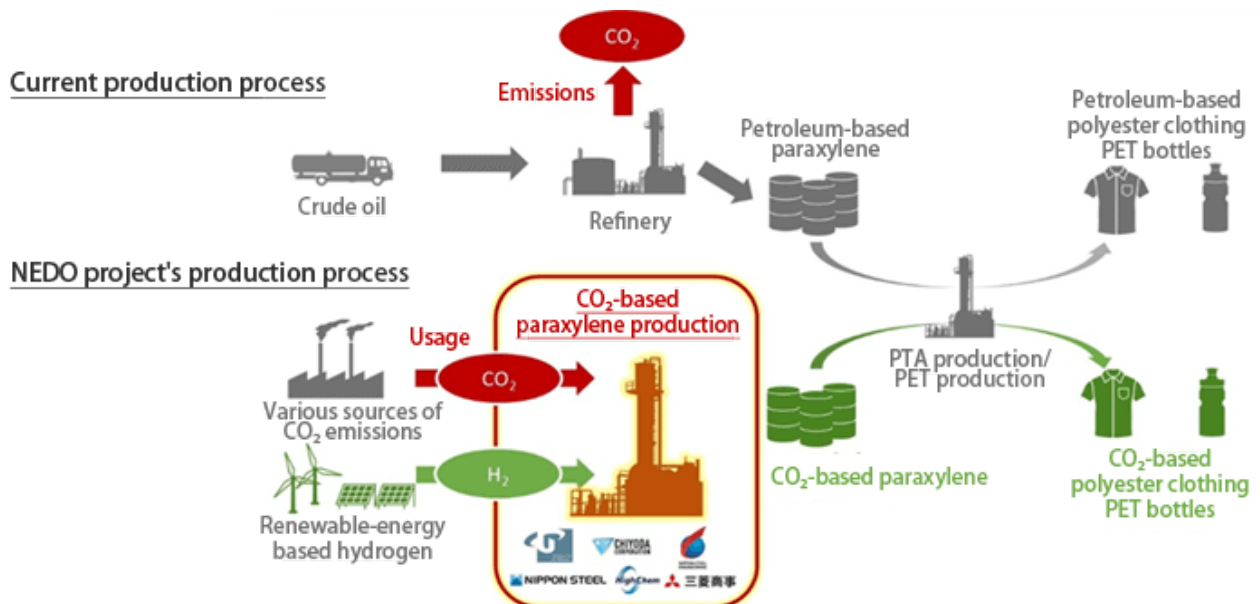
1. Waste CO₂ emissions are collected from local industrial emitters by gas companies and then purified. 2. The purified CO₂ is stored onsite at the concrete plant and connected to CarbonCure's technology. 3. CarbonCure's technology injects CO₂ into the fresh concrete to create high-performing, low-carbon concrete. 4. Private and public projects are built with CarbonCure concrete, reducing embodied carbon in new buildings.

Overview of the process from CO₂ collection to its use as a building material

1. Emitted CO₂ is collected and refined.
2. The refined CO₂ is stored at a fresh concrete production plant connected to CarbonCure's facilities.
3. CO₂ is injected into the fresh concrete and low-carbon concrete is produced.
4. By using concrete that incorporates CarbonCure's technology, the amount of CO₂ emissions from building materials is reduced.

○ Initiatives in the Petroleum and Chemicals Field

With CCUS as a medium-to-long-term initiative, MC is addressing the petroleum and chemicals field where further research and development is required. Specifically, MC, along with the University of Toyama, Chiyoda Corporation, Nippon Steel Engineering Co., Ltd, Nippon Steel Corporation and HighChem Company Limited, were chosen in NEDO's publicly-offered commissioned projects, "Carbon Recycling and Development of Next-Generation Thermal Power Generation/Development of Technology for the Reduction of CO₂ Emissions and the Effective and Practical Use of CO₂/Development of Technology for the Use of CO₂ in Chemical Materials," and the organizations are working on the research and development of a method to produce paraxylene, which is a material used in clothing and PET bottles, from CO₂. In this initiative, MC, as a company with one of the world's highest transaction volumes in paraxylene, is responsible for testing and reviewing commercial feasibility using its global network. Due to its composition, paraxylene can fixate CO₂ while limiting the amount of hydrogen as material. MC recognizes that the potential for CCU paraxylene is significant, both from an economic and environmental perspective. It is expected that demand for clothing will rise with the increase in the global population. Therefore, to meet the demand for polyester that cannot be covered with recycling alone, MC aims to substitute existing petroleum-based paraxylene with sustainable paraxylene produced from CO₂.



CCUS at Tangguh LNG Project

MC, as a shareholder of the Tangguh Production Sharing Contract Partners led by bp, the project operator, proceeded the Plan of Development (POD) for Ubadari Field and Vorwata Carbon Capture Utilization and Storage (CCUS) at Tangguh LNG Project in Papua Barat, Indonesia, and POD was approved by SKK Migas (Special Task Force for Upstream Oil and Gas Business Activities Republic of Indonesia) in 2021. In this POD, the new development includes CO₂ reduction by CCUS and incremental gas production, from both Ubadari and Vorwata field. Ubadari field development is fast-tracked as a result of the successful appraisal program and will be produced via Normally Unmanned Installations (NUI) connected to offshore pipeline to Tangguh facility. Meanwhile the Vorwata CCUS development will see an approximately 25 million tons of CO₂ injected back to the Vorwata reservoir to eliminate carbon venting and to provide incremental gas production through enhanced gas recovery (EGR). The CO₂ injection will remove up to 90% of the reservoir-associated CO₂, currently representing nearly half of the Tangguh LNG emissions. The Front-End Engineering and Design (FEED) for Ubadari field development and Vorwata CCUS will start in mid-2022, and with an estimated project start up in 2026 subsequent to a final investment decision.



Project Location Map



LNG Facility

CCS

MC is involved in a pilot project led by Japan CCS Co., Ltd. at Tomakomai, Japan (target to inject a cumulative total of 300,000 tons of CO₂ was achieved in November 2019). While conducting studies through Japan CCS into CCS and carbon recycling technology that effectively utilizes emitted CO₂, MC is pursuing future commercial use possibilities.

Carbon Credit

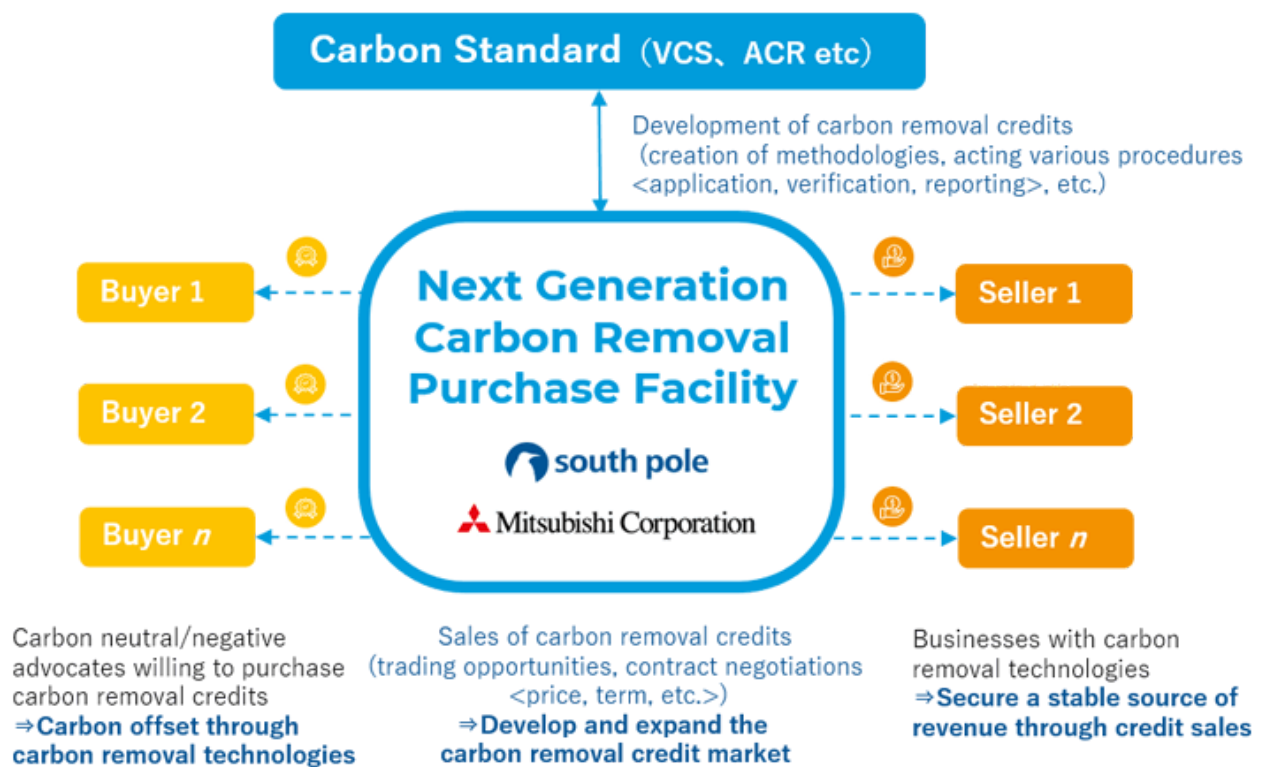
○ Collaboration with South Pole to Generate and Sell Carbon Credits from Carbon Removal Technologies

MC is working with one of the world's largest carbon credit developers, South Pole on a joint study of a project to generate and sell carbon credits derived from carbon removal technologies.

In order to achieve the goals set forth in the Paris Agreement and keep global warming within 1.5°C, it is considered critical not only to reduce CO₂ emissions, but also to introduce carbon removal technologies. However, technological innovation and cost reduction are issues that need to be addressed before carbon removal technologies can be implemented on a large scale.

This project aims to solve these problems by developing and selling carbon credits for carbon removal technologies, providing a new source of revenue through credit sales to the companies that supply the credits, and offering credit buyers the opportunity to purchase the credits.

Overview of Project (Next Generation Carbon Removal Purchase Facility)



*Detailed set-up of the facility will be defined jointly with South Pole and potential buyers until the end of the year

○ Regeneration Project / Investment in Australian Integrated Carbon Pty Ltd

MC and Nippon Yusen Kabushiki Kaisha (NYK) have jointly acquired a 40% interest in Australian Integrated Carbon Pty Ltd (AIC), which is engaged in the sale of carbon credits. The credits are obtained through CO₂-sequestrations achieved in the regrowth of Australia's native forests through a process called human-induced regeneration.

Human-induced regeneration is an established methodology in Australia. It employs 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. The amount of CO₂ stored in the regenerated forests is officially certified as Australian Carbon Credit Units by the Australian Government. AIC aims to capture global CO₂ emissions by 100 million tons through its growing portfolio.

Human-Induced Regeneration



Deforested by overgrazing and other unsustainable practices



Regenerated thanks to more sustainable grazing

Other Low-Carbon/Decarbonized Businesses (Green Logistics, Green Buildings, etc.)

We will make the most of our vast connections across various industries, and starting with green logistics and green buildings, we will promote carbon reductions and decarbonization through businesses in various fields.

○ Establishment of the “e5 Consortium” - Promoting Initiatives for the Development, Realization and Dissemination of Zero-Emission EV Ships

In May 2020, together with Asahi Tanker Co., Ltd., Idemitsu Kosan Co., Ltd (trade name: Idemitsu-Showa Shell), Exeno Yamamizu Corporation, Mitsui O.S.K. Lines, Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd. and TEPCO Energy Partner, Inc., MC established the e5 Consortium^{*1} which aims to create a new shipping infrastructure service through various initiatives toward the development, realization and dissemination of a zero-emission electric propulsion ship (hereafter “EV ship”). e5 Lab Inc.^{*2} will serve as the secretariat.

Coastal shipping, a vital social infrastructure for Japan, is facing structural issues such as crew shortages, crew aging and the aging of ships. Also, reducing greenhouse gas emissions from the shipping industry is demanded as one of the climate measures to be addressed by Japan. The seven member companies of the e5 Consortium are focusing on the abundant possibilities and potential of EV ships as an effective solution to solve these pressing matters. They are also considering developing new services that utilize a communications and digital infrastructure for industry. By bringing together and combining the strengths, technical expertise and networks of each member company, we will build a platform to provide an innovative shipping infrastructure service based on EV ships.

As the e5 Consortium's first initiative, it is planning to complete the world's first zero-emission EV tanker powered by high-capacity lithium-ion batteries in March 2022^{*3}.

The e5 Consortium will contribute to sustainable growth in coastal shipping and Japan's society and economy by providing value to the coastal shipping industry through the development and introduction of advanced ships.

*1 “e5” refers to providing society with safe, secure and high-quality transportation services by realizing the following five values in the shipping industry: “electrification,” “environment,” “evolution,” “efficiency” and “economics.”

*2 e5 Lab Inc. was established as a joint venture between the four companies Asahi Tanker Co., Ltd., Exeno Yamamizu Corporation, Mitsui O.S.K. Lines, Ltd. and MC, (President: Tomoaki Ichida, Head Office: Chiyoda-ku, Tokyo). e5 Lab will actively promote initiatives to bring about digital solutions and digital transformation in the shipping industry, including hydrogen fuel cells, ship automation systems, marine broadband, remotely operated ships, the development of a common integrated marine (ship) OS, as well as EV ships.
e5 Lab Inc. Homepage: <http://e5ship.com/>

*3 The decision to construct two of the world's first zero-emission EV tankers <https://asahi-tanker.com/news-release/2020/135/>

Concept video for the Zero-emission EV Tanker <https://youtu.be/6sJizCbRFWw>



Zero-emission EV Tanker scheduled to be completed in 2022

○ Trials of Jointly Developed Compact LNG Filling System to Commence in Hokkaido

MC and Air Water Inc. (Air Water) have jointly developed a compact LNG filling facility (Facility) ^{*1} that can be used in limited space. The equipment will be used to fuel heavy LNG-powered trucks.

This is the first portable filling system in Japan and the world's first off-grid power-generation system capable of fueling trucks with LNG even during power outages. Furthermore, by circulating hot water through its waste-heat recovery mechanism, the system can help to prevent freezing problems associated LNG operations in cold or highly humid regions.

MC and Air Water will begin testing the system in Hokkaido, Japan, where it will be used to fuel heavy LNG trucks manufactured by Isuzu Motors Ltd. With the cooperation of Hokkaido Electric Power Co., Inc., MC and Air Water plan to assess the system's overall effectiveness and how much it can reduce CO₂ emissions and fuels costs typically generated by heavy trucks. The results of the tests will help to determine whether or not to make the system commercially available.

Heavy trucks fueled by LNG are currently in the startup phase in Japan. Most (approximately 500,000) of the heavy trucks on Japan's roads are diesel fueled, and there are growing concerns about the need to reduce their CO₂ emissions. Unlike trucks powered by electric batteries or fuel cells, LNG fueled trucks have long ranges in excess of 1,000 kilometers and sufficient loading capacity, more than 10% of CO₂ reduction compared to diesel-fueled is expected ^{*2}. The partners are also considering ways to further reduce CO₂ emissions in the future, such as by using CO₂-free LNG or LNG fuel blended with liquefied bio-methane.

To successfully commercialize this system, the partners will be relying on an effective marriage of their respective assets and expertise. MC has been developing a wide range of LNG operations since 1969 and can utilize both an extensive business profile and industry-wide know-how, while, in addition to its logistics field of network. Air Water boasts an impressive lineup of development-and manufacturing technologies in the field of LNG, including tanker trucks and satellite supply facilities. This joint project represents a meaningful step towards our transition to cleaner energies, and both partners are confident that it can help to realize low-carbon or carbon-neutral societies in the future. MC and Air Water are aiming to install this system in locations throughout Japan by mid 2020s, at which point they hope to be offering a competitive supply of automobile-use LNG, including heavy LNG trucks, to customers across the country.

^{*1} With a footprint of just 3.3 x 12 meters (the same size as a parking space for a heavy truck), the new system is less than half of the cost of a conventional LNG filling station. At less than 10 minutes per fill-up, it also refuels quicker than conventional stations. The plant is to make each station capable of fueling more than 60 trucks per day. The patent application for the system has already been filed.

^{*2} A heavy LNG powered-truck built by Isuzu Motors Ltd. was used in tests undertaken as part of the Ministry of the Environment's "Low Carbon Research and Development Program", which ran from 2016 to fiscal year 2018. The tests confirmed that the truck had a range of more than 1,000 (primarily highway) kilometers per fill-up in city-to-city transport, and that it also produced less than 90% of the CO₂ emissions produced by diesel-powered trucks that meet Japan's heavy vehicle fuel efficiency standards set in fiscal year 2015.



○ SMARI Business that Utilizes Return Journeys from Existing Logistics Networks

The e-commerce market is expanding year after year due to changes in Japan's social environment, such as the declining birthrate, aging population, the increase in the number of double-income households and the spread of COVID-19. Amid these circumstances, with the increase in e-commerce operators providing rental and sharing services, along with optional services such as free returns, there has been a pronounced increase in the number of returned products. On the other hand, labor shortages are becoming a serious issue for logistics.

In cooperation with its subsidiary Lawson, Inc., in April 2019, MC began the service SMARI, which uses Lawson's existing logistics network to accept the return and sending of parcels. As of 2021, this has expanded to roughly 3,000 stores in the Tokyo, Kansai and Nagoya regions, and with the aim of improving customers' convenience, SMARI Box installations have been expanded to include locations such as stations and so on.

At around 14,500 Lawson stores across Japan, which are the main deployment locations for SMARI, products are delivered around seven to eight times every day from the dedicated distribution center. SMARI is an initiative where drivers who have finished their delivery pick up packages from the SMARI box and deliver them using their truck's spare space. SMARI is an eco-friendly business model that limits new GHG emissions by using the existing logistics network's return trips. Also, as it utilizes the existing logistics network, there is no need for additional employees. As it is a system where return operations are completed with the SMARI Box alone, stores can expect a reduction in the time of cash register operations that accompany the returning of products. Users do not have to complete a courier return slip or wait at the cash register and can easily return the product in under a minute. Simultaneously, e-commerce companies can expect an increase in customer satisfaction due to diversification in the methods for returning products.

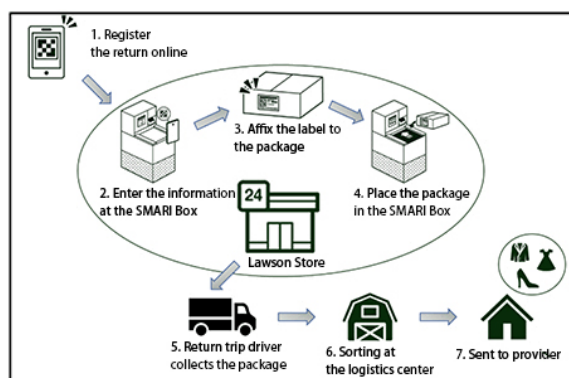
In addition, as SMARI is a non-face-to-face process, it is useful in reducing concerns surrounding face-to-face processes due to the COVID-19 pandemic.



SMARI Box



SMARI Posting Process

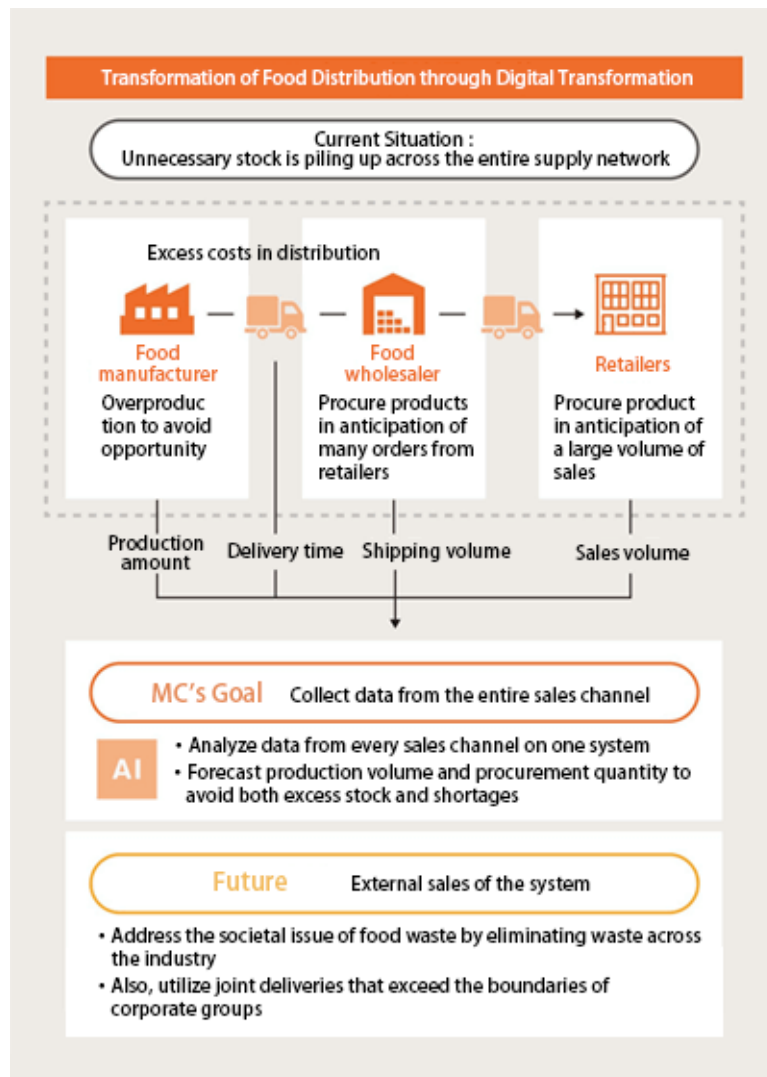


SMARI Process

○ Digital transformation (DX) Business to Reduce Food Waste in Distribution

Food waste in Japan has been calculated to be 5,700,000 tons (2019), and the scale of this food waste is equivalent to 1.4 times the amount of the WFP's* world food aid (2020). Also, of all the food waste in Japan, around 54% is comprised of commercial food waste that is disposed of during the distribution and production process. This is recognized as a key issue to be solved for the food distribution industry.

MC has launched a digital transformation (DX) concept for food distribution (see figure below) for such issues and is proceeding with initiatives to reduce food waste using digital technology, including AI.



DX Concept for Food Distribution

Specifically, we have begun developing a solution that will predict demand and automate ordering at food wholesalers. While reducing the stock amount at food wholesalers by connecting the appropriate order quantity that will not cause shortages to actual orders calculated using AI, “purchasing the necessary amounts of necessary items” will become possible. Therefore, we can contribute to the reduction of food waste at food wholesalers. In the demonstration experiment, compared to current manual ordering processes, an approximate 30% decrease in stock amount was achieved while reducing the probability of shortages. The solution is anticipated to display sufficient efficacy.

Going forward, by popularizing the solution we are currently developing throughout the entire food wholesale industry, we will contribute to the reduction of food loss in the food wholesale industry. We will also aim for distribution optimization and reducing food waste across the entire foodstuff distribution value chain by providing solutions for food manufacturers and food retailers.

* WFP: World Food Programme

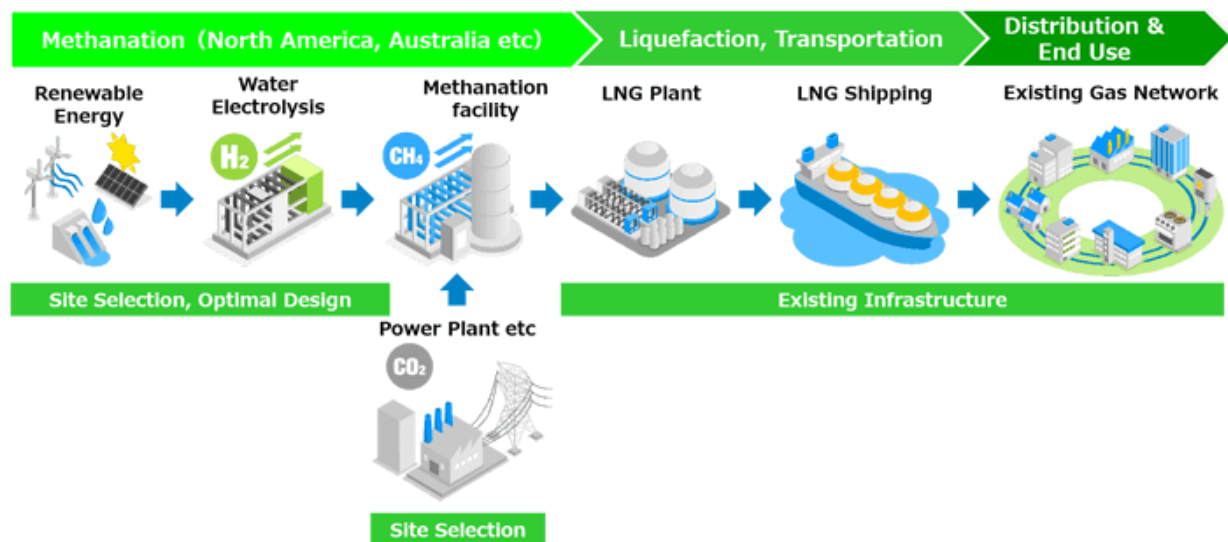
○ Digital Platform for the Effective Implementation and Management of GHG Emission Reduction Initiatives

In November 2021, our affiliate company, Olam, announced the launch of GreenPass, an end-to-end smart carbon management platform which enables companies to calculate and measure the GHG emissions associated with business activities and manage their initiatives to reduce emissions. One of the key features of GreenPass is the improvement of efficiency through digitization, such as the rapid and accurate calculation of emissions, the identification of potential hotspots through AI-based smart systems. GreenPass is envisaged to expand to industries and sectors beyond Olam's core business of food ingredients, and living essentials such as food, feed and fibre. For example, in Singapore, the company has started to work with "Project Greenprint" led by the Monetary Authority of Singapore to build a sustainable ecosystem in the financial industry.

○ Explore Feasibility of International Synthetic Methane Supply Chain

MC and Tokyo Gas, in November 2021, have agreed to jointly explore feasibility for a synthetic methane supply chain, leveraging existing LNG infrastructure to liquefy and transport a synthetic methane to Japan, which is produced from green hydrogen using renewable electricity and CO₂. This study will combine both companies' respective strengths to optimize the supply chain and infrastructure. Tokyo Gas brings its advanced hydrogen and methanation technologies, as well as its expertise in LNG value-chain development, while MC contributes its experience in energy businesses, which covers overseas LNG projects, renewable energy initiatives and other operations. More specifically, the study will examine all issues pertinent to supply chains, from procurement of renewable energy and CO₂, to production of hydrogen and synthetic methane, and further still to liquefaction and transportation operations, mainly in North America and Australia. It will include work aimed at determining the locations for production facilities and delivery terminals, as well as cost reduction. In the future, we plan to conduct demonstrations at these locations. Our Hope is to make synthetic methane an important component within Japan's future energy mix.

Synthetic Methane Supply Chain



○ Launch of New Startup Accelerator Program to Promote Decarbonization

MC and NYK launched a new startup accelerator program designed to promote efforts to decarbonize. MC and NYK have teamed up with Startupbootcamp Australia (SBC Australia), a branch of one of the largest Europe-origin accelerators Startupbootcamp Group. SBC Australia specializes in energy-related acceleration and has a proven track record. This program aims to scout and support promising startups with disruptive technologies and business ideas to solve problems in the energy and resource sectors.

○ Obtaining Real Estate Environmental Certification for Listed REIT Management Businesses

Mitsubishi Corp. - UBS Realty Inc. (MCUBSR)

MC's subsidiary MCUBSR, through funds managed as listed real estate REIT management companies, is promoting responses aimed at environmental considerations and reducing environmental impacts. These include addressing environmental and energy-saving measures along with optimizing energy use for the properties it owns.

As an overall rating for investment corporations, the GRESB (Global Sustainability Benchmark for Real Estate) has established its position as the current global standard. In the GRESB' Real Estate Assessment for 2021, Japan Metropolitan Fund Investment Corporation (JMF) was awarded the highest rank of "5 Star", with the Industrial & Infrastructure Fund (IIF) being awarded "4-Star". And in the GRESB Public Disclosure, which evaluates the level of ESG information disclosure, in special recognition of their ESG information disclosure efforts, JMF was awarded with the highest rank of "Level A" for five years running, and the Industrial & Infrastructure Fund (IIF) for four consecutive years. In addition, Also, in the CDP climate change program, JRF was awarded an A- score (Leadership level), having also been the first J-REIT to participate in the program in 2016.

For real estate performance ratings, JMF has attained CASBEE Real Estate Assessment Certification ^{*1}, DBJ Green Building Certification ^{*2}, and BELS Certification ^{*3}. Furthermore, in December 2019, MMI was the first J-REIT to obtain a CASBEE Smart Wellness Office Certification ^{*4} from the Institute for Building Environment and Energy Conservation (IBEC).

At MCUBSR, we will continue to strive to improve the overall evaluation of investment corporations. We plan to raise the attainment rate for external certifications for property by setting KPIs for buildings that have environmental certification to be over 75% of buildings at JMF (total floor space) and 60% of the portfolio and 70% of logistics centers at IIF.

○ Attaining Real Estate Environmental Certification for Private Fund and Private REITs Management Businesses

Diamond Realty Management Inc. (DREAM)

DREAM, an MC subsidiary that forms and manages private real estate funds for domestic and international investors, has formulated a Sustainability Vision (vision for 2030) to meet future stakeholder needs as a real estate management pioneer, and to continue to be a corporation that contributes to the conservation of the global environment and sustainable economic and social development. DREAM is implementing sustainability management that aims to promote a real estate management business that considers people and organizations as well as the global environment and society.

DREAM Private REIT Inc. (DPR) has a top-class asset size in Japan focused mainly on logistics centers. For the 2021 GRESB real estate assessment, DPR was chosen as a “Sector Leader” in the Diversified, Asia, Non-listed sector for two years running. Also, DPR has attained a Green Star for four years running and a “4 Star” rating for three years running.

For real estate performance ratings, CASBEE Real Estate Assessment Certification^{*1}, DBJ Green Building Certification^{*2} and BELS Certification^{*3} and Tokyo Metropolitan Small to Medium Scale Low Carbon Model Building^{*5} status have been attained by the private funds and private REITs managed by DREAM.

By managing real estate, DREAM will continue to contribute to maximizing society's well-being in the future.

* 1 CASBEE Real Estate Assessment Certification

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating buildings' environmental performance. The system comprehensively assesses buildings' environmental performance, including aspects that reduce environmental impacts such as energy-efficiency, resource conservation, recycling efficiency and considerations for the surrounding landscape.

* 2 DBJ Green Building Certification

DBJ Green Building, which utilizes a comprehensive scoring model developed independently by the Development Bank of Japan Inc., is a certification that the DBJ uses to certify buildings environmentally and socially conscious buildings (“Green Building”) based on a five-stage assessment ranking.

* 3 BELS Assessment

BELS (Building-Housing Energy-efficiency Labeling System) is a public system for assessing the energy efficiency of non-residential buildings. It is a five-grade evaluation system for new and existing buildings where third-party institutions assess energy-efficiency based on various criteria. It is expected that BELS, as Japan's first public metric specialized in energy efficiency, will play a role in promoting the adequate provision of information regarding building energy efficiency and the further improvement of energy efficiency pertaining to non-residential buildings.

* 4 CASBEE Wellness Office Certification

The CASBEE Wellness Office Certification assesses the specifications, performance and initiatives of buildings that support the promotion and maintenance of the building users' health and comfort. It assesses usability, which contributes to the improvement of intellectual productivity and the safety and security of the building, as well as factors that directly impact the health and comfort of workers inside the building.

* 5 Tokyo Metropolitan Small to Medium Scale Low Carbon Model Building

Tokyo Metropolitan Small and Medium Low Carbon Model Buildings are those classified as A1 or higher as per the Low Carbon Building Benchmark, the standard for buildings with low CO₂ emissions. This standard was published by the Tokyo Metropolitan Government in May 2012 to enable the evaluation of CO₂ emissions in the real estate market. The Tokyo Metropolitan Government publishes the names of small and medium-sized tenant buildings which are both a) classified as A1 or above (a measure of low CO₂ emissions) and b) are actively engaged in energy conservation as “Small to Medium Scale Low Carbon Model Buildings”.

○ Mitsubishi Corp UBS Realty Inc Green Buildings(As of December 31, 2021)

Japan Metropolitan Fund Investment Corporation

Certifications received	Rank	Year
GRESB	Green Star	2015、2016、2017、2018、2019、2020、2021
CDP Climate Change Program	B- A-	2016、2017、2018、2019、2020 2021

Certifications received	Property	Evaluation rank	Gross floor area (㎡) *1	Acquisition price (¥ million)
CASBEE	AEON Itabashi Shopping Center	Rank S	72,737.91 ㎡.	12,411
	AEON Naha Shopping Center	Rank S	72,997.08	10,830
	Ario Otori	Rank S	95,135.36	19,040
	AEON MALL Kobe Kita	Rank S	128,031.55	10,920
	AEON MALL Sapporo Naebo	Rank S	66,893.18	9,260
	AEON MALL Sapporo Hassamu	Rank S	102,162.16	18,818
	AEON MALL Musashi Murayama	Rank S	137,466.97	30,600
	AEON MALL Tsurumi Ryokuchi	Rank S	138,538.63	29,902
	AEON MALL Itami	Rank S	144,723.12	21,488
	Abiko Shopping Plaza	Rank S	55,761.48	10,332
	MARINE & WALK YOKOHAMA	Rank S	12670.93	11,300
	mozo wonder city	Rank S	233,606.73	55,480
	Nara Family	Rank S	115,707.41	34,875
	Oyama Yuen Harvest Walk	Rank S	60,788.15	10,709
	GYRE	Rank S	8,578.85	22,712
	Kyoto Family	Rank S	44,292.44	5,340
	JMF-Bldg. Yokohama Bashamichi	Rank S	41,154.75	23,900
	JMF-Bldg. Yokohama 01	Rank S	21,054.60	8,260
	Twin 21	Rank S	146,034.98	59,800
	Kawaramachi Opa	Rank A	18,595.69	18,500
	KAWASAKI Le FRONT	Rank A	94,524.01	30,000
	JMF-Bldg. Shibuya 03	Rank A	6,565.87	17,000
	JMF-Bldg. Kitahama 01	Rank A	14,648.13	11,500
	JMF-Bldg. Sendai 01	Rank A	23,702.00	6,800
	JMF-Bldg. Toyochi 01	Rank A	18,506.16	11,300
	JMF-Bldg. Imabashi 01	Rank A	7,482.53	2,600
	JMF-Bldg. Shibuya 02	Rank B+	8,655.61	19,600
	JMF-Bldg. Nihonbasihamacho 01	Rank B+	8,123.17	10,400
CASBEE Wellness Office Evaluation Authorization	JMF-Bldg. Shibuya 03	Rank B+	6,565.87	17,000
DBJ Green Building Certification	mozo wonder city	★★★★★	233,606.73	55,480
	Abiko Shopping Plaza	★★★★	55,761.48	10,322
	Nara Family	★★★★	115,707.41	34,875
	DFS T GALLERIA OKINAWA	★★★★	42,088.14	15,600
	Kyoto Family	★★★★	44,292.44	5,340

DBJ Green Building Certification	KAWASAKI Le FRONT	★★★★	94,524.01	30,000
	Oyama Yuen Harvest Walk	★★★★	60,788.15	10,709
	MARINE & WALK YOKOHAMA	★★★★	12,670.93	11,300
	Twin 21	★★★★	146,034.98	59,800
	JMF-Bldg. Kitahama 01	★★★★	14,648.13	11,500
	JMF-Bldg. Higobashi 01	★★★★	6,519.63	4,340
	machinoma omori	★★★★	21,707.89	9,100
	GYRE	★★★	8,578.85	22,712
	KAMISHIN PLAZA	★★★	18,664.26	3,900
	G Building Umeda 01 (Building A)	★★★	1,730.56	9,483 * ²
	G Building Umeda 01 (Building B)	★★★	1,169.93	
	G Building Umeda 01 (Building C)	★★★	1,225.20	
	Bic Camera Tachikawa	★★★	20,983.43	11,920
	G-Bldg. Jiyugaoka 01 (Bldg. B)	★★★	895.12	3,093 * ³
	G-Bldg. Jiyugaoka 01 (Bldg. A)	★	1,367.43	
	SEIYU Hibarigaoka	★★	19,070.88	6,100
	G Building Minami Aoyama 03	★★	1423.83	12,200
	La Porte Aoyama	★★	6,572.29	9,400
	m-city Toyonaka	★	33,301.93	5,570
	pivo Izumi Chuo	★	17,405.66	6,000
	G-Bldg. Kichijoji 02	★	8,534.71	15,300
BELS	JMF-Bldg. Jiyugaoka 01 (Bldg. B)	★★★★	895.12	3,093 * ³
	JMF-Bldg. Kitahama 01	★★★	14,648.13	11,500
	JMF-Bldg. Shibuya 03	★★	6,565.87	17,000
	JMF-Bldg. Shibuya 02	★★	8,655.61	19,600
	JMF-Bldg. Nihonbasihamacho 01	★★	8,123.17	10,400
	JMF-Bldg. Higobashi 01	★★	6,519.63	4,340

* 1 Gross floor area is the gross floor area of the entire building.

* 2 Aquisition price of G Building Umeda 01 is 9,483 million yen in total for Building A, Building B and Building C.

* 3 Aquisition price of G-Bldg. Jiyugaoka 01 is 3,093 million yen in total for Building A and Building B.

Industrial & Infrastructure Fund Investment Corporation

Certifications received	Rank	Year
GRESB	Green Star	2015、2016、2017、2018、2019、2020、2021

Certifications received	Property	Evaluation rank	Gross floor area (m) *1	Acquisition price (¥ million)
CASBEE	IIF Fukuoka Hakozaki Logistics Center II (Existing)	Rank S	53,289.44 *2	9,044
	IIF Fukuoka Hakozaki Logistics Center II (Extension)	Rank A		1,135
	IIF Nishinomiya Logistics Center (Extension)	Rank S	6,075.58	859
	IIF Misato Logistics Center	Rank S	19,019.71	3,550
	IIF Shin-Kawasaki R&D Center	Rank S	11,865.54	6,300
	IIF Hiroshima Logistics Center	Rank S	22,768.24	3,540
	IIF Kobe Logistics Center	Rank S	39,567.74	5,193
	IIF Noda Logistics Center	Rank S	38,828.10	6,500
	IIF Akishima Logistics Center	Rank S	30,315.91	8,019
	IIF Atsugi Logistics Center III	Rank A	16,470.24	2,290
	IIF Kashiwa Logistics Center	Rank A	17,379.78	1,810
	IIF Iruma Logistics Center	Rank A	17,881.65	3,184
	IIF Higashi-Osaka Logistics Center	Rank A	20,247.86	2,280
	IIF Kyotanabe Logistics Center	Rank A	33,243.99	5,730
	IIF Kazo Logistics Center	Rank A	17,744.41	2,361
	IIF Yokohama Tsuzuki Logistics Center	Rank A	9,562.26	2,350
	IIF Nishinomiya Logistics Center (Existing)	Rank A	10,608.00	1,300
	IIF Itabashi Logistics Center	Rank A	5,057.68	1,717
	IIF Gifu-Kakamigahara Logistics Center	Rank A	16,708.51	2,343
	IIF Koshigaya Logistics Center	Rank B+	9,688.47	2,000
DBJ Green Building Certification	IIF Hiroshima Logistics Center	★★★★	22,768.24	3,540
	IIF Koshigaya Logistics Center	★★★★	9,688.47	2,000
	IIF Noda Logistics Center	★★★★	38,828.10	6,500
	IIF Kobe Logistics Center	★★★	39,567.74	5,193
	IIF Tosu Logistics Center	★★★	13,836.97	1,570
BELS	IIF Kashiwa Logistics Center	★★★★★	17,379.78	1,810
	IIF Yokohama Tsuzuki Logistics Center	★★★★★	9,562.26	2,350
	IIF Noda Logistics Center	★★★★★	38,828.10	6,500
	IIF Gifu-Kakamigahara Logistics Center	★★★★★	16,708.51	2,343
	IIF Hiroshima-Seifushinto Logistics Center	★★★★★	30,153.58	6,208
	IIF Nishinomiya Logistics Center (Extension)	★★★★	6,075.58	859
	IIF Hiroshima Logistics Center	★★★★	22,768.24	3,540
	IIF Shin-Kawasaki R&D Center	★★★	11,865.54	6,300
	IIF Atsugi Logistics Center III	★★	16,470.24	2,290
	IIF Kawasaki Science Center	★★	4,857.73	2,168
	IIF Haneda Airport Maintenance Center 1,2	★★	81,995.81	41,110

* 1 Gross floor area is the gross floor area of the entire building.

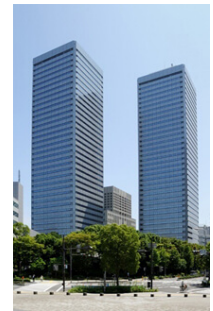
* 2 Gross floor area of IIF Fukuoka Hakozaki Logistics Center II (Existing) is 53,289.14m² in total for IIF Fukuoka Hakozaki Logistics Center II (Existing) and IIF Fukuoka Hakozaki Logistics Center II (Extension).



【mozo wonder city (Japan Retail Fund) 】 /
CASBEE、DBJ Green Building Certification



【IIF Noda Logistics Center (Industrial &
Infrastructure Fund) 】 /
CASBEE、DBJ Green Building Certification



【Twin 21
(MCUBS
MidCity)】 /
DBJ Green
Building
Certification

Reference:

Mitsubishi Corp. UBS Realty Inc. HP <https://www.mc-ubs.com/index.html>

Japan Metropolitan Fund Investment Corporation HP <https://www.jmf-reit.com/>

Industrial & Infrastructure Fund Investment Corporation HP <http://www.iif-reit.com/>

* As of March 1, 2021, merged with the below investment corporation to become Japan Metropolitan Fund Investment Corporation.

Japan Retail Fund Investment Corporation

MCUBS MidCity Investment Corporation

Diamond Realty Management Inc. Green Building (As of the end of December 2021)

DREAM Private REIT Inc.

Certifications received	Rank	Year
GRESB	Green Star	2018、2019、2020、2021
	4 Star (Comparative Assessment)	2019、2020、2021
	Sector Leader (Diversified, Asia, Non-Listed Sector)	2020、2021

Certifications received	Property	Evaluation rank	Gross floor area (㎡)
CASBEE	Ichikawa Chidoricho Logistics Center	Rank S	66,914.18
	MCUD Honmoku	Rank S	66,523.47
	Kobe Minato Warehouse	Rank S	70,109.21
	Daikokucho Logistics Center	Rank S	89,316.19
	Logistics Park Noda-Funakata	Rank S	111,977.23
	AEON MALL Kobe Kita	Rank S	128,050.62
	PUZZLE GINZA	Rank S	2,399.90
DBJ Green Building Certification	SG Realty Higashimatsuyama	★★★★★	73,902.11
	SG Realty Toyosu	★★★★★	95,539.04
	Kawasaki Mizue Logistics Center	★★★★★	102,014.46
BELS	DPR Hiratsuka Logistics Center	★★★★★	29,067.95
	Daikokucho Logistics Center	★★★★★	89,316.19
	Kobe Minato Warehouse	★★★★★	70,109.21
	MCUD Zama	★★★★★	18,487.67
	Kawasaki Mizue Logistics Center	★★	102,014.46
	Logistics Park Noda-Funakata	★★★★★	111,977.23
Tokyo Metropolitan Small to Medium Scale Low Carbon Model Building	Espoir Omotesando	A3	7,157.32
	Olympic Minowa	A2+	6,379.35

WKC Specific Purpose Company

Certifications received	Property	Evaluation rank	Gross floor area (㎡)
CASBEE	Muza Kawasaki (Office Building)	Rank S	114,322.47



【Muza
Kawasaki】 /CASBEE



【Kobe Minato
Warehouse】 /CASBEE、
BELS



【Daikokucho Logistics
Center】 /CASBEE、 BELS



【Espoir
Omotesando】 /Tokyo
Metropolitan Small to
Medium Scale Low Carbon
Model Building

Reference: Diamond Realty Management Inc. HP <https://www.mc-dream.com/>

Greenhouse Gas Emission Reduction Activities

MC has set greenhouse gas reduction targets on a consolidated basis and works with MC Group companies on emissions reduction initiatives. Each of MC's Business Groups (including the Corporate Staff Section) establish their own emission reduction plans utilizing EMS (Environmental Management System), thereby ensuring that measures to reduce emissions are uniquely tailored to each business. MC will continue to confirm progress on a regular basis, make policy improvements and share best practices.

MC, which has approximately 1,700 group companies, is working to ascertain and reduce greenhouse gas emissions at the Group company level. Every year, each Business Group identifies priority subsidiaries and affiliates, checks their reduction plans and follows up on their progress. In the year ended March 2021, a major update of the environmental performance survey was conducted, expanding the survey's scope. Through this and other means, we are continuously striving to improve the accuracy of both qualitative and quantitative data on greenhouse gas reduction activities and to obtain a timely understanding of the results.

MDP

MDP, one of MC's consolidated subsidiaries, is promoting the reduction of greenhouse gas emissions in its metallurgical coal business BHP Mitsubishi Alliance (BMA) in Australia. BMA is evaluating and undertaking various emission reduction initiatives such as; procuring renewable energy, methane gas reduction and diesel fuel displacement.

In 2020, BMA signed a five-year contract to switch half of the electricity demand of its mines to electricity derived from low-carbon power sources such as renewables (solar, wind etc.). This initiative will reduce BMA's electricity Scope 2 emissions by about 50% by 2025. The cumulative reduction amount would be approximately 500,000 tons (MDP portion). This initiative will support the development of new solar and wind farms in Queensland, contributing to the transition to sustainable energy use and new job opportunities in the region.

Mitsubishi Corporation Life Sciences Limited

Mitsubishi Corporation Life Sciences (MCLS), an MC subsidiary, is contributing to society by working to achieve sustainable development that takes the environment into account. MCLS has taken steps to reduce its environmental impact. At its main production site, the Saiki Plant, belonging to the wholly-owned subsidiary Kohjin Life Sciences, it has introduced an innovative method called gas turbine combined cycle, which combines gas turbine cogeneration with existing steam turbines. This initiative received an award for excellence in the industrial category at the Cogeneration Grand Prix in the fiscal year ended March 2021, hosted by the Advanced Cogeneration and Energy Utilization Center.

In June 2021, Kohjin Life Science's cogeneration project was registered under the J-credit system in accordance with its implementation guidelines.

Reference: [J-Credit Scheme](#)

Major Reduction Activities at MC Group Companies

Reference: [CDP Climate Change 2021 Response](#)

Stage of development	Number of initiatives	Estimated total annual savings in CO ₂ equivalent emissions (CO ₂ / tons)
Under investigation	3	-
To be Implemented	3	467,693
Implementation Commenced	5	832
Implemented	3	764

COLUMN

Participation in a Low-Carbon Society Promotion Campaign

We support the Ministry of the Environment's "Fun to Share" and "Cool Choice" campaigns, promote our greenhouse gas reduction efforts, and widely disclose the details of our efforts.



External Collaboration

Collaboration with Various Organizations

MC recognizes the necessity of collaborating with a wide range of stakeholders including governments, companies and industry associations in order to achieve the transition to a low-carbon/ decarbonized society.

Accordingly, MC proactively participates in a number of initiatives with external stakeholders.

Industry Groups:	When assessing whether to join or continue membership with an industry group, MC confirms whether the group's initiatives related to climate change are consistent with MC's Basic Policy on Climate Change. Through active participation in the discussions of climate change working groups, with a focus on organizations including the Japan Business Federation (Keidanren), the Japan Foreign Trade Council and the World Business Council for Sustainable Development (WBCSD), each of which MC is a member of, MC is promoting initiatives to contribute to the transition to a low-carbon/ decarbonized society.
Government/ Public Office:	MC supports initiatives that contribute to a low-carbon society such as the expansion of renewable energy, the development and implementation of next-generation technologies such as CCUS and hydrogen, as well as increased disclosure of ESG information, including about climate change. MC participates in training seminars and also engages in individual meetings and discussions on topics related to initiatives backed by Japanese government bodies including the Ministry of Economy, Trade and Industry and the Ministry of the Environment such as expanding utilization of the TCFD guidelines and renewable energy usage. MC actively participates in activities to support the response of Japanese companies to climate change, in particular starting with the formulation of green investment guidance as a planning committee member company of the TCFD Consortium.

Reference: [CDP Climate Change 2021 Response](#)

* Please refer to C12.3

Responding to CDP

MC actively disseminates information regarding its measures related climate change to its various stakeholders around the world. MC engages with CDP, an NGO which holds the world's largest database of corporate disclosures on climate change initiatives, and since the fiscal year ended March 2004, MC has responded to the CDP Climate Change Questionnaire, which is used for evaluating the climate change management of companies. For further information, refer to MC's CDP Climate Change 2021 Response.

Reference: [CDP Climate Change 2021 Response](#)

Performance

Following its new Green House Gas (GHG) emission reduction targets announced in FY2021, the fiscal year ended March 31, 2022 (Reference: [Metrics and Targets](#)), MC calculates GHG emissions based on the GHG Protocol's equity share approach from FY2021, including the GHG emissions of its affiliates.

(The amount of Scope1&2 (for MC and subsidiaries) and Scope 3 Category 15 (Investments) under the GHG Protocol's financial control approach are also indicated for comparison with other companies that have adopted this approach.) (*1、*2、*3)

Environmental Performance (Non-Consolidated)

	2020.3	2021.3	2022.3
GHG Emissions (Unit: thousand t-CO ₂ e)	11.1	9.3	3.4★
Energy Consumption (Unit: GJ)	207,159	177,178	175,679★
Electricity Consumption (Unit: MWh)	15,566	13,067	12,767★
CO ₂ Emissions from Logistics (Unit: thousand t-CO ₂) *4	40	26	24★

Scope of Aggregation (Non-Consolidated):

- GHG emissions, energy consumption, electricity consumption and CO₂ emissions from logistics: Head Office, domestic branches and offices, training centers and other facilities

Environmental Performance (Consolidated)

		2020.3	2021.3	Ref. 2021.3	2022.3	Ref. 2022.3
Calculation approach (location/market-based for Scope2)		Control (Location)	Control (Location)	Equity (Market)	Equity (Market)	Control (Market)
GHG Emissions (Unit: thousand t-CO ₂ e)		9,437	9,185	24,016	22,852 ★	8,319
Components	Scope 1 (including 6.5 gases)	6,884	6,774	21,829	21,046 ★	7,343
	Scope 2	2,553	2,411	2,187	1,806 ★	975
Ref. Scope3 (Category15) (Unit: thousand t-CO ₂ e)		-	-	-	-	15,158
Energy Consumption (Unit: GJ)		106,075,971	103,990,961	-	310,173,320 ★	-
Electricity Consumption (Unit: MWh)		4,399,057	4,165,874	-	5,309,580 ★	-
CO ₂ emissions per total assets (Unit: million t-CO ₂ e/ trillion yen) *5		0.68	0.64	-	1.03	-

Scope 1 Emissions Data for Greenhouse Gases (6.5 Gases)

Other Than CO₂ from Energy Sources from Business Activities

(Unit: thousand t-CO₂e)

		2020.3	2021.3	2022.3
Total amount of 6.5 Gases emissions *6		878	848	2,096 ★
Components	Carbon dioxide (CO ₂)	8	8	333 ★
	Methane (CH ₄)	870	840	1,722 ★
	Dinitrogen monoxide (N ₂ O)	0.3	0.4	40 ★
	Hydrofluorocarbons (HFCs)	0	0	0 ★
	Perfluorocarbons (PFCs)	0	0	0 ★
	Sulphur hexafluoride (SF ₆)	0	0	0 ★
	Nitrogen trifluoride (NF ₃)	N/ A	N/ A	N/ A

Emissions by Segment (Unit: Thousand t-CO₂e)

	2020.3	2021.3	2021.3
Natural Gas Group	245	350	3,172
Industrial Materials Group	149	125	407
Petroleum & Chemicals Solution Group	165	123	1,222
Mineral Resources Group	2,872	2,782	3,201
Industrial Infrastructure Group	83	86	126
Automotive & Mobility Group	20	15	140
Food Industry Group	1,195	1,135	1,430
Consumer Industry Group	1,523	1,442	241
Power Solution Group	3,168	3,111	12,889
Urban Development Group	6	5	20
Corporate Staff Section	11	9	4

Scope and approach of Aggregation (Consolidated)

- GHG emissions, emissions of 6.5 gases, energy consumption, electricity consumption: MC, consolidated subsidiaries, affiliates, joint ventures, and joint operations
- * 1 Effective from the fiscal year ended March 31, 2022 (FY2021), emissions from consolidated affiliates and joint ventures were included in the calculations. Scope1 and 2 include a portion of emissions of consolidated subsidiaries, affiliates, joint ventures, and joint operations on an equity share basis (the GHG Protocol's equity share approach).
- * 2 Effective from the FY2021, Scope2 emissions were calculated on the GHG Protocol's market-based method. In addition, as a result of reviewing the range of each Scope in line with the GHG protocol, the emissions from franchises, previously included in Scope 1 and 2 emissions, are excluded.
- * 3 The following metrics were adopted as the basis for calculating greenhouse gas emissions.
 - Direct CO₂ emissions from fuel consumption
The Greenhouse Gas Protocol (GHG Protocol) "Emission Factors from Cross Sector Tools (Mar 2017)" (WRI/ WBCSD)
 - Emissions of greenhouse gases from business activities other than CO₂ from energy sources (6.5 gases)
Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry)
 - Indirect CO₂ emissions from electricity consumption, etc.
Adjusted emission factor for each electric power company in Japan (revised in February 2004, Ministry of the Environment and Ministry of Economy, Trade and Industry)
(Emission factors for electric power companies outside Japan are individually confirmed, if unavailable, emission factors by country for 2019 from IEA CO₂ Emissions from Fuel Combustion (2021 edition))
- * 4 Data collected in compliance with the Act on the Rational Use of Energy in Japan. Logistics figures cover domestic (Japan) transport where MC is the cargo owner.
- * 5 Up to the end of FY2020, MC had set a target to reduce GHG emissions per unit of total assets, and in 2021, this was replaced with a new target to reduce total emissions (Reference: [Metrics and Targets](#)). The total assets used to calculate the basic unit differ from the total assets reported in MC's financial reports.
- * 6 6.5 gas emissions are calculated targeting business activities that correspond to the main emission activities listed in the Greenhouse Gas Emission Calculation and Reporting Manual (Version 4.2) (July 2016, Ministry of the Environment and Ministry of Economy, Trade and Industry).

Independent Practitioner's Assurance

ESG Data marked with a star (★) for the year ended March 2022 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

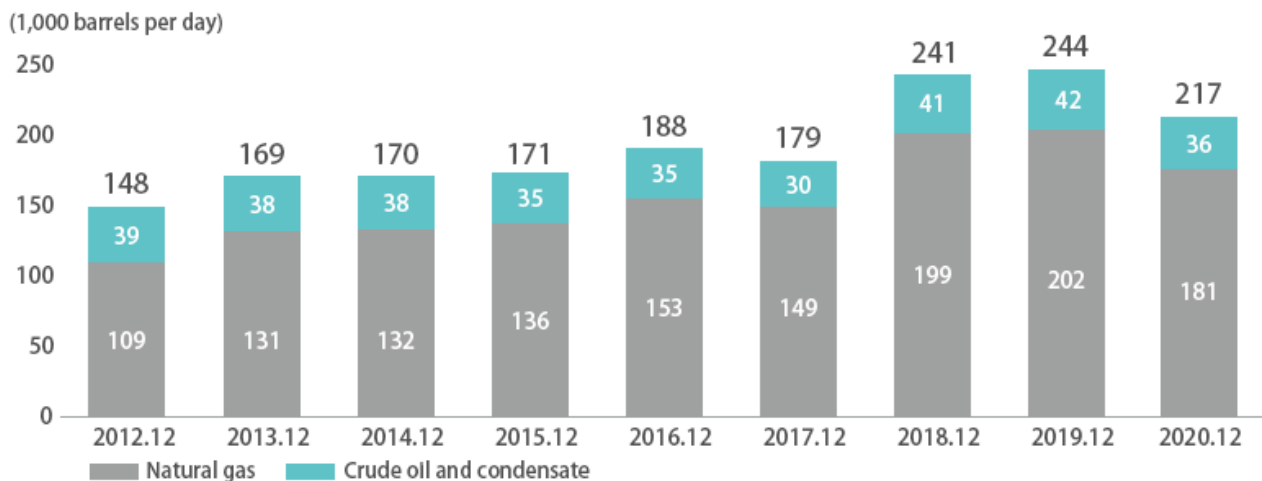
Reference: [Independent Practitioner's Assurance Report](#)

Additional Reference Data

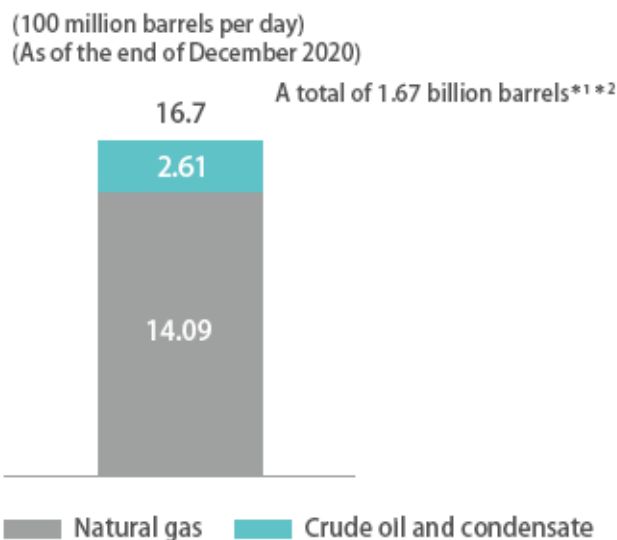
Equity Share of Oil and Gas Upstream Production

MC's equity share of oil and gas upstream production is as shown below. Burning natural gas results in relatively lower GHG emissions compared to other fossil fuels, and demand for natural gas is forecast to continue to increase in line with the transition to a low-carbon and decarbonized society. Accordingly, MC has positioned natural gas as a core business. Currently, natural gas accounts for approximately 80% of MC's equity share of oil and gas production.

Equity Share of Oil and Gas Upstream Production (Annual Average) *1



MC's Reserves (2P*3)



*1 Includes oil equivalent and consolidated subsidiaries and equity-method affiliates

*2 Participating interest equivalent. Includes reserves based on original standards set by MC

*3 Confirmed reserves + estimated reserves

Involvement in LNG Projects

Existing Projects in Production

Project	Beginning of Production	Annual Production Capacity (Million Ton)			Buyer	Seller	Shareholding	MC's Participation	Business Contribution * 4
		Total	MC's share						
Brunei	1972	7.2	1.8	25%	JERA, Tokyo Gas, Osaka Gas, etc.	Brunei LNG	Brunei Gov. (50%), Shell(25%), MC(25%)	1969	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Malaysia I (Satu)	1983	8.4	0.42	5%	JERA, Tokyo Gas, Saibu Gas, etc.	Malaysia LNG	Petronas(90%), Sarawak Gov. (5%), MC(5%)	1978	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Malaysia II (Dua)	1995	9.6	0.96	10%	Tohoku Elec., Tokyo Gas, Shizuoka Gas, Sendai City Gas Authority, ENEOS Holdings, etc.	Malaysia LNG	Petronas(80%), Sarawak Gov. (10%), MC(10%)	1992	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Malaysia III (Tiga)	2003	7.7	0.31	4%	Tohoku Elec., Tokyo Gas, Osaka Gas, Toho Gas, JAPEX, Korea Gas, Shanghai LNG, etc.	Malaysia LNG Tiga	Petronas(60%), Sarawak Gov. (25%), JXTG Holdings(10%), DGN (MC /JAPEX =80:20)(5%)	2000	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
North West Shelf	1989	16.9	1.41	8.33%	Tohoku Elec., JERA, Tokyo Gas, Shizuoka Gas., Toho Gas, Kansai Elec., Osaka Gas, Kyushu Elec., Guandong Dapeng LNG	NWS	Shell, BP, BHP, Chevron, Woodside, MIMI [MC/Mitsui & Co.=50:50], 1/6 respectively	1985	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Oman	2000	7.1	0.20	2.77%	Osaka Gas, Korea Gas, Itochu Corp., BP, etc.	Oman LNG	Oman Gov. (51%), Shell(30%), TotalEnergies(5.54%), MC(2.77%), PTTEP(2.0%), etc.	1993	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
Qalhat	2005	3.3	0.13	4%	Osaka Gas, Mitsui & Co., Union Fenosa Gas, etc.	Qalhat LNG	Oman Gov. (46.8%), Oman LNG(36.6%), Naturgy(7.4%), Osaka Gas(3%), MC(3%), etc.	2006	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>

Russia Sakhalin II	Oil: 2008 (year-round production) , LNG:2009	9.6	0.96	10%	JERA, Tokyo Gas, Kyushu Elec., Toho Gas, Hiroshima Gas, Tohoku Elec., Saibu Gas, Osaka Gas, Korea Gas, Shell, Gazprom, etc.	Sakhalin Energy	Gazprom(50%+ 1share), Shell(27.5%-1sh are), Mitsui & Co.(12.5%), MC(10%)	1994 * * PSA execution	
Indonesia Tangguh	2009	7.6	0.75	9.92%	Tohoku Elec., Kansai Elec., SK E&S, POSCO, Fujian LNG, Sempra Energy, PLN, etc.	Tangguh	BP(40.2%), MI Berau [MC/Inpex Corporation 56:44](16.3%), KG Berau Petroleum [MIBJ (MC/Inpex Corporation 56:44) 16.5%, Mitsui & Co. 20.1%, JX Nippon Oil & Gas Exploration Corporation 14.2%, Japan Oil, Gas and Metals National Corporation 49.2%](8.6%), etc * 2	2001 * 3	
Indonesia Donggi - Senoro	2015	2.0	0.9	44.9%	JERA, Korea Gas, Kyushu Elec., etc.	PT. Donggi- Senoro LNG	Sulawesi LNG Development Limited[MC/Kore a Gas=75:25] (59.9%), PT Pertamina Hulu Energi(29%), PT Medco LNG Indonesia(11.1%)	2007	
Wheatstone	2017	8.9	0.28	3.17%	Chevron, KUFPEC, Woodside, Kyushu Elec., PEW, etc.	Equity Lifting Model * 1	Chevron(64.136 %), KUFPEC(13.4%), Woodside(13%), Kyushu Elec. (1.464%), PEW(8%; of which MC holds 39.7%)	2012	
Cameron	2019	12.0	4.0 * 2	33.3% * 2	MC, Mitsui & Co., TotalEnergies (Toller)	Tolling Model * 1	Sempra Energy(50.2%), Japan LNG Investment [MC/NYK=70:30 (16.6%) Mitsui & Co.(16.6%), TotalEnergies(16 .6%)	2012	
	Total	100.3	12.12						

○ Projects under Construction

Project	Beginning of Production	Annual Production Capacity (Million Ton)			Buyer	Seller	Shareholding	MC's Participation	Business Contribution * 4
		Total	MC's share						
Indonesia Tangguh (Expansion)	2022	3.8	0.38	9.92%	PLN, Kansai Elec.	Tangguh	Same as above	Same as above	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
LNG Canada	Mid 2020's	14.0	2.1 * 3	15% *3	Shell, Petronas, PetroChina, MC, Korea Gas	Equity Lifting *1	Shell(40%), Petronas(25%), PetroChina(15%) , Diamond LNG Canada Partnership [MC/Toho Gas=96.7%/3.3 %](15%), Korea Gas(5%)	2010	<div><div>A</div><div>B</div><div>C</div><div>D</div></div>
	Total	17.8	2.48						

* 1 LNG is procured and sold by each company according to the ratio of interest/ equity in the liquefaction contract.

* 2 The quantity of liquefaction that MC outsources to Cameron LNG.

* 3 MC's offtake volume

* 4 Business Contribution: **A** Investment in exploration & development, **B** Investment in liquefaction plant, **C** Marketing and/or import agent, **D** Shipping

Cogeneration Projects

(As of March 31, 2022)

Country	Power plant	Fuel	Net equity basis (Net, 10,000 kW)
Japan	MCKB Energy Services	Gas, Biogas	3.2
Japan	MC Kawajiri Energy Services	Gas	3.8
Japan	MC Shiohama Energy Services	Gas, Coal	9.8
Japan	MCJ Energy Services	Gas	2.2
Japan	Gonoike Bioenergy Services	Biomass exclusive combustion	1.1
Japan	MCM Energy Services	Coal, Biomass mixed combustion	5.2
Japan	MC Hokuetsu Energy Services	Gas	2.0
Japan	Mizushima Energy Center	Coal	5.6

Gas-Fired Projects

(As of March 31, 2022)

Country	Power plant	Net equity basis (Net, 10,000 kW)
USA	Frontier	23.2
USA	Wildflower/ Indigo	13.6
USA	Wildflower/ Larkspur	9.4
USA	Mariposa	20.0
USA	Sentinel	42.4
USA	CPV Valley	36.0
USA	Westmoreland	35.3
Mexico	Tuxpan II	24.8
Mexico	Tuxpan V	24.8
The Netherlands	Gas generation owned by ENECO	75.4
Jordan	IPP-3	20.1
Qatar	Facility D	50.4
Philippines	Ilijan	26.5
Thailand	Gas generation owned by EGCO	20.2
Japan	Naoetsu Energy Center	10.7

Coal-Fired Power Businesses

(As of March 31, 2022)

Country	Power Plant	Fuel	Net equity basis (Net, 10,000 kW)
Thailand	Coal-fired power projects owned by EGCO	Coal	8.3
Taiwan	Ho-Ping	Coal	26.4
Japan	Suzukawa Energy Center	Coal	7.8
Japan	Nippon Paper Ishinomaki Energy Center	Coal Biomass Co-generation	4.4
Japan	Nakoso IGCC Power GK	Coal	14.4

Environmental Management

Policy ✓ Structure ✓ Initiatives ✓ Relevant Data ✓

Policy

MC considers addressing sustainability challenges as one of its most important management issues. We have therefore been actively engaged in promoting a range of initiatives towards preserving the global environment through every aspect of our business. The cornerstone of these activities is our Environmental Charter, which was established in 1996. The charter clearly outlines our fundamental stance regarding environmental issues to all of our stakeholders. Based on this charter, MC conducts a variety of activities and strives to create and increase environmental value. The charter has been revised as necessary in order to reflect the fact that environmental issues and awareness are constantly evolving.

MC has established environmental management systems (EMS) that are compliant with ISO 14001, with the President & CEO serving as the chief officer in charge of EMS. In keeping with the spirit of the Environmental Charter, MC is advancing EMS activities based on its Environmental Policy.

Specifically, by having the President & CEO manage the targets set the previous fiscal year for both business and office activities, determine policies for the next year and establish systems for internal deployment, we are striving to continuously enhance and improve our EMS in harmony with our business activities. We will continue to seek out truly effective initiatives that contribute to our company's sustainable growth.

MC's Environmental Policy

MC has established environmental management systems (EMS) based upon its Environmental Charter. By disseminating the Environmental Policy set each year by the President & CEO and promoting awareness throughout MC, MC aims to preserve the global environment and work towards the realization of a sustainable society through its business activities.

【2022 Environmental Policy】

1 Compliance with Environmental Laws and Standards

We will uphold environmental laws and standards in addition to our own environmental commitments.

2 Efforts to Improve the Environment

- (1) We will make efforts to reduce our greenhouse gas emissions in order to address climate change.
- (2) We will make efforts to reduce resource and energy consumption.
- (3) We recognize the importance of biodiversity and will pay close attention to our impact on the natural environment.

3 Continuous Improvement of our EMS

We will strive for continuous utilization and improvement to our EMS in line with our business activities.

4 Disclosure of our Environmental Policy

We will ensure that our Environmental Policy is conveyed to all of our employees, and we will promote understanding through training and dissemination efforts. We will also publicly disclose our Environmental Policy.

Green Procurement Policy

As MC conducts office activities in line with its Environmental Policy, MC is taking the following actions in order to proactively show consideration for the environment through all types of procurement activities with the aim of reducing its impact on the environment. These actions are based on the Green Purchase Guidelines, which lay out in writing green purchase methods.

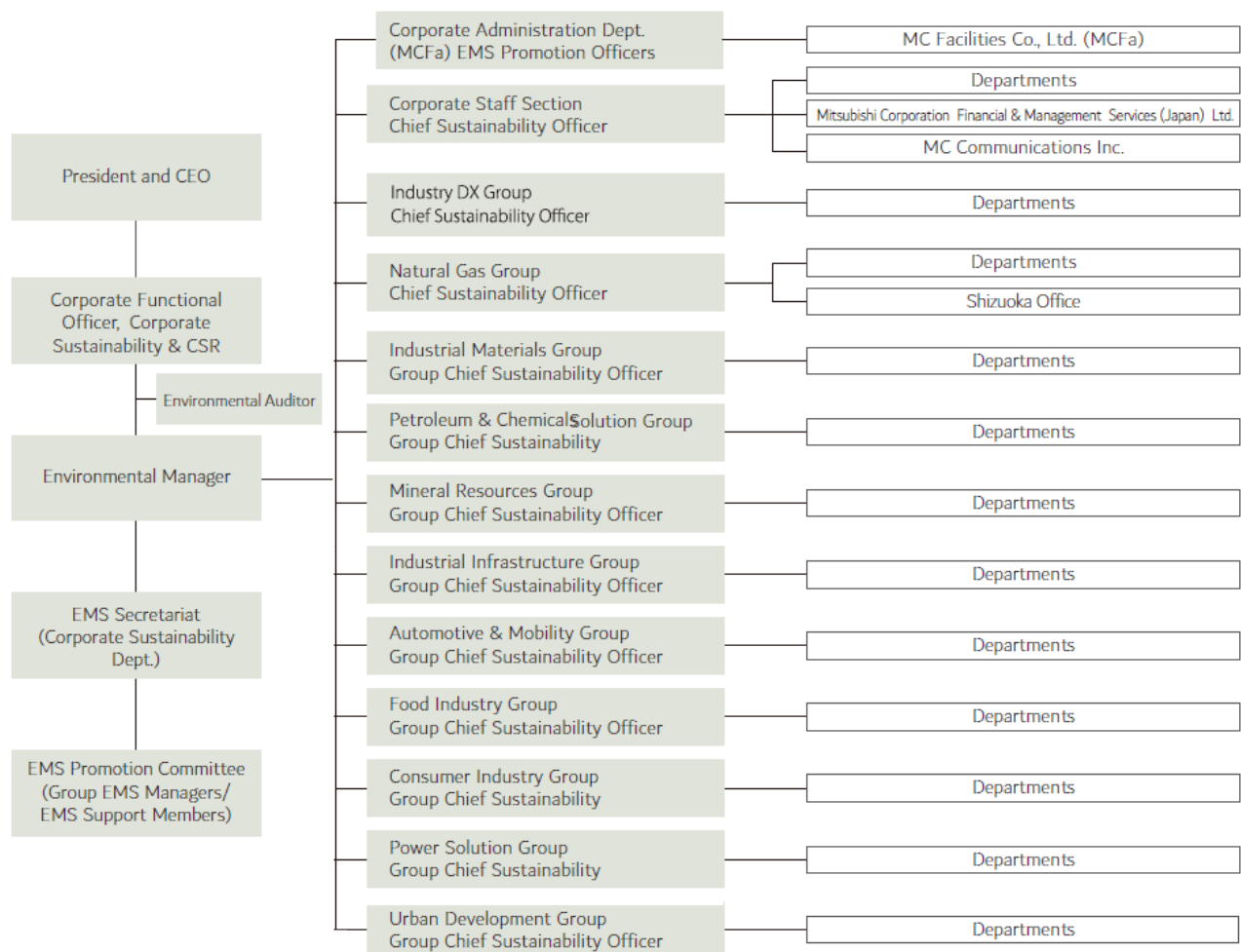
1. Avoid unnecessary procurement
2. Place emphasis on “environmental consideration” together with function/cost at the time of procurement, and select green products whenever possible which satisfy the following:
 - (1) Those using primarily recycled/reused raw materials
 - (2) Those which reduce resource and energy costs and have a lower environmental impact throughout the production/use/disposal lifecycle stages
 - (3) Those which do not use hazardous chemicals, or are making efforts to reduce such substances
 - (4) Those with an established recycling system
3. Make efforts to reduce environmental impact from packing and transport during procurement wherever possible
4. Strive to reuse materials and curb new procurement

Furthermore, the guidelines also stipulate that when selecting products with special procedures required by law (home electronics, etc.), MC will confirm whether or not the product takes into account environmental considerations by referencing catalogues and other sources. Furthermore, when selecting products such as stationery, printing paper and furniture, MC will also confirm by referencing catalogues and other sources whether the product is certified (with an official mark) as having met environmental regulations/standards.

Structure

At MC, environmental management systems (EMS) are managed by the General Manager of the Corporate Sustainability & CSR Dept., who serves as the Environmental Manager, with the President & CEO of MC serving as the chief officer in charge of EMS. MC encourages the participation of all employees in implementing EMS in cooperation with the Group Chief Sustainability Officer of each business group, along with Group EMS Managers and other personnel.

Environmental Management Systems (EMS) Promotion Framework



As of July 1 2022

Status of ISO 14001 Acquisition

In 1998, MC acquired ISO 14001 certification at its Head Offices. In 1999, the following year, domestic branches were also added to the scope of certification. Individual group companies also comply with ISO 14001 depending on their individual status.

* Certified sites (ISO 14001-certified sites):

- Seven domestic sites (Head Offices, Hokkaido Branch, Tohoku Branch, Chubu Branch, Kansai Branch, Chugoku Branch, Kyushu Branch)
- Three affiliated companies (Mitsubishi Corporation Financial & Management Services (Japan) Ltd., MC Facilities Co., Ltd., MC Communications Inc.)

* Ratio of ISO 14001-certified sites: 100%

* Scope of registration: Commodity trading and business investment activities

○ Main MC Group Companies with ISO 14001 Certification

Business Group	Name of Company	Business Activities
Natural Gas Group	FAIRFIELD ENERGY LTD	Plug and abandonment, and decommissioning of upstream crude oil assets
	BRUNEI LNG SENDIRIAN BERHAD	Natural gas liquefaction and LNG sales
	TOMORI E&P LIMITED	Natural gas development, production, and sales
	PT Donggi Senoro LNG	Natural gas liquefaction and LNG sales
	MI BERAU B.V.	Natural gas development, production, liquefaction, and LNG sales
Industrial Materials Group	MC Zhenjiang Anode Solutions Co., Ltd.	Production and sale of anodes for aluminum smelting
	NIPPON ELECTRODE COMPANY,LTD.	Production and sales of various carbon products
	Metal One Corporation	Steel products business
	Amfine Chemical Corporation	Manufacturing of stabilizers and additives for plastics
	UBE-MC Hydrogen Peroxide Ltd	Hydrogen peroxide business
	SHIN SANSO KAGAKU CO.	Hydrogen peroxide, high quality urea water business
	Tosoh Hellas A. I. C	Manufacturing of manganese dioxide
	Cape Flattery Silica Mines Pty., Ltd.	Silica sand business
	ELG Carbon Fibre Ltd.	Carbon fiber recycling business
Petroleum & Chemicals Solution Group	Mitsubishi Shoji Chemical Corporation	Marketing of solvents, paints, coating resins and silicones
	Mitsubishi Corporation Plastics Ltd.	Marketing of synthetic resin raw materials and products
	Chuo Kagaku Co., Ltd.	Manufacturing of plastic food containers
	MC Ferticom Co., Ltd.	Manufacturing of fertilizers
	Meiwa Corporation	Trading company
	P.T.KANSAI PAINT INDONESIA	Automobile paint production and sales
	EXPORTADORA DE SAL, S. A. de C. V.	Salt business
	Thai Shinkong Industry Corporation Ltd.	Manufacturing and sales of PET resin
Mineral Resources Group	Mitsubishi Corporation RtM Japan Ltd.	Mineral resources trading company for Japanese customers

Business Group	Name of Company	Business Activities
Mineral Resources Group	Qingdao Toyo Heat-Exchanger Co., Ltd.	Manufacturing and marketing of heat exchangers for automobiles
	Mozal S.A.	Smelting and sales of aluminum
	Anglo American Sur S.A.	Mining, processing and sales of copper ore
Industrial Infrastructure Group	Chiyoda Corporation	Plant engineering business
	Mitsubishi Heavy Industries Compressor International Corporation	Design, production, packaging, servicing and repair of turbomachinery parts and products
	Nikken Corporation	Construction Equipment & Rental Business
	NIKKEN SANGYO	Real estate leasing
	Nikken Real Estate Ltd.	Information media sales, insurance agency business, manufacturing and sales of dry toilets, and construction equipment
	Mitsubishi Corporation Technos	Sales of machine tools and industrial machinery
	MITSUBISHI ELECTRIC DE COLOMBIA LTDA	Elevator business (sales and maintenance)
	Korea Mitsubishi Elevator Co., Ltd.	Elevator business (sales and maintenance)
	MITSUBISHI ELEVATOR (SINGAPORE) PTE. LTD.	Elevator business (sales and maintenance)
	MITSUBISHI ELEVATOR (THAILAND) CO.,LTD.	Elevator business (sales and maintenance)
	Mitsubishi Electric Hong Kong Co., Ltd.	Elevator business (sales and maintenance)
	ALSOK Soei Co., Ltd.	Facility management business
Automotive & Mobility Group	PT Mitsubishi Motors Krama Yudha Indonesia	Automobile manufacturing
	GAC Mitsubishi Motors Co., Ltd.	Assembly, import and sales of automobiles
	P.T. KRAMA YUDHA TIGA BERLIAN MOTORS	Import and sales of automobiles
	Mitsubishi Motors Corporation	Manufacturing and sales of automobiles and automobile parts
Food Industry Group	Aji Japan Co., Ltd.	Manufacturing and sales of food ingredients and seasoning preparations
	Ajiryo Food Technology Co., Ltd.	Manufacturing and sales of seasoning ingredients
	Itoham Yonekyu Holdings Inc.	Manufacturing and sales of processed meat products and processed / precooked food products,
	Salad Club Co., Ltd.	Manufacturing and sales of packaged salads
	Nihon Shokuhin Kako Co., Ltd.	Manufacturing of corn starch and related processed products
	Nitto Fuji Flour Milling Co., Ltd.	Flour miller
	AGREX INC.	Grain storage and sales

Business Group	Name of Company	Business Activities
Food Industry Group	Cermaq Group AS	Salmon farming business
	DECCAN FINE CHEMICALS (INDIA) PRIVATE LI	Contracted manufacturing of agrochemical intermediates and active ingredients
	NITTO – FUJI INTERNATIONAL VIETNAM CO.,LTD	Manufacturing and sales of mixed flour
	NITTO – FUJI INTERNATIONAL THAILAND CO.,LTD	Manufacturing and sales of mixed flour
	OLAM INTERNATIONAL LIMITED	Production, collection, processing, trade, and port operations for agricultural products
	Princes Limited	Food and beverage manufacturing
	PT. FERMENTECH INDONESIA	Manufacturing and sales of ingredients for foods and seasonings
	PT.SORINI TOWA BERLIAN CORPORINDO	Manufacturing and sales of sweeteners
Consumer Industry Group	Mitsubishi Shokuhin Co., Ltd.	Domestic and international wholesale and distribution of processed foods, frozen and chilled foods, alcoholic beverages and confectionaries
	Kanro Inc.	Manufacture and sale of confections and food
	Mitsubishi Corporation LT, Inc.	International integrated transport logistics, warehousing
	Toyo Tire Corporation	Tire Business, Automotive Parts (Business)
Power Solution Group	N.V. ENECO	Energy supply business
	Lithium Energy Japan	Lithium-ion battery manufacturing and sales
	MCM Energy Service Co., Ltd.	Electric heat supply business
	GS BATTERY VIETNAM CO., LTD.	Manufacture and sale of lead-acid batteries for automobiles, motorcycles, and industrial use
	DIAMOND GENERATING EUROPE LIMITED	Development, management and operation of power generation assets in Europe
	Swing Corporation	Water business
	Metito Holdings Limited	Water management solutions
Urban Development Group	Mitsubishi UFJ Lease & Finance Company Limited	Various types of leasing, installment sales, and other financial services
Corporate Staff Section	Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	Financial, accounting, and inspection services, corporate finance and management consulting services
	MC Facilities Co., Ltd.	Facility management for buildings and offices, and general business support

Environmental Audits

MC conducts internal environmental audits every year in accordance with ISO 14001. Audits are conducted by forming audit teams comprised of members of the Corporate Sustainability Dept. The audit teams confirm whether EMS is being effectively implemented in each business group. The audit teams report their findings to the President & CEO, who serves as the chief officer in charge of EMS.

Environmental Communications

When MC is requested by customers or other external stakeholders to provide environmental information, MC discloses this information by following the processes stipulated by the ISO 14001 standards. This information includes questionnaire responses and certified copies of documentation associated with the ISO certification process. In the fiscal year ended March 2021, MC responded to 63 questionnaires and provided 2 certified copies of its ISO documentation.

Initiatives

Procurement of CO₂-Free Electricity for the Head Office Building

As part of efforts to contribute to “Contributing to Decarbonized Societies”, one of MC’s Materialities, MC has switched to green power for the electricity procured for its Head Office building (the Mitsubishi Shoji Building). CO₂-free electricity with environmental value (tracked non-Fossil Fuel Energy Certificates^{*1}) is generated at a solar power plant invested in and operated by Mitsubishi Corporation Energy Solutions Ltd., which is engaged in the power generation business, and procured through MC Retail Energy Co., Ltd., which is engaged in the power retailing business. As such, electricity demand in the Mitsubishi Shoji Building is covered by renewable energy sources that also meet the requirements of RE100^{*2}. From power generation to retail, MC Group companies work together to supply, procure and use renewable energy, creating environmental value by leveraging the MC Group’s comprehensive capabilities in the power value chain.



* 1 Non-Fossil Fuel Energy Certificates certify the environmental value of electricity as being generated from non-fossil fuel energy sources, such as renewable energy sources, under the Act on the Promotion of Use of Non-fossil Energy Sources and Effective Use of Fossil Energy Materials by Energy Suppliers.

* 2 An international initiative that aims for 100% of the energy used in business operations to be procured from renewable sources.

Relevant Data

Number of Environmental Reports and Corrective Measures

In the implementation of EMS, a system has been established for reporting and correcting matters relating to infringements of laws and ordinances as well as guidance from authorities. The incidents are shared throughout MC and measures are taken to prevent recurrences.

○ Number of Environmental Reports and Corrective Measures

	2020.3	2021.3	2022.3
Number of reports	0	2	6
Number of corrective measures	0	2	6
(Including matters resulting in fines, penalties, etc.)	0	0	0

A reporting system which uses a compliance hotline has been instituted to appropriately respond to accidents and disasters when they occur and to promptly implement measures to prevent recurrence. The system covers not only MC but group companies as well. Going forward, MC will continue to promote EMS as well as measures to address environmental contamination such as oil pollution. Concurrently, in the event of an environmental incident, MC will promptly report the incident to the relevant parties and investigate the causes, along with considering appropriate remedial measures and preventive measures. In doing so, MC will rigorously implement measures to prevent a recurrence of the incident.

Reference: [Compliance System Diagram](#)

Water Resources

Policy ✓ Targets ✓ Structure ✓ Initiatives ✓ External Collaboration ✓ Performance ✓

Water is essential for human activity, circulating around the planet while changing to and from solid, liquid and gaseous states. 70% of the Earth's surface is covered with water, and of that amount, 97.5% is salt water. The remaining 2.5% is fresh water which supports human activity, including business activities. However, about three-quarters of that remaining fresh water exists in a frozen state such as within glaciers. Therefore, the amount of freshwater that is actually available for human use accounts for not even 1% of the Earth's total amount of water. Under the United Nations' Sustainable Development Goals (SDGs), the world is striving to secure access to safe drinking water for all people, and through business activities and other economic initiatives, each country is also working to achieve more prosperous livelihoods, including access to water. Since economic scale and water consumption are closely correlated, companies must use water, one of the Earth's precious natural resources, in an efficient and appropriate manner while also aiming to solve challenges related to water issues through their businesses.

Policy

MC has clarified its intention to promote the "sustainable use of natural resources including water" in its Environmental Charter, which was first established in 1996 and later revised in 2017. The MC Group, which engages in a wide range of businesses worldwide, has identified "Conserving and Effectively Utilizing Natural Capital" as part of its Materiality. It recognizes water as an essential element for its business activities and places critical importance on the sustainable use of water in all of its operations. In particular, MC identifies relevant risks and opportunities in a timely manner and, with the goal of achieving the sustainable use of water, establishes appropriate water consumption, recycling, reuse, and treatment throughout its operations and makes efforts to improve use efficiency and reduce consumption. Furthermore, MC will contribute to the resolution of global water issues through its business by establishing water infrastructure businesses and developing comprehensive water operations.

Targets

Aiming to reduce the consumption of limited water resources, for the fiscal year ended March 2022, MC has set a target to reduce water consumption at its Head Office compared to the consumption in the previous year. MC also conducts a sustainability survey which aims to track the withdrawals, discharges and recycling of water for the total operations of its portfolio investment companies. In addition to achieving a 100% response rate for this survey, MC is conducting an analysis of individual increases and decreases of the various surveyed items.

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decision making body)	Sustainability & CSR Committee Important matters related to water resources deliberated by the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. From a water resources perspective, MC has set up a screening process for decision-making that first confirms compliance with environmental regulations related to such factors as water discharge and withdrawals (confirmation of regulatory risks), as well as the impact of water withdrawals on surrounding communities, local society, biodiversity, and the impact of climate change on the fresh water environment (confirmation of physical risks). For this screening process, particularly for businesses in areas considered to have high levels of water stress, MC utilizes the World Resource Institute (WRI) 's Aqueduct tool in order to incorporate external perspectives. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Reference: [Human Rights and Environmental Due Diligence](#)

Initiatives

Initiatives to Maximize Water Efficiency

○ Los Bronces Copper Mine

MC is involved in the copper mining business in Chile and Peru. Since copper mining requires a large amount of water, each mine is working on the implementation of technologies to maximize the water efficiency of operational processes in order to reduce new water intake. The Los Bronces Copper Mine (located in Chilean Metropolitan Region), in which MC invests together with Anglo American plc, achieved a water recycling rate of 85% in 2020 (+7% compared to 2019) as a result of increasing water recycling from tailings and procuring industrial wastewater and treated sewage water from third parties.

Initiatives to Reduce Water Consumption

○ Escondida Copper Mine

The Escondida Copper Mine, one of MC's major investments, is located in the desert region of northern Chile and boasts the largest production volume in the world. At the minesite, water consumption is reduced in the ore processing phase through water-saving and reuse, among other means. Moreover, an investment, approximately US\$4 billion to date, has been made in the construction of the desalination plant with one of the largest processing and pumping capacities in the world; the desalination plant has eliminated reliance on subterranean aquifers covering all the project's water requirements since the end of 2019. With water shortages due to drought becoming an issue for Chilean mines in recent years, we will continue to promote environmental protection and coexistence with local communities.



○ Toyo Reizo Co., Ltd.

Toyo Reizo Co., Ltd., one of MC's consolidated subsidiaries, has declared in its environmental policy that it will reduce the amount of water resources to be used in its production processes and will take preventative measures against the discharge of pollutants. It has also set targets to reduce water consumption on both a single fiscal year and mid-term basis, and engages in reduction activities. In particular, MC aims to reduce its environmental impact by saving water. To achieve this, it calculates consumption and discharge amounts in plants and related facilities with high water consumption for monthly assessment and review. In addition to these efforts to reduce water consumption, MC has also set targets for the reduction of CO₂ and waste discharge and for the implementation rate of food waste recycling, etc. while seeking continual improvements through a PDCA cycle.



Reference: Environmental report (see [here](#) for targets, data and initiatives)

Olam

MC affiliate Olam International Limited committed in 2013 to reduce water consumption across its agricultural and manufacturing activities. As a specific example, a program in the US that produces onions with higher solid content and lower water content, combined with a focus on optimizing irrigation in collaboration with the growers, has achieved quantified savings of 27 billion liters of water consumption over the past decade. Recognizing the depletion of groundwater due to excessive pumping of water for agriculture and irrigation as a problem, in 2019, Olam's nut business in the US formed a partnership with the California Water Districts to replenish 1.2 billion liters of groundwater through three projects, and it is also pursuing initiatives such as maximizing the amount of water replenished during snowmelt.

In addition to these program and projects, Olam consistently invests effort in reducing water consumption through the use of digital technology in each of its businesses. As a result, Olam achieved approximately 20% reduction in water consumption per ton in the fiscal year ended December 2020 compared to the previous year.



Reference: To find out more about Olam's activities to reduce water consumption, please visit the following links on MC's website:

Olam Priority Areas, Water

<https://www.olamgroup.com/sustainability/sustainability-framework/priority-areas/water.html>

Initiatives in Water-Stressed Regions

○ Desalination Projects

MC is delivering seawater desalination projects in drought regions of the world such as Atacama Desert in Chile and the State of Qatar in the Middle East which contribute to the alleviation of water stress in those regions. Northern Chile is facing serious depletion of groundwater, and alternative water sources are required in consideration of local communities and the agricultural industry. MC provides a stable supply of desalted water to mines and farmlands in the region on the basis of a BOO (Build-Own-Operate) contract. In Qatar, MC is delivering an Independent Water and Power Project that supplies 2,520,000 kWh of electricity and 900,000 tons per day of water (which comprises 35% of Qatar's desalination capacity) to Qatar General Electricity & Water Corporation over 25 years. MC is delivering the Project in cooperation with the Qatari government to fulfill growing demand for water associated with economic development and population growth and to contribute to the long-term development of the country.



Umm Al Houl Power, Qatar

Providing Solutions through our Business Activities

As living standards improve, global water consumption has increased dramatically, outpacing the rate of population growth and exacerbating water shortages in some regions. Water utilities, which provide a stable supply of sanitary water, have become indispensable for the survival of humanity and the viability of cities. MC is contributing to addressing various challenges pertaining to water resources throughout the world by developing water-related infrastructure and addressing local water issues.

○ Metito Holdings Limited

MC affiliate Metito Holdings Limited is an integrated water engineering company that is engaged in a wide range of activities, from the construction of water and wastewater treatment plants and seawater desalination plants to business investment and operation, mainly in the Middle East, Africa and Asia. MC provides water-related solutions optimized for each different region to address water shortages and underdevelopment of water infrastructure with the aim of improving people's living conditions and protecting the local environment. Specifically, Metito has been managing long-term desalination projects in Egypt since 1999 to supply water to drought regions along the Red Sea coast. In addition, it has built a large-scale desalination facility for the Egyptian government, contributing to the improvement of the region's water infrastructure. Metito has also been constructing desalination plants in water-scarce Qatar, contributing to the stable supply of drinking water to the region through the long-term management of those facilities.



Al Yosr Desalination Facility, Egypt

○ Swing Corporation

MC affiliate Swing Corporation is engaged in the domestic waterworks business, including the design and construction of water and sewage facilities and the provision of operation and maintenance services. Specifically, MC is engaged in phosphorus recovery from sewage sludge for fertilizer use at the Higashinada Sewage Treatment Plant in Kobe, Hyogo Prefecture. It promotes resource recovery through local production for local consumption and recycling (In the fiscal year ended March 2021, the project won the innovation category of wastewater recycling award sponsored by the Japanese Ministry of Land, Infrastructure, Transport and Tourism). Swing Corporation developed a Private Finance Initiative (PFI) project in the city of Kurobe, Toyama Prefecture to establish a facility for the beneficial reuse of sewage biomass and has assumed responsibility for everything from financing to design, construction, maintenance and operation. The sewage sludge is mixed with coffee residue to extract biogas, which is used for power generation and sludge drying, and the dried sludge can be used effectively as an alternative to coal and as a raw material for fertilizer (In the fiscal year ended March 2012, the project won the sustainability category of wastewater recycling award sponsored by the Japanese Ministry of Land, Infrastructure, Transport and Tourism).



Kurobe City Sewerage Biomass Energy Reuse Facility

MC has built up experience in the water business in the UK, Japan, Australia, the Philippines, Chile and other countries in Asia, the Middle East and Africa. By drawing on private-sector funds and technology, we will continue to improve efficiency and offer higher-quality water services. We will also provide water-related solutions optimized for each different region to address water shortages and underdevelopment of water infrastructure with the aim of improving people's living conditions and protecting the local environment.

External Collaboration

Responding to CDP

MC actively disseminates information about its ESG-related initiatives to its various stakeholders around the world. MC engages with CDP, an NGO holding the world's largest database of corporate disclosures on climate change initiatives, and since the year ended March 2012, MC has responded the CDP Water questionnaire, which evaluates corporate water management.

Participation in the Water Project of the Ministry of the Environment of Japan

MC participates in the Water Project*, a public-private initiative which promotes initiatives aimed at preserving or restoring healthy water cycles. MC shares information with other companies on water risks and water-related initiatives, and considers how to pursue such initiatives internally.

* The project was launched based on the Basic Act on Water Cycles in 2014. The Water Project was founded to build a public-private collaboration platform and to promote initiatives and self-motivated approaches from private sector companies aimed at achieving sound water cycles and water environment preservation.



MC is promoting activities, both through business and corporate philanthropy initiatives, to maintain and restore sound water cycles. MC also disseminates information about its initiatives and the importance of water through internal and external communication.

Collaboration with NGOs

MC supports a wide range of initiatives focusing on environmental and sustainable development in Europe and Africa through the Mitsubishi Corporation Fund for Europe and Africa (MCFEA) (Since 1992, more than GBP5.9 million have been funded). The MCFEA delivers support through various partner organizations including the Earthwatch Institute, Rainforest Alliance, Acumen Academy and Springboard.

Performance

Water Withdrawal

(Unit: thousand m³)

		Water withdrawal (2020.3 results)	Water withdrawal (2021.3 results)	Water withdrawal (2022.3 results)	Note
Non-consolidated:		38	25	27 ★	Head Office and certain other offices in Tokyo
Consolidated:	(Components are as follows)	95,268	93,058	81,980	Non-consolidated and main domestic subsidiaries
	Industrial water, water supply:	24,814	25,402	24,410	
	Groundwater:	12,048	8,816	8,691	
	Rivers/lakes:	21,964	20,996	20,170	
	Ocean:	36,442	37,844	28,709	
	Rainwater:	0	0	0	

Calculation method : Quantity of total water withdrawal for non-consolidated and consolidated basis

Water Consumption

(Unit: thousand m³)

		Water consumption (2020.3 results)	Water consumption (2021.3 results)	Water consumption (2022.3 results)	Note
Non-consolidated:		1	3	5	Head Office and certain other offices in Tokyo
Consolidated:		47,053	45,164	42,704	Non-consolidated and main domestic subsidiaries

Calculation method : Quantity of water withdrawal - Quantity of Water Discharge

Water Recycling Volume and Rate*

(Unit: thousand m³)

	2020.3 results			2021.3 results			2022.3 results			Note
	Water withdrawal	Recycling volume	Recycling rate	Water withdrawal	Recycling volume	Recycling rate	Water withdrawal	Recycling volume	Recycling rate	
Non-consolidated:	38	-	-	25	-	-	27★	3	11%	Head Office and certain other offices in Tokyo
Consolidated:	95,268	1,375	1%	93,058	790	1%	81,980	3	0%	Non-consolidated and domestic subsidiaries

* Ratio of recycling volume to the total of amount of water withdrawal and recycling volume.

Reference: [Water Discharge](#)

Independent Practitioner's Assurance

ESG Data marked with a star (★) for the year ended March 2022 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: [Independent Practitioner's Assurance Report](#)

Biodiversity

Policy ✓ Targets ✓ Structure ✓ Initiatives ✓ External Collaboration ✓ Performance ✓

Policy

As stated in our Environmental Charter, MC recognizes the critical importance of what ecosystems can provide and is committed to protecting ecosystems and any potential impacts on biodiversity. We have identified “Conserving and Effectively Utilizing Natural Capital,” including consideration of biodiversity, as part of our Materiality, which are issues for management to address and respond to in order for MC to achieve sustainable growth. Based on these policies and materiality analysis, MC aims to minimize negative impacts on biodiversity from its businesses.

For example, we take biodiversity considerations into account when reviewing and making decisions on loan and investment proposals. In addition, we are engaged in corporate philanthropy activities aimed at conserving biodiversity, including the Project in Tropical Forest Regeneration and the Global Coral Reef Conservation Project.

Reference: [MC’s Environmental Charter](#)
[Policy on Mine/Site Decommissioning](#)

Targets

MC strives to mitigate the impact that its businesses have on biodiversity, and seeks ways to contribute to ecosystem preservation through its businesses as well as through corporate philanthropy activities aimed at environmental preservation. Regarding contributions to the preservation of ecosystems through our business activities, MC takes into account aspects related to biodiversity when screening new project and exit proposals, and also aims to make improvements by monitoring the management practices of existing business investments.

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Sustainability & CSR Committee Important matters related to biodiversity deliberated by the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. Since 2012, we have employed the Integrated Biodiversity Assessment Tool (IBAT) developed by organizations including the International Union for the Conservation of Nature (IUCN) to help assess potential business impacts by evaluating the status of protected or endangered species in the vicinity of project sites, along with other relevant data on special conservation areas. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Reference: [Human Rights and Environmental Due Diligence](#)

Initiatives

Examples of Protection/ Conservation Activities through Business Operations

○ Working to Safeguard the Natural Environment at the World's Largest Solar Salt Fields

Exportadora de Sal, S.A. de C.V. (ESSA), a salt manufacturer in which MC and the Mexican Government have equity interests of 49% and 51% respectively, operates the world's largest solar salt field in northwestern Mexico. ESSA supplies approximately half of the solar salt imported into Japan, and has also established a solid position as a company that supports Japan's chlor-alkali business, with the salt used as a raw material in PVC and caustic soda. The salt fields are in the vicinity of Guerrero Negro, where a community has grown up around ESSA complete with schools, hospitals, shops, churches and other facilities. There is also a supermarket run by ESSA, and through the various jobs it creates, ESSA is further contributing to the stability of the local community. ESSA has operations within the El Vizcaino Biosphere Reserve, including facilities located near the Ojo de Liebre lagoon (a UNESCO World Heritage site that is a breeding ground for gray whales). Great care is taken at all times to respect the surrounding ecosystem, while also working to protect and preserve biodiversity. In September 2000, the region in which ESSA is situated was designated by the WHSRN^{*1}, a U.S.-based shorebird protection group, as a site of international importance^{*2}, and in April 2009 the designation was upgraded to that of hemispheric importance^{*3}. ESSA cooperates with the activities of WHSRN such as surveys of bird species in the salt fields and maintenance and protection of nesting sites. In addition, ESSA is working to protect the natural environment through the installations of approximately 200 roosts which protect birds from coyotes and other dangers. ESSA's salt production activities are leading to the creation of new types of ecosystems. With a similar degree of salinity to the nearby lagoons, the evaporation ponds are home to many species of fish, crustaceans and birds. The 8,000 hectare ponds' high microorganism density allows them to generate the same amount of oxygen as would the same area of forest in Canada. Under the three environmental policies of "Prevention of Air, Land and Ocean Pollution," "Conserving the Natural Environment" and "Biodiversity Monitoring," ESSA will continue to pursue sustainable development in harmony with the environment by engaging in ecosystem research and conservation activities, etc. together with a wide range of stakeholders including members of the local community, local government organizations, universities, and NGOs.

* 1 Western Hemisphere Shorebird Reserve Network

* 2 At least 100,000 shorebirds annually; OR at least 10% of the biogeographic population for a species

* 3 At least 500,000 shorebirds annually; OR at least 30% of the biogeographic population for a species

Details of Preservation and Conservation Activities

Key targets for ecosystem monitoring	The Baja California Pronghorn , gray whales, wild birds (approx. 140 species), sea turtles ESSA's environmental conservation team engages in ecosystem monitoring such as population studies (5–12 times per year) and seawater composition tests (24 times per year) in collaboration with PROFEPA (Federal Attorney of Environmental Protection of Mexico) and WHSRN.
Example of activities [1]	Establishment of a reserve to protect the endangered The Baja California Pronghorn in cooperation with Mexican environmental protection organization ENDESU and related breeding program (population of approx. 400 individuals within conservation area of about 23,000 ha; two conservation centers created)
Example of activities [2]	Periodic audits have been conducted (eight times per year) to estimate gray whale population in Ojo de Liebre and San Ignacio lagoons in collaboration with the National Commission of Natural Protected Areas (CONANP) and the Autonomous University of Baja California Sur (UABCS). These audits have determined the population is now higher than before the year 2000. There remains a medium- to long-term need to determine trends relating to the whale ecosystem and migration patterns.



○ Rehabilitation

Reference: [Mine Closure Initiatives](#)

External Collaboration

Status of Participation in the Roundtable on Sustainable Palm Oil (RSPO)

MC became a member of the RSPO as an ordinary member in 2004. Accordingly, through collaboration and partnership with stakeholders in the supply chain, MC is working to ensure sustainable sourcing and supply of palm oil, with the goal to source 100% sustainable palm oil* by 2030.

* Sustainable palm oil: Palm oil sourced from supply chains that comply with No Deforestation, No Peat and No Exploitation (NDPE) policies, including RSPO or equivalent certified oil.



Reference: RSPO ACOP Report <https://www.rspo.org/members/69/Mitsubishi-Corporation>
[Palm Oil Procurement Guidelines](#)

Status of Participation in the Round Table on Responsible Soy Association (RTRS)

Agrex do Brasil, an MC subsidiary, is an RTRS-certified producer with a total of approximately 21,000 hectares of land certified under this standard. Agrex do Brasil was the first company in Brazil to obtain RTRS certification for the production of responsible soy in its farmland in Maranhão, Brazil. Through the RTRS certification, Agrex do Brasil seeks to make various internal improvements, increase efficiency in soil management and protection, improve water management, foster employee motivation and strengthen relationships with neighboring communities.



Participation in CDP

MC actively discloses information related to its efforts regarding ESG to a variety of stakeholders around the world. Since the fiscal year ended March 2015, MC has responded to CDP Forests, a survey which evaluates companies' forest management in the supply chain. CDP is an NGO which holds the world's largest database of corporate disclosures on climate change initiatives and other environmental data.

Cermaq Initiatives

Cermaq, an MC subsidiary, is a partner to the UN Global Compact Action Platform for Sustainable Ocean Business ('UN Ocean Platform'). Cermaq was the first patron to join this initiative in February 2018, with the goal of developing holistic global solutions for the sustainable use of the ocean. The first business-driven initiative of its kind in the United Nations, the initiative has developed a set of Sustainable Ocean Principles, which provide a framework for responsible ocean business practices across sectors and geographies working to develop roadmaps for the maritime industries in close dialogue with governments, academic institutions, NGOs and UN organizations.

**Reference:**

Please refer to [the Customer Responsibility Section](#) for details on Cermaq's other initiatives.

Examples of Collaboration with Government Bodies

○ Forest Conservation Project: Mitsubishi Corporation Thousand Year Forest (Also Known as Yataro's Forest)

In partnership with the local government, MC is undertaking a forest conservation project in Aki City, Kochi Prefecture, the birthplace of Mitsubishi founder Yataro Iwasaki. The shrinking of the world's tropical forests has had a major impact on the global environment, including the effect on the conservation of natural ecosystems and the reduction in the absorption of CO₂ which contributes to global warming, extreme weather etc. MC has been engaged in the Tropical Forest Regeneration Experimental Project as part of its corporate philanthropy initiatives since 1990. From 2009, MC has participated in the "Collaborative Forest Conservation Project" in partnership with Kochi Prefecture and Aki City, the East Kochi Forest Association, in line with the forest conservation agreements. The conservation of Yataro's Forest marks MC's first major forest conservation project in Japan. Project aims include: conducting activities to preserve and improve forest ecosystem services such as water conservation, allowing MC employees and local people to gain hands-on thinning experience and undertake volunteer activities, and utilizing the forest as a place for environmental education.



Group photo of Mitsubishi Corporation Thousand Year Forest Conservation Volunteers

In March 2020, MC concluded an agreement with the Shikoku Forest Bureau, Aki City, and the East Kochi Forest Association to introduce management in the Becchaku area of Yataro's Forest in line with the Shikoku Forest Bureau's policy of establishing "green corridors,"* in an effort to conserve biodiversity.

* Shikoku's national forests are being protected under the protective forest system. This project is expected to help conserve biodiversity by establishing "green corridors" that connect these protective forests, allowing plants and animals to come and go widely.

Examples of Collaboration with International Organizations and NGOs

MC's Global Coral Reef Conservation Project promotes cooperative research into coral reefs by business (MC), academia and NGOs in Okinawa and Australia. The partners are Shizuoka University in Okinawa and James Cook University in Australia.

The results of this research are published online and via international symposia to help evaluate the resilience of coral environments and preserve related biodiversity. This project has been recognized with a Medal of Honor in Japan, and has also been approved by the Japan Committee of the United Nations Decade of Biodiversity (UNDB-J)

*. In addition, as an official supporter of the International Year of the Reef 2018, MC actively communicated the results of its Global Coral Reef Conservation Project.

* A committee that seeks to achieve the Aichi Biodiversity Targets adopted at the Tenth Ordinary Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10) held in Nagoya, Aichi Prefecture, Japan in 2010.



Coral reef (Australia)



Coral Reef Conservation Project:
Employee Volunteers



Coral Reef Conservation Project:
Employee Volunteers

Foundation and Fund Activities

Through the Mitsubishi Corporation Foundation for the Americas (MCFA) and the Mitsubishi Corporation Fund for Europe and Africa (MCFEA), MC is involved in efforts to eradicate poverty, tackle social and environmental protection issues and undertake related educational research across the Americas, Europe and Africa. The MCFEA is providing support through a wide range of partner organizations, including Springboard, which is working to address the issues of poverty and unemployment in Nigeria by offering assistance in starting sustainable organic farming, and the Wildlife Conservation Society, which is working on environmental issues.



Young people learning about sustainable farming with Springboard ©Springboard

Reference: Please refer to [the Community section](#) for details on foundation and fund activities.

Examples of Collaboration with Other Companies

In April 2015, MC joined the Japan Business Initiative for Biodiversity (JBIB)*, a group of firms committed to undertake joint research aimed at protecting biodiversity. The JBIB member firms agree to respect biodiversity in their daily business operations and pursue activities aimed at minimizing negative biodiversity impacts. Going forward, through communication with JBIB members and related initiatives, we will work to find ways of enhancing our initiatives toward protecting biodiversity.

* A group of Japanese companies engaged in biodiversity protection activities

Performance

Reference: Please refer to the [Supply Chain Management](#) for information on certified products.

Results of Social Contribution Activities

Having started the Tropical Forest Regeneration Project in 1990, aiming to regenerate tropical forests in a short period of time, MC remains widely involved in forest conservation in Japan and overseas. Through forest conservation projects in Japan and the Global Coral Reef Conservation Project which strives to protect ocean biodiversity, MC's environmental conservation efforts span the globe. As part of this, each year since the fiscal year ended March 2012, MC has planted two trees for every shareholder who consents to receive important communications such as the Notice of the Ordinary General Meeting of Shareholders by e-mail rather than by post. In the fiscal year ended March 2021, MC planted approximately 40,000 trees, for a cumulative total of roughly 440,000 trees planted through this initiative.



Student volunteers working on a Tropical Forest Regeneration Project in Malaysia

Prevention of Pollution

Policy ✓ Targets ✓ Structure ✓ Initiatives ✓ External Collaboration ✓ Performance ✓

Policy

MC recognizes the importance of striving to create and enhance environmental value, as stated in the Environmental Charter, by undertaking conservation activities and reducing our environmental footprint, including through the prevention of pollution. Moreover, in terms of company-wide management of compliance with environmental laws, regulations, etc., MC takes responsibility as a business that produces waste. To ensure rigorous compliance with laws and regulations related to preventing pollution as well as the reduction, reuse and recycling of waste within MC, internal notifications are sent out, as well as announcements and alerts about meetings and other related events. Furthermore, MC has formulated guidelines and standards for responding to oil spills and soil contamination and disseminates this information internally to ensure thorough understanding.

Reference: [Mitsubishi Corporation Environmental Charter](#)

Targets

MC conducts an environmental performance survey for all MC Group companies in order to manage pollution prevention as well as waste reduction, reuse and recycling initiatives on both a non-consolidated and an MC Group-wide basis. On a non-consolidated basis, we set and monitor sustainable and effective reduction targets related to the volume of waste produced in conjunction with Head Office activities, in order to reduce, reuse and recycle waste through operation of environmental management systems (EMS).

Item	2021.3 targets	2021.3 results	2022.3 targets
Pollution prevention	(Oil spill risk survey conducted biannually)	(Oil spill risk survey conducted biannually)	Select project and conduct oil spill risk survey
Waste production ^{*1}	Target ongoing CO ₂ emission reduction activities and an accurate grasp of reduction figures ^{*3}	352.7 tons (28.6% decrease from 2020.3 results)	Target ongoing CO ₂ emission reduction activities and an accurate grasp of reduction figures ^{*3}
Use of raw materials ^{*2}	Target continuation of paper reduction and other efforts, as well as an accurate grasp of reduction figures ^{*3}	15.18 million sheets (56.8% decrease from 2020.3 results)	Target continuation of paper reduction and other efforts, as well as an accurate grasp of reduction figures ^{*3}

* 1 Waste produced: Waste produced in conjunction with Head Office activities

* 2 Use of raw materials: Volume of copy paper used at the Head Office

* 3 Due to the COVID-19 pandemic, MC mainly focused on qualitative targets based on the office activity manual.

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Sustainability & CSR Committee Important matters related to preventing pollution deliberated by the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors including pollution prevention as well as the reduction, reuse and recycling of waste. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices. Regarding oil spills in particular, oil spill risk surveys are conducted regularly, confirmations are made that oil spill accident prevention and risk management frameworks have been established, and training is conducted to ensure the thorough dissemination of information on these topics. Through these measures, MC is ensuring appropriate risk management to prevent oil spills from occurring.

Reference: [Human Rights and Environmental Due Diligence](#)

Initiatives

Initiative to Reduce Waste Production (Non-Consolidated Basis)

〈Office Management〉

- Maintained recycling rate through rigorous separation of trash
- Planned management of office furniture

〈Business Activities〉

MC's environmental management systems are based on various laws and regulations and are compliant with various recycling laws (Food Waste Recycling Law, Container and Packaging Recycling Law, Home Appliance Recycling Law, Construction Material Recycling Law). MC manages its operations while following the procedures stipulated in each of these regulations, and strives to reduce waste production through its business activities.

Initiatives to Reduce Waste Production (Mitsubishi Shokuhin Co., Ltd.)

MC subsidiary Mitsubishi Shokuhin Co., Ltd. carries out various efficiency measures to optimize its supply chains through collaboration between the manufacturing, distribution and retail sectors. Working jointly with manufacturers and retailers to enhance logistics efficiency and collaborating with retailers to reduce product return rates and optimize inventory have led to reductions in greenhouse gas emissions and waste production.

Application of Life Cycle Analysis in our Salmon Farming Business

Cermaq, an MC subsidiary, uses life cycle assessments (LCAs) for the fish feed management over the two-year salmon maturation process in order to reduce environmental impacts including waste and CO₂ emissions. This is important since fish feed has been identified as an important contributor to resource use and emissions related to the production of salmonids in net-pen systems. By conducting research on optimal feed ingredients and methods during the planning stage, Cermaq is proactively seeking improvements and identifying efficient feeding methods in its operations. One example of ongoing projects on fish feed is research conducted at the Arctic Salmon Research Centre, where Cermaq is a partner, doing research on optimal feed for salmon farming in the Arctic environment in Northern Norway.



Reference:

Cermaq website

<https://www.cermaq.com/sustainability/research-and-innovation>

<https://www.cermaq.com/sustainability/sustainability-reports>

Initiatives to Prevent Oil Spills

MC formulated its Oil Spill Risk Guidelines in 2012. On a Groupwide basis, MC strives to prevent oil spills, giving due recognition of the environmental burden they could cause. MC makes project decisions taking into account matters such as the products handled and location of the enterprise, conducts oil spill risk surveys regularly, confirms that oil spill accident prevention and risk management frameworks have been established, and conducts training to ensure the thorough dissemination of information on these topics. Through these measures, MC is ensuring appropriate risk management to prevent oil spills from occurring. In addition, there are no major leaks as far as MC is aware.

External Collaboration

Marunouchi Ecoben Project

As an environmental initiative in the Marunouchi area, container collection boxes have been installed throughout the Mitsubishi Shoji Building Head Office in cooperation with Mitsubishi Estate Co., Ltd.'s Marunouchi Ecoben Project unifying tenants and workers by using, collecting and recycling recyclable lunchbox containers. MC strives for its employees to promote an understanding of recycling and to proactively engage in recycling activities.

Japan Foreign Trade Council

As a member of the Japan Foreign Trade Council (JFTC), an industry association for Japanese trading companies, MC is helping to formulate and execute "The Commitment to a Low-carbon Society" advocated by the Japan Business Federation (Keidanren). Based on this plan, we are actively promoting the installation of energy- saving equipment in order to reduce energy consumption on a non-consolidated basis. In addition, as a member of the Global Environment Committee established within the JFTC, MC actively engages in a variety of initiatives including promoting environmental compliance, improving environmental performance and disseminating information about industry initiatives with the aim of creating a low-carbon society and a recycling-oriented society. It is essential for companies to achieve sustainable growth while considering the environment. The entire trading industry, not limited to MC, recognizes the role it needs to play from a long-term and global perspective, and it is working to contribute through business activities.

Performance

Toxic Waste Emissions

MC monitors production of specially controlled industrial waste under the Waste Management Law. This includes infectious waste produced by the in-house clinic as well as waste PCB and PCB-contaminated items, etc. which are disposed sequentially within legally prescribed disposal periods.

(Unit: kg)

	2020.3	2021.3	2022.3
Specially controlled industrial waste	29,955	118,047	320,096

All domestic subsidiaries and affiliates monitor and report appropriate figures under the Waste Management Law.

NOx, SOx, VOC Emissions

(Unit: tons)

		2020.3	2021.3	2022.3
Air pollutant emissions	NOx (Nitrogen Oxide)	586	661	969
	SOx (Sulfur Oxide)	42	34	44
	VOC (Volatile Organic Compounds) *	28	27	122
		26,690(Unit: m3N)	0(Unit: m3N)	0(Unit: m3N)

Scope of aggregation: Consolidated (Non-consolidated and main domestic subsidiaries)

* Figures for NOx (Nitrogen Oxide) and SOx (Sulfur Oxide) are expressed in tons as a total figure using conversion factors, and VOC is expressed in both tons and m3N.

Reference: [Waste Emissions](#)

Efficient Use of Resources

Policy ✓ Structure ✓ Targets ✓ Initiatives ✓ Performance ✓

Policy

Our daily lives depend greatly on plentiful global resources. MC believes it is important to simultaneously generate three kinds of value: economic value, societal value, and environmental value - while benefiting in a sustainable manner from limited resources within our planetary boundaries. MC's Environmental Charter positions this as a key consideration in business activities by clarifying that we will promote the sustainable use of natural resources including energy, minerals, food stocks, wood and water throughout our global business operations. Specifically, MC strives to recycle, reuse, and efficiently use resources, reduce the ecological footprint of our business activities, maintain healthy stocks in fishing activities, and otherwise efficiently utilize resources in accordance with our business operations.

Reference: [Mitsubishi Corporation Environmental Charter](#)

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Sustainability & CSR Committee Important matters related to the efficient use of resources deliberated in the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. This includes considering measures to address recycling and closed-loop businesses, waste management and related matters. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Reference: [Human Rights and Environmental Due Diligence](#)

Targets

With regard to waste emissions in its Head Offices, in principle, MC aims to reduce emissions by 1% from the previous fiscal year, and targets are set based on the previous fiscal year's results. In addition, with regard to recycling rates, MC has set a goal of achieving zero waste emissions offices*, with the aim of recycling at least 95% of the waste produced by MC.

* MC defines "zero emissions" as cases where vendors are contracted to recycle 95% or more of waste produced by its Head Offices. MC also promotes waste reduction, reuse, and recycling, and manages Head Office activities with waste emissions targets.

(Unit: tons)

		2020.3	2021.3	2022.3
Waste	Emissions volume	506	411	431
	• Recycling volume	499	407	425
	• Waste volume	7	4	6
	Recycling rate (%)	99%	99%	99%

Scope of aggregation (Non-Consolidated): Head Office and certain other offices in Tokyo

Initiatives

Recycling and Closed-Loop Business Initiatives (Chuo Kagaku)

Since its establishment, MC subsidiary Chuo Kagaku Co. Ltd. (Chuo Kagaku) has been promoting business operations with consideration of the environment in mind. As the world becomes increasingly concerned about solving environmental issues such as global warming, marine plastic waste, garbage, waste, and food loss, Japan enacted the Plastic Resource Circulation Act in June 2021. Chuo Kagaku is accelerating its efforts to address environmental issues in response to these developments in Japan and overseas. Specifically, Chuo Kagaku is developing and expanding environmentally friendly materials and products, and strengthening recycling efforts.

One example of an environmentally-friendly material and product that can be used safely in all food products is CHUO A-PET GREEN (C-APG), an ECO MARK certified product, and which makes effective use of resources by using recycled PET as the raw material for plastic containers. Its safety has also been ensured by meeting voluntary industry standards that comply with the US Food and Drug Administration (FDA). The product epitomizes the company's drive to address social issues pertaining to the environmental and safety.

Chuo Kagaku has also developed "TALFA", which uses talc (a natural resource) as its main raw material, "MAPKA", which uses paper powder as its main raw material, and "BioCT" and "BioCF" which use more than 10% plant-derived plastic, each of which contribute to reducing greenhouse gas (GHG) emissions. Also, the company is also actively developing "Ever Value", a highly functional gas barrier container that extends the expiration date and reduces food waste by sealing freshness-preserving gases within the container to inhibit food oxidation and the growth of bacteria.

In recycling, it has been voluntarily collecting used plastic food containers from consumer co-ops, supermarkets and other organizations since 1990. Working closely with local service providers, MC promotes recycling at the regional level by selecting the most effective method after analyzing various options, and thus reducing its environmental burden. Chemical recycling uses steel mill facilities to pyrolyze basic chemical materials, which are then turned into plastic materials, some of which are returned to food trays. In thermal recycling, the material can be crushed and solidified to represent an alternative to coal and other fuels. It can also be used as boiler fuel for paper companies and power generation facilities. In material recycling, the materials can be transformed into recycled products, such as benches, through crushing, melting, and other processes.

In FY 2020, the company collected a total of 1,669 tons of used plastic food packaging containers, and was awarded the Silver Prize in the "Eco Mark Award 2016," organized by the Eco Mark Secretariat of the Japan Environment Association. In the future, we will continue to develop and expand environmentally friendly materials and products, as well as strengthen recycling.

Furthermore, Chuo Kagaku has formulated environmental impact reduction plans every five years since 2006 and is forging ahead with environmental initiatives. In 2017, MC established the Third Five-Year Plan to Reduce Environmental Impact (2017–2021).

Chuo Kagaku Co., Ltd.'s Third Five-Year Plan to Reduce Environmental Impact (2017–2021)

Theme	Description of initiatives	Targets (for 2022.3)
Reduction of waste	Recycling in-house waste	<ul style="list-style-type: none"> Promoting zero emissions activities by recycling in-house waste
	Promoting recycling and collection of used plastic food containers at stores	<ul style="list-style-type: none"> Promoting local closed-loop recycling and collection of used plastic food containers at stores Practical use of closed-loop food packaging recycling
	Promoting education about and practice of the 3 Rs (reduce, reuse, recycle) via closed-loop recycling	<ul style="list-style-type: none"> Promotion of awareness-raising activities inside and outside the company

○ 〈Past Achievements〉

(1) Recycling in-house waste

In the year ended March 2021, 98.1% (2,696 tons) of the 2,749 tons of waste produced within MC was recycled and effectively reused. Waste breakdown in order of volume is as follows: plastic waste, wastepaper, general combustible materials, scrap metal, wood shavings, and waste oil. Plastic waste was generated by manufacturing plants. Additionally, waste including PET bottles, empty cans, wastepaper, and plastic materials such as polypropylene (PP), PET, and polyethylene (PE) are proactively recovered and separated by the relevant department the Head Offices to promote recycling.

Targeted Waste	2020.3		2021.3		Recycling rate (A) – (B) YoY change (points)
	Generated Waste (tons)	Recycling rate (B)	Generated Waste (tons)	Recycling rate (A)	
Plastic waste	2,193	97.2%	2,248	98.3%	+ 1.1
Wastepaper	233	99.4%	221	99.5%	+ 0.1
Scrap metal	65	100%	174	100%	± 0
Wood shavings	29	89.2%	67	95.4%	+ 6.2
General combustible materials	68	79.4%	26	71.9%	▲ 7.5
Waste oil	14	84.2%	13	84.4%	+ 0.2
Total	2,602	96.8%	2,749	98.1%	+ 1.3

(2) Promoting collection and recycling of used plastic food containers from stores

With the cooperation of consumers, retailers such as supermarkets, and packaging material stores, Chuo Kagaku collects used plastic food packaging at stores and employs a variety of recycling processes to transform such materials into usable resources again. Chuo Kagaku also fulfills its obligations as a manufacturer of plastic food containers under Japan's Containers and Packaging Recycling Law, with regard to recycling used plastic food containers collected by municipalities nationwide. The amount collected over the past 31 years has been 932.26 million tons, or 23.3 billion sheets (1 sheet equals 4 grams).

	2017.3	2018.3	2019.3	2020.3	2021.3
Volume collected (tons)	2,566	2,546	1,887	1,625	1,669
Volume collected (converted to number of sheets)	641,540,000	636,370,000	471,830,000	461,100,000	417,250,000



Recycling and Closed-Loop Business Initiatives (Livestock Feed Production Business)

Nosan Corporation, a consolidated subsidiary of MC, uses Eco Feed* as a raw material for its formulated livestock feed, with the aim of helping to increase the food recycling rate and enhance the livestock feed and food self-sufficiency rate. Currently, Nosan Corporation uses approximately 7,000 MT per year of dried Eco Feed recycled from discarded by-products of food production, unsold food products, leftovers from cooking etc., and approximately 20,000 MT per year of by-products from bakeries and confectionery factories (bread crumbs, cake flour). These are used as raw materials for livestock feed.



* A livestock feed manufactured using by-products of food production (by-products obtained from the food production process), unsold food products (bread and boxed lunches, etc.) leftovers from cooking (cut vegetable scraps and other leftovers from cooking) and residual farm products (imperfect farm produce, etc.).

Recycling and Closed-Loop Business Initiatives (Livestock Business)

Japan Farm Holdings Inc., a consolidated subsidiary of MC, is a large-scale livestock company which won the Fiscal 2016 Eco-Feed Award from the Japan Livestock Industry Association for its work building a closed-loop recycling model. The model is centered on reusing waste generated from a primary industry, specifically the lees left over from producing the distilled liquor shochu. Japan Farm is located in Kagoshima Prefecture, which is famous for sweet potato shochu manufacturing. The by-product waste known as lees from shochu manufacturing had been an ongoing issue. To solve this problem, Japan Farm worked in collaboration with local distilleries for over two years to develop feed that reuses the shochu lees. The feed is used for breeding pigs for "Brand Pork." Along with reducing waste disposal costs and CO₂ emissions, a closed-loop model has been established in such a manner where the manure from the pigs given the feed is recycled into fertilizer sold by vendors such as local agricultural cooperatives.

Japan Farm also maintains and operates a biomass power generation facility that uses chicken manure from the farm as fuel to generate "steam and electrical energy" for effective use. The electricity generated is used as a power source for the facility, while the steam generated by the boiler is used as a heat source. Ash generated during incineration is sold to outside parties as a raw material for fertilizer containing effective minerals, and surplus electricity generated during the night is sold to electric power companies.



Reference:

From the Japan Livestock Industry Association website page providing eco-feed information (Japanese only)

http://ecofeed.lin.gr.jp/excellent/uploads/files/jirei2016_japanfarm.pdf

Performance

Paper Consumption (Non-Consolidated)

(Unit: Thousand sheets)

	2020.3	2021.3	2022.3
Paper consumption (A4 copy paper conversion)	38,265	16,900	13,562 ★

Scope of aggregation: Head Office, Japan-based branches and offices

Recycling Volume

○ Non-Consolidated Recycling Volume (Head Office)

(Units: tons)

	2020.3	2021.3	2022.3
Recycling volume	499	407	425

* A 100% recycling rate at Mitsubishi Shoji Building, the Head Office building.

○ Non-Consolidated Recycling Volume (Food Waste)

(Units: kg)

	2020.3	2021.3	2022.3
Food waste recycling volume	217,100	164,700	169,600

MC periodically reports on its food waste on a non-consolidated basis including amounts generated and recycled in accordance with Japan's Food Recycling Law, and works to recycle in line with targets the law stipulates that companies must strive to achieve.

○ Non-Consolidated Recycling Volume (Container and Packaging Waste)

(Units: kg)

	2020.3	2021.3	2022.3
Mandatory container and packaging recycling volume	25,934	22,391	21,330

* Regarding container and packaging waste discarded by consumers, the mandatory container and packaging recycling volume as an importer. Waste produced by MC on a non-consolidated basis is not included.

MC fulfills its recycling obligations pertaining to container and packaging waste on a non-consolidated basis as an importer in accordance with Japan's Containers and Packaging Recycling Law.

Water Discharge

(Units: Thousand m³)

		2020.3	2021.3	2022.3
Non-Consolidated:		37	32	22
Consolidated:	(Breakdown is as follows)	48,215	47,894	39,276
	Ocean	27,172	30,286	23,612
	Surface water	19,279	15,760	14,219
	Subsurface / well	272	274	68
	Off-site water treatment	1,374	1,469	1,262
	Beneficial / other use	117	105	115

Scope of aggregation: Consolidated (MC and main Japan-based subsidiaries)

Calculation method: Total wastewater volume for non-consolidated and consolidated.

Reference: [Water Withdrawal, Water Recycling Volume and Rate](#)

Waste Emissions

Consolidated Waste Volumes

(Units: Thousand tons)

	2020.3	2021.3	2022.3
General waste from business	192	157	154
Industrial waste	286	257	217
Total	478	414	371

Scope of aggregation: Consolidated (MC and main Japan-based subsidiaries)

Non-Consolidated Waste Volume (Head Office)

(Units: tons)

		2020.3	2021.3	2022.3
Waste	Emissions volume	506	411	431
	• Recycling volume	499	407	425
	• Waste volume	7	4	6
	Recycling rate (%)	99%	99%	99%

Scope of aggregation (non-consolidated): Head Office and certain other offices in Tokyo

Non-Consolidated Waste Volume (Domestic Branches, Branch Offices and Other Offices, Non-Consolidated Business Emissions)

(Units: tons)

	2020.3	2021.3	2022.3
Waste	1,133	302	462

* Figures include emissions from welfare facilities.

* Figures exclude specially controlled industrial waste (infectious waste, PCB waste) and business-related general waste from domestic branches, branch offices, etc.

* There is no record of nitrous oxide (NOx), sulfur oxide (SOx), or volatile organic compound emissions.

Reference: [Toxic Waste Emissions](#)

Independent Practitioner's Assurance

ESG Data marked with a star (★) for the year ended March 2022 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: [Independent Practitioner's Assurance Report](#)

Social

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Human Rights

Policy ✓ Structure ✓ Human Rights and Environmental Due Diligence ✓ Initiatives ✓

Examples of External Collaboration ✓

Policy

Basic Approach on Human Rights

MC believes that respect for human rights is fundamental to doing business globally and has identified “Respecting Human Rights in Our Business Operations” as part of its Materiality. MC stipulates its respect for human rights in its Corporate Standards of Conduct and Social Charter. Furthermore, 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 foster a proper understanding and awareness of the issue of human rights; will respect the cultures, customs, and language of other countries and regions,” both inside and outside MC. MC also supports international norms such as the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), 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 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. Furthermore, 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: [The Corporate Standards of Conduct](#), [Code of Conduct](#), and [Mitsubishi Corporation Social Charter Slavery and Human Trafficking Statement](#)

Support for the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights)

The Universal Declaration of Human Rights was adopted at the third United Nations General Assembly on December 10, 1948. It is proclaimed as “a common standard of achievement for all peoples and all nations” to respect and ensure human rights and liberty. MC supports this declaration.

Based on the Universal Declaration of Human Rights, the United Nations established the International Bill of Human Rights which acts as a legally binding instrument. The International Bill of Human Rights is made up of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. These two international human rights covenants were adopted at the 21st UN General Assembly in 1966, and entered into force in 1976. Japan ratified the International Bill of Human Rights in 1979.

MC supports the International Bill of Human Rights, and makes specific reference to the Bill in its Code of Conduct.

Support for the UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights were adopted in 2011 and outline the “Protect, Respect and Remedy” Framework (2008). The Framework was presented to the UN Human Rights Council by the UN Secretary-General’s Special Representative Professor John Ruggie of Harvard University, and was unanimously approved. The Guiding Principles, which MC endorses, provide guidance on human rights due diligence; a fundamental process for any company addressing human rights issues.

Support for the International Labour Organization’s Labour Standards

The International Labour Organization (ILO) was founded in 1919 on the basic principle that universal and lasting peace can be established only if it is based on social justice. Since its establishment, one of the most important functions of the ILO has been the formulation of international labor standards through Conventions and Recommendations. The ILO has a tripartite structure with workers and employers participating as equal partners with governments. Conventions and Recommendations are adopted at the International Labour Conference of the ILO and ratifying States commit to observing them. The ratifying States also use Recommendations to guide their national policies, lawmaking and actions. Since its founding, the ILO has adopted Conventions and Recommendations that cover nearly every issue affecting the working world. The foundation of these is the ILO International Labour Standards, which consists of eight conventions, including the Discrimination Convention, the Minimum Age Convention, and the Worst Forms of Child Labour Convention.

MC endorses all eight conventions, and highlights its commitment to the conventions in the Mitsubishi Corporation Code of Conduct.

Support for the Voluntary Principles on Security and Human Rights

In 2000, the US and UK governments, along with natural resource and energy companies and NGOs involved in human rights and corporate social responsibility, held a series of dialogues on security and human rights. During these sessions they established the Voluntary Principles on Security and Human Rights, a voluntary set of principles on respecting human rights and ensuring the safety of operations. These were drawn up in accordance with the UN’s “Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and Code of Conduct for Law Enforcement Officials.” These principles include: “Security is a fundamental need, shared by individuals, communities, businesses, and governments alike, and security and respect for human rights can and should be consistent”; “Corporate security personnel should protect corporate assets from theft and violence, while bearing in mind the potential risk of human rights abuses through the misuse of weapons”; “Companies should act in a manner consistent with the laws of the countries within which they are present, to be mindful of the highest applicable international standards, and to promote the observance of applicable international law enforcement principles, particularly with regard to the use of force”; and “Companies are members of the community and should be actively involved in the local community and contribute to its welfare.” Other principles that companies should keep in mind when undertaking their activities and the role of governments are also mentioned.

MC supports the voluntary principles outlined in the Voluntary Principles on Security and Human Rights.

Policy on Children's Rights

MC understands that children are especially vulnerable to human rights abuses and that special consideration to respect their rights is necessary. MC also believes that respecting the rights of children allows them to better understand their own rights, which in turn contributes to their ability to become active members of society and leaders of future generations. With this understanding, MC supports the United Nations and ILO treaties* regarding children's rights and has established internal policies for its employees to ensure that child labor is not tolerated and that children's rights are respected. In particular, MC supports the Convention on the Rights of the Child, including children's survival and development rights, protection rights, and participation rights. As stated in MC's Policy for Sustainable Supply Chain Management, MC will not employ any person who is under the minimum working age and will not engage in any employment that impairs children's development. MC also supports the Children's Rights and Business Principles, strives to prevent abuses of children's rights in our business, and invests in social contributions through philanthropic efforts focused on children's rights.

Through its "Policy for Sustainable Supply Chain Management," MC also expects its suppliers to conform to these standards by refraining from employing anyone under the minimum working age, and prohibiting children to work in any way that impairs their development.

* The UN Global Compact, the Convention on the Rights of the Child, the Children's Rights and Business Principles, the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (ILO Convention No. 182), etc.

Policy on Indigenous Peoples' Rights

In the context of its overall commitment to respecting human rights, MC pays special attention to upholding the rights of indigenous peoples, acknowledging their unique social and legal status under national and international laws, as well as their unique histories and cultural contributions throughout the world. When examining new business investment proposals, MC takes into consideration how the business operations may impact the rights of indigenous peoples and will consult with the relevant stakeholders. MC supports the United Nations Declaration on the Rights of Indigenous Peoples and the Indigenous and Tribal Peoples Convention (ILO Convention No. 169).

Policy on the Appointment of Armed Security

MC understands the importance of protecting its employees from dangers such as violence and preventing theft of assets throughout its business operations, and retains armed security services when deemed necessary. MC believes that the abuse of weapons by security forces involves a potential risk of human rights abuse. With regard to retaining armed security services, in addition to complying with the laws of the countries and regions in which it operates and adhering to international standards, MC also supports relevant international agreements*.

* The UN Global Compact, the Voluntary Principles on Security and Human Rights, the UN Code of Conduct for Law Enforcement Officials, the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, etc.

Structure

In MC's management framework, human rights initiatives are overseen by the Member of the Board/ Corporate Functional Officer, CAO, Corporate Sustainability and CSR. The Corporate Sustainability & CSR Department and Global Human Resources Department plan and draft any related policies and measures. Following deliberations by the Sustainability & CSR Committee and Human Resources Development Committee, items are put forward or reported to the Executive Committee and the Board of Directors.

Officers in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Sustainability & CSR Committee, Human Resources Development (HRD) Committee Important matters related to human rights deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Departments in Charge	Corporate Sustainability & CSR Dept., Global Human Resources Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Grievance Systems

MC has established various consultation systems, including an internal human rights consultation desk and the whistleblowing system, so that any human rights concerns can be raised. These systems ensure that human rights related grievances can be raised any time by mail, telephone or in person. These systems can be used anonymously and in confidence, ensuring the safety of the informant (no subsequent dismissal or other disadvantageous treatment), and that matters are handled and investigated by persons who have no conflict of interest in the matter. Solutions are offered with the utmost consideration of the informant's wishes. Employees are informed about the systems during human rights awareness training at the start of employment, and information related to the systems is posted at all times on MC internal bulletin boards. MC also covers human rights issues in its annual compliance e-learning program to which all executives and employees (including full-time and part-time employees, secondees and temporary staff) are required to take. In addition, as part of a group-wide compliance program, MC provides human rights training with information on the existence of the systems to employees who are transferred or seconded to affiliated companies.

In the fiscal year ended March 2021, MC received a total of 75 reports under the whistleblowing system, of which 48 were related to human rights, including harassment, health and safety, labor management, personal data, etc. Compliance Officers shall conduct necessary investigations, giving due consideration to not infringing on the human rights and reputation of the persons involved. The results of the investigations are reported to the Chief Compliance Officer and used to plan and implement measures to prevent recurrence.

Reference: [Whistleblowing System](#)

Dialogue with Stakeholders

MC has established the Sustainability Advisory Committee which consists of six external experts. MC regularly seeks the diverse perspectives of this committee about MC's human rights efforts and other sustainability matters. In addition to regular committee meetings, committee members also visit business sites on an annual basis in order to deepen their understanding of MC's sustainability efforts. We also hold human rights due diligence seminars for MC employees.

Reference: [Sustainability Advisory Committee](#)

Human Rights and Environmental Due Diligence

Human Rights and Environmental Risks

MC's current activities have expanded far beyond its traditional trading business to include project development, production and manufacturing operations, working in collaboration with our trusted partners around the globe. Furthermore, since MC handles a wide range of products and services around the world, we believe that it is important to identify and analyze the negative impacts of our business on human rights and the environment, to ensure that such impacts are avoided/mitigated, and to fulfill our responsibilities. MC is conducting human rights and environmental due diligence with this in mind.

【Value Chain of MC's Business Activities】



- Employees of MC and MC Group Companies:** 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. Moreover, 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 foster a proper understanding and awareness of the issue of human rights; will respect the cultures, customs, and language of other countries and regions," both inside and outside MC. Furthermore, MC Group companies share a common philosophy. With regard to labor practices, MC stipulates the International Labour Standards of the International Labour Organization (ILO) as the relevant regulations underpinning the compliance requirements detailed in the Code of Conduct. Furthermore, from the fiscal year ending March 2023, in order to strengthen efforts to respect human rights throughout the MC Group, we have added questions regarding human rights to our annual survey for collecting sustainability information/data on consolidated basis.

Reference: [The Corporate Standards of Conduct](#), [Code of Conduct](#), and [Mitsubishi Corporation Social Charter Labor Practices](#)

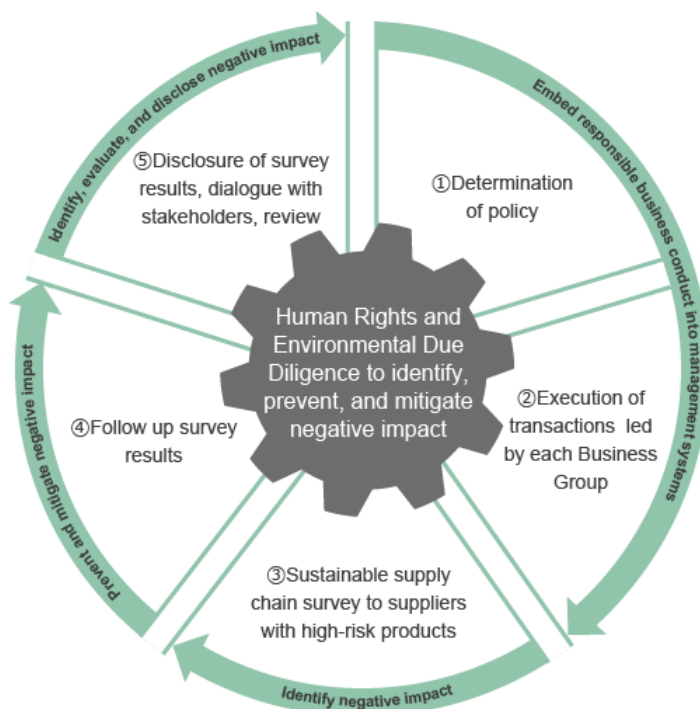
- **Business Management:** When reviewing investment and loan proposals, MC conducts a comprehensive screening process which considers not only economic factors, but ESG impacts as well. From the viewpoint of human rights, MC's assessments and considerations are informed by human rights risks that need to be addressed from the perspectives of the severity of potential negative impacts on MC's stakeholders (scope of the risks, their scale and how irremediable they might be) and likelihood (status by procurement country, industry and region). MC's risk management approach is informed by the UN Guiding Principles on Business and Human Rights, the IFC Guidelines and the Japan Bank for International Cooperation (JBIC) Guidelines for Confirmation of Environmental and Social Considerations. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Reference: [Incorporating Sustainability into Individual Projects](#)
[Collecting Sustainability Information on a Consolidated Basis](#)

- **Trading Business:** Regarding supply chain risk management, the Mitsubishi Corporation Policy for Sustainable Supply Chain Management includes clauses related to respecting human rights etc. including the prohibition of forced labor and child labor, and MC expects its suppliers to understand, embrace and abide by this policy. In addition, due diligence is conducted through following process: 1) report of due diligence policy to the Board of Directors at the beginning of each fiscal year, 2) assessment of the results of transactions led by each Business Group through survey to suppliers with high-risk products, 3) dialogue with stakeholders on the survey results and 4) review.

Reference: [Supply Chain Surveys](#)

【Human Rights and Environmental Due Diligence process for Trading Business】



Initiatives

Employee Training

We provide training (such as programs geared toward specific levels of management including those for new employees, as well as training on trading practice) on our corporate philosophy, including respect for human rights and relevant guidelines.

- **Training for all officers and employees:** MC's policies and guidelines, including those related to respecting human rights through its businesses and supply chains can be viewed on the company intranet at any time, and are communicated to all new recruits and reinforced at various internal training sessions on a regular basis, including sustainability seminars for each Business Groups. These policies and guidelines are also conveyed to employees of overseas offices and Group companies at various internal training seminars on a regular basis. In addition, content related to human rights infringement and the Modern Slavery Act are incorporated into an e-learning program which all officers and employees are required to take every year, in order to cultivate a better understanding toward modern slavery in all employees. Our results for the fiscal year ended March 2022 are as follows.

Scope	Total time spent	Percentage of Training Participants *
Non-Consolidated Officers and Employees	4 hours	99.2%

* Average rate of participation for each training course

- **Overseas Training (various level-specific training in Europe):** MC provides regular training through workshops and seminars to board members, management and employees to deepen their understanding on the importance of respecting human rights. Furthermore, MC is working to provide these workshops to as many of its employees in the UK as possible, such as holding the training at certain UK-based associates. Further details are available via the following link:
<https://www.mitsubishicorp.com/gb/en/csr/slavery/>



Support for Vulnerable Children and At-Risk Youth

In Ha Tinh Province, Vietnam, children with impairments are often denied educational opportunities if their families are economically disadvantaged. Through the Anh Dao Special Education Center, MC supports educational courses for children with autism and training courses for their parents aimed at raising their standard of living.



Children learning at the Education Center

Friendship Camp for Mothers and Children

MC has been holding the Friendship Camp for Mothers and Children since 1974. The Camp is catered to single mothers and their children, and gives them a chance to interact with nature. Through these activities, MC aims to help the next generation to play an active role in society. The Camp is currently held in Minamiuonuma-city, Niigata Prefecture, a city rich in nature. The employee volunteers who accompany the campers train and hold meetings for about three months prior to the Camp so that the participating parents and children can maximize their time and enjoy a fun and safe experience in nature. In the year ended March 2022, although the Camp was canceled due to Covid-19, MC donated bamboo watergun craft kits to approximately 100 children at 10 Maternal and Child Living Support Facilities.

To date, 17,868 mothers and children and 1,163 employee volunteers have participated. The Camp is one of MC's flagship philanthropic activities and aligns with MC's focus on long-running initiatives and employee participation.



Friendship Camp for Mothers and Children: In a rice field halfway up a mountain

Examples of External Collaboration

MC regularly participates in the United Nations Forum on Business and Human Rights and strives to grasp the latest trends in the business and human rights field. In addition, MC participates in the World Business Council for Sustainable Development (WBCSD)'s People Program in order to exchange information with other companies and learn best practice. MC actively participates in other initiatives and events related to human rights such as seminars held by Shift, an organization which specializes in research with respect to the UN Guiding Principles on Business and Human Rights.

Reference: [WBCSD](#)

Labor Practices

1. Labor Standards, Labor Environment and Related Matters

Policy ✓ Structure ✓ Initiatives ✓ Relevant Data ✓

2. Employee Relations

Policy (Freedom of Association and Collective Bargaining) ✓ Structure ✓ Initiatives ✓

Performance ✓

1. Labor Standards, Labor Environment and Related Matters

Policy

Basic Approach to Human Resources

Human resources are MC's greatest asset. The MC Group has a workforce of approximately 83,000 employees worldwide. In response to the further diversification and globalization of its businesses, the MC Group is working to develop human resources and support their success on a Group-wide and global basis. This is to create fulfilling and lively workplaces where MC's diverse group of employees, regardless of gender, nationality and other attributes, are able to demonstrate their unique abilities to the fullest extent possible.

Policy on Labor Practices

(1) MC's Policy on Labor Practices

MC believes that consideration for human rights is essential in the course of undertaking various businesses worldwide. Based on this belief, MC's Code of Conduct stipulates that MC will respect human rights and will not engage in any form of discrimination or harassment. With regard to labor practices, MC stipulates the International Labour Standards* of the International Labour Organization (ILO) as the relevant regulations underpinning the compliance requirements detailed in the Code of Conduct. Furthermore, MC adheres to the legal minimum wage and has adopted a uniform compensation structure for employees of different genders with the same qualifications and same level of professional duties.

Reference: [Basic Approach on Human Rights](#)

* ILO International Labour Standards

The International Labour Organization (ILO) was founded in 1919 on the basic principle that universal and lasting peace can be established only if it is based on social justice. Since its establishment, one of the most important functions of the ILO has been the formulation of international labor standards through Conventions and Recommendations. The ILO has a tripartite structure with workers and employers participating as equal partners with governments. Conventions and Recommendations are adopted at the International Labour Conference of the ILO and ratifying States commit to observing them. The ratifying States also use Recommendations to guide their national policies, lawmaking and actions. Since its founding, the ILO has adopted Conventions and Recommendations that cover nearly every issue affecting the working world. The ILO has established four fields and eight conventions as fundamental labor standards (see table below). MC endorses all of these fields and conventions, and makes specific reference to compliance with them in the Mitsubishi Corporation Code of Conduct.

(2) Participation in the UN Global Compact

MC joined the UN Global Compact in 2010, declaring our commitment to the ten universal principles in four fields: human rights, labor, environment and anti-corruption. Guided also by the spirit of the Three Corporate Principles, we are promoting initiatives in each of these four areas.

Reference: [Support for the UN Global Compact](#)

The Four Fields and Eight Conventions Constituting Fundamental Labor Standards

Freedom of association and the effective recognition of the right to collective bargaining	Convention concerning Freedom of Association and Protection of the Right to Organise (No. 87) Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (No. 98)
Elimination of all forms of forced or compulsory labor	Convention concerning Forced or Compulsory Labour (No. 29) Convention concerning the Abolition of Forced Labour (No. 105)
Effective abolition of child labor	Convention concerning Minimum Age for Admission to Employment (No. 138) Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (No. 182)
Elimination of discrimination	Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (No. 100) Convention concerning Discrimination in Respect of Employment and Occupation (No. 111)

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Human Resources Development (HRD) Committee Important matters related to labor practices deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well, including labor relations, labor management and labor rights. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Initiatives

(1) Conducting Fair Recruitment Activities and Providing Job Opportunities

MC's greatest asset is its human resources, and MC conducts activities to hire new graduates and mid-career employees every year. Our latest recruitment history is as follows. Based on recent circumstances, MC is also utilizing online hiring practices to conduct extensive screening of university and graduate students from both Japan and abroad. In addition, MC carries out interviewer training, including by external experts, each year in order to ensure appropriate screening practices.

Recruitment history (separate)

	2018.3 results	2019.3 results	2020.3 results	2021.3 results	2022.3 results
Number of new graduates recruited	179	171	130	127	123
Male	122 (68.16%)	109 (63.74%)	92 (70.77%)	89 (70.08%)	88 (71.54%)
Female	57 (31.84%)	62 (36.26%)	38 (29.23%)	38 (29.92%)	35 (28.46%)
(The number of general office workers) *	20	17	7	-	-
Number of career hires	6	8	13	21	16
Male	4 (66.67%)	8 (100.00%)	12 (92.31%)	17 (80.95%)	13 (81.25%)
Female	2 (33.33%)	0 (0.00%)	1 (7.69%)	4 (19.04%)	3 (18.75%)
Career recruitment ratio	3%	4%	9%	14%	12%

* Recruitment of general office workers (formerly called as "Business support staff") was postponed for the fiscal year ended March 2021, March 2022, so this has been marked with "-".

In addition to recruitment activities, MC conducts hands-on employment workshops offering career counseling to university and graduate students. In addition, although not directly offering employment opportunities, MC provides scholarships through the Mitsubishi Corporation Disaster Relief Foundation, the Mitsubishi Corporation International Scholarship for Studies in Japan, and the Tobitate! (Leap for Tomorrow) Study Abroad Initiative as a way of providing educational opportunities that can lead to employment.

(2) New Work Styles Befitting MC

We are making determined attempts to pursue new work styles which allow us to enhance work productivity and efficiency while delivering high results and performance. The initiative aims to ensure each organization and individual autonomously practices work styles that best suit respective needs.

While taking into consideration the uniqueness of each organizational and individual initiative due to diversified business environments, industries and other factors they face, we aim to achieve an average annual paid leave utilization rate of 70% or more by systematically encouraging personnel throughout MC to take their annual paid leave. In addition, we formulate and implement individual improvement measures that require overtime-heavy organizations to develop more efficient labor-saving practices. As a result, in the fiscal year ended March 2021, MC came very close to achieving those objectives, with employees on average taking 55% of their paid leave and working 27.2 hours of overtime per month on a non-consolidated basis.

Our efforts extend to a work environment that enables diverse employees to thrive professionally while fostering an organizational culture in which performance is evaluated fairly on the basis of results.

(3) Respect for Human Rights

MC's Corporate Standards of Conduct emphasize respect for human rights, while the Code of Conduct and Social Charter stipulate that MC will respect human rights, not engage in any form of discrimination or harassment, not engage in discrimination on the basis of race, ethnicity, creed, religion, gender, gender identity, sexual orientation, national or regional origin, age, physical or mental impairments, illness or any other grounds, and respect the cultures, customs, and languages of other countries and regions.

MC has established a Basic Policy on Preventing Harassment, which is disseminated widely throughout MC. 'Harassment' is defined in the Basic Policy as encompassing sexual harassment and "power harassment," as well as maternity harassment (disadvantageous treatment related to pregnancy, childbirth, childcare leave, family care leave and so on). It also states that harassment encompasses verbal or physical conduct of a sexual nature, regardless of sexual orientation or gender identity such as LGBT.

Moreover, MC has established human rights help desks internally and outside MC. The help desks operate around the clock, providing consultations via e-mail, telephone, in person or by other means.

- MC conducts human rights training for new employees, an annual e-learning course for all employees.
- MC also conducts lectures that focus on the issue of harassment at times including when new general managers or team leaders are appointed.
- In 2020, as efforts to prevent "power harassment", MC starts a e-learning seminar "Creating a workplace without harassment" for all employees.

MC takes additional steps to ensure that its consolidated operations are also aware of its human rights standards. For example, employees who are dispatched to MC affiliate companies also receive human rights training (including topics such as prevention of forced labor and child labor, etc.).

Relevant Data

	2019.3	2020.3	2021.3
Annual average actual working hours * ¹	1947.7 hours	1915.6 hours	1984.3 hours
Monthly average overtime hours * ¹	25.7 hours	25.1 hours	27.2 hours
Percentage of annual paid leave taken * ²	67%	67%	55%
Number of violations of the Labor Standards Act * ³	0	0	0
Percentage of temporary employees	Approx.8%	Approx.8%	Approx.7%
Average number of temporary employees (male)	500 people (21 people)	486 people (21 people)	450 people (20 people)

* 1 Employees at the Head Office and Japanese branches (excluding managers, corporate advisers and contract employees).

* 2 Employees at the Head Office and Japanese branches (excluding secondees from other companies).

* 3 Employees at the Head Office and Japanese branches.

Percentage of retirees for personal reasons (as of the end of March)

2019.3			2020.3			2021.3		
Male	Female	Total	Male	Female	Total	Male	Female	Total
1.0%	1.9%	1.3%	0.9%	1.7%	1.1%	1.4%	1.4%	1.4%

Ratio of female employees by employee category (permanent / non-permanent) (as of the end of March)

	2019.3	2020.3	2021.3
Permanent employee	26%	26%	26%
Non-permanent employee	16%	17%	21%

Ratio of employees by age bracket (as of the end of March)

	2019.3	2020.3	2021.3
20s	19%	17%	16%
30s	24%	25%	27%
40s	25%	24%	22%
50s	31%	32%	33%
60s	2%	1%	1%

Reference: [About other various personnel data](#)

2. Employee Relations

Policy (Freedom of Association and Collective Bargaining)

Basic Approach

MC is engaged in various forms of dialogue with the MC Staff Union at MC-wide level and individual group level. This dialogue is undertaken to reflect in management the opinions and awareness of issues of MC staff who are involved in operations on the ground. Through this process, MC seeks to enhance the performance of each employee whilst enhancing the business performance of MC and fulfilling its public mission to create a more positive work environment. The results of this dialogue are taken into consideration by MC in the course of formulating and implementing various policies.

Policy on Freedom of Association and Collective Bargaining

MC has always respected the freedom of association and the right to collective bargaining recognized by the Constitution and various laws and regulations of Japan. MC has entered into a union shop agreement with the Mitsubishi Corporation Staff Union ("MC Staff Union"), which was formed in 1970. Based on the agreement, all eligible employees are required to join the union, except for those qualified for management-level positions and those deemed to be non-union members based on individual agreements, taking into account the characteristics of their duties and other conditions. Guided by the policy of respecting the freedom of association and right to collective bargaining, MC's operating companies also comply with and respect the laws and regulations and labor practices of their host countries.

Collective Bargaining

MC has established conditions related to collective bargaining between MC and the MC Staff Union, beginning with labor conditions, as well as related operational procedures. Where necessary, MC has a process in place for both sides to reach agreements by increasing their understanding of the issues through discussions undertaken in good faith. In recent years, MC has engaged in collective bargaining between MC and the MC Staff Union in the process of reviewing compensation and personnel systems and revising annual income.

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Human Resources Development (HRD) Committee Important matters related to labor practices deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

The MC Staff Union had 3,015 members as of December 1, 2021. All eligible employees join the MC Staff Union, except for those considered as non-union members based on agreements between the MC Staff Union and MC (including those qualified for management-level positions and those deemed to be non-union members in keeping with the characteristics of their duties based on individual agreements). The MC Staff Union is led by an executive chairman elected from among the union members for a term of one year. The MC Staff Union and MC share the following basic philosophy: "Recognizing the public mission of companies, both the workforce and management will endeavor in earnest to achieve the sound development of MC and to improve the economic and cultural standing of union members." Guided by this philosophy, the MC Staff Union carries out a variety of initiatives.

Risk Management

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well, including labor relations and labor management. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Initiatives

The MC Staff Union and MC hold labor management meetings and conferences based on the “Basic Agreement between MC and the Union” concluded by both parties, and conduct proposals, status reports and discussions concerning the mutual recognition of issues. These meetings and discussions aid in ensuring proper business management by reflecting the opinions of staff involved in daily duties at the corporate level and the level of each organization.

(1) Labor Management Meetings

The aims of these meetings are to facilitate communication on various matters of mutual interest between the MC Staff Union and MC through the exchange of views, to reflect the union members’ broad range of opinions aimed at stimulating better management policies / business performance, and to create a more positive workplace. Numerous labor management meetings are held at the levels of each office, business department, division and business group. Not only are the matters discussed in the meetings put to effective use in the management of each organization, they are also placed on the reporting and discussion agenda of Company-wide labor management meetings held once a year, including meetings with the President and CEO, meetings with the Corporate Functional Officer for Human Resources, meetings to discuss yearlong business performance, and meetings to discuss interim business performance.

(2) Conferences

Conferences are held to facilitate communication between the workforce and management on specific matters through the exchange of views and to reflect the union members’ broad range of views on energizing MC through various management policies.

In the year ended March 2022, three conferences were held on topics including HR Systems / Careers, Work Styles. The MC Staff Union presented reports and proposals to the relevant internal departments based on questionnaires and discussions held within the union, and certain proposals have been implemented by MC.

Performance

Agreement on Collective Bargaining

Under the Basic Agreement between MC and the Union entered into by the two parties, collective bargaining covers (1) matters concerning work conditions and (2) other matters for which collective bargaining is deemed necessary by the MC Staff Union and MC. Accordingly, MC and the MC Staff Union have undertaken collective bargaining on the matters described below.

FY2015	Revision of annual income (3 collective bargaining sessions)
FY2016	None
FY2017	Revision of annual income (1 collective bargaining session)
FY2018	Revision of HR System/Remuneration System (4 collective bargaining sessions)
FY2019	None
FY2020	Revision of annual income (3 collective bargaining sessions), revision of staff system (1 collective bargaining session)
FY2021 (As of the end of December)	None

In addition, matters deemed to be collective bargaining agreements have been established based on the Basic Agreement between MC and Union and individual labor management agreements. These collective bargaining agreements cover all employees of MC.

Diversity Management

Policy ✓ Structure ✓ Initiatives ✓ Relevant Data ✓ Evaluation by Society ✓

Policy

A Flexible and Powerful Organization Capable of Adapting to Changing Business Environments

The MC Group's global workforce is made up of a diverse group of employees in terms of lifestyles and values. As the MC Group's businesses rapidly become more global and diverse, MC recognizes that it will be essential to drive growth while encouraging a diverse range of employees to share common values and engage in healthy competition with one another. Doing so will be vital for achieving sustainable corporate growth. We believe that the significance of diversity management at the MC Group lies in building a strong organization with the flexibility to adapt to changing business environments. In sharing the spirit of its guiding philosophy, the Three Corporate Principles, the MC Group aims to:

- Recruit and apply its broad professional expertise without discrimination.
- Reap the benefits of workforce diversity by embracing and applying different perspectives and ideas to its management practices, business creations and regional developments.
- Improve organizational performance by ensuring an inclusive professional work environment that maximizes the abilities of a diverse workforce.

○ [Specific Initiatives]

- Reviewing work styles with an emphasis on work-life balance
- Building a corporate culture that embraces diverse values
- Supporting employees with childcare, family care and other family responsibilities
- Supporting women's careers
- Engaging expertise of senior employees
- Engaging expertise of employees with impairments
- Engaging expertise of employees regardless of nationality

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Human Resources Development (HRD) Committee Important matters related to labor practices deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

In 2007, MC established its first organization specifically dedicated to diversity management in the Global Human Resources Department (originally named the Work Environment Support Office, it was renamed as the Diversity Management Promotion Office the following year). Thereafter, following reorganization, MC established the Health Promotion, D&I Team in April 2021. This team strives to enhance and expand support measures for employees balancing work with childcare or family care responsibilities. It also considers measures such as initiatives to create welcoming workplaces for non-Japanese employees. MC will continue to undertake initiatives to further improve its work environments in order to ensure that each employee in its diverse workforce is able to keep motivated and achieve his or her own full potential.

Initiatives

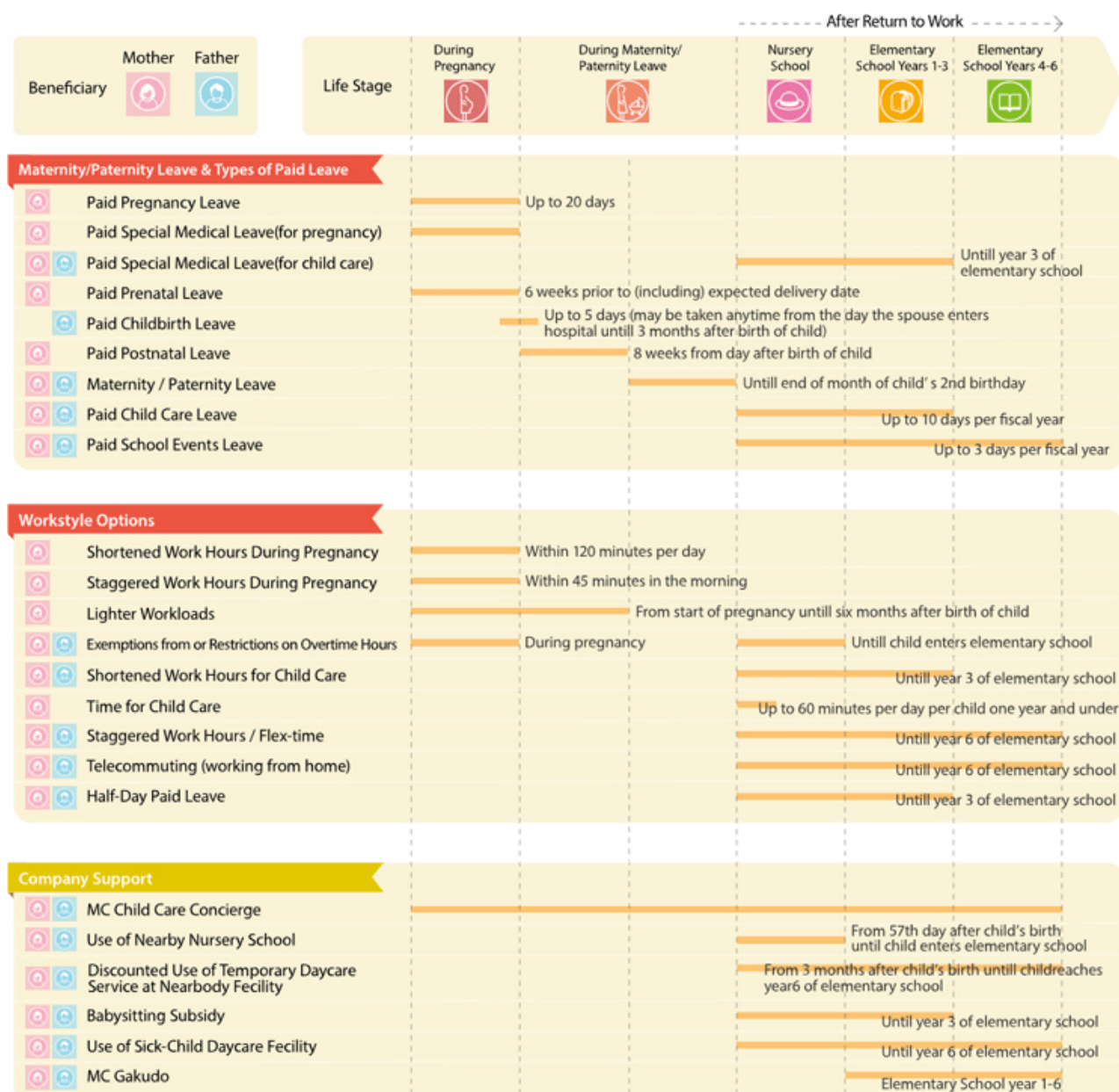
Supporting Employees with Family Responsibilities

MC has been improving its internal systems to enable employees to better balance matters such as childcare and family care with their careers. MC will continue to focus on building a corporate culture that embraces diverse work styles in order to create a comfortable and supportive atmosphere that understands and encourages the active utilization of these systems.

○ Support for Balancing Career and Childcare

MC seeks to put the support of the entire Company behind employees who are balancing their work with maternity and paternity roles and childcare responsibilities. For this, MC is working to upgrade and expand various systems available for use by both men and women.

Maternity/Paternity and Childcare Systems



Establishment of MC's Childcare Concierge within the Global Human Resources Department

To help employees smoothly return to work from maternity and paternity leave, MC has set up the Childcare Concierge within its Global Human Resources Department. This service provides employees with information on daycare facilities, babysitters, services for children to continue their studies after regular school hours, etc. It also provides consultations about pediatric health and other concerns that employees may have about raising children.

Children's Daycare Facilities & Services

MC has secured the services of a nearby daycare facility so that employees can smoothly return to work when they wish. In addition, MC has also secured the services of sick-child daycare facilities so that employees always have access to a daycare facility and babysitters who they can rely on confidently when their children are ill. In addition, MC has been providing the MC Gakudo service for employees with children in elementary school. This service provides day camps for children during long vacation periods from school.

Paid School Events Leave, Staggered Work Hours, Flex-Time Work and Telecommuting (Working from Home)

MC has established a system for paid school events leave, which allows employees to take time off to attend official school and daycare events, such as entrance and graduation ceremonies. In addition, employees with children can utilize systems such as staggered work hours and flex-time, and MC is further supporting employees balancing work and childcare by implementing a system for telecommuting (Working from Home).

Encouraging Work Style Diversity and Work-Life Balance

MC has distributed its Childcare Support Handbook to all MC employees, as part of its efforts to promote understanding and foster a supportive culture internally. The handbook includes not only explanations on all of MC's childcare systems and policies, but also provides specific advice for mothers, fathers, bosses and colleagues on how to improve office communication. MC also provides regular guidance to staff in management-level positions.

○ Support for Balancing Career and Family Care

In order for employees to continue to demonstrate their abilities while balancing career and family care responsibilities, MC has expanded systems such as family care leave, flex-time, staggered work hours and family care leave. In addition, we provide a variety of support such as holding Work-Care Balance Support Seminars giving employees the opportunity to deepen their understanding regarding family care, as well as establishing a Family Care Consultation Desk, providing a system where employees and their family members can consult regarding their concerns at an early stage.

Family Care Support Systems

Family members requiring nursing care	Spouses, children, parents, parents of spouses, grandparents, grandchildren, brothers and sisters
Paid Family Care Leave	10 days per fiscal year, paid
Work Styles	<ul style="list-style-type: none"> • Exemptions from and restrictions on late-night, overtime and weekend work • Staggered work hours/flex-time • Special medical leave (for family care reasons) • Consultations on family care with external experts
Family Care Leave	1 year on a cumulative basis for each family member requiring family care (365 days including non-business days) * Can be obtained in separate segments for each family member requiring ongoing, constant nursing care
Employee benefits	<ul style="list-style-type: none"> • Use of nursing care services (24-hour consultation desk)

Encouraging Work Style Diversity and Work-Life Balance

MC has distributed a Support for Balancing Career and Family Care Handbook to all employees as part of its efforts to promote understanding and foster a supportive culture internally. The handbook includes not only explanations of all of MC's family care systems and policies, but also provides specific advice for employees providing family care, as well as for bosses and colleagues on how to improve office communication. MC also provides guidance to those in management-level positions and Work-Care Balance Support Seminars for all employees on a regular basis.

○ Re-Employment System for Employees Accompanying Spouses on Domestic or International Job Transfers

Providing that certain conditions are met, MC will re-employ those who previously left MC due to their spouses' domestic or international job transfers. This system was introduced to enable these personnel to resume their careers at MC by making the most of their prior experience and skills.

Supporting Women's Careers at MC

MC considers its workforce to be its greatest asset, and as such, its policy is to support the professional growth and development of each and every employee through flexible, performance-based treatment and compensation. To ensure that the right people are appointed to the right positions, MC focuses on the skills, performance and experience of each candidate, and does not discriminate based on age, gender, nationality or any other factors. To best accommodate the needs of female professionals and help them to excel, MC has established a five-year plan to support its working women. The plan's targets and initiatives are described below.

○ Plan Period: April 1, 2021 – March 31, 2026

○ Targets and Initiatives

○ Target 1: Encourage more high-level appointments of female employees and raise the percentage of women in management-level positions above 15%.

By expanding its systems to promote a healthy work-life balance and taking special, career-support measures for its female professionals, MC has managed to boost this percentage in recent years; however, the company now plans to take the following, additional steps to further accelerate its appointment of women to executive positions:

〈Description of initiatives〉

- Leverage job recruitment sessions, the company website and other PR tools to proactively target female candidates for positions at MC and boost the percentage of job applications from women.
- Instruct the Women's Career Managers to analyze and address any separate issues that may exist within their respective departments (in addition to their general responsibilities under MC's companywide policy).
- Develop/ roll out training programs and networking opportunities that are specially designed for working women (this initiative shall be part of MC's overarching aim to rear management professionals who are committed to raising the value of MC Group businesses).
- Enhance support for working women, such as by offering a mentorship program aimed at further motivating women in executive positions and broadening their perspectives.
- Provide more support to ensure that women can enjoy a healthy work-life balance by accommodating flexible work styles (assist early returns from maternity or paternity leave and help women to secure full-time positions).
- Take measures to improve the managerial and negotiating skills of all employees, regardless of background, in order to ready them for management-level positions.

○ Target 2: Ensure that all eligible male employees take their full paternity leave.

Although in recent years more working fathers at MC have been taking paternity leave and doing so for longer periods, many are still not taking full advantage of the program. MC shall continue working on improvements that will both raise awareness of the program and make it easier for male employees with newborns to use it.

〈Description of initiatives〉

- Separately remind both each male employee with a newborn and his superior about his eligible paternity leave.
- Encourage male employees to use the program through roundtable discussions with those who already have, internal PR work and other initiatives.
- Use internal training programs to explain diverse work styles, support for achieving a healthy work-life balance, and diversity management (including making better use of the expertise of MC's female employees).

○ Career Support Based on Major Life Events during Childbirth and Childcare Periods

Taking into account the major life events of individual employees, MC is focused on systematically providing career development opportunities to the greatest extent possible, including overseas assignments. For employees planning to take maternity/ paternity leave or those currently raising children, MC explains the relevant systems and policies, in addition to offering Work-Life Balance Seminars where employees can hear about the experiences of their senior colleagues on topics such as work styles after returning to work from maternity/ paternity leave.

○ Support for Employees on Overseas Assignments Accompanied Only by Children

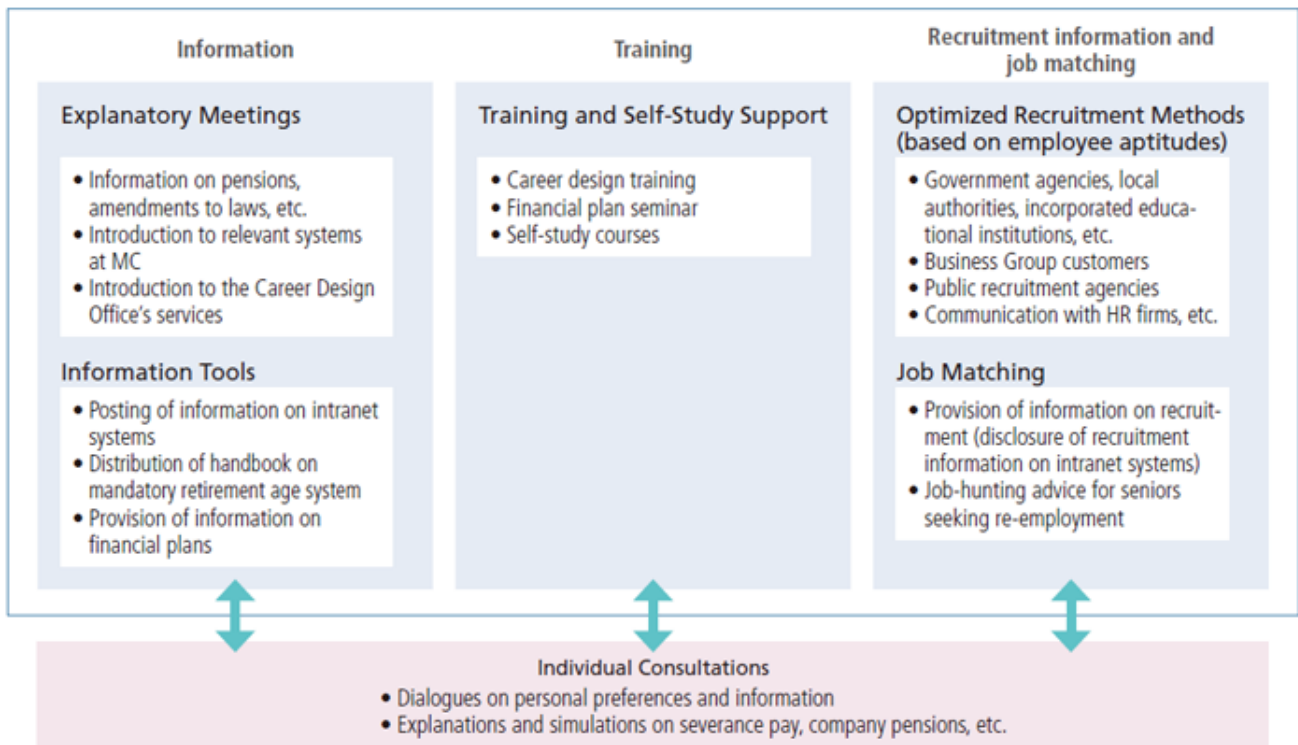
In some cases, employees may be assigned overseas and accompanied only by their children of junior high school age or younger, without their spouses. In these cases, MC provides support to ensure a smooth assignment and the necessary arrangements for daily life during the assignment. This includes sending the employee on business trips to the location prior to the assignment, arranging housing in advance, concurrently allowing family members to join the employee, and providing a special subsidy for accompanying family members.

Engaging the Senior Workforce

The awareness and attitudes towards working beyond the age of 60 differs widely from one person to the next, and opinions on the subject are likely to vary even more in the coming years. Besides introducing its Re-Employment Course System for extending the careers of employees aged 60 and over, MC also enhances the functions of its Career Design Team, which provides comprehensive support for senior employees.

The Career Design Team establishes and manages a human resources (HR) system exclusively for senior employees. Individualized arrangements are made with each employee who wishes to continue working beyond the age of 60 or who would like to consider their future life/ career. Comprehensive support is available through the provision of various information and training programs, collection of recruitment information, job matching services, and other means.

Functions of the Career Design Team



Diverse Employment Opportunities for Persons with Impairments

As part of its CSR and diversity initiatives, MC has a long and proud history of employing persons with impairments. Together with its special-purpose subsidiary, Mitsubishi Shoji & Sun Co., Ltd., MC will continue its efforts in expanding career opportunities for persons with various impairments, while maintaining the statutory employment rate for these workers.

○ Helping to Increase Employment Opportunities for Persons with Impairments Mitsubishi Shoji & Sun Co., Ltd.

Mitsubishi Shoji & Sun Co., Ltd. was established in 1983 as an IT company following a joint investment by MC and Social Welfare Organization Japan Sun Industries. It is headquartered in Beppu City, Oita Prefecture, and has offices in Tokyo (Marunouchi). Operating under its corporate philosophies of coexistence between persons with and without impairments, corporate self-reliance, and new corporate value, Mitsubishi Shoji & Sun Co., Ltd. works to increase employment opportunities for various persons with impairments while providing IT services such as system development, data entry, DTP and server operation to numerous business partners including MC and other MC Group companies.

Reference: Mitsubishi Shoji & Sun Co., Ltd. website (Japanese only) <https://www.mctaiyo.co.jp/>

Engaging a Global Workforce

○ Support for Non-Japanese Employees

MC provides support to non-Japanese employees working in Japan by providing information on matters such as application procedures for period of stay extensions, rental housing, pensions and medical information. MC also provides a consultation desk to field any concerns or questions that non-Japanese employees may have about living and working in Japan.

Reference: For details on value sharing and international transfers of employees at overseas offices, please see [Human Resource Development](#).

[MC Diversity Management Human Resources Development](#)

Relevant Data

Data on Employees Using MC's Various Systems (As of March 31 Each Year)

	2017.3	2018.3	2019.3	2020.3	2021.3
Number of employees who took Paid Spousal Childbirth Leave	100	83	96	98	88
Number of employees who took Maternity/Paternity Leave *1	35	66	58	72	84
Male	3	14	14	20	36
Female	32	52	45	52	48
Number of employees who have children *2	245	275	233	275	241
Male	208	221	184	216	190
Female	37	54	49	59	51
Ratio of people taking childcare leave (%)					
Male	1.4	6.3	7.1	9.3	19.0
Female	97.3	90/7	93.9	96.6	96.1
Number of employees who return to work after childcare leave *3					
Male	2	2	14	11	16
Female	23	36	52	47	57
Rate of continued employment after childcare leave (%) *4					
Male	100	66.7	100	84.6	80.0
Female	92	97.3	96.3	95.9	98.3
Number of employees who took Paid Childcare Leave	211	224	251	274	246
Male	79	87	94	123	82
Female	136	124	130	151	164
Number of employees who took Paid School Events Leave	252	265	281	299	189
Male	121	123	138	139	84
Female	131	142	143	160	105
Number of employees who shortened work hours for childcare	72	73	82	91	67
Male	1	0	2	1	0
Female	71	73	80	90	67
Number of employees who obtained staggered work hours or flex-time for childcare reasons	37	41	87	92	25
Male	6	5	18	22	3
Female	31	36	69	70	23
Number of MC Childcare Concierge consultations	115	141	116	93	45
Male	43	42	22	13	20
Female	72	99	94	80	25

	2017.3	2018.3	2019.3	2020.3	2021.3
Number of participants in MC Gakudo (total)	115	131	94	102	-
Number of participants in training seminars for employees on childcare leave	20	28	19	19	10
Number of employees who took Family Care Leave *1	4	1	4	1	1
Male	1	0	0	0	1
Female	3	1	4	1	0
Number of employees who took Paid Family Care Leave	196	225	247	271	187
Male	59	71	68	78	54
Female	137	154	179	193	133
Number of employees who obtained staggered work hours or flex-time for family care reasons	5	7	8	9	5
Male	0	1	0	0	0
Female	5	6	8	9	5
Number of consultations by the family care consultation desk	61	45	45	48	25
Number of employees who applied for the re-employment system for employees who left to accompany spouses on domestic or international transfers *5	10	10	6	14	10

* 1 Number of employees who began taking childcare leave during said fiscal year (ending in March).

* 2 Number of male employees whose spouses gave birth during said fiscal year ended March 31, number of female employees who gave birth during said fiscal year (ending in March).

* 3 Number of male employees who began taking childcare leave the previous fiscal year (ending in March) who had returned to their positions at the end of said fiscal year (ending in March) , number of female employees who gave birth during the previous fiscal year (ending in March) who had returned to work at the end of said fiscal year (ending in March).

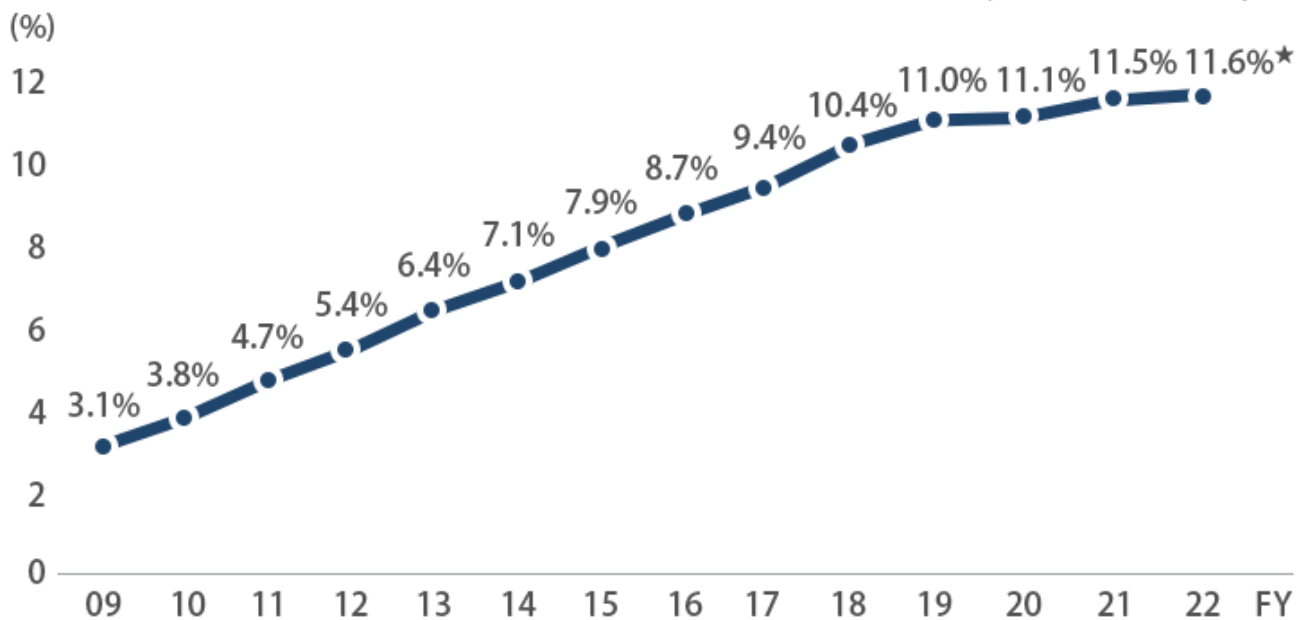
* 4 Percentage of male employees who began childcare leave the previous fiscal year (ending in March) who had returned to their positions at the end of said fiscal year (ending in March), percentage of female employees who had given birth during the previous fiscal year (ending in March) who had returned to work at the end of said fiscal year (ending in March).

* 5 Re-employment system for employees accompanying spouses on domestic or international transfers refers to a system in which re-employment is offered, under certain conditions, to employees who resign from their positions in order to accompany their spouse to the location of a domestic or international transfer.

Percentage of Women in Management-Level Positions and Gender Composition of Board Members

Percentage of Women in Management-Level Positions (Non-Consolidated)

(As of April 1 of each calendar year)



Gender Composition of Board Members (As of June 25, 2021)

(Unit: person)

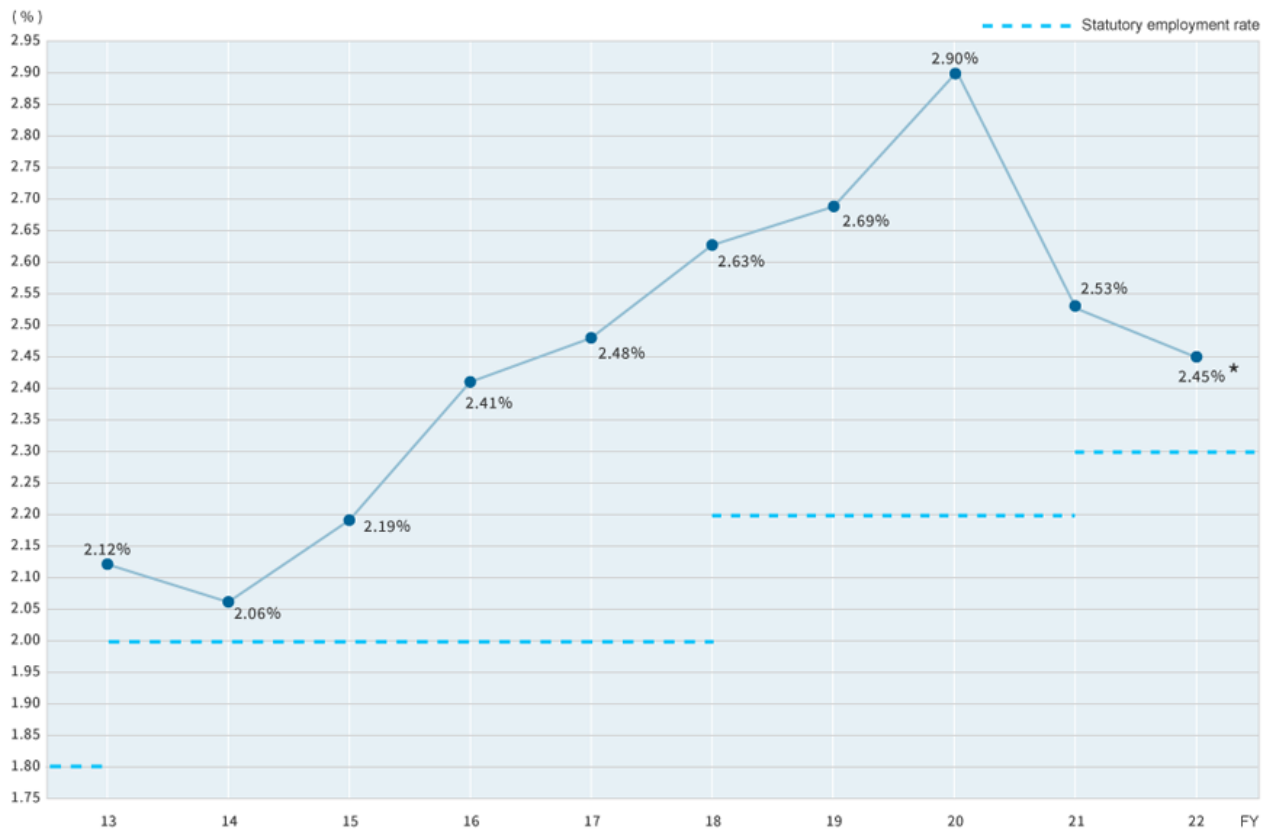
	Male	Female
Members of the Board	10	1
External Directors	4	1
Audit & Supervisory Board Members	3	2
External Audit & Supervisory Board Members	1	2
Executive Officers	49	0

MC Women Overseas (As of April 2021)



Region	No. of people	City
North America	10	Boston, Washington D.C., Houston, Los Angeles, Palo Alto, Calgary
Latin America & the Caribbean	2	Lima, Santiago
Europe	9	London, Liverpool, Rotterdam, Madrid, Salamanca, Moscow
Africa	1	Johannesburg
Middle East	1	Doha
Asia & Oceania	32	Singapore, Bangkok, Samut Prakan, Jakarta, Kuala Lumpur, Ho Chi Minh, Brisbane
East Asia	6	Beijing, Shanghai, Changsha, Ulaanbaatar

Employment Rate of Persons with Impairments



- The statutory employment rate of persons with impairments (private-sector companies) was raised from 2.2% to 2.3% on March 1, 2021.
- The total of the non-consolidated company, Mitsubishi Corporation Taiyo, a special subsidiary, and the three companies applicable to the group.

Independent Practitioner's Assurance

ESG Data marked with a star (★) for the year ended March 2023 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: [Independent Practitioner's Assurance Report](#)

Evaluation by Society

Key Certifications

In January 2017, MC received the Platinum Kurumin Certification from the Ministry of Health, Labour and Welfare. The Platinum Kurumin Certification is awarded to Kurumin-certified companies that have implemented measures to support employees' childcare needs at a higher standard. At MC, childcare benefits include both maternal welfare and childcare support. MC has been working to create processes as well as an environment that supports employees with children. Specifically, MC has ensured that its Maternity/Paternity Leave exceeds Japan's minimum legal requirements, and has introduced other measures to help employees returning from Maternity/Paternity Leave to comfortably balance their parenting and work responsibilities. These include a flex-time system as well as shortened or staggered work hours. MC has also made it easier for male employees to take advantage of these benefits, such as by lifting the restriction that previously did not allow employees' spouses access to full-time childcare, and also by introducing MC's Paid Spousal Childbirth Leave. As a result of these and other measures to support work-life balance, MC has received Kurumin certification from the Ministry of Health, Labour and Welfare continuously since 2008, in recognition of the action plan it has formulated and implemented to support employees' childcare needs.



* About the Kurumin certification and Platinum Kurumin certification (Excerpt from the Ministry of Health, Labour and Welfare's website) Enterprises that have formulated general business operator action plans in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and satisfy certain standards may apply to receive certification by the Minister of Health, Labour and Welfare (Kurumin certification) as a company that supports the childcare needs of employees. Moreover, the new Platinum Kurumin certification was instituted on April 1, 2015 to recognize Kurumin-certified enterprises that have made considerable progress in terms of the introduction and use of work-life balance support systems and which have executed measures to a high standard, along with encouraging these enterprises to continuously undertake such measures.

Reference: [Work-Life Balance Plaza \(Japanese only\)](#)

In January 2017, MC received L-boshi (second level) certification from the Ministry of Health, Labour and Welfare as an outstanding enterprise in promoting women's participation and career advancement.

* About the L-boshi certification (Excerpt from the Ministry of Health, Labour and Welfare's website) The Act on Promotion of Women's Participation and Advancement in the Workplace entered into force on April 1, 2016. Under this act, enterprises that have formulated general business operator action plans and have submitted notification to the effect that they have formulated such plans, as well as satisfy certain standards, may obtain certification by the Ministry of Health, Labour and Welfare (L-boshi certification) as an enterprise offering excellent conditions with respect to promoting women's participation and career advancement.



Occupational Health and Safety

Policy ✓ Targets ✓ Structure ✓ Initiatives ✓ Performance Data ✓

Policy

Management Message

The MC Group has a global workforce of approximately 86,000 professionals. These people are MC's greatest assets. 'Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce' has been identified as one of the eight Materiality for MC to address together with our Group companies, and as our operations continue to expand and globalize, diverse human resources representing all genders, nationalities and other characteristics will be needed to fully utilize their respective capabilities in order for the MC Group to continue generating corporate value sustainably. With this in mind, we believe that maintaining and promoting health is an important issue, starting with the provision of safe working environments.

The MC Group promotes initiatives around occupational health and safety (OSH) management, which are flexibly tailored to the independence and capacity of each individual and organization. These include activities to create environments where employees and contractors can work with peace of mind, as well as health, labor and crisis management initiatives. We aim to build and operate management systems that go beyond simply meeting the legal requirements in the countries where we operate to provide support that is more substantial.

Within the MC Group, there are companies with OSH management systems that have obtained the international certifications ISO45000. Furthermore, in order to promote OSH management throughout the entire MC Group, we will develop an organizational framework, clarify responsibilities and continuously monitor progress in order to refine, maintain and further improve our activities. Accordingly, we have set out the following policy for the MC Group:

MC Group Occupational Health and Safety (OSH) Policy

- The MC Group as a whole will work to promote safety and health of all stakeholders, including MC employees and contractors, and to enhance our systems for occupational health and safety.
- We will conduct robust OHS management regardless of the country or region where we operate, upholding and seeking to go beyond local labor standards, laws and regulations.
- In order to create an environment where our people, the MC Group's greatest asset, can work with peace of mind, we will work to maintain and improve their health, such as reducing the risks posed by infectious diseases and preventing overwork, including the reduction of excessively long working hours.
- Through proper management systems, we will prevent occupational accidents at each workplace. In the event an accident does occur, we will quickly assess the situation, analyze the cause and formulate preventative measures.

Fostering Our Employees' Maximum Potential and Reducing Health Risks

MC has designated "Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce" as one of its Materialities.

Our policies on occupational health and safety are designed to enable diverse human resources to make full use of their capabilities and approach their work with enthusiasm.

MC is placing maximum emphasis on employee health by aiming to reduce the risk of employee illness. We place a particular focus on mental health, providing a counseling desk and mental health support desk staffed by licensed psychologists and clinical psychotherapists, as well as dedicated physicians at the in-house medical clinics. Furthermore, MC conducts a regular online stress check.

For workers' safety, we respond rapidly in the event of an accident and continue to raise awareness about safety and establishing and improving our management systems.

Supply Chain Initiatives

Recognizing the importance of managing environmental and social impacts in its supply chains, MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management (as amended in August 2018). The policy requires suppliers to respect human rights and endeavor to provide their employees with safe and healthy work environments. In addition to sharing the policy with suppliers, MC conducts a regular questionnaire to confirm compliance with it. While basic measures for occupational health and safety management are undertaken by each business, the MC Group endeavors to address this issue collectively. Measures include visiting suppliers to confirm the status of their activities when determined that site visits are necessary* considering location as well as the type of business.

* Covers only Tier 1 suppliers in Japan and abroad

Reference: For details on other supply chain initiatives other than those described above, please see [Supply Chain Management](#).

Policy to Proactively Address Global Health Issues (Such as HIV/AIDS, Tuberculosis, Malaria)

MC is actively conducting business globally with a business network spanning more than 200 countries around the world. For some of these countries, health issues such as HIV/AIDS, tuberculosis and malaria are pressing issues. MC's policy is to work proactively to address these global health issues. One example of how MC is addressing the health problems of HIV/AIDS and malaria through its investee companies is through the initiatives of Mozal, an MC Group aluminum smelting company in Mozambique. Mozal has been placing great emphasis on social contribution activities. Through an annual contribution of approximately ¥200 million in funding, Mozal conducts activities such as helping small businesses to create jobs, putting in place mechanisms to support education and public health, and providing health education. Support activities are also undertaken in other areas such as sports, culture and social infrastructure. Specific examples of support for education and health education include the construction of schools and anti-malaria clinics as well as the provision of HIV education.

Reference: [Mozal's ESG initiatives](#).

Targets

MC Group

- Reduction in the rate of workplace accidents from the previous year (including contractors)
- Health check-up rate for domestic (Japan-based) employees: 100%

Reference: For details on performance related to the targets above, please see [Performance Data](#).

MC

- Reduction in the rate of workplace accidents from the previous year (including contractors)
- Health check-up rate for overseas assignees: 100%
- Percentage of annual paid leave taken: 70%

Reference: For details on performance related to the targets above, please see [Performance Data](#).

Structure

Officers in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Bodies (A subcommittee under the Executive Committee, a management decision-making body)	Human Resources Development (HRD) Committee, Sustainability & CSR Committee Important matters related to occupational health and safety deliberated by the committees are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Departments in Charge	Global Human Resources Dept.

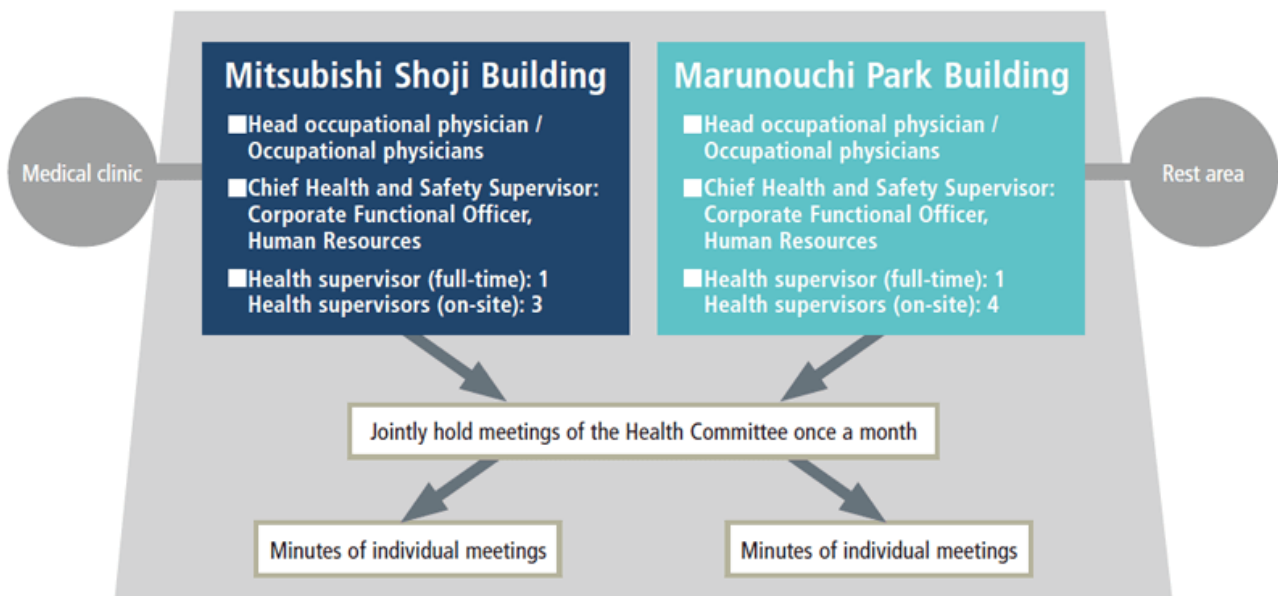
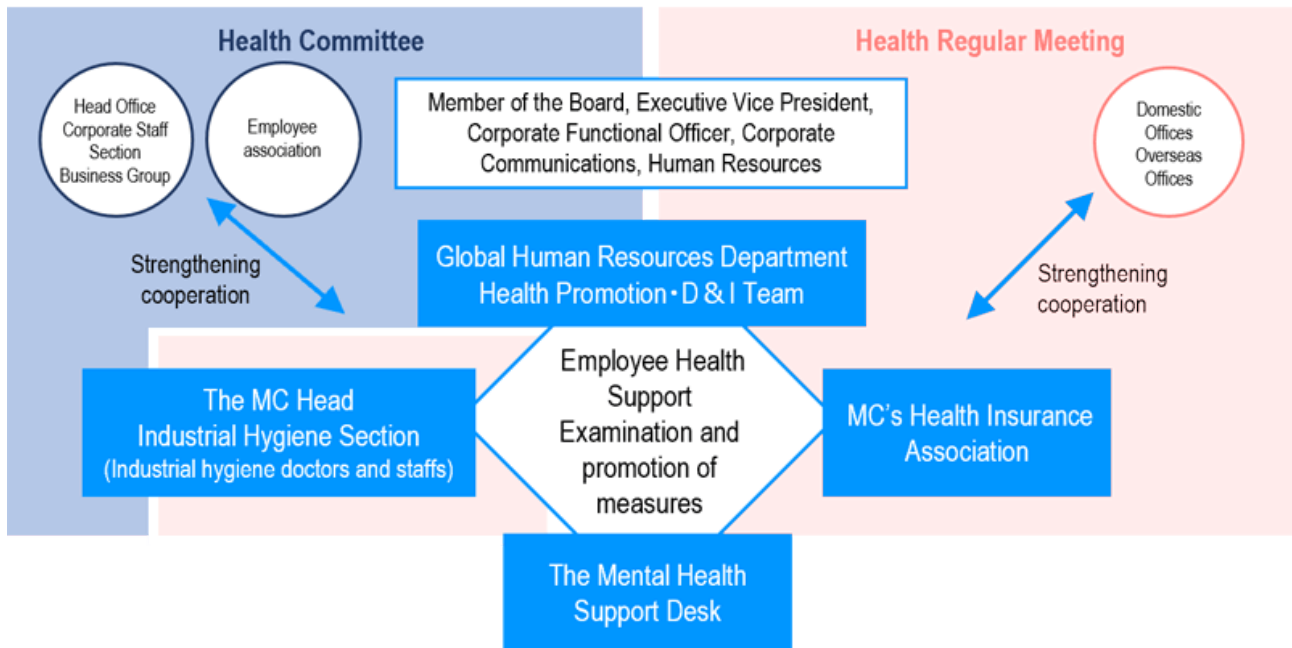
Reference: [Diagram of the Sustainability Promotion Framework](#)

MC has appointed the Director, Executive Vice President, Corporate Functional Officer for Human Resources as the chief officer in charge of OHS management for the MC Group, and promotes a structure where the Global Human Resources Department coordinates each of the Business Groups, which are primarily responsible for OHS management.

For each MC Group company in Japan, we have established committees such as the Health Committee in line with the Industrial Safety and Health Act, in which employees also participate in developing, evaluating and determining plans related to preventing health problems as well as maintaining and promoting good health. In particular, at consolidated subsidiaries hazards such as near misses are reported by employees at morning meetings and other occasions, and necessary countermeasures are put into practice.

MC considers occupational health and safety as a key management priority, and has been working to pursue health and productivity management.

- Headed by the Chief Health and Safety Supervisor (who serves concurrently as an Executive Vice President), and consisting of four occupational physicians and eleven health supervisors from each business group, the Health Committee meets once a month, on a non-consolidated basis, to discuss employee health and workplace safety matters. The minutes of the monthly meetings are posted on the intranet and disseminated to employees.
- MC believes that it is essential to understand the company's current situation and to manage the entire health and safety process from the consideration of measures to their implementation in order to promote good health. Consequently, MC has established the Health Management Office (established in April 2018 with the Health Promotion and D&I Team active from April 2021), a dedicated health and safety office within the Global Human Resources Department. This office coordinates with related departments (such as the internal medical clinic, the mental health support desk, etc.) and the MC Health Insurance Union to consider various health-related measures such as the appropriate use of data.
- Furthermore, monthly meetings are held between the Global Human Resources Department, industrial physicians, the MC Health Insurance Union, and personnel in charge of human resources in Japan to discuss policies and share information.



* The Mitsubishi Shoji Building and the Marunouchi Park Building are registered as separate business sites. For each business site, MC has established an occupational health and safety framework as required by labor laws.

Employee Participation

- Employees participate in the Health Committee which develops plans concerning the prevention of health problems and the maintenance and enhancement of good health, along with discussing evaluations and improvements. It is also engaged in identifying and disseminating accurate knowledge and information related to emerging infectious diseases.
- MC strives to create safe and healthy workplace environments in order for its diverse workforce to thrive and succeed. At the same time, MC takes steps to ensure that each employee is able to manage his or her own health independently through training seminars and related events. Particular emphasis is placed on the health management of employees on overseas assignment. MC has also implemented measures which allow employees to coordinate with their supervisors to take flexible hourly paid leave when they require outpatient care. In addition, sponsoring charity marathons and holding in-house health events has provided opportunities for employees to develop an interest in sports and to foster an awareness of their own health.
- MC conducts discussions on creating a more positive workplace and promoting appropriate time management. Regular communication between employees and management is maintained through meetings between the MC Staff Union and management staff, including the President/CEO, along with bi-annual meetings to discuss business performance and regular meetings with the Global Human Resources Dept. Moreover, the MC Staff Union also holds health seminars for employees.

Loan and Investment Screening

When reviewing and making decisions on loan and investment proposals, MC conducts a comprehensive screening process which considers not only economic aspects, but ESG factors as well. From an occupational health and safety perspective, particularly for projects which have a high risk of accidents or fatalities, MC ensures that numerous issues, including the maintenance status of HSE management systems, past cases of accidents or fatalities, and quantitative data such as the LTIFR (Lost Time Injury Frequency Rate) are considered in its deliberations. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Risk Management (Risk Assessment)

Occupational health and safety is a vital component of HSE risk and is managed in accordance with the MC Group Risk Management Policy.

Excerpt:

(1) Definition: HSE risk refers to recognizing the impact of manufacturing, industrial works, distribution and other operations on occupational health and safety as well as the environment, and identifying and managing risks related to accidents, damage to health, environmental contamination, etc.

(2) HSE risk management: a. Risk identification and management: Identify latent risks related to HSE based on the nature of the operations and sector, and avoid, mitigate and manage the risks. b. Risk awareness-raising: Raise employees' awareness of the importance of HSE risk based on the nature of the operations and sector through education, training and other activities. c. Formation of policies related to accidents and response: Stipulate emergency policies in advance in order to be prepared in the event of an accident. Establish the necessary measures to minimize damage while working with relevant institutions when an accident occurs. Should an accident occur, conduct necessary investigations, analyze the causes, and implement measures to prevent future reoccurrence.

(3) System: Comply with law and regulations, international rules, voluntary industry standards, and customer requirements related to HSE and formulate an action plan based on MC's industry and business activities. In addition, formulate policies based on the action plan and introduce a system for regularly confirming their implementation. Further, monitor performance related to HSE and review the action plan."

Reporting of Workplace Accidents

The MC Group strives to prevent workplace accidents for employees.

We have established a system that enables us to deal with workplace accidents appropriately (investigation, response to findings, etc.) and take preventative measures in a prompt manner. In the event that a workplace accident occurs at an MC Group Company, it will be reported via a dedicated reporting channel for occupational accidents. In the event of an accident with severe consequences, such as death or serious injury, or an accident involving suspected violations of laws and regulations, a report will also be made via the compliance reporting channel.

Workplace accidents that occur in the MC Group are reported to the Compliance Committee and monitored by the annual Sustainability Survey, and are used to take preventive measures to reduce future accidents.

Initiatives

Initiatives on a Non-Consolidated Basis

MC considers its people to be its greatest asset and the health of its employees to be a key management priority, and has been working to pursue health and productivity management in accordance with the above policies, goals and systems. MC recognizes that the success of each employee depends on their physical and mental wellbeing. Therefore, we will strive to promote the mental and physical health of our employees and provide health support to help employees lead active lives and reach their full potential. In accordance with this, we have set the goals of (1) reducing the percentage of obesity through improving health awareness and lifestyle habits, and (2) promoting early stage consultation for the early detection and prevention of mental health problems. In line with these measures, we are working on health policies to improve presenteeism and reduce absenteeism. MC's health initiatives were recognized under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program's WHITE500, a list of 500 companies recognized for excellence in their health and productivity initiatives. With regards to physical and mental health in particular.



○ Target

- 1) Physical health: reducing the percentage of obesity through improving health awareness and lifestyle habits
- 2) Mental health: promoting early stage consultation for the early detection and prevention of mental health problems

○ Metric

1) Incidence of obesity (BMI of 25 or over)

	2019.3	2020.3	2021.3
Male	34.2%	31.0%	30.6%
Female	8.8%	8.1%	9.7%
Total	27.5%	25.4%	23.4%

Additionally, we collect and analyze data such as medical check-up items and numerical values, as well as questionnaires in order to identify issues and consider response measures.

2) Number of consultations with MC's Mental Health Support Desk

	2020.3	2021.3
Total number of consultations	1,881	1,909
Number of people receiving consultations	216	205

○ Most Recent Initiatives and Results of Analysis of Effectiveness

1) Efforts to improve health awareness and lifestyles

(1) Internal notifications by industrial physicians, etc.

Explanation and sharing of health data, issues, and approaches, etc. in the "Health Column" of the internal newsletter and at various level-specific training sessions.

(2) Health seminars and health check events

These events were held online to all employees, including those working overseas.

- Seminar themes: Diet, practical exercise, sleep apnea syndrome, cancer, women's health, mindfulness, etc. (e.g., online seminars on diet and exercise in collaboration with sports clubs).
- Health check events: Measurement of health condition and on-the-spot individual exercise guidance based on results (body composition, vascular age, body misalignment).

(3) Provision of health apps

We introduced a health app that helps all employees in Japan to visualize and improve their lifestyle habits by recording their diet, exercise and sleep, and provides health advice based on those records.

Going forward, we plan to introduce the system to overseas employees as well.

(4) Provision of healthy meal opportunities

- To encourage employees to choose health-conscious meals, a health-conscious menu is offered at every meal in the employee cafeteria and is also available on the company intranet. Also, all other menu items include information on their nutritional value, such as the amount of salt they contain.
- Vegetables and fruits (vegetable sticks, cut fruits, mini salads, etc.) are provided in the office so that employees can easily pick them up to add to their lunch or as a snack.
- In addition to introducing recipes for healthy seasonal menus on the health app, examples of recommended menus for lifestyle-related diseases such as diabetes are posted on the company intranet and are also provided when nutritional guidance is given to the target employees.

Results

There was a reduction in the percentage of obesity within the company, especially among males, falling 3.6% from 34.2% in FY 2018 to 30.6% in FY 2020.

2) Initiatives for early detection and prevention of mental health problems

(1) Individual consultation sessions for all employees were conducted alongside stress checks.
(by request, in person or online)

(2) Carried out various initiatives following the lifting of the state of emergency.

- Provision of information on mental health has been improved.
- Management staff have been provided with online training by the medical clinic director and in-house licensed psychologists regarding care for subordinates' mental health.
- Handouts containing information on self-care have been distributed to all employees.

○ Health Management of Employees and Their Families During Overseas Appointments

There are approximately 1,150 MC head-office employees on overseas assignments at any given time, and some 1,250 family members accompanying them. Recognizing that working overseas for extended periods can have an impact on one's health due to differences in language, culture, medical systems, and other environmental factors, MC has taken several steps to ensure that its employees and their family members remain in good health wherever they happen to be. In addition to facilitating annual local health examinations, the MC Head Office medical clinic is equipped to handle health-related inquiries from employees and their family members should they feel unwell while overseas. If there is not a suitable medical facility in the area, MC will provide for the employee and their family to either return to Japan or travel to other nearby developed country for the examination. Employees and their families also qualify for subsidized travel expenses when taking Health Maintenance Leave, which can be taken in addition to paid holidays when employees need time off to refresh themselves, both in mind and body. MC also provides a global, 24-hour Japanese language service for medical emergencies, emergency assistance in transporting employees to more medically advanced regions like Tokyo, Singapore, and Bangkok and other extensive health-related support for its employees on overseas assignments.

○ Survey to Monitor and Improve the Health and Working Environments of Employees on Overseas Appointments

In order to drive continuous improvement, since 2013 the Global Human Resources Dept. has conducted a survey targeting employees on overseas assignments to assess the quality of healthcare they receive as well as their working conditions in general for the purpose of further enhancing health-related measures. Monitor working conditions and stress levels, and if needed, additional support is provided by the Global Human Resources Dept. or the Mental Health Support Desk.

○ Medical Clinics for Employee Health Management

MC has established medical clinics at its Head Office and Kansai and Chubu Branch Offices for MC employees and those on domestic and overseas assignments. The Head Office clinic employs approximately 50 full- and part-time medical professionals, including physicians specializing internal medicine, ophthalmology, dermatology, otolaryngology, orthopedics and neurology, as well as nurses, testing and radiology technicians, nutritionists and pharmacists. These professionals, together with examination systems using the latest testing equipment, help to run a clinic that manages the health of MC employees, with a cumulative total of approximately 21,900 users in the year-ended March 2020, and approximately 14,500 employees in the year-ended March 2021 despite the COVID-19 pandemic.

Within Japan, the attendance rate for regular checkups is 100%. Where necessary, employees are called in for follow-up examinations (3 to 6 months later), are offered further tests.

The medical clinic also has an occupational health department, which provides medical support to employees with health concerns to enable them to work with peace of mind. This includes return-to-work assessments for those who go on leave due to medical treatment, and support to help them balance work with their treatment needs. We also aim to maintain a comfortable work environment through workplace assessments and discussions via the Health Committee. We interview employees who work overtime to inform them about long working hours and the associated health issues. In these ways, we are making ongoing efforts to improve health literacy and create a workplace where all employees can work in optimal physical and mental health.

○ Preventing Lifestyle-Related Diseases and Metabolic Syndrome

MC's health clinics provide early check-ups and treatment and offer medium and long-term health management in conjunction with health examinations. Special examinations are offered to employees aged 40 and over and are utilized by 84% of employees in this age group. Preventing lifestyle-related diseases such as dyslipidemia, hypertension, diabetes and hyperuricemia is a pressing societal issue. MC is working to prevent lifestyle-related diseases and metabolic syndrome for employees by providing access to physicians and nutritionists via the clinics. Early action is essential to preventing lifestyle-related diseases. Going forward, in addition to providing health guidance to younger employees, MC will also work to raise the awareness of healthy employees with normal checkup results on how to structure their lifestyles for maintaining their health.

○ Efforts Related to Self-Medication

In collaboration with the Mitsubishi Corporation Health Insurance Association, we are providing employees with a self-medication service that allows them to consult with a specialist (pharmacist) and purchase medication online with the aim of encouraging them to take an interest in maintaining and improving their health. When developing health management-related programs such as this self-medication service, we provide services and conduct trials among our employees in order to make improvements to such programs.

○ Mental Health Measures

Focusing on preventive measures and early treatment, MC provides extensive mental care support. MC has a simple, web-based system through which employees can assess their own stress levels and propensities to develop health problems. MC also conducts various types of training for employees, including managers, in an effort to prevent mental health issues. Since the fiscal year ended March 2017, MC has made it a requirement for all employees in Japan, including secondees, to complete the self check. After answering an online survey, employees immediately receive a three-stage evaluation of their stress levels. If their stress levels are particularly high, they are instructed to make an appointment with a neurologist at one of MC's clinics. If necessary, working environment adjustments are also prescribed to help bring their stress levels down.

Meanwhile, MC's internal Mental Health Support Desk and medical clinic neurology department are equipped to quickly accommodate employee (including employees on domestic and overseas assignments) health inquiries, with a system that supports employees together with their workplaces. MC has also set up an outside help desk that is linked to its specialized EAP* medical facilities. Through this comprehensive system, employees and their family members can consult with health-care professionals or receive counseling at any hour of the day, whether in person or by telephone or e-mail.

Moreover, a summary of the results are shared on an anonymous basis within MC and utilized to improve working styles and workplace conditions. Going forward, MC plans to make use of the survey findings to inform its mental health issue prevention measures for employees, as well as training and other measures to further raise awareness of mental health issues.

* Employee Assistance Program

〈The Mental Health Support Desk〉

The Mental Health Support Desk has been established for MC employees (including those on domestic and overseas assignments). Staffed by licensed psychologists and clinical psychotherapists, the Support Desk is available to employees for mental health consultations. It helps employees to check their stress levels and enables those feeling off form to have an initial consultation before seeing a neurologist. It also supports employees who have been on extended leave due to psychiatric issues to return to work by offering rehabilitation programs, recommendations on workplace re-integration and long-term follow-up.

Stress Check Results (Domestic)

	2020.3	2021.3	2022.3
Implementation rate	95%	95%	94%

○ Assistance with Fees for Multiphasic Health Screenings

Multiphasic health screenings are offered to employees in line with the Japanese Industrial Safety and Health Act, the fees for which are partially subsidized*.

* Subsidized by the MC Health Insurance Society

○ Measures for Infectious Diseases

MC gathers and analyzes the latest information from the Ministry of Health, Labour and Welfare, the Ministry of Foreign Affairs, the World Health Organization, the CDC (Center For Disease Control and Prevention), and other organizations on the outbreak and spread of infectious diseases. Based on this, the Emergency Crisis Management Office works together with occupational physicians and occupational health staff to implement in-house infection control measures.

With respect to COVID-19, MC is monitoring the situation in Japan and overseas, and has adopted the following three principles: prevention of infection; prevention of the spread of infection; and prevention of severe cases. With these principles in mind, we are taking the necessary measures to mitigate any adverse impacts on not only MC employees but all staff working within MC, all whilst striving to ensure business continuity.

We have strengthened our medical consultation system for employees assigned overseas and their families, and are providing medical advice on infection prevention and mental health care to help them work with peace of mind even in areas where infection is widespread.

MC takes an exhaustive approach toward preventing the spread of diseases in the workplace with initiatives such as providing anti-malaria vaccinations for employees taking business trips to regions where tropical malaria is prevalent, recommending antibody tests and vaccinations against measles and rubella (MR), and administering in-house vaccinations against seasonal influenza.

Reference: For the Emergency Crisis Response Headquarters, please refer to [Crisis Management](#).

○ Tuberculosis Prevention Initiatives (Mongolia)

MC partnered with the Mongolian Anti-Tuberculosis Association to raise awareness of tuberculosis in Mongolia's capital Ulaanbaatar. Targeting particularly high-risk groups such as college students, MC aimed to raise awareness of the disease through pamphlet distribution, videos and events. In addition, for secondary school students, MC organized a drawing contest and used the winning entries in advertising posters. These awareness-raising activities were conducted at five universities and 750 secondary schools.

○ New Work Styles Befitting MC

As business becomes ever more complex and fast-paced, the pressure on employees to carry out more work at a higher quality inevitably increases. In addition, the nature of a sogo shosha means there are often busy and high-pressure periods, such as with large projects and overseas business. As such, in order to prevent health problems caused by overwork, MC places particular priority on: 1) the mental and physical health of employees; 2) compliance with laws, regulations and rules; and 3) appropriate management of extended overtime. Specifically, MC goes beyond legal requirements in terms of managing overtime hours for non-managers and managers. When employees exceed a certain level of overtime hours, they must submit a health questionnaire and receive health guidance from an occupational physician. As well as using computer logs and objective data to accurately report overtime hours and complying with the Japanese Article 36 Agreement as a matter of course, MC also conducts time management training and other initiatives for managers. While taking into account the differences between specific business environments and industries, MC aims to achieve an average annual paid leave utilization rate of 70% or more, and systematically encourages employees to utilize their annual paid leave. In addition, where certain departments demonstrate a tendency to work overtime frequently, MC will draw up and implement improvement measures on an individual basis and endeavor to prevent overwork, including by reducing excessive overtime. As a result, in the fiscal year ended March 2020, the annual paid leave utilization rate was 55% while average monthly overtime was 27.2 hours/month (As for the fiscal year ended March 2019, 67%, 25.1 hours/month). MC is promoting initiatives each organization and individual to pursue autonomous and flexible work styles, and improve in productivity and efficiency while improving results and performance. MC is creating a working environment that enables its diverse workforce to thrive professionally while fostering an organizational culture in which performance is evaluated fairly based on results.

Initiatives on a Consolidated Basis

○ Initiatives at Group Companies

MC Group companies conduct activities to prevent industrial accidents by formulating response policies, introducing occupational health and safety (OHS) management systems* for employees, and taking other appropriate measures based on the nature of the business and context.

* Within the MC Group, 60 percent of employees and contractors are covered by OHS management system (Sustainability Survey Results for the fiscal year ended March 2020).

1) Initiatives of Mitsubishi Corporation Exploration Co., Ltd. (MCX)

As a company which conducts energy resource projects with a focus on natural gas and LNG, MCX regards HSE as a top priority. MCX believes that proper identification, analyzation, and management of HSE events and their risks within its business is crucial in order to continuously improve the occupational health and safety environment and to contribute to the sustainable development of society, and accordingly, MCX has published an HSE policy and is actively working to reduce risks by applying this policy to all its activities. To ensure the efficient operation of these activities, an HSE Office, which reports directly to the President, has been established to educate and train MCX and MC. Additionally, the company analyzes the causes of each HSE event using information obtained from the monitoring of incidents and environmental pollution events in the businesses for which it is responsible, and by managing and accumulating this information, detects potential HSE risks at an early stage and, if necessary, recommends effective improvement measures to MCX and business partners. Additionally, MCX has continued to revise and improve its unique HSE Management System (HSEMS) in order to adapt to changes in the business environment.

Reference: Mitsubishi Corporation Exploration's HSE initiatives
<http://www.mitsubishi-exploration.com/en/csr/index.html>

2) Donggi-Senoro LNG Project

MC is one of the largest shareholders of the Donggi-Senoro LNG Project in Indonesia (DSLNG). There are various safety and operational risks associated with the processing and production of Liquefied Natural Gas (LNG) from sweet natural feed gas. DSLNG recognizes this and considers process safety and occupational health and safety to be of utmost importance. To ensure the safety of workers, DSLNG has implemented a range of measures, including formulating policies on integrated quality, health, safety, environment and security along with establishing a Process Safety Management Committee. In addition, DSLNG also provides employees with training on matters such as Permit to Work, process safety management, crisis management and firefighting measures. Moreover, MC has established a robust framework for conducting regular reviews and improvements on safety.

(1) Implementation of Audits:

DSLNG conducts Permit to Work Audits and Safety Leadership Conversations (SLC) on a daily basis. Through these audits, checks are conducted on various aspects related to onsite safety, along with ensuring that Permit to Work entries are recorded accurately. In the event that any issues are identified, DSLNG ensures that they are followed up on, and operations are immediately suspended should a safety issue arise.

(2) Examples of Risk Assessments:

A Job Hazard Analysis (JHA) is conducted for the majority of jobs to scope out potential risks, assess their severity, identify possible measures to manage the risks, and determine the overall level of risk. Through this process DSLNG ensures that jobs are performed in line with adequate safety standards.

3) MC Ferticom Co., Ltd.

As its core safety initiative, MC Ferticom Co., Ltd. implements S · I · GMA (sigma) activities with the aim of improving manufacturing operations.

S = Safety

I = Improvement

GMA= Good Manners

Through these activities, MC is making a concerted effort to raise awareness of safety and improve manufacturing operations. MC Ferticom Co., Ltd. has acquired the OHSAS 18001 occupational health and safety certification at all of its facilities, namely four plants and one manufacturing center, and will complete the transition to ISO45001 in 2020. As a responsible fertilizer manufacturer, MC will continue to pursue further safety and reliability.

Reference: MC Ferticom Co., Ltd. website (Japanese only) <https://www.mcferticom.jp/company/csr/#csrMenu>

○ Status of Acquisition of OHSAS 18001

Main MC Group Companies with OHSAS Certification

* The percentage of affiliated companies that have acquired ISO 45001 and OHSAS 180001 certification is 6% (Sustainability Survey Results for the fiscal year ended March 2020).

Business Group	Name of Company	Business Activities
Natural Gas Group	FAIRFIELD ENERGY LTD	Plug and abandonment, and decommissioning of upstream crude oil assets
	TOMORI E&P LIMITED	Natural gas development, production, and sales
Industrial Materials Group	MC Zhenjiang Anode Solutions Co., Ltd.	Production and sale of anodes for aluminum smelting
	PMC Tech Co., Ltd.	Production and sales of needle cokes
	UBE-MC Hydrogen Peroxide Ltd.	Production and sales of hydrogen peroxide
	Cape Flattery Silica Mines Pty. Ltd.	Mining, refinery and sales of silica sand
Petroleum & Chemicals Solution Group	MC Ferticom Co., Ltd.	Fertilizer production
	PT. KANSAI PAINT INDONESIA	Automobile paint production and sales
	Thai Shinkong Industry Corporation Ltd.	Manufacturing and sales of PET resin
Mineral Resources Group	Anglo American Sur S.A.	Copper ore mining, processing and sales
Industrial Infrastructure Group	Chiyoda Corporation	Plant engineering business
	Mitsubishi Electric de Colombia Ltda.	Elevator business (sales and maintenance)
	mitsubishi elevator malaysia sdn. bhd.	Elevator business (sales and maintenance)
	MITSUBISHI ELEVATOR (SINGAPORE) PTE. LTD.	Elevator business (sales and maintenance)
	Mitsubishi Dendai Hong Kong Co., Ltd.	Elevator business (sales and maintenance)
	Mitsubishi Elevator (Thailand) Co., Ltd.	Elevator business (sales and maintenance)
	Mitsubishi Heavy Industries Compressor International Corporation	Production, sale, and servicing of compressors
Automotive & Mobility Group	PT MITSUBISHI MOTORS KRAMA YUDHA INDONESIA	Automobile manufacturing
	GAC Mitsubishi Motors Co., Ltd.	Assembly, import and sales of automobiles
Food Industry Group	Zhejiang Dalian Marine Foods Co., Ltd.	Import, export, purchase, processing, and sales of marine products
	Cermaq Group AS	Salmon aquaculture business
	Deccan Fine Chemicals (India) Private Limited	Contracted manufacturing of agrochemical intermediates and active ingredients
	OLAM INTERNATIONAL LIMITED	Production, collection, processing, trade, and port operations for agricultural products
	Princes Limited	Food and beverage production

Business Group	Name of Company	Business Activities
Power Solution Group	N.V. ENECO	Energy supply business
	AMMAN ASIA ELECTRIC POWER PRIVATE SHAREHOLDING COMPANY	Private power generation in Jordan
	GS BATTERY VIETNAM CO., LTD.	Manufacture and sale of lead-acid batteries for automobiles, motorcycles, and industrial use

○ Provision of HSE Information

Since 2002, Nikken Corporation has a regularly-published newsletter called Safety News (in Japanese), which is shared with customers and other stakeholders. MC gathers a range of information including recommendations on how to reduce labor-related accidents as well as methods for how to avoid and prevent HSE incidents based on white papers published by related organizations

Performance Data

Occupational Accident Data

Occupational Health and Safety Data (Consolidated Basis)

Lost Time Injury Frequency rate*

(This data includes Subsidiaries and Unincorporated Joint operations, which contains production business sites)

	2020.3	2021.3	2022.3
①Employees	5.61	4.16	3.26 ★
②Non-employees workers(Contractors)	2.16	1.95	1.14 ★
Whole company (①+②)	5.06	3.79	2.73

Lost Time Injury Frequency rate*

(This data includes Subsidiaries and Unincorporated Joint operations, any other group companies like Affiliates, which contains production business sites)

	2020.3	2021.3	2022.3
①Employees	3.19	3.36	2.42
②Non-employees workers	1.22	0.75	0.88
Whole company (①+②)	2.71	2.74	2.03

* "Frequency rate" refers to the frequency of workplace accidents and is derived from the number of lost time injuries resulting from workplace accidents per 1,000,000 actual working hours.

The number of fatalities and injuries in FY 2021 at MC's main businesses (subsidiaries and unincorporated joint operations) with production sites over which MC has control through shareholdings etc. was 7. This number is including fatalities of contractor.

Meanwhile, the frequency rate of occupational incidents at major businesses (including subsidiaries, unincorporated joint operations, affiliates, etc.) with production sites in FY 2021 was 2.03, which reflects significant decrease of 26% compared with FY 2020 (2.74), in line with initial target. This was because we continued to make significant progress on reducing Injuries based on occupational health and safety management based on company policies, especially on business investments with relatively high occupational health and safety risks which resulted in significant decrease of Injuries.

The Goals of MC Group for FY2022 stands at LTIFR 2.03. We believe we can finally reach Zero Injury accident(especially Zero Fatalities) through our progress on achieving goals on Occupational health and safety every year.

In order to achieve the MC Group's goals of "reduction in the frequency rate of occupational incidents compared with the previous fiscal year", we will continue to strengthen our occupational health and safety management system and enhance individual measures for business investments with relatively high occupational health and safety risks from the next fiscal year onward (see below for data on occupational incidents by business area from FY 2020).

【Reference 1】 The number of fatalities of FY2020 and injuries by Business group (including subsidiaries, unincorporated joint operations)

	2021.3
Natural Gas Group	0
Industrial Materials Group	0
Petroleum & Chemicals Solution Group	0
Mineral Resources Group	0
Industrial Infrastructure Group	0
Automotive & Mobility Group	0
Food Industry Group	0
Consumer Industry Group	0
Power Solution Group	0
Urban Development Group	0
Corporate Staff Section	0
Total	0

【Reference 2】 Work related Frequency rate of FY2020 by Business group(including subsidiaries, unincorporated joint operations, affiliates, etc.)

	2021.3
Natural Gas Group	0.11
Industrial Materials Group	1.25
Petroleum & Chemicals Solution Group	0.47
Mineral Resources Group	1.52
Industrial Infrastructure Group	1.96
Automotive & Mobility Group	0.17
Food Industry Group	5.30
Consumer Industry Group	0.54
Power Solution Group	0.86
Urban Development Group	0.42
Corporate Staff Section	0.00
Total	2.74

Occupational Health and Safety Data (Non-Consolidated Basis)

Lost time injuries frequency rate * 1

	2020.3	2021.3	2022.3
①Employees	0.49	0.16	0.17 ★
②Non-employees workers(Contractors)	-	-	0 ★
Whole company (① + ②)	0.49	0.00	0.15

Lost time injuries severity rate * 2

	2020.3	2021.3	2022.3
①Employees	0.01	0.00	0.00 ★
②Non-employees workers(Contractors)	-	-	0 ★
Whole company (① + ②)	0.01	0.00	0.00

Occupational illness frequency rate * 3

	2020.3	2021.3	2022.3
①Employees	0	0	0 ★
②Non-employees workers(Contractors)	-	-	0 ★
Whole company (① + ②)	0	0	0

Calculated based on the standards of the Japanese Ministry of Health, Labour and Welfare for employees working at head offices and domestic branches (excluding advisors and contract employees).

Contractors includes temporary staffs working at head offices and domestic branches.

* 1 "Frequency rate" refers to the frequency of workplace accidents and is derived from the number of lost time injuries resulting from workplace accidents per 1,000,000 actual working hours.

"Injuries/ deaths" refers to workplace accidents resulting in both physical injury or loss of physical function as well as one or more days of absence from work.

* 2 "Severity rate" refers to the severity level of accidents and represents the total number of lost time injury days/ 1,000 total actual working hours.

* 3 Frequency of industrial accidents classified as work-related illnesses as stipulated by the Japanese Ministry of Health, Labour and Welfare (including fatalities caused by illness).

There have been no fatal accidents at MC during the three-year period stated above.

In the year ended March 2022, falls on the way of commuting were the cause of 100% of occupational accidents, which form the basis of the frequency rate and the severity rate. We don't have any occupational accidents in work place for FY2021.

○ Comparison with Industry Average (for Wholesalers and Retailers with a Business Scale of 100 Employees or More)

	FY2019	FY2020	FY2021
Lost time injuries frequency rate	2.09	2.27	2.31
Workplace accident severity rate	0.04	0.11	0.05

From the Japanese Ministry of Health, Labour and Welfare's "2021 Survey on Industrial Accidents"

Other Data

○ Head Office Clinic Usage

Patients in the fiscal year ended March 2021: (total no. of people)	Approximately 21,900 people per year (Medical examinations 6,400; general medical examinations 14,800; overseas medical consultations, health guidance and others 700)
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○ Health Checkup Results

	2018.3	2019.3	2020.3
Overseas assignees checkup rate	91%	92%	80%
Domesitic assignees checkup rate	100%	100%	100%
Specific health examination assignees checkup rate	89%	86%	84%

○ Stress Check Results (Domestic)

	2019.3	2020.3	2021.3
Checkup rate	95%	95%	94%

○ Training and Education Performance

Training course title	Theme	Target	Participants
			2021.3
Organizational management training	Lecture on Health and Safety Management by the supervising occupational physician	Manager level	137
Health included as a theme in New Manager (M2)	Training introductory seminar	Persons promoted to management positions	148
Intermediate follow-up training for new employees	Lecture on stress management	University graduate employees	122
Integration training for mid-career hires	Lecture on stress management	Mid-career hires	13
Instructor training	Lecture on workplace mental health	"Instructor" employees	124
Domestic assignment orientation	Mental health included as theme in lecture on human resources management. Lecture delivered by legal advisor.	Managers sites/companies	163
MC Group Upskilling Program	"Labor law and personnel management" lecture on the basics of labor law and labor management (mental health care, harassment, etc.)	Employees whose work requires it (application basis)	60

Training course title	Theme	Target	Participants
			2021.3
Care for subordinates' mental health during the COVID-19 pandemic	Lecture on "Care for subordinates' mental health during the COVID-19 pandemic" by supervising occupational physician and in-house licensed psychologist	Management	3,162

Independent Practitioner's Assurance

ESG Data marked with a star (★) for the year ended March 2022 has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd.

Reference: [Independent Practitioner's Assurance Report](#)

Human Resource Development

Policy ✓ Targets ✓ Structure ✓ Initiatives ✓ Performance ✓

Policy

Principles of Human Resource Development

MC's basic policy on human resources development (HRD) is to continuously produce "management-minded human capital committed to enhancing business value," and to ensure the stepwise development of both a strong moral compass and advanced conception and execution skills in all of its people.

MC's off-the-job training (OFF-JT) is designed to equip employees with the necessary knowledge and competencies to sharpen the abovementioned traits at each of their Job Grades and at the right stages of their careers. MC's HR training programs support the career development of all employees throughout the MC Group, including those at MC's parent company, its overseas offices and its group companies in Japan and around the world.

Targets

Priority Targets and Current Status

With the introduction of the new HR system in the year ended March 2020, MC set out the necessary knowledge and competencies for each Job Grade, and reviewed the HRD Program Structure with an emphasis on the following three points. From the year ended March 2021, we are undertaking further development and expansion based on this HRD Program Structure.

○ Further Professional Growth Support Focusing on Management Professionals

Development of the skills necessary to become or work as management professionals.

- Introduction of DX-related sessions in executive training and in the MC Leadership Program
- Expansion of BS (business school)-related training for mid-level employees

○ Establishment of Training Programs to Strengthen Leadership and Professional Development of Managers

In line with the new HR system, which identifies support for the growth of subordinates and colleagues as one of its most important missions, MC will develop and expand training programs for acquiring the knowledge and competencies necessary for growth support management.

- Introduction of lectures on "Growth Dialogues" and coaching in the MC Leadership Program
- Expansion of online content on the above topics for those other than newly appointed leaders

○ Creation of a Training System That Allows Employees to Grow Autonomously

Provides opportunities for employees to develop themselves, MC will expand access to MC Self-Development Program and Company-wide open lectures.

In addition, MC provides support for young employees to participate in external training for self-development.

- Expansion of MC Self-Development Program and MC Skill-up Seminar and allow them to be accessed online
- Introduction of a Skills-Development Support Program for young employees

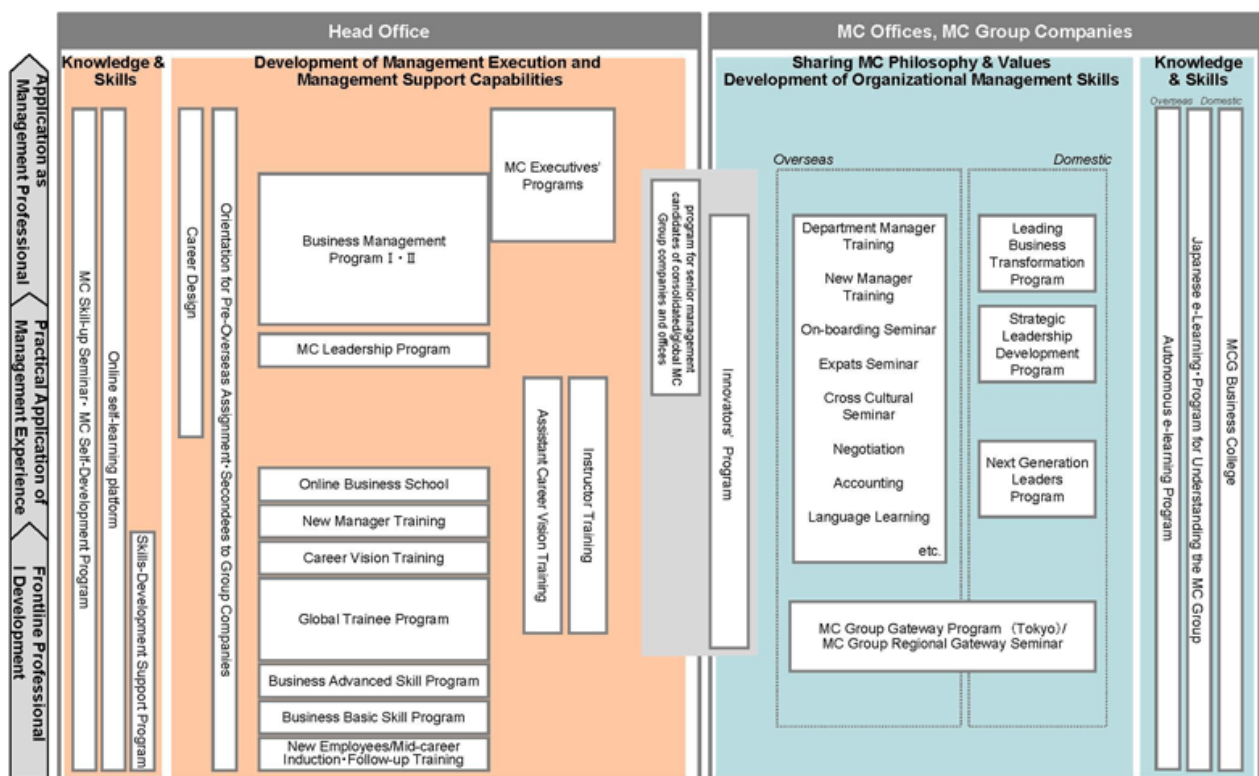
○ Outcome Metrics

Metric	FY2019 Result	FY2020 Result	FY2021 Target
Total cost of training	2.19 billion yen	1.65 billion yen	2.1 billion yen
Average training hours per person	23.2 hours	16.0 hours	20 hours
Percentage of professional staff who have acquired business-level English by the third year of employment	99%	99%	100%

Structure

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Human Resources Development (HRD) Committee Important matters related to human resource development deliberated by the HRD Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Global Human Resources Dept.

MC Group HRD Program Structure



*Additionally, employees have opportunities of attending external training program outside MC.

Initiatives

Introduction of Human Resource Development Programs

○ Career Development Support Programs

Aiming to foster reciprocal growth between MC and its employees, “employee self-growth and support for growth by MC” are key priorities for MC.

Growth Conversations

MC holds “Growth Conversations” once a year between employees and supervisors, with a focus on skill development and career building, as a system to encourage self-growth for employees and allow them to receive support for their growth from supervisors and colleagues. “Midterm Conversations” are also held at any time around themes deemed necessary by the employee or supervisor.

Talent Review Program

MC has a policy to “be more meritocratic to ensure the right people are assigned to the right positions,” and aims to achieve this through its Talent Review Program, where the right people are identified through a process of having employees directly evaluated by their supervisors while also being observed and assessed by multiple other eyes. In the Talent Review Program, human resources in each organization are evaluated based on their core competencies while also reviewing individual abilities and experiences, and this information is shared with the relevant parties along with the employees’ career aspirations.

Career Shift Support

Employees turning 50 or 55 are required to take career design training courses are provided as an opportunity to think autonomously about their future life and career, including post-retirement. Furthermore, for those in their late 40s who wish to participate, in addition to career design training, we provide briefings on company schemes as well as money planning seminars.

○ Basic and Specialized Training

When employees first join MC, they participate in training programs designed to equip them with basic business, communication, analytical and management skills. They also work on becoming globally competitive professionals, something that all *sogo shosha* employees must aspire to be.

New Employee Training

This training focuses on instilling employees with the know-how, skills and other qualities demanded of both working professionals in general and those employed by MC. Covid-19 has made telecommuting the norm; however, a variety of programs are implemented as soon as the employee joins the company, and follow-up programs are conducted at the mid-term and end-of-term points to ensure that the employee can immediately demonstrate their abilities and to facilitate relationship-building among the workforce. In addition to full-time instructors, the workplace provides a nurturing environment that supports the growth of new employees.

Business Basic Skill Program and Business Advanced Skill Program

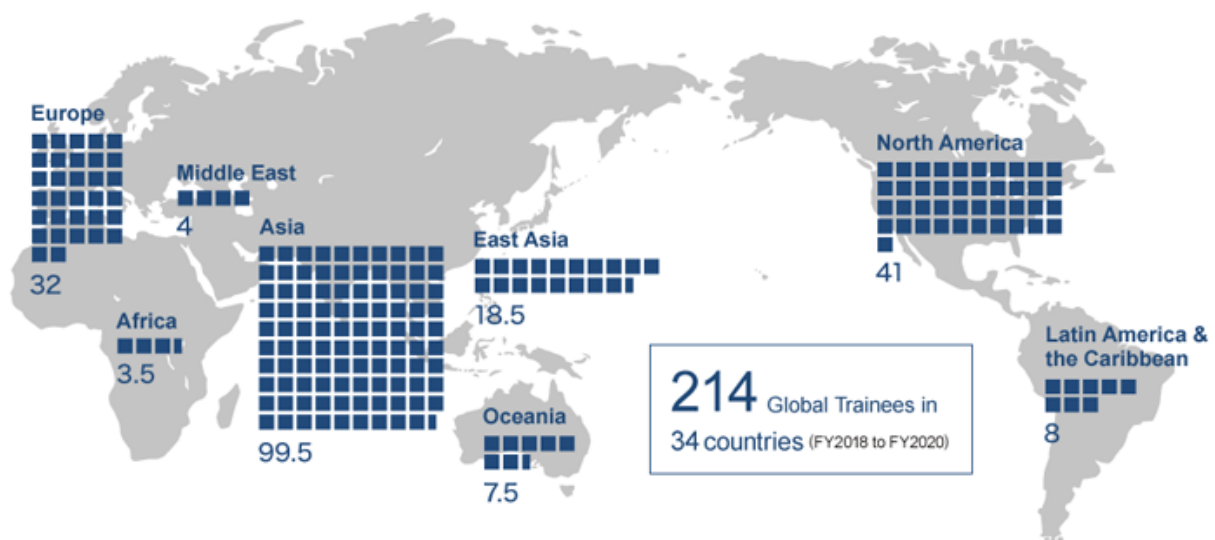
This comprehensive, two-stage training is designed to strengthen the basic skills of young employees who are in their first three years with MC, covering finance and accounting, bookkeeping, M&A operations, English-language proficiency, global leadership and other areas. The first stage is the Business Basic Skill Program (BBS) and the second is the Business Advanced Skill Program (BAS).

Global Trainee Program

In principle, this program's purpose is to provide all employees with overseas experience within their first eight years with MC to keep pace with the advancing globalization of MC's businesses. Focusing on international on-the-job training (OJT), the program includes assignments to overseas business schools and assignments for culture and language training. Before the COVID-19 pandemic, Approximately 100 employees took part in the program every year.

Assignment of Global Trainees (Year Ended March 2019 ~ Year Ended March 2021)

Global Trainee Program



The numbers of trainees per region are shown in fractions because some trainees' assignments are divided between more than one country or region.

○ Leadership

MC offers training programs that are designed to sharpen employees' thinking as managers and equip them with the skills to help grow business value. These programs help to enhance employees' business and digital-strategy conception skills and their HR management skills. Additionally, in line with the new personnel system, which highlights "growth support" for subordinates and colleagues as a key mission, MC is developing and expanding training programs aimed at delivering the skills and knowledge necessary for growth support management.

Instructor Training

MC appoints a senior employee from the same workplace to act as an "instructor" and assume responsibility for training new employees. The instructor is responsible for actively providing guidance on day-to-day operations and instructing and educating employees on the qualities necessary to be an MC employee. Even though telecommuting has become the norm under the pandemic, we provide instructors with training on how to guide new employees and support their growth so they can demonstrate their abilities immediately and progressively build relationships.

Innovators' Program

Run by MC with the support of professors from Stanford University, this program is held in Silicon Valley and aims to nurture the conception skills necessary to grow business value. It is a good platform for learning about design thinking and other thought processes that inspire innovation, as well as the background and mechanisms behind the rapid growth of Silicon Valley enterprises.

Online Business School

Designed for employees at Management Grade, this system enables participants to take online correspondence courses from top overseas universities. Participants are free to choose from a wide range of programs covering leadership, strategy, finance and other courses.

Executive Education in Overseas Business Schools

Every year, approximately 50 employees are enrolled in short-term programs at top universities in the US, Europe and Asia. These assignments are designed to build up employees' management skills and networks with other program participants from diverse cultures and industries.

MC Leadership Program

Designed to equip participants with the leadership know-how and skills for diversity management or growth-support management to support subordinates' career growth and otherwise manage organizations, this training targets approximately 150 team-leader candidates per year.

Business Management Program

At present, 30% of MC's employees are on secondments to MC's subsidiaries and affiliates, which they are directly engaged in managing. The objective of the Business Management Program is to provide such secondees with the skills in leadership, diversity management, strategizing and governance that are necessary to run organizations and enhance business value.

MC Executives' Program

This program, which targets officer candidates, has been running since the year ended March 2004. Its pillar is its management workshops, which involve discussions with VPs and other current executives on a variety of management issues. Lively opinion exchanges with the diversely experienced participants, lectures by internal and external business leaders, and other rich content make this program a good opportunity for officer candidates to broaden their perspectives, learn how high-level managers think and network with professionals from all of MC's Business Groups.

○ Autonomous Learning

To provide employees with more opportunities for proactive learning and self-improvement, and thereby encourage "self-growth," MC continues to enhance and upgrade its independent study programs.

Online Learning Platform

To support the diversification, modernization, and optimization of learning content, as well as the improvement of individual abilities and skills through autonomous learning, MC has introduced a platform that allows students to learn from a wide range of online content.

Career Vision Training

Career vision training aims to teach participants how to reflect on their careers in a way that will help them to continue to grow autonomously and generate results by leveraging their unique personalities and talents.

MC Skill-up Seminar

MC offers a number of courses to foster skills and abilities that connect to development of expertise, foresight and execution skills.

MC Self-Development Program

This program is designed to equip employees with the relevant management, business and language expertise. MC encourages employees to take a selection of designated courses.

Skills-Development Support Program

This program encourages self-growth and the kind of commitment to raising business value that is typically demonstrated by those in upper management. MC helps employees to take courses that are considered suitable for those in the "Frontline Professionals" stage of their careers.

○ MC Group Values

To comprehensively strengthen its consolidated workforce of 80,000 global professionals, MC is dedicated to sharing values and building robust networks throughout the MC Group.

Sharing MC Values

Since FY2010, the MC Group Gateway Program has been conducted as an orientation program for employees of MC's offices and group companies worldwide. Held in Tokyo eight times per year in Japanese and English, the program's objectives are to encourage employees to share MC's corporate principles and values, and to foster a greater understanding of the MC Group. In the year ended March 2020, about 450 employees took part, bringing the total number of participants since the program's inception to roughly 4,100. Similar orientation programs to share MC Group values are being held in other regions.

International Transfers

In recent years, we have been transferring more employees hired at MC overseas offices to other countries to meet the growing needs of our global operations. These international transfers provide a wide range of experiences and help to refine employees' global perspectives. At the same time, they give employees a clearer understanding of the MC Group overall and its management philosophy. MC will therefore continue to promote deployments on a consolidated, global base, assigning the appropriate human resources for each position.

Performance

Human Resource Development and Training Data

○ Number of Training Participants (Non-Consolidated Basis)

Program Name	Eligible Employees	2019.3	2020.3	2021.3
Business Basic Skill Program	1st or 2nd year employees	171	130	124
Business Advanced Skill Program	3rd year employees	150	157	121
MC Executives' Program	Managing Director class employees	36	34	29

○ Overview of MC's Training (Non-Consolidated Basis)

	2019.3	2020.3	2021.3
No. of training participants per year *1	3,162	3,875	4,541
Total annual training hours *2	Approx. 124,000	Approx. 137,000	Approx. 92,000
Annual training hours per employee *3	20.7	23.2	16.0
Total cost of training *4	2.14 billion yen	2.19 billion yen	1.63 billion yen
Cost per employee *5	356,000 yen	372,000 yen	286,000 yen

*1 Training programs run by the Global HR Dept. at the Head Office.

*2 Training programs run by the Global HR Dept. at the Head Office (excluding training for overseas assignments).

*3 An employee who enters MC as a new graduate, spends their career at MC until retirement, and undergoes all standard training (including assigned overseas training) is estimated to spend an average 62 hours in training annually.

*4 Total cost includes internal development costs and billings for training related services, etc. from outside entities.

*5 Total cost of training divided by the total number of employees.

Customer Responsibility

Policy ✓ Targets ✓ Initiatives ✓ Participation in External Initiatives ✓

Policy

Responsible Advertising and Marketing

MC engages in responsible advertising and marketing in line with the Three Corporate Principles, MC's core philosophy, as well as with the Corporate Standards of Conduct, the Social Charter and the Code of Conduct. Through its corporate communications activities, MC strives to raise its brand value by conveying accurate information to the public while at the same time receiving feedback from external stakeholders with humility and incorporating it into business activities.

○ Advertising

In order to present a consistent corporate image to customers and conduct advertising and promotional activities with the appropriate messaging, content and media, MC has developed a set of internal rules, guidelines and manuals that include specific considerations and stipulate approval and reporting procedures and other important matters. In particular, we take adequate precaution with respect to slanderous or discriminatory expressions, religious and political creeds, the environment, third-party privacy, confidentiality, disclosure and intellectual property rights. We have also created manuals for MC Group companies to ensure consistency across the Group.

○ Marketing

MC engages in responsible marketing in a manner that respects third parties and their reputation. We use information and language that is easy to understand and make sure to avoid any potential for misunderstandings with our customers. This is accomplished by complying with laws and regulations related to marketing (such as the Japanese Unfair Competition Prevention Act), formulating and complying with internal rules, and conducting training, etc.

Policy and Approach Related to Food Products Businesses

While the MC Group conducts business in a variety of areas, the food products business is most directly connected to consumers. The products we handle also cover a broad range and include processed foods, fresh foods, and beverages. For this business, we have established value chains that cover activities ranging from raw material procurement and processing to product manufacturing, distribution and retail. MC aims to meet the needs of an increasingly diverse and sophisticated consumer group and to respond to mounting concerns over food safety and security. As we develop businesses closely connected to people's daily lives, it is essential for the growth of the MC Group that we provide products and services that add value for our consumers and that we obtain feedback directly from consumers through our retail businesses including MC consolidated subsidiary Lawson, Inc. Consumer feedback is reflected back into our raw material procurement and processing, product manufacturing and distribution. Through this process, MC is optimizing and driving forward its businesses with a 'consumer-first' mindset. In promoting consumer-related businesses, MC recognizes the issues involved (see below) and will conduct initiatives to prevent the occurrence of incidents and to mitigate their impacts.

- Ensuring food safety
- Ensuring reliability and proper provision of food (providing information on allergens, preventing provision of alcohol to minors, etc.)
- Appropriate handling of customers' personal data

Access to Better Nutrition and Medical Care

The MC Group conducts business activities globally which involve providing consumers with food products and medical services. From upstream raw material procurement to downstream retail, we provide a stable supply of products and services that meet consumer needs in order to help them lead rich and varied lives. With a mission of conducting business activities closely connected to food and medicine, MC strives to ensure safety and security for consumers, thereby providing value that meets social requirements while also contributing to improved access to better nutrition and medical care.

○ Policy and Approach for Access to Better Nutrition

In emerging countries, nutrient imbalances caused by lifestyle changes, increasing obesity, other lifestyle-related diseases and lower nutrient intake due to eating difficulties caused by aging have all become broad social issues. In emerging countries, hunger and malnutrition brought on by poverty and other conditions are widespread. At the same time, people are becoming more health-conscious. Each of these trends has the potential to create new markets and generate business opportunities, especially in emerging countries. The MC Group recognizes these social issues, and by leveraging the strength of our value chains which range from raw materials to retail as well as our technical capacities in the food science business, we will work to improve, for example, nutrition for elderly people who are nutrient deficient etc., and to develop and provide nutritious products that meet consumer needs. Furthermore, we will strive to maintain a stable supply of products to prevent consumers from being negatively impacted by supply disruptions.

○ Policy and Approach to Providing Access to Better Medical Care

The MC Group is undertaking healthcare-related businesses through its Consumer Industry Group. In Japan, one pressing issue is that government finances are being strained by worsening business conditions faced by medical institutions and burgeoning social insurance costs, which in turn reflect the aging population and growing medical expenditures. Meanwhile, in emerging countries, many people lack access to high-quality medical services due to underdeveloped healthcare environments and systems. Leveraging the knowledge and networks developed through its healthcare-related businesses over many years, the MC Group is working to address various healthcare issues arising worldwide, with the aim of realizing a society with improved access to better healthcare.

○ Lawson, Inc. Initiatives

Sale of Alcohol

Lawson Ltd., an MC consolidated subsidiary, maintains non-alcohol sales areas and develops and sells products aimed at eliminating the consumption of high-alcohol beverages in order to reduce the health risks of non-communicable diseases caused by drinking and other lifestyle-related factors. The Ministry of Health, Labor and Welfare's (MHLW) guidelines define "alcohol consumption that increases the risk of lifestyle-related diseases" as a daily net alcohol intake of 40g or more for men and 20g or more for women. To keep alcohol intake to 20g or less, the alcohol content of 350ml cans, which is the standard size for canned "chuhai", must be below 7%, and the alcohol content of 500ml cans of beer, often purchased at convenience stores, must be below 5%.

Lawson develops and sells "chuhai" and beer with alcohol content in accordance with the MHLW guidelines as Lawson original products.

Advertising, Marketing and Labeling Guidelines

MC consolidated subsidiary Lawson, Inc. is characterized by its great variety of products and services it offers, which at the same time means that it must adhere to laws as well as both anticipate and respond to risks. Lawson's "Basic Policy for Improvement of Internal Control Systems" has been established to strive for healthy, continuous growth with these business characteristics. Japanese consumer laws (such as the Food Labeling Act, the Food Sanitation Act and the Health Promotion Act) are held as important laws that need especially to be followed as common knowledge in order to reliably improve systems to ensure Lawson's indispensable product safety and security, as well as to maintain consumer trust. Thus, Lawson attaches labels to its original lunchboxes and prepared foods indicating the product name, expiration date, ingredients, etc.

Moreover, The Intellectual Property Act is also appended with the important laws in order to further strengthen Lawson's label-checking system so as not to violate the intellectual property rights (trademark rights, copyrights, etc.) of others when creating promotional materials.

Furthermore, Lawson publishes information about these in its Integrated Reports.

Employee Training and Inspections for Compliance

MC consolidated subsidiary Lawson, Inc. conducts compliance and risk management training for all employees every year and aims for further improvement of ethical awareness and crisis-response capability. Compliance is also included in the training when employees join MC or are promoted to managerial positions, training by job category, as well as management training. Moreover, by revising the content of this training in accordance with changes in the status of risks, Lawson is working to improve operations by having employees in all positions and job categories share their problems.

Furthermore, Lawson publishes information about the aforementioned in its Integrated Reports.

Mitsubishi Shokuhin Co., Ltd. Initiatives

Sale of Alcohol

MC consolidated subsidiary Mitsubishi Shokuhin Co., Ltd. engages proactively in the sale of non-alcoholic beverages in its wholesale operations in order to reduce the harmful effects of excessive alcohol consumption. Mitsubishi Shokuhin is making efforts to develop more original non-alcoholic beverages and sells products with lower-alcohol content, such as the part-sake-part-broth Dashiwari Cup.

Reference: the Dashiwari Cup : <https://www.mitsubishi-shokuhin.com/201124ReleaseHP.pdf> (in Japanese)

Advertising, Marketing and Labeling Guidelines for Processed Foods; Employee Compliance Training

In addition to upholding advertising guidelines, Mitsubishi Shokuhin conducts employee training on the relevant Food Labeling Act and Act Against Unjustifiable Premiums and Misleading Representations every year.

Quality Management

MC is a member of the Japan Food Safety Management Association and collects information on Quality Management System (QMS) and the Food Safety Management System (FSMS) to use when providing guidance to manufacturers collaborating in production.

Targets

MC's goal in the life sciences field is to become the world's leading company in the field. We will achieve this by sustaining growth and establishing a robust presence in the food and health sector by further developing the Japanese domestic market through strategic investment and innovative R&D based on our technical capacities, as well as through the provision of safe and reliable products.

Initiatives

Initiatives on a Non-Consolidated Basis

○ Corporate Website and Corporate Brochure

Given the global presence of the MC Group, MC discloses information through its corporate websites in seven languages* (Japanese, English, Chinese, Portuguese, French, Russian and Korean), and annually releases its corporate brochure in six languages (Japanese, English, Chinese, French, Russian, and Spanish). The goal is to ensure accurate information disclosure to audiences around the world.

* Including websites of overseas subsidiaries

○ System for Responding to Inquiries

MC has created a Frequently Asked Questions (FAQ) page on its corporate website, and strives to respond to inquiries as quickly as possible. In addition, the relevant divisions promptly address customer inquiries via the Head Office's main telephone line.

Initiatives in the Food Science Business

○ Initiatives by Mitsubishi Corporation Life Sciences Limited

Mitsubishi Corporation Life Sciences Limited develops seasonings, food-quality-improvement ingredients and health food ingredients utilizing the power of microorganisms, primarily yeast. It uses yeast extracts to offer low-sodium seasoning alternatives and is also developing them as supplement ingredients for the health and beauty fields. Moreover, elderly people who have difficulty swallowing and individuals suffering from certain diseases are prone to aspiration pneumonia, which can result from the mis-swallowing of food. For this issue, MC is developing formulations that utilize polysaccharide thickener compounding technologies. In the field of medical and nursing care-related foods, formulations which make food softer and easier to swallow and thickening agents added to give food the right thickness for easier swallowing are contributing to the prevention of aspiration pneumonia. Furthermore, MC is also developing low-protein food formulations for kidney disease patients and conducting research on low-sugar concepts utilizing the sweeteners it possesses. In this way, the MC Group will continue to develop safe foods in the medical, nursing and healthcare fields, thereby contributing to the betterment of society.



Response to Issues Related to the Food Products Business

In the food-related business, which are directly linked to consumers, the MC Group is working to address various related issues through its business.

○ Cermaq Initiatives

Cermaq, an MC subsidiary, considers the provision of healthy and sustainable food to be its core mission. A salmon producer, Cermaq has the ambition to produce healthy and nutritious food to a growing world population and play a role in improving the global food system by engaging in multi-stakeholder partnerships. Farmed salmon is a part of the solution to challenges related to obesity and unbalanced diets, by being rich in healthy nutrients such as marine omega-3, proteins, vitamins and minerals. It is also a sustainable food product, with a low carbon footprint and an efficient feed conversion ratio compared to other animal proteins. Cermaq considers salmon farming as a part of the solution to solving the world's food needs and engages actively in partnerships to build best practice and share knowledge across the food industry.



Reference: Cermaq website

<https://www.cermaq.com/sustainability/sustainability-reports>

○ Lawson, Inc. Initiatives

Lawson, Inc., an MC consolidated subsidiary, manages and operates convenience stores. Lawson is most closely connected to consumers within the food products value chain, and conducts the following initiatives to help minimize negative product impact on socially vulnerable groups.

1) Promoting long-term health

Lawson places value on “Human kindness” based on its corporate philosophy of “Creating Happiness and Harmony in Our Communities,” and strives to be the number one community store for healthy eating. MC has introduced a ‘Meal Solutions’ initiative which aims to provide healthy everyday food. This initiative offers a wide range of meals, makes these meals convenient to purchase, and takes into account health considerations. Thus, it is highly rated by consumers who want not only quick and easy meals but also to pursue or maintain a healthy diet. Additionally, Lawson offers “self-medication support” towards those who are concerned about their own health in order to help customers maintain good health by offering consultation services.



Lawson Yushima Ekimae Store (Bunkyo, Tokyo)

A model shop with the optimal balance between
a convenience store and a drugstore
(Picture from time of opening)

Reference: Lawson website (Japanese only)

<https://www.lawson.co.jp/company/activity/social/consumer/health/>

2) Materials procurement and quality management

Lawson's subsidiary SCI, Inc. oversees MC's supply chain management and is responsible for supplying original products that are also safe and reliable. SCI conducts rigorous quality assessments, and in procuring raw materials only selects products that have passed a stringent screening process based on Lawson's quality control standards. In the product manufacturing process, for example at plants that produce rice products, a unique HACCP (Hazard Analysis and Critical Control Point) system for food sanitation management has been established to prevent incidents involving food poisoning or contamination. In this way, Lawson procures safe raw materials and carries out rigorous quality control to prevent any negative health impacts on consumers. Furthermore, Lawson has established the 'Lawson Farm' project, which provides stable supplies of fresh fruits and vegetables that are safe, reliable and high quality to stores in the Lawson Group. As of November 30, 2021, there are 17 LAWSON Farms in Japan, all of which are working to acquire JGAP and ASIAGAP* certification.

* GAP: Good Agricultural Practice

LAWSON Farms will acquire regular Japanese JGAP and international-standard ASIAGAP



Reference: Lawson website (Japanese only)

<https://www.lawson.co.jp/company/activity/lawsonfarm/>

3) Clarification of product information

Lawson's products are labeled with food labels in compliance with the law. Additionally, Lawson lists fried foods containing allergens on its website and will continue to expand the number of products covered. The labeling information is checked internally and by external organizations to ensure customer safety.

4) Preventing the sale of alcohol and tobacco products to minors

In order to prevent the sale of alcoholic beverages and cigarettes to those under 20 years of age (the legal age for drinking and smoking in Japan), Lawson displays a notice on the screen visible to customers on the POS cash register explaining that the sale of alcoholic beverages and cigarettes to those under 20 years of age is prohibited.

5) Safety Station activities

From crime prevention and disaster preparedness to safety measures and children's health initiatives, there is an ever increasing expectation for convenience stores to play a broader role in society. To meet these expectations, the Lawson Group participates in the Safety Station activities of the Japan Franchise Association, helping to build safe and secure communities and promoting healthy environments for young people. MC also implements anti-crime measures to combat theft and other crimes, while also supporting women and children who seek safe harbor in-store.

〈Examples of Safety Station Activities〉

- Preventing bank transfer scams

Examples include a member of staff preventing a bank transfer scam when noticing suspicious behavior by a customer using an in-store ATM machine, and another staff member questioning the intentions of a customer wanting to send money, thereby preventing a potential refund scam.

- Caring for people with sudden illnesses and senior citizens

Examples include administering first aid to a customer who had sudden pain while shopping and accompanying that customer to the hospital, and escorting an elderly customer believed to have dementia back home due to sudden memory loss. An increasing number of stores are able to provide this kind of assistance to customers in need of help.

- Supporting local crime prevention and disaster preparedness activities

Lawson conducts presentations at elementary schools near to its stores on measures it takes to prevent shoplifting and other crimes. Staff members also act as youth guidance personnel and regularly patrol the streets near middle schools, helping to prevent anti-social behavior. Through such activities, Lawson is contributing to the creation of safe communities and healthy environments for young people.

Reference: Lawson website (Japanese only)

<http://www.lawson.co.jp/company/activity/social/community/safetystation/>

○ Appropriate Food Labeling Initiatives

When people with food allergies consume an allergen it can trigger anaphylaxis. Similarly, consuming large quantities of certain substances can potentially damage one's health. To prevent such problems, the MC Group strives to label its food products in a way that is easy to understand in accordance with applicable laws and regulations. To ensure that consumers understand product characteristics and are in a position to make appropriate purchasing decisions based on health and other factors, Mitsubishi Shokuhin Co., Ltd., Lawson, Inc. and other MC Group companies make it a top priority to comply with laws and regulations such as Japan's Food Labeling Act. These companies provide information which is easy to understand from the consumer standpoint such as quality labeling, warnings related to alcoholism, acute alcohol poisoning, and underage drinking, as well as clear allergen warnings.

Nutritious Product Initiatives

○ Lawson, Inc. Initiatives

Offering low-carbohydrate/low-calorie/fiber-rich bakery products and nutritionally-balanced Natural Lawson brand products

Lawson, an MC subsidiary, offers health-conscious products such as Bran Bread, which is low in sugar and calories, and bakery products made using pearl barley, which contains a lot of nutritional components such as dietary fiber.

In addition, the Natural Lawson brand, which focuses on raw materials with the theme of beauty and health, not only allows customers to enjoy the original taste of the ingredients, but also develops unique products such as chilled beverages, confectionery and lunch boxes to support their healthy lifestyles.



Reference: Lawson website (Japanese only)

<https://www.lawson.co.jp/company/activity/social/consumer/health/>

○ Mitsubishi Shokuhin Co., Ltd. Initiatives

In addition to striving for nutrition information labels that are easy for consumers to understand, Mitsubishi Shokuhin is also working to develop health-conscious Karada Shift products.



Reference: About Karada Shift: <https://karadashift.jp/> (in Japanese)

Initiatives for Better Access to Medical Care

As a company engaged in the healthcare sector, MC is involved in the following initiatives with its Group Companies to help provide people in Japan and around the world with better access to healthcare.

○ Stabilizing Medical Care in Japan and Raising the Elderly's Quality of Life

MC Healthcare, Inc., a MC consolidated subsidiary in Japan, is contributing to the improvement of hospital operations as well as the enhancement and stability of domestic medical systems through procurement and inventory control of medical supplies and equipment, group purchasing and system installation support. MC is also applying its experience and expertise in the rapidly growing Chinese market. Nippon Care Supply Co., Ltd. is a pioneering provider of rental welfare equipment and in-home nursing care services. In order to raise the quality of life of the elderly and enable them to continue living independently in their accustomed area, MC conducts its core business of renting welfare equipment as well as other businesses including providing meals to day service facilities and other institutions. In doing so, MC is contributing towards a healthy longevity society where all senior citizens can live comfortably and with peace of mind.

○ Access to Medical Care in Local Communities

As a convenience store closely connected to consumers, Lawson is developing its Healthcare Lawson convenience store model to provide daily living-related support with expanded sales of over-the-counter medicines to accommodate healthy lifestyles and an aging society. In addition, Lawson enters into health-related agreements with local governments in order to conduct health exams in the parking lots of Lawson convenience stores for nearby local residents. These exams are normally received at a city hall or a community center. Through initiatives such as these, Lawson provides access to medical care for people who live far from any hospital or pharmacy, and is working to develop its stores so that they can be used with peace of mind by a diverse range of customers.

Reference: Lawson website (Japanese only)

<https://www.lawson.co.jp/company/activity/social/community/safetystation/>

Corporate Philanthropy

MC has formulated its Corporate Standards of Conduct and Social Charter based on the Three Corporate Principles, MC's core philosophy, and conducts corporate philanthropy initiatives to improve access to nutrition and medical care.

① Mitsubishi Corporation Foundation for the Americas (MCFA)

Mitsubishi Corporation Foundation for the Americas (MCFA) was established in 1991 by Mitsubishi International Corporation (MIC) and MC. The mission of MCFA is to support environmental initiatives throughout the Americas, encompassing environmental education, biodiversity conservation, environmental justice and sustainable development. Since its establishment, the foundation has contributed a total of approximately US\$12.8 million (approximately JPY1.3 billion) to projects throughout the Americas. For example, the MCFA is supporting initiatives such as a Rainforest Alliance project in Peru to promote sustainable farming practices for high-value crops such as brazil nuts and cocoa.



Promotion of sustainable agriculture by the Rainforest Alliance

② Mitsubishi Corporation Fund for Europe and Africa (MCFEA)

The Mitsubishi Corporation Fund for Europe and Africa (MCFEA) is a UK registered charitable foundation established in 1992 by Mitsubishi Corporation and Mitsubishi Corporation (UK) Plc. (now Mitsubishi Corporation International (Europe) Plc.) Since its inception, the MCFEA has used various organizations to contribute more than GBP5.9 million in grants to environmental and developmental projects in Europe and Africa. The MCFEA is supporting partner organizations including Springboard, a social enterprise that works to solve the problems of poverty and unemployment in Nigeria and helps women and youth start sustainable organic farming.



Young people learning about sustainable farming with Springboard

③ Supporting Independence of Small-Scale Farmers

MC has been providing support for small farming families in an environmentally protected region of the Southern Lowlands of Bahia State in Brazil. This is the first project to be executed based on an MOU signed between MC and the Inter-American Development Bank, the aim of which is to promote collaborative philanthropic activities in Latin America and the Caribbean. These activities are being conducted in partnership with the Odebrecht Foundation in Brazil. MC is also providing assistance to technical schools for agriculture, agribusiness and forestry. These schools teach young people the latest techniques in environmentally-friendly farming and farm management in order to help them achieve self-sufficiency.



Training/practice sessions



Group Photo at an agricultural training school

Participation in External Initiatives

Cermaq, an MC subsidiary, engages in external sustainability initiatives in line with its strategy, which emphasizes partnerships to find solutions related to the UN Sustainable Development Goals (SDGs). In particular, five goals have been identified as high priority for Cermaq, including Goal 2: Zero hunger and Goal 14: Life below water. Cermaq engages in industry and multi-stakeholder initiatives to find solutions, on different levels:

Examples of initiatives include:

Global Multi-Stakeholder Partnerships-UN Global Compact Action Platform for Sustainable Ocean Business:

Action Platform for Sustainable Ocean Business. Launched in June 2018 by the UN Global Compact and with Cermaq as the first Patron to join this initiative in February 2018, with the goal of developing holistic global solutions for the sustainable use of the ocean. The first business driven initiative of its kind in the United Nations, the initiative aims at developing roadmaps for the maritime industries in close dialogue with governments, academic institutions, NGOs and UN organizations.

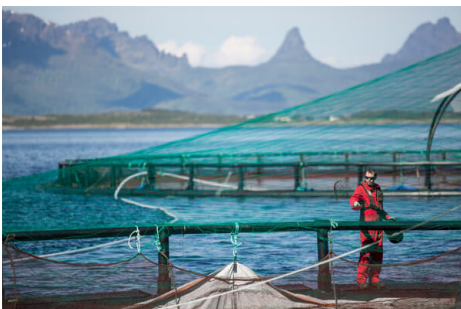
Seafood Industry—SeaBOS:

Seafood Business for Ocean Stewardship. Established in 2016 by eight of the world's largest seafood companies (including Cermaq, Thai Union, Nissui, Maruha Nichiro, and Mowi), SeaBOS aims to promote sustainable seafood operations and ensure a healthy ocean.

Salmon Aquaculture Industry— Global Salmon Initiative (GSI):

GSI is a leadership initiative established by global farmed salmon producers. It seeks to provide a highly sustainable source of healthy protein to feed a growing global population, in tandem with minimizing the environmental footprint, and continuing to improve the industry's contributions to society.

In addition, Cermaq is a member of the UN Global Compact. Member companies work to align their strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals.



Reference: For further information, please see Cermaq's website.

<https://www.cermaq.com/sustainability/partnerships>

Community

Policy ✓ Structure ✓ Corporate Philanthropy Activities ✓ Examples of Initiatives ✓

Other Reference Data ✓

Policy

Basic Approach

One of MC's Materialities is "Addressing Regional Issues and Growing Together with Local Communities," through which MC strives to contribute to regional development through its business and corporate philanthropy initiatives and grow together with the regions and communities where it operates.

Policy on Community Investment

In identifying "Addressing Regional Issues and Growing Together with Local Communities" as one of its Materialities, MC recognizes the value of building relationships with communities for the success of its businesses. Furthermore, by growing together with communities through job creation, promoting community development and procuring raw materials from local communities, MC also strives to minimize negative impacts. Growing together with local communities is equally as important as advancing MC's businesses and generating financial return. This represents the true spirit of MC, which seeks to simultaneously generate economic, environmental, and societal value.

Policy on Local Employment and Procurement

MC appreciates that local employment and procurement have an important role to play in building positive relationships with and contributing to the sustainable development of the countries and regions in which it operates (as outlined in ISO26000, etc.). MC understands that hiring employees and procuring goods and services from the local areas near to project operations contributes to the sustainable development of the region through local human resource development and through social and economic growth. As a company with business operations in many countries and regions across the globe, MC will endeavor to make economic contributions through its business by way of local employment and procurement, as well as social contributions through various philanthropic efforts, with the aim of growing together with local communities.

Policy on Mine/Site Decommissioning

MC believes in the importance of minimizing impact on the environment and society when carrying out decommissioning for mining and for oil and gas projects. When carrying out these projects, in order to ensure that measures for future decommissioning are undertaken smoothly and appropriately, MC will, from initial project planning through to operation, carry out environmental impact assessments in accordance with the laws of the countries and regions in which it operates as well as with international principles*. In addition, MC will engage in dialogue with governments, local communities and other stakeholders in order to develop appropriate decommissioning plans and implement necessary measures such as rehabilitation in order to minimize impact on the environment and communities.

* The ICMM (International Council on Mining & Metals) 10 Principles, etc.

Structure

Officers in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Sustainability & CSR Committee Important matters related to communities deliberated by the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Departments in Charge	Corporate Sustainability & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Risk Management

When reviewing and making decisions on loan and investment proposals, MC not only takes economic factors into consideration, but also places importance on ESG as well. We also take into account revitalization of the local society and economy, the status of the surroundings such as indigenous people and cultural assets, and related factors. Besides screening new investment and exit proposals, MC also strives to make improvements to existing business investments by monitoring their management practices.

Corporate Philanthropy Activities

In keeping with our belief that MC's sustainable growth cannot be achieved without realizing a sustainable society, we address our Materiality through both business and philanthropy activities. MC engages in philanthropic activities that are in line with three overarching themes: "Realizing an Inclusive Society," "Empowering the Next Generation" and "Conserving the Environment." In addition, MC also provides support for regions affected by natural disasters, which includes recovery efforts for the Great East Japan Earthquake.

Each of our philanthropy activities is conducted with a focus on long-running initiatives in which our employees can take part and which highlight the unique strengths of our company. These contribute to MC's overall pursuit of businesses that generate value for societies.

Employee Volunteer Activities

MC places great emphasis on deepening employee awareness of the importance of giving back to society. We therefore have taken steps to encourage employee participation in volunteer activities, for example, by establishing a volunteer leave system and by holding in-house volunteer programs during lunch hours. In addition, MC launched a series of relief activities in the immediate aftermath of the Great East Japan Earthquake in 2011, and as of March 31, 2021, a total of 4,958 employees had participated in those activities as volunteers.

○ Volunteer Token System/Volunteer Leave System

MC donates to NPOs, foundations and other organizations that engage in public welfare, educational and environmental initiatives based on a virtual token system. Employees earn tokens by participating in volunteer activities, with each token worth a corporate donation of ¥500. Tokens are awarded not only for volunteer work organized by MC, but also for activities undertaken independently by employees during their private time outside of work. Employees can take up to five days of leave each year to participate in volunteer activities.

Due to the impact of COVID-19, the number of employees taking volunteer leave as well as the total number of volunteer leave days taken in the year ended March 2022 decreased significantly compared to before the COVID-19 pandemic.

Year ended March 2022

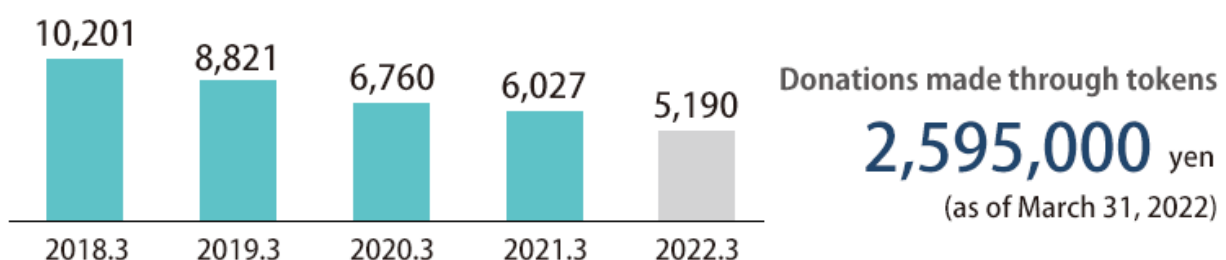
No. of employees
taking volunteer
leave

13
(cumulative
no. of people)

Volunteer leave
days taken

24

Number of Tokens Given for Volunteer Work



○ DREAM AS ONE.

MC launched the DREAM AS ONE. Project in 2014 in order to enhance a long-running program aimed at making sports more accessible for people with impairments. During the fiscal year ended March 2022, roughly 10 different events were conducted, including sports classes for children with impairments, online para-sports classes with para-athletes and online seminar by par-athletes. In addition, six para-athletes belong to MC. MC is also providing scholarships to one student para-athlete, who is continuing their activities to pursue their dreams.



2021 Japan Para Wheelchair Rugby Championships : MC employees and athletes Mr. Imai

○ Mitsubishi Corporation Art Gate Program

In 2008 MC established the Mitsubishi Corporation Art Gate Program as its corporate philanthropy activities. Until 2020, MC held internal and external exhibitions and charity auction to create opportunities for presentations and support their careers for young artists, who have graduated within the last three years, and MC also provided scholarships for them.(MC has held total of 47 auctions, purchased and sold total of 2,467 works, and has provided scholarships to a total of 160 students for 12 years from 2008 to 2020.)

With the changes in society represented by new lifestyles, artists' production themes and styles are diversifying, in 2021, MC have renewed the Mitsubishi Corporation Art Gate Program, which actively support the growth and creative activities of artists by providing not only financial support but also opportunities to learn and mentoring in accordance with varying stages of their careers of artists.

Reference: [Mitsubishi Corporation Art Gate Program \(MCAGP\)](#)

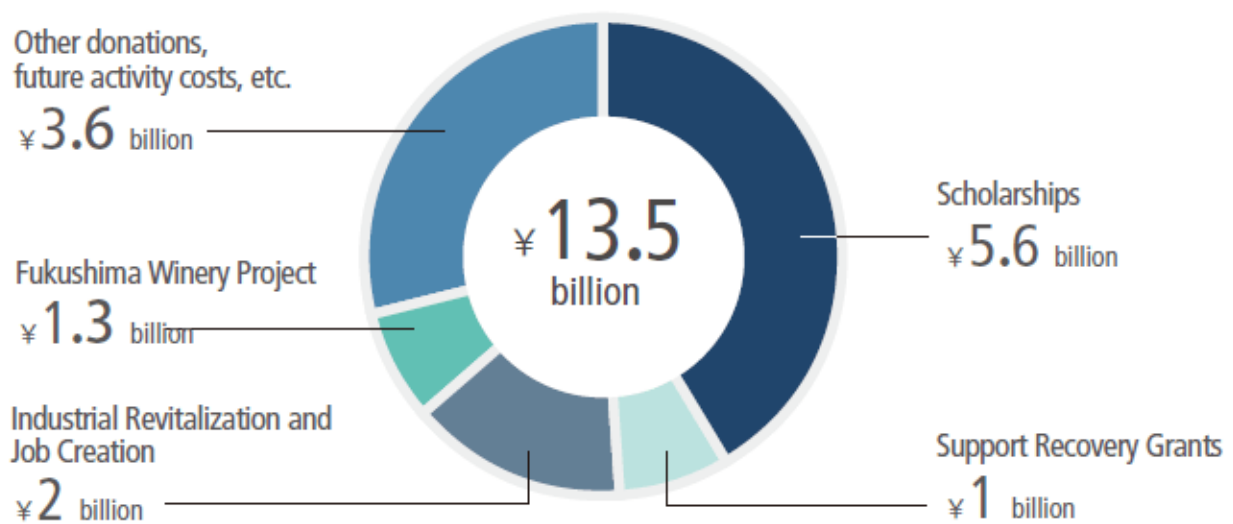
○ Support through Charitable Foundations

Foundations and Funds	Activities	Year of establishment and paid-in capital (cumulative)
Mitsubishi Corporation Disaster Relief Foundation	The Mitsubishi Corporation Disaster Relief Foundation promotes recovery activities in areas affected by the Great East Japan Earthquake through provision of scholarships and grants, as well as industry revitalization and job creation.	Established in 2012 Approximately JPY13.5 billion (Including donations through the Mitsubishi Corporation East Japan Earthquake Recovery Fund)
Mitsubishi Corporation Foundation for the Americas (MCFA)	The MCFA supports NGOs and other organizations engaged in ecosystem preservation, sustainable development, environmental justice, and environmental education in the Americas.	Established in 1991 Approximately USD12.8 million
Mitsubishi Corporation Fund for Europe and Africa (MCFEA)	The MCFEA supports NGOs and other organizations involved in environmental conservation, related research and education, and poverty alleviation in Europe and Africa.	Established in 1992 Approximately GBP5.9 million

○ Mitsubishi Corporation Disaster Relief Foundation

MC created a ¥10 billion fund to provide financial support to reconstruction activities during the first four years following the Great East Japan Earthquake, and has undertaken a variety of activities in line with the local needs and conditions in affected areas. In spring 2012, we established the Mitsubishi Corporation Disaster Relief Foundation, which took over the scholarship program and support recovery grants from the original fund while also working to support industrial revitalization and job creation in the affected areas. During the fiscal year ended March 2016, MC decided to donate an additional ¥3.5 billion to fund additional activities. We are continuing our original initiatives and pursuing new projects such as our Fukushima Winery Project, which offers support for the fruit farming industry in Koriyama City, Fukushima Prefecture, through an innovative, vertically integrated business model.

Mitsubishi Corporation Disaster Relief Foundation Activities

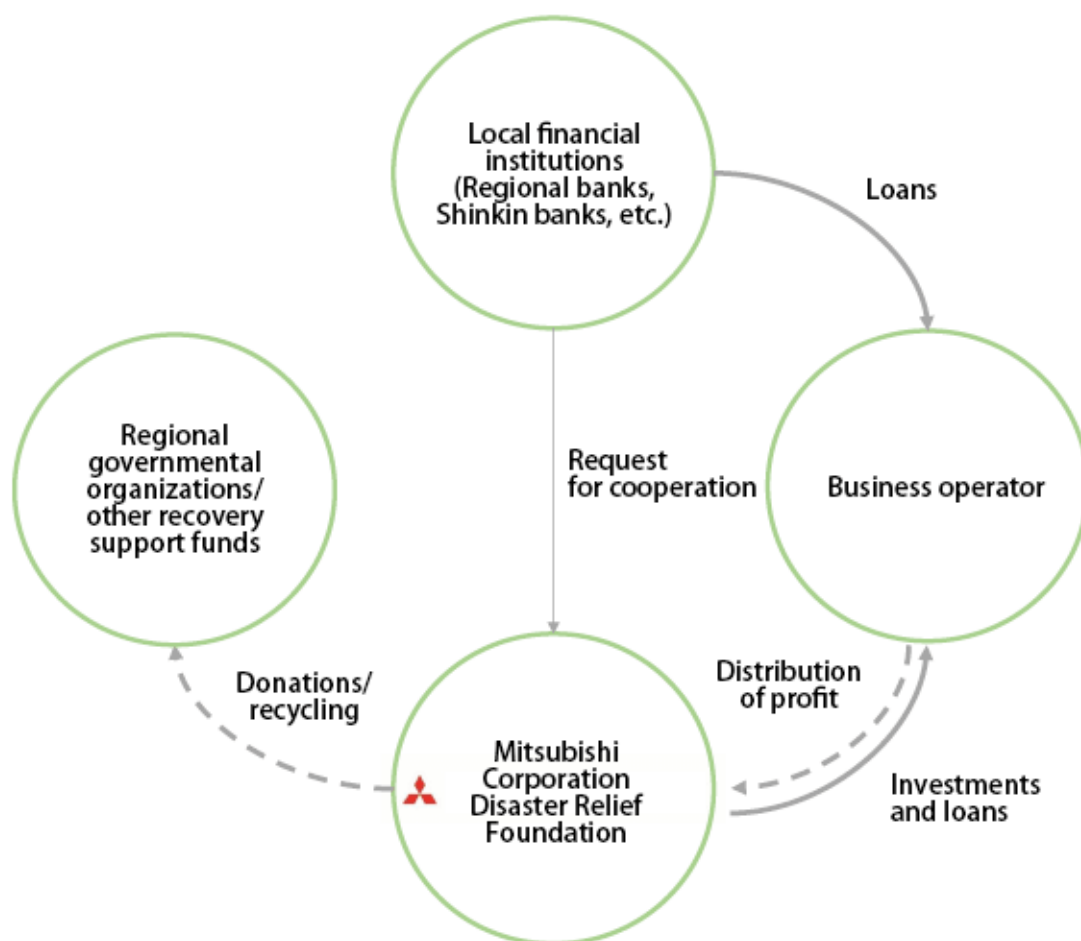


* Total financial amounts including the activities of the Mitsubishi Corporation East Japan Earthquake Recovery Fund

○ Investing in the Future of the Areas Affected by the Disaster

MC's activities in the fields of industry revitalization and job creation involve providing financial support (investment and loans). This money must be repaid; an obligation that creates an appropriate sense of tension which we believe contributes to business continuity. However, a key difference of this system from ordinary financing is that payment for the principal and interest is not paid for up to 10 years until the business gets on track. If the business starts to make a profit, MC receives a portion as a distribution of profits. This profit distribution is not retained in the foundation, but is instead donated to regional governmental organizations and other recovery support funds in line with our basic policy, so that it can be reused for activities to support the recovery of areas impacted by the disaster. By establishing a system to recirculate the recovery funds, MC is promoting further progress towards independence for the regional economies.

Industry Revitalization and Job Creation: Support Scheme



○ The Mitsubishi Corporation Foundation for the Americas (MCFA) and the Mitsubishi Corporation Fund for Europe and Africa (MCFEA)

Through the Mitsubishi Corporation Foundation for the Americas (MCFA) and the Mitsubishi Corporation Fund for Europe and Africa (MCFEA), MC supports a wide range of initiatives focusing on environmental conservation, education and poverty alleviation. The MCFA is a foundation that seeks to address environmental and societal issues in the Americas. It provides support to NGOs and others engaged in activities related to conservation of biodiversity, sustainable development, environmental justice, and environmental education. Since its establishment in 1991, the MCFA has spent approximately US\$12.8 million. Projects supported to date include the US-based Wildlife Conservation Society Initiative's fisheries improvement and wildlife management initiative in the Amazon river basin, as well as climate change-related research activities. The MCFEA is a fund that seeks to address environmental and societal issues in developing countries in Europe and Africa. The MCFEA supports NGOs and others engaged in activities related to environmental conservation, environmental education and research, and poverty alleviation. Since its establishment in 1992, the MCFEA has spent approximately GBP5.9 million. Currently, the MCFEA supports initiatives including a sustainable cocoa farming project by Rainforest Alliance in the Ivory Coast.



Areas covered by WCS's Amazon Waters Initiative

©Wildlife Conservation Society

Reference: For further details, please refer to MC's Corporate Philanthropy website.

<http://www.mitsubishicorp.com/jp/en/csr/contribution/>

○ MC's International Scholarship for Studies in Japan

MC has been offering this scholarship program since 1991 with the aim of assisting international students who are studying at Japanese universities on their own expense and who are expected to become future global leaders. In 2008, MC expanded the scope of this program to cover approximately 100 students each year. As of the fiscal year ended March 2022, a total of 1,704 students had been awarded these scholarships. In addition to the scholarship itself, MC typically provides an annual opportunities for recipients to tour sites related to Mitsubishi, as well as to attend a group gathering with fellow scholarship recipients and a reception with MC employees (held online in the fiscal year ended March 2022). Through these activities, MC provides the students with various opportunities to develop their careers and cultivate a better understanding of Japan.



Group gathering for the Mitsubishi Corporation International Scholarship for Studies in Japan

○ Support for University Students around the World

In addition to the Mitsubishi Corporation International Scholarship for Studies in Japan, MC started the MC International Scholarship in 2000 with the aim of supporting overseas university students. As of the fiscal year ended March 2021, a total of approximately 9,500 students have been awarded these scholarships. Aiming to help nurture the young leaders of tomorrow, MC will continue to provide various support in educational fields around the world.



MC International Scholarship Awarding Ceremony/Group Gathering

Examples of Initiatives

Local Procurement in the MDP Business

Since its establishment in 1968, MC's wholly owned subsidiary Mitsubishi Development Pty Ltd (MDP) has conducted resource mining operations in Australia, while actively undertaking community-based activities. MDP's 50% owned BMA metallurgical coal business in Queensland, supports local communities in and around BMA's core operations through a local purchase program. The program was established to connect local and indigenous businesses to work opportunities, and has created job opportunities for over 8,000 employees. Furthermore, this program has created goods and service opportunities, which have resulted in approximately A\$90 million being spent with over 500 local and indigenous suppliers.



Mine Closure Initiatives

When closing mines, the operators of MC's jointly owned mines develop responsible mine closure plans that take into account social and environmental factors. While complying with laws and regulations, MC and mine operators strive to minimize the impact on the environment and society by communicating with governments and local residents, developing appropriate mine closure plans, and implementing necessary rehabilitation measures.

Community Investment

○ Mozal Aluminum Smelting Project in Mozambique

MC owns Mozal S.A., an aluminum smelting company in Mozambique, through a joint investment with the government of the Republic of Mozambique, the Australian resources company South32 Limited, and the Industrial Development Corporation of South Africa.

Contribution to Mozambique

Most of the aluminum produced by Mozal is exported from Mozambique to other countries. The aluminum produced at Mozal accounts for around 20–30% of the country's total exports. Today, aluminum is Mozambique's number two export. Mozal has contributed significantly to Mozambique's economy, helping to boost the country's GDP per capita by more than three-fold over the past 25 years since the end of the civil war. The country's enormous growth is often referred to as the "Miracle of Mozambique."

Job Creation, Education and Training

Mozal currently employs approximately 1,000 full-time employees. Furthermore, the Mozal project has provided indirect employment opportunities to upwards of 10,000 people including subcontractors and stevedores. Locally hired Mozambicans make up more than 95% of the plant's workforce. Mozal has been recruiting and providing robust education and training to employees since construction of the plant began in 1998. Notably, Mozal conducts extensive education and job training for all of its employees. This is both in an effort to ensure high product quality as well as to give employees necessary health and safety information. The project endeavors to increase opportunities for employees to discuss these matters, and at the same time has also laid out a smooth reporting system throughout the organizational structure. These initiatives have earned MC a strong reputation for developing skilled employees through its education and training initiatives. In addition, secondary processing companies that process Mozambique's aluminum within the country have also begun operations since 2014, thereby contributing further to the region's economic development.

Contribution to Local Communities

Mozal places great emphasis on social contribution activities. Through annual funding of around ¥200 million, Mozal engages in activities such as supporting small businesses in creating employment opportunities, putting in place mechanisms to support education and public health, and activities in other areas such as sports, culture and infrastructure. Examples include the construction of schools and anti-malaria clinics, as well as the provision of HIV education. Mozal also supports local economic activities through the promotion of local agriculture and the commercial sales of local crafts. Mozal has contributed over ¥4 billion to fund these activities on a cumulative basis. Going forward, Mozal remains committed to contributing to local communities through these initiatives.

○ Quellaveco Copper Project

Together with British resource company Anglo American plc, MC owns Anglo American Quellaveco (MC's affiliate), which is developing the Quellaveco Copper Mine in the Republic of Peru.

Agreement with local residents

Over the course of 18 months from 2011, Quellaveco engaged in consultation with the local stakeholders to define how Quellaveco could best contribute to the long-term sustainable development of Moquegua, a province in Southern Peru where Quellaveco is located. As a result, 26 specific commitments were agreed upon in the three areas of water management, environmental care, and social investment.

Water management

To ensure that Quellaveco's operations do not have a negative impact on the water supplies in our host communities, Quellaveco will mainly use water from a river that is not suitable for human consumption and agricultural use. In addition, Quellaveco will collect clean water and excess rainwater in its dam, the majority of which will be shared with the communities, increasing their water availability throughout the year. This is expected to contribute to improving the lives of the local people, especially during dry season each year, when the region is often faced with water shortages.

Environmental care

Coexistence with the natural environment is one of Quellaveco's key values. Environmental care measures are incorporated into development and operation plans, such as protection of wildlife feeding areas and habitats, transplantation and cultivation of plants, dust control through road maintenance and water sprinkling, and recycling (rather than discharge) of all contact water within the Quellaveco site. The effects of these measures are constantly monitored at fixed points, and environmental surveys are held periodically with the participation of local residents, providing opportunities to see for themselves that the natural environment of their homeland is being protected.

Social investment

More than 10,000 people have been continuously employed at Quellaveco as a result of the development work that began in 2018, and approximately 2,500 jobs will be created after operations begin in 2022. In order to provide as many job opportunities as possible to the local residents, Quellaveco actively offers vocational training to the local people aspiring to acquire the various skills required in mining operations, as well as internships for local students. Focus is also placed on creating employment opportunities for women, and job training programs are conducted specifically for women with the aim of increasing the percentage of female employees at Quellaveco to 33% by 2023. (All figures are as of the end of 2021.)

Local businesses are also benefiting from Quellaveco's development. To date, Quellaveco has purchased over 200 USD million worth of goods and services from more than 1,700 local companies. In addition, approximately 9 USD million to date has been allocated for the development of agriculture and local industries through the "Quellaveco Fund," which was launched in 2011, and support is also provided for business planning and fundraising. These social programs have helped more than 300 local entrepreneurs start new businesses in Moquegua.



Local farmers growing mangoes with support from the Quellaveco Fund

Quellaveco also launched various emergency relief measures in response to the outbreak of COVID-19. The project quickly procured and delivered much needed supplies such as protective equipment, testing kits, transport and intensive care facilities to support medical institutions dealing with the rapid increase in the number of infected people. Currently, the project is also working with local authorities to promote vaccination in Moquegua.



Vaccination sites supported by AAQ

Promoting sustainable socio-economic development in southern Peru

In 2021, Anglo American, the International Finance Corporation (IFC, member of the World Bank Group), the Regional Government of Moquegua, Mitsubishi Corporation, and M.C. Inversiones Peru (MC wholly-owned subsidiary in Peru) jointly launched “Moquegua Crece” (Spanish for “Development of Moquegua”), an innovative public–private initiative to promote sustainable socio-economic development across the region. Various stakeholders in Moquegua, including the private sector, NGOs, local communities, and the government, are working together around a common vision for the long-term and inclusive development across local communities. Specifically, the initiative aims at fostering coordinated action to implement sustainable and inclusive development initiatives that can strengthen the potential of the region, focusing its support on three areas: strengthening local institutions to improve planning, implementation, and monitoring of regional development projects; strengthening and developing competitive value chains with high potential in the region to generate employment and income opportunities; and sustainable management and use of renewable resources for the benefit of the local communities.

○ Silica Sand Production at Cape Flattery Silica Mines

Cape Flattery Silica Mines Pty, Ltd. (CFSM), a wholly owned subsidiary of MC, is located in Queensland, Australia and has supplied silica sand to users in East Asia and Southeast Asia for over 50 years, since its establishment in 1967. Currently one of the world’s largest silica mines, CFSM ships about 3 million tons of silica sand annually to glassmakers and other customers.



Contribution to Local Communities

1. Coexisting with traditional owners

The land where CFSM operates is owned by traditional owners. Accordingly, besides paying royalties to traditional owner organizations, CFSM also prioritizes traditional owners for employment, offers financial assistance for vocational training, provides scholarships, supports local infrastructure construction and conducts other initiatives in order to coexist with traditional owners. Out of MC’s roughly 100 employees, traditional owners make up more than one third.

2. Coexisting with nature

CFSM conducts replanting/greening of mining areas, with some employees devoted to rehabilitation activities. MC collects seeds from plants that grow naturally in the area and then plants and raises them in a designated nursery. After the mining is completed, they are planted back in the mining area. By spending 3-4 years to restore the site back to the original condition full of greenery, complete with trees and other natural vegetation, CFSM is able to coexist with the natural environment.

To date, the total area that has been rehabilitated amounts to 260 hectares. CFSM will carry on with these activities and continue to develop the mine while minimizing negative impacts to the local environment.



Nursery



Rehabilitation area (Before)



Rehabilitation area (After)

Applications for Silica Sand

The main applications for silica sand include glass, foundries and chemicals. However, with environmental issues gaining attention worldwide, CFSM is also responding to market needs by increasing the supply of materials to solar panel glass producers. Given global awareness of sustainability issues related to mining, including damage to the environment and impacts to biodiversity, mining activities are being restricted by strengthened environmental regulations in each country. Despite this trend, CFSM's strengths are being recognized, demonstrating results with its sustainable operations that pay consideration to the environment, as well as by supplying a stable quality and volume of product. Going forward, CFSM will continue supporting the proliferation of clean energy by supplying their material.

Other Reference Data

Donation Amounts

(Unit: JPY million)

Item	2020.3	2021.3	2022.3
Social contributions, etc.	1,256	2,577	1,279
Recovery support ^{*1}	2	3	70
Political donations ^{*2}	32	30	30
Total	1,290	2,610	1,379

* 1 Amount includes MC's contributions to the Mitsubishi Corporation Disaster Relief Foundation and donations to other organizations involved in recovery support. For more information on the activities of the Mitsubishi Corporation Disaster Relief Foundation.

* 2 The amount of political donations made to political party fund management organizations. MC conducts political donations as part of its corporate philanthropy initiatives. MC sets a policy to disclose the amount of political donations for 3 fiscal years on MC's Sustainability Website every year.

Supply Chain Management

Policy ✓ Structure ✓ Initiatives ✓ External Collaboration ✓ Related data ✓

Policy

Mitsubishi Corporation (MC), believes that maintaining sustainable supply chains is fundamental to doing business globally, and has identified "Promoting Stable, Sustainable Societies and Lifestyles" as part of its Materiality. In May 2022, MC established Midterm Corporate Strategy 2024, in which MC has reaffirmed its belief that the simultaneous generation of economic, societal, and environmental value through its business is essential for the MC Group's sustainable growth. In addition, we have identified a number of material issues for management to address in order to ensure our sustained growth as a company, with the aim of simultaneously realizing these three types of value. These issues include "Conserving and Effectively Utilizing Natural Capital" and "Promoting Stable, Sustainable Societies and Lifestyles".

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 of its suppliers.

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.

○ Sustainable Supply Chain Management

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.

(1) Forced Labor

Suppliers shall employ all employees of their own free will with no employee being subject to forced or bonded labor.

(2) Child Labor

Suppliers shall not employ people under the minimum legal working age of the country in question.

(3) Safe and Healthy Working Environments

Suppliers shall work to provide employees with safe and healthy working environments.

(4) Freedom of Association and Collective Bargaining

Suppliers shall respect the right of employees to associate freely and engage in collective bargaining as methods of negotiating working environments, wages and other matters with employers.

(5) Discrimination

Suppliers shall strive to ensure equal opportunities in the work place and shall not engage in discrimination with regard to recruitment and employment practices.

(6) Abuse and Harassment

Suppliers shall respect employees' human rights and must not tolerate abuse or any form of harassment.

(7) Working Hours

Suppliers shall ensure that employees' working hours and use of leave entitlements are appropriately monitored and that excessive overtime labor is prohibited, so as not to infringe upon any statutory regulations.

(8) Suitable Remuneration

Suppliers shall pay employees at least the statutory minimum wage, endeavor to pay at least the living wage, and shall not unreasonably reduce wages.

(9) Anti-Corruption

Suppliers shall engage in fair business practices, avoid corruption including bribery and extortion, and comply with applicable laws and regulations.

(10) Environment

Suppliers shall endeavor to protect the environment and consider the impacts of their business activities on local communities and ecosystems, while paying special attention to energy use efficiency, climate change issues such as greenhouse gas emissions, sustainable use of resources, waste reduction, and air, soil and river pollution.

(11) Information Disclosure

Suppliers shall disclose information with respect to the aforementioned matters in a timely and appropriate manner.

2. Monitoring

MC conducts annual 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 check the status of their activities when it determines that site visits are necessary based region and business activities. Audit reviews are carried out based on the audit lists prepared with the advice of outside advisor, and guidance is given to the suppliers.

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.

Review of our Purchasing Policy

By sharing its Policy for Sustainable Supply Chain Management in its contracts with suppliers*, MC ensures its suppliers abide by the Basic Policy. MC may ask a supplier to correct their business behavior if there is a violation of the Basic Policy, and will re-evaluate its business relationship with the relevant supplier if no correction has been made. MC will continue to work with our suppliers to ensure that environmental and social considerations are taken into account.

* the terms and conditions of purchasing contract, consignment sales agreements, long-term purchasing contract etc.

Individual Guidelines

MC has formulated individual guidelines for certain products.

○ Timber and Paper Products Procurement Guidelines

[🔗 Timber and Paper Products Procurement Guidelines \(Updated February 10, 2022\)](#)

○ Palm Oil Procurement Guidelines

[🔗 Palm Oil Procurement Guidelines \(Updated January 13, 2021\)](#)

Animal Welfare Policy for Suppliers

Our consolidated subsidiary Cermaq has established an [animal welfare policy](#) and as well as a number of indicators to ascertain whether animal welfare is being upheld. In addition, we believe that the iFarm^{*1} development project will contribute to the improvement of animal welfare by enabling each individual animal to receive the minimum necessary treatment. For more information, please visit [Fish health and welfare - Cermaq Global](#). Furthermore, Cermaq is working on the development of "Certus"^{*2}, the semi-closed containment systems in the sea. This project will also contribute to the improvement of animal welfare. (For more information, please visit [Digitalization-Technology](#)).



- * 1 Using image sensing technology to monitor individual salmon in ocean pens in real time. This is expected to reduce the environmental burden, including fish stress levels and the amount of chemicals and antibiotics used.
- * 2 Minimize escape risk of fish and reduction of environmental load such as reduction of use of drugs and antibiotics will be expected.

Bluefin Tuna Sustainable Sourcing Policy

As a corporation playing a major role in the marine products business, MC recognizes the crucial part that we play in conserving marine resources and ensuring a sustainable supply for future generations. To find out more about MC's stance on Bluefin Tuna and the specific measures we are implementing, please refer to our most recent policy below.

[Mitsubishi Corporation's Bluefin Tuna Sustainable Sourcing Policy \(Updated July 2021\)](#)

Structure

MC's supply chain management measures 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.

Officer in Charge	Yutaka Kashiwagi (Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR)
Deliberative Body (A subcommittee under the Executive Committee, a management decisionmaking body)	Sustainability & CSR Committee Important matters related to supply chain management deliberated by the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.
Department in Charge	Corporate Sustainability & CSR Dept.

Reference: [Diagram of the Sustainability Promotion Framework](#)

Risk Management

Human rights and environmental due diligence of MC supply chain (Sustainable Supply Chain Survey)

In order to monitor their compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, MC has identified products with high environmental and social risk ("products to be monitored") in 2016 and 2020 with advice from consultants and external advisors.

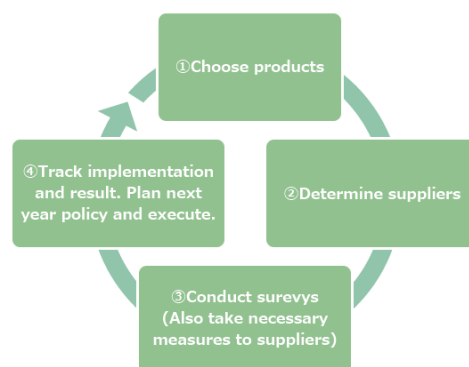
MC conducts annual surveys of suppliers (Sustainable Supply Chain Survey), with a focus on those in industries where social risks including human rights and labor conditions, as well as environmental risks are considered higher.

In identifying the commodities to be surveyed, MC referred to various international supply chain management declarations and international norms such as the UN Guiding Principles on Business and Human Rights, and prioritized them in terms of the following regarding potential impact to stakeholders: 1.severity (scale, range, difficulty to make improvements) and 2.probability (situation in the relevant country/region, business field).

MC asks suppliers questions that take into account the specific issues and risks of the products handled by each supplier, with a focus on aspects including "existence of policies", "compliance with laws and regulations", "prevention of forced labor, child labor and discrimination towards workers", "environmental protection" and "information disclosure".

In addition, MC employs a system to determine suppliers that may have issues or require assistance based on the results of responses to the survey. Following this, MC considers and decides whether additional surveys or on-site inspections are necessary. Furthermore, in order to improve the convenience and accessibility of the survey for suppliers, MC have built a web-based system and conduct the surveys through this online system.


In April 2020, MC conducted its annual survey for the fiscal year ended March 2021 to 1001 supplier companies (up 236% from the previous year) in 40 countries and regions including China, Vietnam and Thailand. MC also conducted management and employee interviews and exchanged information to improve the current situation. MC has re-evaluated our business relations with relevant suppliers from the results of these surveys and interviews.



① Determine “Products to be monitored”

MC choose “products to be monitored” from all of its business products based on various international supply chain management declarations and international norms such as the UN Guiding Principles on Business and Human Rights and prioritizes them in terms of the following regarding potential impact to stakeholders: 1.severity (scale, range, difficulty to make improvements) and 2.probability (situation in the relevant country/region, business field). In addition, when significant environmental and social risks materialize through our business activities in the future, MC will consider investigating the target products without undergoing the above process.

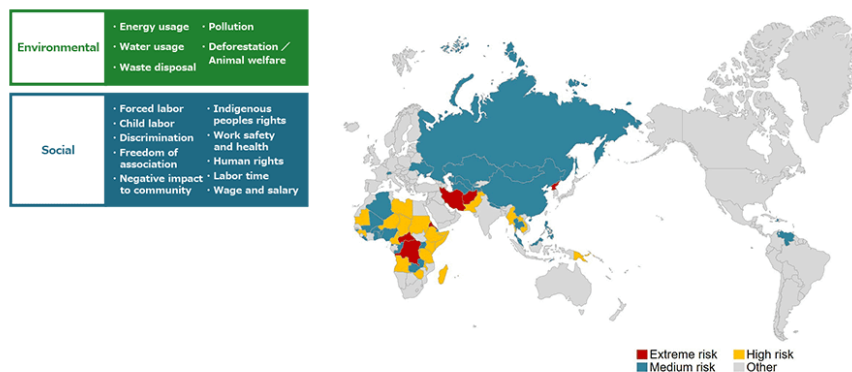
A : Screen and prioritize MC 's products and business



- MC and the MC Group has approx. 730 products and business fields. MC has assigned those products into 140 categories and identified 50 products from the perspective of social and environmental risk.
- Referred to international norms such as the UN Guiding Principles on Business and Human Rights, and the list of countries and products by the US Ministry of Labor indicating risk of forced and child labor.

B : Risk analysis based on results of screening

- Risk analysis of the 50 identified products is conducted based on Basic Policy. Risk analysis carried out from both environmental and social perspectives.
- Screening also done based on the Modern Slavery risk in each country, based on severity and probability.



C : Discuss with internal and external stakeholders and determine products to be monitored.

- Following discussion with the Sustainability Advisory Committee, report to Board of Directors and determine 14 products to be monitored.

Name	Environmental					Social				
	1. Energy usage	2. Water usage	3. Waste disposal	4. Pollution	5. Deforestation / Animal welfare	1. Forced labor	2. Child labor	3. Discrimination	4. Freedom of association	5. Negative impact to community
Oil										
Gas										
Coal										
Copper										
Sugarcane										
Iron ore / steel										
Electronics										
Rubber										
Auto parts										
Machinery										
Zinc										
Cement										
Soybean										
Plastics										
Corn										
Wood										
Alcoholic beverage										
Glass										
Salt										
Paper										



14 products to be monitored

- Shrimp
- Cacao
- Coffee
- Sugar
- Chicken
- Palm oil
- Tuna
- Apparel
- Tea
- Tire
- Gas / LNG
- Plastic (PP, PE etc.)
- Crude oil
- Wood

②Determine target suppliers of products that have been prioritized

③Conduct questionnaire surveys for target suppliers

The number of suppliers and the details of the survey are as follows. MC also conducted visits to suppliers to confirm the status of their activities. As a result of the survey, suppliers to be visited are selected from those where certain questions on the four issues (based on the ILO Core Labor Standards, etc.), are determined to have been answered insufficiently, or where best practices have been implemented.

[Flowchart of the survey]



[Number of target suppliers]

Target Products	FY2018*1	FY2019*1	FY2020*1
Gas / LNG	—	—	115
Plastic (PP, PE etc.)	—	—	50
Crude oil	—	—	6
Wood	—	—	2
Shrimp	20	19	84
Cacao	6	6	7
Coffee	20	22	35
Sugar	—	—	12
Chicken	18	15	17
Palm oil	8	8	8
Tuna	26	22	85
Apparel (Tier1&2) *2	197	328	573
Tea	5	5	6
Tire	—	—	1
Total	300	425	1001
(Number of Responses)	(296)	(415)	(822)

*1 The survey is carried out in the following fiscal year based on the results of the current fiscal year.

*2 Tier 1 is a primary supplier that supplies directly to MC (or its Group companies), while Tier 2 is a secondary supplier that supplies directly to the primary supplier.

Results of the [Sustainable Supply Chain Survey]

A sample of the countries of the target suppliers of the Sustainable Supply Chain Survey are as follows;



[Survey Results]

Section	Sample question	Related Stakeholders	Number of improvement requests *		
			FY2018	FY2019	FY2020
(1) Forced labor	Is there a mechanism for verifying that forced or bonded labor is not practiced?	In-house employee, employee of supplier	1%	0%	1%
(2) Child labor	Does the company either have a policy or set of guidelines specifying the minimum age of employees, or commit to international or industry standards related to this issue?	In-house employee, employee of supplier	0%	0%	3%
(3) Safe and healthy working environment	Do employees work in a safe and healthy work environment where precautions have been taken to minimize the risk of accidents and injuries?	In-house employee, employee of supplier	0%	0%	0%
(4) Freedom of association	Does the company respect the right of employees to freely organize or join an organization to negotiate their labor conditions with management?	In-house employee	0%	0%	0%
(5) Discrimination	Does the company respect equality of all employees without differentiating among them based on criteria unrelated to their job requirements?	In-house employee, employee of supplier	0%	0%	0%
(6) Abuse and harassment	Does the company take efforts in ensuring a working environment where human rights are respected and violations of human rights including various forms of harassment and abuse do not occur?	In-house employee, employee of supplier	0%	0%	0%
(7) Working hours	Does the company force employees to work overtime or are any employees who do not consent to work overtime subject to unfavorable treatment such as penalties or demotion?	In-house employee	0%	0%	0%
(8) Suitable remuneration	Does the company unreasonably or unlawfully reduce employees' wages or allowances?	In-house employee	1%	1%	9%
(9) Anti-corruption	Does the company comply with the applicable laws and regulations by striving to conduct its business fairly while avoiding any form of corruption?	In-house employee	0%	0%	0%
(10) Environment	Does the company have an assigned person(s) responsible for managing compliance with environmental legal requirements?	In-house employee	0%	0%	1%
(11) Sustainable sourcing	Does the company verify that its sub-suppliers do not engage in violations of human rights or environmental destruction?	In-house employee	0%	0%	0%
(12) Information disclosure	Does the company disclose information relevant to the items listed in "Mitsubishi Corporation Policy for Sustainable Supply Chain Management", to its stakeholders in a timely and appropriate manner?	In-house employee, employee of supplier	0%	0%	0%

* Calculation method: This is the percentage of responses to the Sustainable Supply Chain Survey, excluding non-responses, which warranted a request for improvement.

Reference: [Sustainable Supply Chain Code of Conduct 3. Responding to Violations of Compliance](#)

○ Communication/Engagement with Suppliers

New Suppliers

For new suppliers, the Sustainable Supply Chain Management Guideline is published and shared on our website. The terms and conditions in our sales and purchase agreements ensure that our suppliers comply with the Guidelines. In cases such as when a supplier violates the Guidelines, MC can request the supplier to take corrective measures, and if such measures are not taken, the contract can be terminated. In addition, MC also conduct the Sustainable Supply Chain Survey in order to better understand the status of compliance with the Guidelines.

Existing Suppliers

Together with periodically receiving confirmation of support for the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, MC conducts regular surveys of suppliers to continuously monitor the status of their compliance with this 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. MC continuously monitors existing suppliers to identify those that pose a high degree of environmental and social risk in line with this policy, for the purpose of verifying the appropriateness of current initiatives. Going forward, MC will incorporate the results of this reevaluation process into its regular assessments of suppliers, with the goal of ensuring the effectiveness of the supplier surveys.

In the fiscal year ended March 2022, MC conducted an online meeting and interview* with the management team and employees of Fisheries Cooperative Association of Mitsushima-cho, a supplier of tuna (located in Nagasaki Prefecture, Tsushima City) to one of MC's subsidiary companies, Toyo Reizo.

* This meeting and interview were conducted online due to COVID-19 restrictions.

In the meeting, in addition to the external environment related to sustainability, we also explained our sustainability initiatives (our basic stance on human rights and our efforts to identify and address sustainable supply chains as one of our key management issues). The meeting provided an opportunity to deepen their understanding of sustainability and our company's initiatives importance.

In the online interview, MC learned that the company is engaged in activities that lead to sustainable fishing such as collecting debris from the ocean, that there have been no human rights violations or other problems due to its efforts to create an open work environment, and that employees engaged in work that involves occupational health and safety concerns are not only provided with appropriate training, but that their personnel assignments are made such that workloads are not unevenly distributed.

Through the interview, MC confirmed that the company's internal policies on environmental and social considerations mentioned above were not clearly documented in writing. MC therefore requested that these policies be clarified in order to ensure thorough awareness of the policies and to deepen efforts related to sustainability initiatives.



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

[See past site visit reports here](#)

In the event that MC confirms, through additional surveys or on-site inspections, points that should be corrected or improved in relation to the Policy, in addition to requesting the relevant supplier to take corrective measures, MC also provides guidance and assistance as necessary. If MC determines that a resolution is unlikely even after providing continuous guidance and assistance, MC will review its business relationship with the relevant supplier.

Together with periodically receiving confirmation of support for the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, MC conducts regular surveys of suppliers to continuously monitor the status of their compliance with this 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. MC continuously monitors existing suppliers to identify those that pose a high degree of environmental and social risk in line with this policy, for the purpose of verifying the appropriateness of current initiatives. Going forward, MC will incorporate the results of this reevaluation process into its regular assessments of suppliers, with the goal of ensuring the effectiveness of the supplier surveys.

④ Review of initiatives for the current fiscal year and policy planning for the next fiscal year

After reviewing results of human rights and environmental due diligence for the current fiscal year, MC discuss with its internal and external stakeholders such as the Sustainability Advisory Committee, Group Chief Sustainability Officers and Group Sustainability Managers in each Business Group. Based on these discussions, the Sustainability & CSR Committee will deliberate policy for the next fiscal year and put forward or report items to the Executive Committee and the Board of Directors.

In addition, MC is considering reviewing our supply chain management policies as needed based on the status of dialogue with our stakeholders. Communication with suppliers about human rights and environmental due diligence in our supply chain has been an opportunity for suppliers to deepen their understanding of our sustainability approach, and MC will continue to actively and continuously work to improve its practices.

Supply management policy that caused MC a review	Detail
Human rights and environmental due diligence in the supply chain	By sharing its Policy for Sustainable Supply Chain Management in the terms and conditions of its sales and purchasing contract, MC ensures its suppliers abide by the Basic Policy

○ Response to Conflict Mineral Issues

The U.S. Financial Regulatory Reform Act (Dodd-Frank Act), enacted in July 2010, requires U.S. listed companies to disclose whether conflict minerals used in their products are produced in the Democratic Republic of the Congo and neighboring countries where conflict-prone and reported inhumane acts are reported.

Although MC is not a U.S. listed company and is not directly subject to reporting and disclosure under the Act, MC confirm that MC have established policies and guidelines on the procurement of conflict minerals for our suppliers of tin, tantalum, tungsten, and gold to fulfill our social responsibilities in our corporate activities, and that the products supplied are not a source of funding for armed groups in the Democratic Republic of the Congo or its neighboring countries. MC also aim to take every measure not to be complicit in human rights violations and conflicts by armed groups.

* "Conflict Minerals" as defined by the law refer to tantalum, tin, gold, tungsten and other specified minerals.

[Number of target suppliers]

Target products	FY2018	FY2019	FY2020
tantalum, tin, gold, tungsten	18	21	14
(Response rate)	100%	100%	100%

Reference: [Sustainable Supply Chain Code of Conduct 3. Responding to Violations of Compliance](#)

○ Screening for Investment and Loan Proposals

In order to ensure the promotion of sustainability through our business, the General Manager of the Corporate Sustainability & CSR Department participates as a member of the Investment Committee, thereby ensuring a screening system that reflects potential environmental and social impacts in decision-making. In the screening of investment and loan proposals, MC screens based on not only economic aspects, but on ESG (environmental, social and governance) factors as well. From the perspective of supply chain management, MC conduct due diligence and other screening on the status of human rights considerations not only at the investee company but also at the investee's business partners (supply chain), and utilize the results of this for our deliberation and consideration.

Reference: [Incorporating Sustainability into Individual Projects](#)
[Collecting Sustainability Information on a Consolidated Basis](#)

Initiatives

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. We also integrate 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 practice.

Reference: [Slavery and Human Trafficking Statement](#)

External Collaboration

Cermaq Initiatives

Cermaq, an MC consolidated subsidiary, is committed to ensuring high standards related to the social and environmental impact of its business. MC has established a Supplier Code of Conduct, taking into account the principles of MC's Policy for Sustainable Supply Chain Management, to ensure responsible practices throughout the supply chain, and which describes the minimum standards that all Cermaq's suppliers are expected to uphold. Cermaq expects its suppliers to request similar standards for their suppliers and subcontractors. Cermaq expects all its suppliers to comply with requirements in the areas of national legislation, human rights, labor rights, health and safety, anti-corruption, the environment, food quality and safety, management systems, and implementation. In the area of the environment, adverse impact from the operations of the supplier on the community, the environment, and natural resources are expected to be minimized while safeguarding the health and safety of the public. Adverse impact may include pollution, use of limited resources, deforestation, release of chemicals and other materials to the ground, sea or air and which pose a hazard if released into the environment. To minimize the risk, including reducing chemical use in fish farming, suppliers are expected to identify, monitor and control the environmental impact of their operations.



Reference: [Participation in Cermaq's External Initiatives](#)

Mitsubishi Corporation Packaging Ltd. Initiatives

Mitsubishi Corporation Packaging Ltd. (MP), an MC consolidated subsidiary, handles Forest Stewardship Council®- (FSC®)-certified products (corrugated board, printing and communication paper, white paperboard, etc.). MP confirms whether or not its paper suppliers have obtained this certification, which requires third-party audits, in order to ascertain the level of social and environmental risk.

MP also aims to differentiate itself from competitors by obtaining FSC Chain of Custody (CoC) certification and by adhering to its requirements to procure and sell FSC-certified products.

License Code : FSC®-C007960

Lawson, Inc.

Lawson, Inc., an MC consolidated subsidiary, provides freshly brewed coffee in Lawson convenience stores under the MACHI café brand. MACHI café's coffee is made exclusively ^{*1} from beans from Rainforest Alliance ² Certified™ farms. Lawson also conducts activities to popularize and raise awareness such as participating in the Rainforest Alliance Consortium, which was set up through a collaboration between the Rainforest Alliance and companies that offer Rainforest Alliance Certified™ products. Lawson, as a member of this Consortium, runs promotional retweet campaigns.

*1 Excludes Single Origin Series and Decaffeinated Series.

*2 Established in 1987, Rainforest Alliance is an international non-profit organization devoted to environmental protection. The Rainforest Alliance Certification is granted only to farms that satisfy strict criteria, including criteria for environmental conservation and improving the livelihoods of farm workers.

Reference: [Lawson's Corporate Website](#)

[Lawson's SDGs Handbook \(Japanese\)](#)

Princes

Princes, an MC consolidated subsidiary, continues to work collaboratively with global suppliers, customers and leading ethical trading organisations to improve the lives of workers in their supply chains. Princes continues to hold a Board seat on the Ethical Trading Initiative since 2019 and also currently holds a Board seat on the Food Network for Ethical Trade. Princes is also a member of the Stakeholder Forum of Supplier Ethical Data Exchange (SEDEX), a supply chain management and sharing platform. Moreover, Princes is on the Corporate Ethics Register of Chartered Institute of Procurement & Supply (CIPS), which is a global body that for the procurement and supplyprofession), and all employees involved in purchasing are CIPS certified.

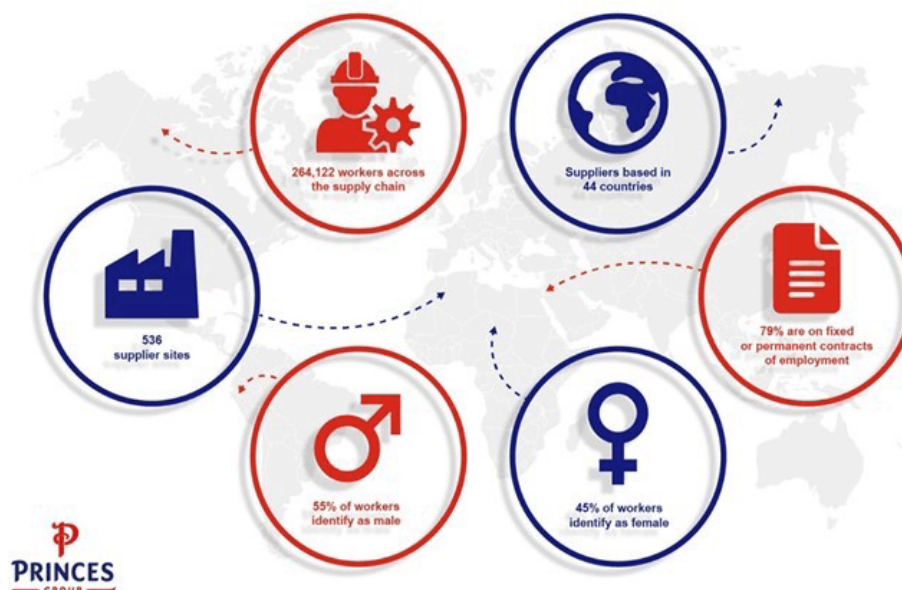
Additionally, in order to further increase the transparency of its supply chain, Princes has expanded the scope of its supply chain map available on its website to include all packaging and raw material suppliers starting in 2021. Princes Industrie Alimentari, Princes' wholly-owned manufacturing subsidiary in Italy, has renewed a long-term contract with Italy's largest agricultural cooperative, supported by Oxfam (a global organization dedicated to eradicating poverty and injustice), to help tomato growers achieve sustainable operations and reduce potential human rights risks through transparent pricing.

Reference: [Princes' Corporate Website](#)



Organizations of which Princes is a member, etc.

PRINCES SUPPLY CHAIN AT A GLANCE



MC FOODS Ltd. Initiatives

MC FOODS Ltd., an MC consolidated subsidiary, deals in tea products, handling tea from [Rainforest Alliance Certified™](#) suppliers.

Olam

Olam International Limited (Olam), an MC affiliate company, is upholding its corporate philosophy of “Re-imagining Global Agriculture & Food Systems” to define its business growth as being achievable only through providing sufficient value to the environment and society. MC strives for three outcomes: Prosperous Farmers and Food Systems, Thriving Communities, and Re-Generation of The Living World. Olam has selected 10 material areas for achieving these goals and is approaching them by building a framework to achieve impact around 14 of the 17 Sustainable Development Goals (SDGs). For example, MC has developed the Olam Farmer Information System (OFIS) in partnership with farmers. This service collects and analyzes data from small-holder farmers, such as amounts of fertilizers and agrochemicals applied, unit crop yields and agricultural training records, aiming to help farmers improve their yields. In addition, in 2018, MC launched AtSource, a digital platform that directly connects customers with suppliers to offer comprehensive sustainable solutions. This platform has grown to include 20 products and 300,000 small-holder farmers in 30 countries worldwide. With AtSource, more than 150 customers are able to access not only supplier profiles, but also a total of approximately 350 indicators, including environmental data such as amounts of CO₂ emissions linked with purchased raw materials as well as social indicators such as farming yields. It also helps customers organize sustainability projects focused on specific areas. With AtSource, Olam is providing value to in three ways: 1) information on society, the environment and traceability; 2) transparency through real-time monitoring; and 3) positive impacts on farmer livelihoods and the global environment. Moreover, the platform won the 2020 Reuters Responsible Supply Chain Award.

Using nearly 30 years of product expertise, including the above-mentioned tools, Olam has adopted mid- to long-term environmental and social objectives in accordance with each of the SDGs, and have also announced Cocoa Compass in 2019, Coffee LENS in 2020 and Cashew Trail, Hazelnut Trail, and Milk Matters in 2021.

Olam has received a number of awards in recognition of these efforts, including from Fortune Magazine’s Change the World 2016 corporate rankings. Olam’s Founder and Group CEO, Sunny Verghese is the current chairman of the World Business Council for Sustainable Development (WBCSD*), which further demonstrates the global acclaim accorded to Olam for its sustainability efforts.

In regard to individual products, in 2021, the company’s cocoa business in the UK won the Business Green Leader Awards for “Nature-Based Project of the Year.” In addition, AtSource was recognized by the Global Coffee Platform (one of the industry’s largest organizations which sets the framework for sustainability in the coffee supply chain, and includes many companies from the countries of production and consumption) as one of the organization’s official standards. As can be seen from these examples, Olam has received high praise from external organizations. For details of each initiative, please refer to the following company website.

**Reference:**

Please visit the following links for details on Olam's sustainability initiatives:

[Olam Sustainability Framework](#)

[Olam Farmer Information System](#)

[Olam AtSource](#)

[Olam Sustainability in Cocoa \(Cocoa Compass\)](#)

[Olam Sustainability in Coffee \(Coffee LENS\)](#)

[Olam Sustainability in Cashew \(Cashew Trail\)](#)

[Olam Sustainability in Hazelnuts \(Hazelnut Trail\)](#)

[Olam Sustainability in Dairy \(Milk Matters\)](#)

Related data

Data on RSPO-Certified Palm Oil

(Units: tons)

	2020.3 results	2021.3 results	2022.3 results
Segregated method	770	2,040	963
Mass Balance method	17,880	22,240	33,954
Total volume of palm oil handled	295,770	205,350	227,261
Ratio (%)	6.31	11.8	15.4

Scope: Non-consolidated basis and a portion of business investments

Reference: [RSPO ACOP Report](#)

Data on ASC-Certified Products

(Units: Thousand tons)

	2020.3 results	2021.3 results	2022.3 results
Production capacity of ASC-certified sites *	187	163	163
Actual sales volume of farmed salmon	184	166	199

ASC: Aquaculture Stewardship Council

Scope: MC consolidated subsidiary Cermaq

* Maximum farmed salmon volume as of December 31 for each fiscal year

Data on FSC® CoC-Certified Products

	2020 results	2021 results
Wood pellets with FSC CoC certification, etc.	100%	100%

FSC®: Forest Stewardship Council®

FSC CoC: Certification for processing/distribution process

License Code : FSC®-C156725

Governance

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Board of Directors and Shares, etc.

Mitsubishi Corporation's Basic Policy on Corporate Governance ✓ Board of Directors ✓

Board of Directors' Advisory Bodies ✓

Independent Directors and Independent Audit & Supervisory Board Members ✓

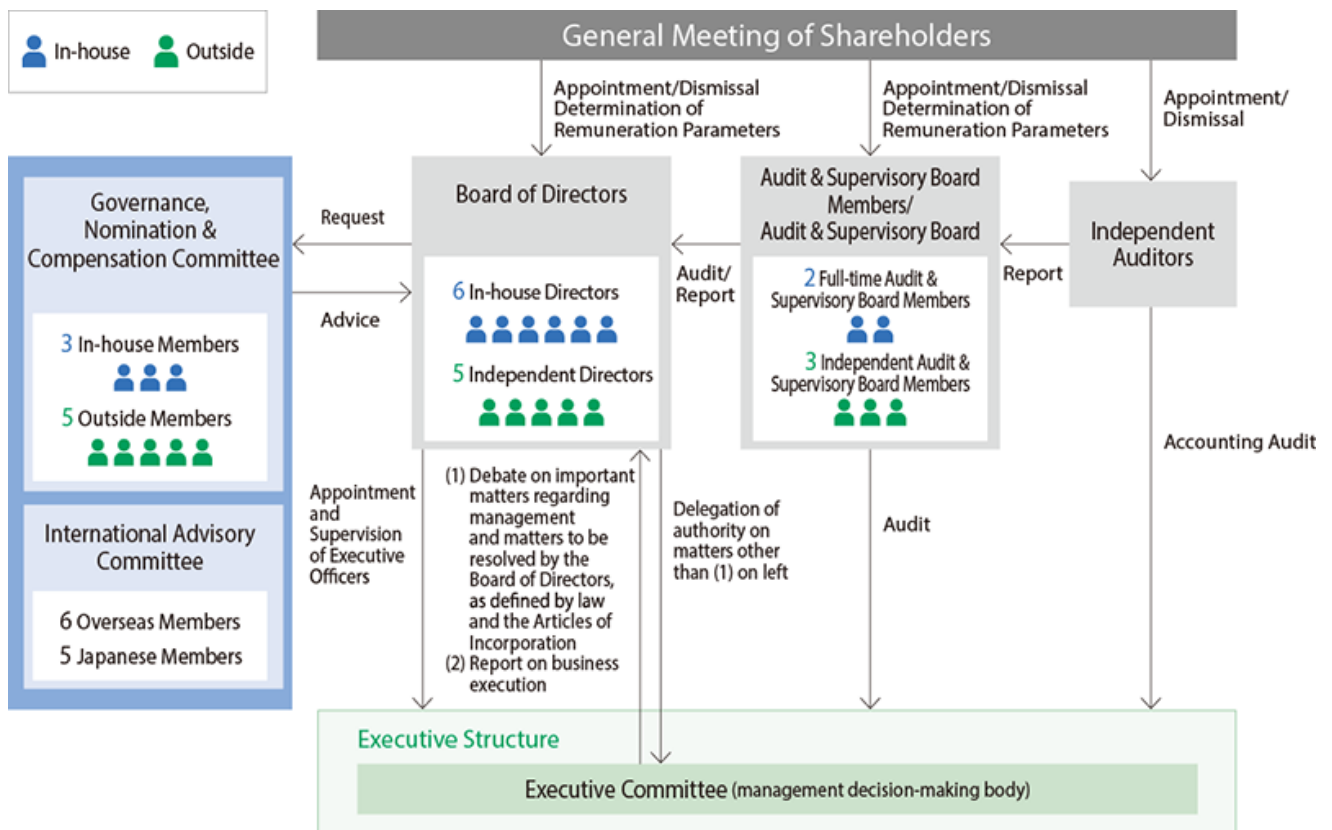
Enhancing the Monitoring Function of the Board of Directors ✓ Shares ✓

Initiatives on Japan's Corporate Governance Code ✓

Mitsubishi Corporation's Basic Policy on Corporate Governance

Mitsubishi Corporation's corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, Mitsubishi Corporation strives to continuously raise corporate value. Mitsubishi Corporation believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of shareholders, customers and all other stakeholders. In order to achieve these goals, Mitsubishi Corporation recognizes strengthening corporate governance on an ongoing basis as an important management issue as it is a foundation for ensuring sound, transparent and efficient management. Mitsubishi Corporation, based on the Audit & Supervisory Board System, is thus working to put in place a corporate governance system that is even more effective. This includes strengthening management supervision through such measures as appointing Independent Directors and Independent Audit & Supervisory Board Members who satisfy the conditions for "Independent Directors/Auditors" under the listing rules of the Tokyo Stock Exchanges, Inc., and establishing advisory bodies to the Board of Directors where the majority of members are Independent Directors, Independent Audit & Supervisory Board Members and Outside Members. At the same time, Mitsubishi Corporation uses the executive officer system, etc., for prompt and efficient decision-making and business execution.

Corporate Governance Framework (As of June 24, 2022)



Board of Directors

The Board of Directors is responsible for making decisions concerning important management issues and overseeing business execution. In-house Directors utilize their rich experience of working within Mitsubishi Corporation and Independent Directors utilize their practical, objective, and professional perspectives to ensure appropriate decision-making and management oversight.

Composition and Size of the Board of Directors and the Policy and Process for Appointing Nominated Directors

Composition and Size		The composition and size of the Board of Directors is appropriately determined to help it maintain transparent, fair, timely and decisive decision-making and carry out effective oversight, with one third or more being made up of Independent Directors.
Appointment Policy		To ensure decision-making and management oversight are appropriate for Mitsubishi Corporation which is involved in diverse businesses and industries in a wide range of fields, and from the perspective of ensuring diverse standpoints, several Directors are appointed from both within and outside Mitsubishi Corporation with the depth of experience and high levels of knowledge and expertise needed for fulfilling their duties.
	In-house Directors	In addition to Chairman of the Board and President & CEO, Mitsubishi Corporation's in-house Directors are elected from Executive Officers (Senior Executive Vice Presidents & Executive Vice Presidents) responsible for companywide management so that they can fully leverage their abundant business experience to ensure appropriate decision making and robust management supervision by the Board of Directors.
	Independent Directors	Independent Directors are appointed from those who possess a practical perspective of highly experienced company officers and those who possess an objective and professional perspective with a deep insight on global dynamics and socio-economic trends. These individuals thus contribute to appropriate decision making and robust management supervision by the Board of Directors as they bring diverse perspectives into its deliberations.
Appointment Process		In line with policies described above, the President & CEO proposes a list of nominated Directors, which is then deliberated at the Governance, Nomination and Compensation Committee and resolved by the Board of Directors before being presented at the Ordinary General Meeting of Shareholders.

















Skills Matrix of Directors and Audit & Supervisory Board Members

Directors and Audit & Supervisory Board Members are selected in light of their experience, knowledge, expertise and overall character. At the Board of Directors, these individuals deliberate based on diverse perspectives to ensure appropriate decision making and robust management supervision. The areas of experience, knowledge and expertise that each Director and Audit & Supervisory Board Member possesses are shown below. The matrix below shows the areas in which each Director and Audit & Supervisory Board Member has experience, knowledge or expertise.

* The table below does not represent all the experience, knowledge or expertise of the Director or Audit & Supervisory Board Members.

* The applicability of each skill area in the table below is judged based mainly on the individuals' experience in former positions, their current positions and their formal qualifications.

Skill Area		Reasons for adoption
Corporate infrastructure and growth	Business Management/ Organizational management	The Board of Directors must deliberate and make comprehensive decisions from an organizational management perspective. As such, business management or organizational management that is not skewed toward any individual specialty has been designated as a necessary area of experience.
	Geopolitics/ Regional strategy	As MC does business globally, geopolitics and regional strategy have been designated as important areas of experience, knowledge and expertise.
	Innovation/ Digital	MC has a history of solving social issues while growing by achieving business transformation in wide-ranging industries based on the Three Corporate Principles. Currently, under its EX strategy, MC aims to support the transition to a carbon neutral society and improvements in industry competitiveness while maintaining a holistic view of the EX value chain. Under its DX strategy, MC aims to raise productivity throughout society by interconnecting industry, business and communities, thereby contributing to sustainable value creation. Accordingly, innovation, including that in energy and digital technology, has been designated as an important area of experience, knowledge and expertise for implementing MC's strategy.
Securing Corporate growth	Human resource strategy	People are MC's greatest asset, and MC aims to optimize the value of human capital by interconnecting a diverse and versatile talent-pool to create a vibrant organization. As such, human resource strategy has been designated as an important area of experience, knowledge and expertise. Note that human resource strategy includes strategy related to organizational structuring.
	ESG	The perspective of ESG management is essential to MC's efforts to simultaneously generate economic, societal, and environmental value. As such, ESG has been designated as a significant area of experience, knowledge and expertise. (Individuals who have skills related to one or more of the three elements of ESG are marked as having the skill on the matrix.)
	Risk management	Appropriate risk management is crucial for MC to grow. Accordingly, risk management, defined as encompassing the elements below, has been designated as a necessary area of experience, knowledge and expertise. <ul style="list-style-type: none"> • Group-wide management of overall internal control for the purpose of increasing corporate value through proper and efficient business execution that complies with laws, regulations and the Articles of Incorporation, and of diverse risks (financial and non-financial) related to MC's businesses • Management of overall corporate legal affairs and compliance risk • Management of overall financial affairs and accounting to maintain financial soundness and sustainably enhance corporate value

Position	Name	Responsibilities/ Main career experience	Gender	Area of experience, knowledge, expertise, etc.					
				Business management/ Organizational management	Geopolitics/ Regional strategy	Innovation/ Digital	Human resource strategy	ESG (Note)	Risk management
Director	In-house	Takehiko Kakiuchi		●	●	●	●	●	●
		Katsuya Nakanishi		●	●	●	●	●	●
		Norikazu Tanaka		●		●		●*	●
		Yasuteru Hirai		●	●			●	●
		Yutaka Kashiwagi		●			●	●*	● (Legal)
		Yuzo Nouchi		●				●	● (Finance /Accounting)
	Independent	Akitaka Saiki		●	●			●	●
		Tsuneoyoshi Tatsuoka		●		●		●*	●
		Shunichi Miyanaga		●	●	●		●*	●
		Sakie Akiyama		●		●		●	●
		Mari Sagiya		●		●		●	●
Audit & Supervisory Board Member	In-house (full-time)	Hajime Hirano		●				●	●
		Mitsumasa Ichio		●				●	● (Finance / Accounting)
	Independent	Rieko Sato		●				●	● (Legal) Attorney
		Takeshi Nakao		●				●	● (Finance/ Accounting) Certified public accountant
		Mari Kogiso		●			●	●*	●

(Note) Individuals expected to contribute based on their experience, knowledge and expertise related to environmental issues, specifically, are marked with an asterisk.

Composition of the Board of Directors

Board of Directors' Structure (As of June 24, 2022)

Total	11
Number of non-executive and non-independent Directors (Chairman of the Board)	1
Number of Executive Officers	5
Number of Independent Directors (number of women)	5 (2)

Operation of the Board of Directors (As of June 24, 2022)

The Board of Directors includes Audit & Supervisory Board Members in addition to Directors. The Board operates as follows:

Position	Director	Audit & Supervisory Board Member	Total
Chairman (Non-executive, non-managerial)	1	-	1
Number of Executive Officers/Number of Full-time Audit & Supervisory Board Members	5	2	7
Number of Independent Directors/Independent Audit & Supervisory Board Members (number of women)	5 (2)	3 (2)	8 (4)

Board of Directors Structure (As of June 24, 2022)

In-house Directors	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Governance, Nomination & Compensation Committee Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Takehiko Kakiuchi	Apr. 1979 Joined Mitsubishi Corporation Apr. 2010 Senior Vice President, Division COO, Foods (Commodity) Div. Apr. 2011 Senior Vice President, General Manager, Living Essential Group CEO Office, Division COO, Foods (Commodity) Div. Apr. 2013 Executive Vice President, Group CEO, Living Essentials Group Apr. 2016 President & CEO Jun. 2016 Director, President & CEO Apr. 2022 Chairman of the Board (present position)	Regular:11/11 Extraordinary:2/2	100%	5/5	100%

In-house Directors	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Governance, Nomination & Compensation Committee Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Yasuteru Hirai *1	<p>Apr. 1984 Joined Mitsubishi Corporation</p> <p>Apr. 2014 Senior Vice President, Deputy Regional CEO, East Asia, President, Mitsubishi Corporation (Shanghai) Ltd., General Manager, Shanghai Office</p> <p>Apr. 2017 Senior Vice President, Regional CEO, East Asia, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch</p> <p>Oct. 2018 Senior Vice President, Regional CEO, East Asia, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch, President, Mitsubishi Corporation (Guangzhou) Ltd.</p> <p>Apr. 2019 Senior Vice President, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch</p> <p>Apr. 2020 Executive Vice President, President, Mitsubishi Corporation China Co., Ltd., General Manager, Beijing Branch</p> <p>Apr. 2021 Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters</p> <p>Jun. 2021 Director, Executive Vice President, Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters (present position)</p>	<p>Regular:8/8</p> <p>Extraordinary:2/2 *3</p>	100%	-	-

In-house Directors	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Governance, Nomination & Compensation Committee Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Yutaka Kashiwagi *1	<p>Apr. 1986 Joined Mitsubishi Corporation</p> <p>Apr. 2018 Senior Vice President, Division COO, Environmental Business Div.</p> <p>Apr. 2019 Senior Vice President, General Manager, Power Solution Group CEO Office</p> <p>Apr. 2021 Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch</p> <p>Jun. 2021 Director, Executive Vice President, Corporate Functional Officer, Business Development for Japan, General Manager, Kansai Branch</p> <p>Apr. 2022 Director, Executive Vice President, Corporate Functional Officer, CDO, CAO, Corporate Communications, Corporate Sustainability & CSR</p> <p>Jul. 2022 Director, Executive Vice President, Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR (present position)</p>	<p>Regular:8/8</p> <p>Extraordinary:2/2 *3</p>	100%	-	-
Yuzo Nouchi *1	<p>Apr. 1987 Joined Mitsubishi Corporation</p> <p>Apr. 2019 Senior Vice President, General Manager, Corporate Accounting Dept.</p> <p>Apr. 2022 Executive Vice President, Corporate Functional Officer, CFO</p> <p>Jun. 2022 Director, Executive Vice President, Corporate Functional Officer, CFO (present position)</p>	-	-	-	-

Independent Directors	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Governance, Nomination & Compensation Committee Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Akitaka Saiki * 2	<p>Apr. 1976 Joined the Ministry of Foreign Affairs of Japan</p> <p>Held the position of:</p> <p>Director-General, Asian and Oceanian Affairs Bureau,</p> <p>Ambassador to the Republic of India, concurrently to the Kingdom of Bhutan,</p> <p>Deputy Minister for Foreign Affairs, and Vice Minister for Foreign Affairs</p> <p>Jun. 2016 Retired from Ministry of Foreign Affairs of Japan</p> <p>Sep. 2016 Corporate Adviser, Mitsubishi Corporation (resigned in Jun. 2017)</p> <p>Jun. 2017 Director, Mitsubishi Corporation (present position)</p>	Regular:11/11 Extraordinary:2/2	100%	5/5	100%
Tsuneyoshi Tatsuoka * 2	<p>Apr. 1980 Joined the Ministry of International Trade and Industry (present Ministry of Economy, Trade and Industry (METI))</p> <p>Held the position of:</p> <p>Counsellor, Cabinet Secretariat (Office of Assistant Chief Cabinet Secretary), Deputy Vice-Minister of</p> <p>Economy, Trade and Industry, and Vice Minister of METI</p> <p>Jul. 2015 Retired from METI</p> <p>Jan. 2018 Corporate Adviser, Mitsubishi Corporation (resigned in Jun. 2018)</p> <p>Jun. 2018 Director, Mitsubishi Corporation (present position)</p>	Regular:11/11 Extraordinary:2/2	100%	5/5	100%
Shunichi Miyanaga * 2	<p>Apr. 1972 Joined Mitsubishi Heavy Industries, Ltd. ("MHI")</p> <p>Apr. 2006 Senior Vice President, MHI</p> <p>Apr. 2008 Executive Vice President, MHI</p> <p>Jun. 2008 Director, Executive Vice President, MHI</p> <p>Apr. 2011 Director, Senior Executive Vice President, MHI</p> <p>Apr. 2013 Director, President, MHI</p> <p>Apr. 2014 Director, President and CEO, MHI</p> <p>Apr. 2019 Chairman of the Board, MHI (present position)</p> <p>Jun. 2019 Director, Mitsubishi Corporation (present position)</p>	Regular:11/11 Extraordinary:2/2	100%	5/5	100%

Independent Directors	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Governance, Nomination & Compensation Committee Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Sakie Akiyama *2	Apr. 1987 Joined Arthur Andersen & Co. (currently Accenture PLC) (resigned in Apr. 1991) Apr. 1994 Founder and CEO, Saki Corporation Oct. 2018 Founder, Saki Corporation (advisor) (present position) Jun. 2020 Director, Mitsubishi Corporation (present position)	Regular:11/11 Extraordinary:1/2	92%	5/5	100%
Mari Sagiya *2	Apr. 1985 Joined IBM Japan, Ltd. Jul. 2002 Director, IBM Japan, Ltd. Jul. 2005 Senior Vice President, IBM Japan, Ltd. (resigned in July 2014) Jul. 2014 Executive Vice President, SAP Japan Co., Ltd. (resigned in December 2015) Jun. 2016 Executive Vice President, Chief Marketing Officer, Salesforce.com Co., Ltd. (currently Salesforce Japan Co., Ltd.) (resigned in August 2019) Jun. 2022 Director, Mitsubishi Corporation (present position)	-	-	-	-

* 1 Indicates a Representative Director.

* 2 Indicates the fulfillment of the conditions for Outside Directors as provided for in Article 2, Item 15 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors / Auditors as specified by Tokyo Stock Exchange, Inc. as well as selection criteria for Independent Directors specified by Mitsubishi Corporation.

* 3 Indicating attendance after appointment as Independent Director on June 25, 2021.

○ Number and Percentage of Independent Directors*



45%
[5 / 11]

* Based on the status as of June 24, 2022

Matters Deliberated by the Board of Directors

The Board of Directors deliberates on important management issues, and supervises business execution through reports on primary matters in Midterm Corporate Strategy, the business strategy of Business Groups, and so on. In addition, matters requiring resolution in accordance with laws and regulations, and loan and investment proposals exceeding a monetary threshold standard set by the Company are deliberated and resolved with an emphasis not only on the economic aspects, but also on ESG perspectives. Mitsubishi Corporation has also constructed appropriate internal control systems, and checks their operational status every year in order to work toward their continuous improvement and strengthening. Business execution other than these matters for resolution by the Board of Directors is entrusted to Executive Officers by appointing the President as the Chief Executive Officer responsible for business execution, and the Executive Committee (meets twice monthly) as a management decision-making body. Throughout the fiscal year ended March 31, 2022, the Board of Directors reviewed Midterm Corporate Strategy 2021 both at its meetings and using other opportunities for discussion on a supplementary basis. The Board of Directors also exchanged opinions with executives regarding Midterm Corporate Strategy 2024 from the initial formulation stages onward, monitoring the formulation process and maintaining appropriate involvement. The results of the Board's deliberations are as follows.

<Agenda of the Board of Directors in the Fiscal Year Ended March 31, 2022>

- Management strategy-related items
Business Strategy Committee Meeting report/ Roadmap to a Carbon Neutral Society, Business Execution reports (Non-Financial Risks/ Financial Risk Management/ Human Resources Strategy/ Domestic Development/ Regional Strategy/ Dialogue with Shareholders and Investors/ EX and DX Strategy progress report
- Corporate-related items
Appointments of the Board and Audit & Supervisory Board Members/ Appointments of the Chairman and President/ Appointments of Executive Officers/ Revision of the remuneration system for Executive Directors/ Financial Statements/ Fundraising policy/ Verification holding policy for listed shares/ Sustainability and social contribution-related policies/ Compliance report/ Internal control systems/ Company Indemnification agreements, items related to directors and officers (D&O) liability insurance
- Loan and investment proposals
Confirmation of business status related to the Tangguh LNG expansion project, Breakthrough Energy Catalyst, LNG Canada project, Dunlin project in the UK North Sea, Onahama Petroleum Co., Mitsubishi Development Pty Ltd, Chiyoda Corporation, FPSO time chartering projects, Lawson Inc., Mitsubishi Shokuhin Co., domestic offshore wind power generation business, Vermillion Aviation Holdings Limited, and HERE.
- Other
General Meeting of Shareholders-related items/ Governance, Nomination and Compensation Committee report/ Evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2022/ Russia-Ukraine situation

Board of Directors' Advisory Bodies

Governance, Nomination and Compensation Committee

A majority of the Committee members are Independent Directors. It deliberates on matters related to governance, nomination and compensation.

Composition of the Committee (* Committee Chairman) (As of June 24, 2022)

- Independent Members (5):
Akitaka Saiki (Independent Director), Tsuneyoshi Tatsuoka (Independent Director), Shunichi Miyanaga (Independent Director), Sakie Akiyama (Independent Director), Mari Sagiya (Independent Director)
- In-house Members (3):
Takehiko Kakiuchi* (Chairman of the Board), Katsuya Nakanishi (Director, President & CEO), Hajime Hirano (Full-time Audit & Supervisory Board Member)



○ Number and Percentage of Independent Directors*



* Based on status as of June 24, 2022

○ Main Discussion Themes

- Policies on securing conformity with the Revised Corporate Governance Code
- Requirements for the President and CEO and basic policies concerning the appointment and dismissal of the President and CEO, as well as personnel proposal of the President and CEO
- Review of the remuneration package including the policy for setting remuneration and appropriateness of remuneration levels and composition
- Evaluation of the effectiveness of the Board of Directors

○ President's Performance Evaluation Committee

The President's Performance Evaluation Committee has been established as a subcommittee to the Governance, Nomination and Compensation Committee, comprising the Chairman of the Board and Independent Directors as the parent committee to deliberate the assessment on the President's performance. The President is not a member of the Committee.

International Advisory Committee

The International Advisory Committee has met annually since its establishment in 2001. The committee comprises experts with a wide range of backgrounds in government, business and academia. Members of the committee offer advice from an international standpoint with respect to MC's management and corporate strategies as it develops its business globally. The committee also deliberates and reports on geopolitical and economic conditions. The International Advisory Committee fulfills a crucial role in deepening discussions in meetings of the Board of Directors.

○ International Advisory Committee

Total	11
Number of in-house committee members	3
Number of outside committee members (Outside Directors and Audit & Supervisory Board Members)	2
Number of outside committee member (overseas)	6

○ Overseas Members(As of July 1, 2021)

Member	Nationality	Title	Principal area of specialization and background
Ambassador Richard Armitage	United States of America	Former United States Deputy Secretary of State	Ambassador Armitage previously served as Special Emissary to Jordan and United States Deputy Secretary of State. He is widely experienced in foreign diplomacy, is a leading expert on Asia and Japan within the US and is acknowledged as an authority on the Middle East.
Professor Joseph S. Nye	United States of America	Harvard University Distinguished Service Professor	Professor Nye is a globally renowned scholar in the field of geopolitics. He has extensive networks not only in academia, but also in political and economic circles. Within the International Advisory Committee, he provides an annual overview of the international situation and makes valuable suggestions regarding industry trends.
Mr. Ratan N. Tata	India	Chairman, Tata Trusts	Mr. Tata has expanded his business presence to over 100 countries worldwide and has particularly deep knowledge of industrial as well as political and economic developments in India.
Mr. George Yeo	Singapore	Former Chairman, Kerry Logistics Network	Mr. Yeo has previously served as Singapore's Minister for Information and the Arts, Minister for Health, Minister for Trade and Industry, and Minister for Foreign Affairs. His background brings a wealth of knowledge in the geopolitical situation in ASEAN and China to the committee.
Mr. Niall FitzGerald, KBE	Ireland	Former CEO and Chairman, Unilever	Mr. FitzGerald, KBE has served as Chairman of several major companies such as Reuters and Unilever, as well as the British Museum. He has an outstanding knowledge of both geopolitics and industry, and his consideration of the impacts of geopolitical changes on business provides valuable advice for the International Advisory Committee.
Mr. Jaime Augusto Zobel de Ayala II	The Philippines	Chairman, Ayala Corporation	Mr. Zobel has experience in growing a global business launched from the ASEAN region, and therefore has a thorough knowledge of various geopolitical and industry trends in Asia, particularly in the ASEAN region.

○ Japanese Members (As of April 1, 2022)

Chairman of IAC

Takehiko Kakiuchi

Chairman of the Board

Katsuya Nakanishi

President

Yasuteru Hirai

Director, Executive Vice President

Akitaka Saiki

Independent Director

Tsuneyoshi Tatsuoka

Independent Director

○ Main Discussion Themes

- Impact of the COVID-19 pandemic by country: Europe, the United States, China, emerging countries
- Geopolitics stemming from U.S.-China relations: Supply chain reshuffling, the Taiwan problem
- Global challenges and trends: Climate change, digital currency

Independent Directors and Independent Audit & Supervisory Board Members

Independent Directors and Independent Audit & Supervisory Board Members are as follows (as of June 24, 2022).

○ Independent Directors



Member of the Governance, Nomination and Compensation Committee



Member of the International Advisory Committee



Akitaka Saiki



Main career: Former Vice-Minister of Foreign Affairs, Ministry of Foreign Affairs of Japan

Number of years on Board of Directors: 5 years

Mr. Saiki's work with Japan's Ministry of Foreign Affairs has given him sensitive insight into geopolitics. He also possesses keen expertise in country risk and a broad network of contacts in that area.

Attendance at Board Meetings (FY2021)

Regular: held 11 times, attended 11 times

Extraordinary: held 2 times, attended 2 times [100% attendance rate]

Attendance at Governance, Nomination and Compensation Committee Meetings (FY2021)

Held 5 times, attended 5 times [100% attendance rate]



Tsuneyoshi Tatsuoka



Main career: Former Vice-Minister of Economy, Trade and Industry, Ministry of Economy, Trade and Industry of Japan

Number of years on Board of Directors: 4 years

Having worked at Japan's Ministry of Economy, Trade and Industry, where he has long engaged in the field of public policies regarding economy and industry, Mr. Tatsuoka brings to Mitsubishi Corporation's Board keen knowledge about the country's industrial sector as a whole along with contributing his deep insight into sustainability issues, including those related to environmental and energy policies.

Attendance at Board Meetings (FY2021)

Regular: held 11 times, attended 11 times

Extraordinary: held 2 times, attended 2 times [100% attendance rate]

Attendance at Governance, Nomination and Compensation Committee Meetings (FY2021)

Held 5 times, attended 5 times [100% attendance rate]



Shunichi Miyanaga



Main career: Chairman of the Board, Mitsubishi Heavy Industries, Ltd.

Number of years on Board of Directors: 3 year

Mr. Miyanaga has spent many years at the helm of a listed manufacturing conglomerate that is engaged in businesses all over the world. He brings to Mitsubishi Corporation's Board global management experience as well as his keen insight into such technologies as decarbonization-related technologies.

Attendance at Board Meetings (FY2021)

Regular: held 11 times, attended 11 times

Extraordinary: held 2 times, attended 2 times [100% attendance rate]

Attendance at Governance, Nomination and Compensation Committee Meetings (FY2021)

Held 5 times, attended 5 times [100% attendance rate]



Sakie Akiyama

Main career: Founder and CEO, Saki Corporation

Number of years on Board of Directors: 2 year

After working as an international business consultant, Ms. Akiyama founded a firm specializing in robotic inspection systems for the electronics assembly markets and developed it into a global enterprise. Ms. Akiyama brings to Mitsubishi Corporation's board of directors her in-depth insight into the digital and IT spaces that was accumulated over the course of the above endeavors in addition to contributing a wealth of know-how in innovation.

Attendance at Board Meetings (FY2021)

Regular: held 11 times, attended 11 times

Extraordinary: held 2 times, attended 1 time [92% attendance rate]

Attendance at Governance, Nomination and Compensation Committee Meetings (FY2021)

Held 5 times, attended 5 times [100% attendance rate]



Mari Sagiya

Main career: Senior Vice President, IBM Japan, Ltd.

Appointed June 2022

Backed by her extensive expertise in leading corporate transformations of multiple companies, Ms. Sagiya has worked in top management at multiple global IT companies.

Mitsubishi Corporation expects that she brings to Mitsubishi Corporation's Board a wealth of know-how in digital transformation (DX).

○ Independent Audit & Supervisory Board Members



Rieko Sato

Main career: Partner, ISHII LAW OFFICE

Number of years on Audit & Supervisory Board: 2 year

Ms. Sato possesses profound knowledge of corporate law practice (Companies Act, Financial Instruments & Exchange Act, compliance, etc.) based on her extensive experience as an attorney, as well as a management perspectives gained through extensive experience as an Independent Director and Independent Audit & Supervisory Board Member.

Attendance at Board Meetings (FY2021)

Regular: held 11 times, attended 11 times

Extraordinary: held 2 times, attended 2 times [100% attendance rate]

Attendance at Audit & Supervisory Board Meetings (FY2021)
Held 12 times, attended 12 times [100% attendance rate]



Takeshi Nakao

Main career: CEO, PARTNERS HOLDINGS, Co. Ltd.

Number of years on Audit & Supervisory Board: 2 year

Mr. Nakao possesses profound knowledge of finance and accounting as a certified public accountant, as well as extensive insight gained through many years of experience in advisory work regarding M&A activity, corporate revitalization, and internal control.

Attendance at Board Meetings (FY2021)

Regular: held 11 times, attended 11 times

Extraordinary: held 2 times, attended 2 time [100% attendance rate]

Attendance at Audit & Supervisory Board Meetings (FY2021)
Held 12 times, attended 12 times [100% attendance rate]



Mari Kogiso

Main career: Founder and CEO, SDG Impact Japan Inc.

Appointed June 2022

Ms. Kogiso has long accumulated business experience in the financial industry, including operations at an international organization, while taking on diversity promotion and other sustainability-related initiatives at global companies and public interest incorporated foundations. She has handled the establishment and management of the ESG Impact Fund. Through these endeavors, she acquired in-depth insight into ESG and finance.

Selection Criteria for Independent Directors and Independent Audit & Supervisory Board Members

To make the function of Independent Directors and Independent Audit & Supervisory Board Members stronger and more transparent, Mitsubishi Corporation has set forth Selection Criteria for Independent Directors and Independent Audit & Supervisory Board Members as follows, after deliberation by the Governance, Nomination and Compensation Committee, which is composed with a majority of Independent Directors and Independent Audit & Supervisory Board Members. Each of the five Independent Directors and three Independent Audit & Supervisory Board Members satisfy the requirements of "the Independent Directors/Auditors" under the listing rules of the Tokyo Stock Exchange, Inc., and Mitsubishi Corporation's Selection Criteria for Independent Directors and Independent Audit & Supervisory Board Members.

[Selection Criteria for Independent Directors]

1. Independent Directors are elected from among those individuals who have an eye for practicality founded on a wealth of experience as corporate Executive Officers, as well as an objective and specialist viewpoint based on extensive insight regarding global conditions and social and economic trends. Through their diverse perspectives, Independent Directors help ensure levels of decision-making and management oversight appropriate to the Board of Directors.
2. To enable Independent Directors to fulfill their appointed task, attention is given to maintain their independency^{*}; individuals incapable of preserving this independency in effect will not be selected to serve as Independent Directors.
3. Mitsubishi Corporation's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate Executive Officer appointed as Independent Directors. Mitsubishi Corporation appropriately copes with this potential issue through the procedural exclusion of the director in question from matters related to the conflict of interest, and by preserving a variety of viewpoints through the selection of numerous Independent Directors.

[Selection Criteria for Independent Audit & Supervisory Board Members]

1. Independent Audit & Supervisory Board Members are selected from among individuals who possess a wealth of knowledge and experience across various fields that is helpful in performing audits. Neutral and objective auditing, in turn, will ensure sound management.
2. To enable Independent Audit & Supervisory Board Members to fulfill their appointed task, attention is given to maintain their independency*; individuals incapable of preserving this independency will not be selected to serve as Independent Audit & Supervisory Board Members.

*** Independency for the purpose of Selection Criteria for Independent Directors and Independent Audit & Supervisory Board Members**

To make a judgment of independence, Mitsubishi Corporation checks if the person concerned meets the conditions for "the Independent Directors/Auditors" under the listing rules of the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past three fiscal years.

- (1) A major shareholder of Mitsubishi Corporation (a person or entity directly or indirectly holding 10% or more of the voting rights), or a member of business personnel of such shareholder*¹.
- (2) A member of business personnel of a creditor of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*².
- (3) A member of business personnel of a supplier or a customer of Mitsubishi Corporation exceeding the threshold set by Mitsubishi Corporation*³.
- (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from Mitsubishi Corporation, other than Directors' or Audit & Supervisory Board Members' remuneration, where the amount exceeds ¥10 million per fiscal year.
- (5) A representative or partner of Mitsubishi Corporation's independent auditor.
- (6) A person belonging to an organization that has received donations exceeding a certain amount*⁴ from Mitsubishi Corporation.
- (7) A person who has been appointed as an Independent Director or Independent Audit & Supervisory Board Member of Mitsubishi Corporation for more than eight years.

* 1 A member of business personnel refers to a managing director, corporate officer, Executive Officer, or other employee of a company.

* 2 Creditors exceeding the threshold set by Mitsubishi Corporation refer to creditors to whom Mitsubishi Corporation owes an amount exceeding 2% of Mitsubishi Corporation's consolidated total assets.

* 3 Suppliers or customers exceeding the threshold set by Mitsubishi Corporation refer to suppliers or customers whose transaction amount with Mitsubishi Corporation exceed 2% of Mitsubishi Corporation's consolidated revenues.

* 4 Donations exceeding a certain amount refer to donations of more than ¥20 million per fiscal year.

If a person is still judged to be effectively independent despite one or more of the above items (1) to (7) applying, Mitsubishi Corporation will explain and disclose the reason at the time of their appointment as an Independent Director or Independent Audit & Supervisory Board Member.

Enhancing the Monitoring Function of the Board of Directors

To ensure that the Directors and Audit & Supervisory Board Members are able to perform their management supervision and audit functions adequately, the Board of Directors' Office and the Audit & Supervisory Board Members' Office have been established, and have been providing necessary information and support appropriately and in a timely manner for them to perform their duties.

For Independent Directors and Independent Audit & Supervisory Board Members, the offices provide below measures to ensure that they can effectively participate in the discussion fully and to enhance the Board's monitoring function.

Briefing Sessions before Board of Directors' Meetings

Prior to each Board of Directors' meeting, opportunities are created for the management executives of the Corporate Staff Section and Business Groups to provide explanatory summaries of the agenda items for which they are responsible to Independent Directors and Independent Audit & Supervisory Board Members in order to facilitate substantive deliberations at the meetings. The sessions are also utilized to appropriately share timely information that helps enhance deliberations. A total of 28 hours of briefing were held in the fiscal year ended March 31, 2022.

Meetings of Independent Directors and Independent Audit & Supervisory Board Members

Mitsubishi Corporation provides opportunities for free discussion about a wide range of themes and facilitates the exchange of information and sharing of ideas from an independent and objective standpoint in order to sustain growth and enhance corporate value over the medium and long term.

■ Main Discussion Themes (Fiscal Year Ending in March 31, 2022)

- Approach to dialogue with management team
- Midterm Corporate Strategy 2024
- Future issues and initiatives based on evaluation of the effectiveness of the Board of Directors



Dialogues with Management Executives

Opportunities are created to engage in dialogue and interact with current management executives and next-term management executive candidates.

Dialogues and Site Visits to Business Subsidiaries and Affiliates

Every year Independent Directors and Independent Audit & Supervisory Board Members participate in site visits to business subsidiaries and affiliates sites, and hold dialogues with the management of business subsidiaries and affiliates.

■ Visits to Business Subsidiaries and Affiliates

March 2022	Site visits to Mitsubishi Shoji & Sun Co., Ltd., Fukuoka International Airport Co., Ltd., etc.
March 2021	Dialogue with management executives at Mitsubishi Shokuhin Co., Ltd.
August 2019	Visits to Montney shale gas production and development site and LNG Canada project development site (Canada)
August 2018	Site visits to Cernaq Group AS (Norway)/Offshore wind farm facility (North Sea)

Orientation upon Assumption of Office

To deepen understanding of Mitsubishi Corporation, all the Corporate Staff Section and Business Groups conduct orientation sessions for newly appointed Independent Directors and Independent Audit & Supervisory Board Members when they assume office.

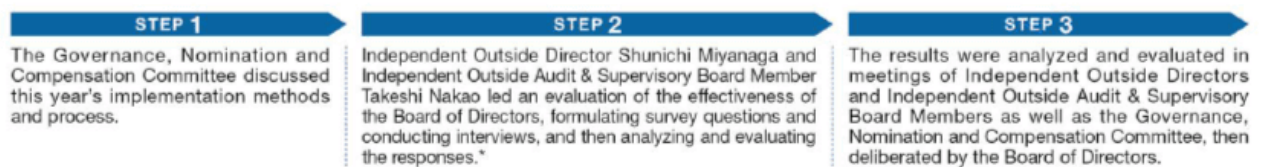
Evaluation of the Effectiveness of the Board of Directors

Evaluation of the Effectiveness of the Board of Directors

Through the process below for the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2022, it was confirmed that the effectiveness of the Board of Directors is adequately secured. The evaluation results and policy going forward are shown below.

Specific Process

After thoroughly reviewing the fairness of the evaluation process, including the necessity of third-party evaluation, it was determined that a self-evaluation process led by Independent Directors and Independent Audit & Supervisory Board Members would be effective, so the same format as in the previous fiscal year was used for this fiscal year. In addition to Independent Directors and Independent Audit & Supervisory Board Members leading the evaluation, objective advice from external consultants was sought in (i) formulating the questionnaires, (ii) gathering the results and (iii) drafting a disclosure proposal, with the aim of ensuring objectiveness and neutrality of the process.



* To secure opinions from outside the Board of Directors and ensure multifaceted analysis, the Business Group CEOs were also surveyed.

Questionnaire

The questionnaire covered the size and composition, operation, and agenda items of the Board of Directors; the support system for Independent Directors and Independent Audit & Supervisory Board Members self-evaluation of individual involvement; the composition and operation of the Governance, Nomination and Compensation Committee; the operation of meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members; engagement with shareholders and investors; and medium- to long-term issues that pertain to corporate governance.

Evaluation Results and Policy for the Year Ending March 31, 2023

Year Ended March 31, 2022		Evaluation Results/ Issues to Consider	Year Ending March 31, 2023 Policy
Issues Considered/Policy	Main Initiatives		
Size / Composition	Continue to consider in light of changes in the internal and external environment	The current size and composition are appropriate, and the Company's Audit & Supervisory Board Member system is extremely mature, but continued deliberation will be needed	Continue to deliberate the size and composition of the Board of Directors with an eye to continuously increasing corporate value
Board of Directors Agenda items	<ul style="list-style-type: none"> Review Midterm Corporate Strategy 2021 / Confirm the formulation process for Midterm Corporate Strategy 2024 Further enhance deliberations of items of Companywide importance (business strategy oriented toward a low-carbon society, the business portfolio, etc.) Enhance the efficacy of investment management systems and the monitoring of business subsidiaries and affiliates 	<ul style="list-style-type: none"> Reviewed Midterm Corporate Strategy 2021 throughout the year Discussed and disclosed the Roadmap to a Carbon Neutral Society Enhanced reporting on financial risk management (including investment management systems and the conditions of individual companies) and non-financial risk management Enhanced sharing of information about shareholder and investor engagement Held dialogues between multiple Business Group CEOs and Outside Board members about EX strategy 	<ul style="list-style-type: none"> Midterm Corporate Strategy 2021 was carefully reviewed based on appropriate analysis Appropriate reports were made from a Companywide perspective regarding support systems for matters of Companywide importance and risk taking Under Midterm Corporate Strategy 2024 we will further enhance monitoring in light of executives' understanding of issues
Discussion outside of Board of Directors meetings	<ul style="list-style-type: none"> Enhanced opportunities for dialogue between top management and Outside Board members Enhanced provision of information regarding succession planning and successor selection to Outside Board members and deliberated them several times at Governance, Nomination & Compensation Committee. Also held individual dialogues and discussions between the Chairman/President and the Outside Board members (see page 43 for details) 	<ul style="list-style-type: none"> Support systems are in place to help enliven the discussions of the Board of Directors Continued dialogues between the Outside Board directors and officers and employees on Companywide topics will be desirable 	<ul style="list-style-type: none"> Continuously exchange views from the planning stage of Midterm Corporate Strategy 2024 onward and monitor important matters at the Board of Directors Continue to monitor and report on the following matters at the Board of Directors <ul style="list-style-type: none"> ✓ Financial/non-financial risk management ✓ Human resource strategy ✓ Regional strategy ✓ Domestic development ✓ Shareholder and investor engagement Utilize opportunities for discussion outside the Board (see page 40) on a supplementary basis, enhance dialogue, and exchange views on corporate strategy and other major corporate policy matters
Governance, Nomination and Compensation Committee	Confirm specific processes, including the continued appropriate provision of information on succession planning	Succession planning and the successor selection process were handled with great care, with appropriate information provided	Continue discussions aimed at enhancing the functioning of the Board of Directors, beyond succession planning and the successor selection process

Shares

Stance on Exercising Voting Rights Relating to Listed Stocks

Mitsubishi Corporation attaches great importance to dialogue and communication with its investment destinations through various channels, aiming to create business opportunities and build, maintain and strengthen business and partner relationships, and from the perspective of raising the mid- and long-term corporate value of Mitsubishi Corporation and these companies. Mitsubishi Corporation considers exercising voting rights to be an important approach. For this reason, when exercising voting rights relating to an investment destination, the responsible department for the oversight of the company reviews its business conditions (earnings, capital efficiency, etc.) from both quantitative and qualitative standpoints in accordance with internal regulations. These regulations stipulate matters to be considered, etc., when determining whether to vote for or against proposals such as appropriation of surplus, election of Directors and Audit & Supervisory Board Members, and revision of executive remuneration. Then Mitsubishi Corporation exercises its voting rights appropriately for individual matters for resolution. Furthermore, with regard to the proposals for the election and dismissal of Independent Directors and Independent Audit & Supervisory Board Members of listed subsidiaries, Mitsubishi Corporation's internal regulation also stipulate that their independence from Mitsubishi Corporation is to be examined before exercising voting rights.

Guideline for Holding Mitsubishi Corporation Shares (Standard)

Mitsubishi Corporation has adopted variable remuneration including not only cash remuneration linked to consolidated business results and individual performance but also stock remuneration (stock-option-based remuneration) to provide further incentive to improve corporate value over the medium and long terms.

Shareholder Rights

Reference: Share Handling Regulations

<https://www.mitsubishicorp.com/jp/en/ir/library/share/pdf/share.pdf>



Reference: Articles of Incorporation (Chapter 2 Article 9)

<https://www.mitsubishicorp.com/jp/en/ir/library/articles/pdf/articles.pdf>



Initiatives on Japan's Corporate Governance Code

Mitsubishi Corporation has long worked to implement corporate governance as the foundation of sound, transparent and efficient management. We have determined that Mitsubishi Corporation is implementing all principles set forth in Japan's Corporate Governance Code. (For more information, please see the Corporate Governance Report on Mitsubishi Corporation's website.)

Reference: Corporate Governance Report (Translation of report filed with the Financial Instruments Exchange)
[Corporate Governance Report](#) | [Mitsubishi Corporation](#)

Mitsubishi Corporation's Stance on Acquisition, Holding, and Reduction in Listed Shares

Mitsubishi Corporation may acquire and hold shares acquired for other than pure investment as a means of creating business opportunities and building, maintaining and strengthening business and partner relationships. When acquiring these shares, Mitsubishi Corporation confirms necessity of its acquisition based on the significance and economic rationale of the purchase. Also, Mitsubishi Corporation periodically reviews the rationality of continuing to hold the shares and promotes reducing holdings of stocks with decreased significance.

[Verification policy for holding individual shares]

The Board of Directors verifies all of the listed shares held by Mitsubishi Corporation from the perspectives of both economic rationale and qualitative significance of holding them every year.

The economic rationale is confirmed by whether or not the related earnings from each stock, such as dividends and related business profits on transactions, exceed Mitsubishi Corporation's target capital cost (Weighted Average Cost of Capital) for the market price of each individual share.

The qualitative significance is confirmed by the achievement or status of progress of the expected purpose for holding the stock, etc.

[Reduction in holdings of listed stocks]

Based on the results of the above verification, in the fiscal year ended March 31, 2022, Mitsubishi Corporation sold 57.9 billion yen, a decrease of slightly more than 10% compared to the previous fiscal year. As of the fiscal year ended March 31, 2022, the total market value was 437.4 billion yen (excluding deemed shareholdings).

2020/3	2021/3	2022/3
¥73.0 billion	¥68.7 billion	¥57.9 billion

(Market value basis and excluding deemed shareholdings)

[Matters verified by the Board of Directors]

Verification was conducted by the Board of Directors for all listed shares held by Mitsubishi Corporation as of March 31, 2022 (market price was approximately 0.5 trillion yen). As a result of verification from the perspectives of both economic rationale and qualitative significance of holding them, numerous shares were identified as candidates for reduction due to a decreased importance of the expected purpose and significance for holding them, etc.

Mitsubishi Corporation's Pension Management Structure

In an effort to utilize personnel with experience in markets and investment, those responsible for pension management are appointed from the Finance Department of Mitsubishi Corporation and serve concurrently as employees of the Mitsubishi Corporation Pension Fund. The basic policy and management guidelines for safe and efficient management of the reserve are drafted and issued to institutions contracted to undertake management, which are then monitored constantly. Marked with the responsibility for autonomous allocations it holds, the fund has announced its acceptance of Japan's Stewardship Code and requires the institutions entrusted with management of the assets to perform stewardship activities.

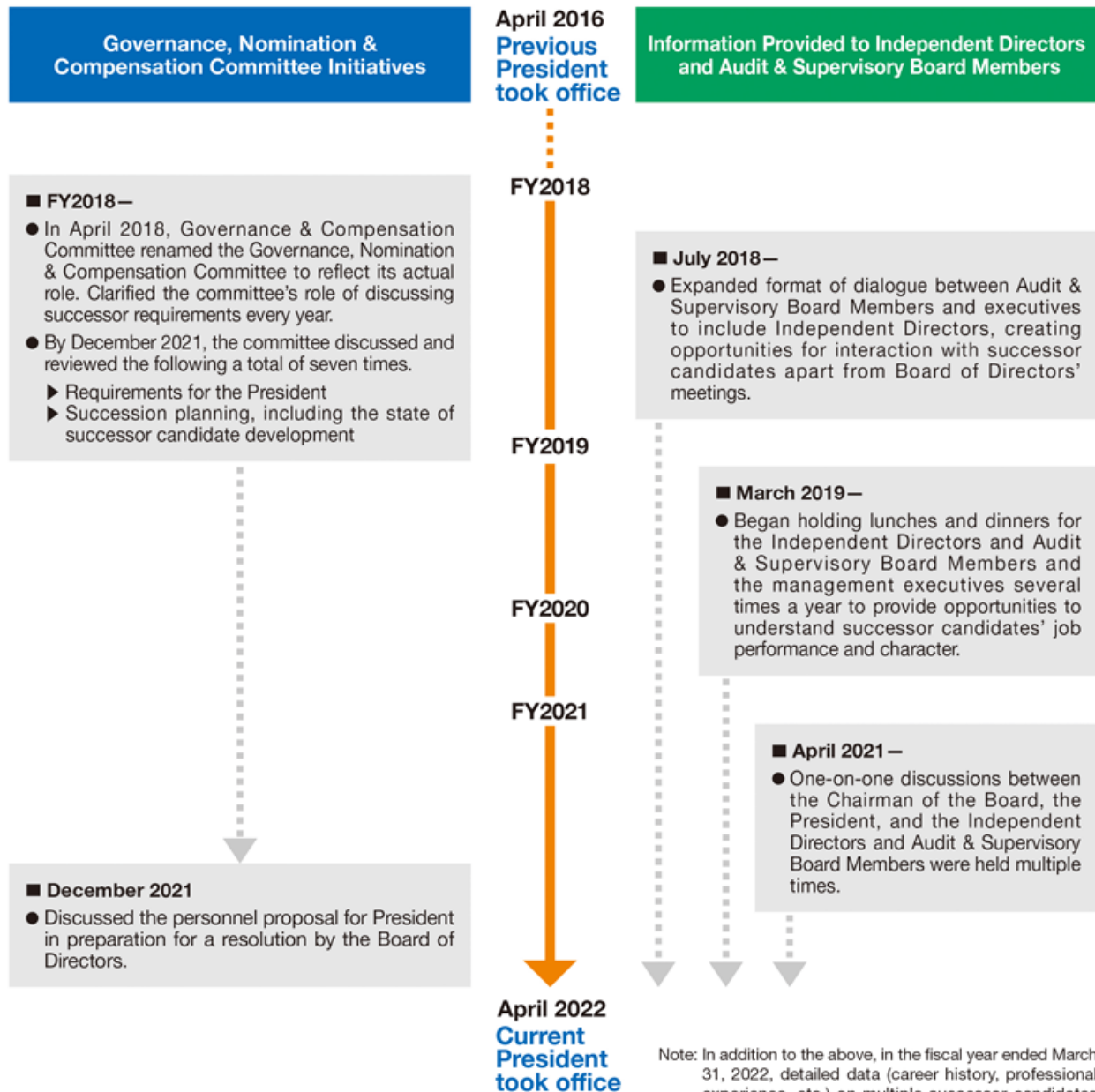
Policy and Procedures for Appointment and Dismissal of Management Executive and Appointment of Nominated Directors and Audit & Supervisory Board Members

○ Ensuring Objectivity and Transparency through Deliberation at the Governance, Nomination and Compensation Committee, Where Independent Directors and Independent Audit & Supervisory Board Members Have a Majority

For the appointment of President and CEO, the requirements of the role, the basic policy on appointment, and selection of individual candidates are deliberated and reviewed by the Governance, Nomination and Compensation Committee where Independent Directors and Independent Audit & Supervisory Board Members have a majority (5 Independent Directors out of 8 Committee Members). Appointments are then decided by the Board of Directors, which also appoints and assigns duties to Executive Officers. Moreover, the policy and process for appointment and all appointment proposals of Directors and Audit & Supervisory Board Members and each appointment proposal are deliberated by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, before being presented at the Ordinary General Meeting of Shareholders. See II 2. in this report for details. Furthermore, the Company's policy is to take a flexible approach to determining and dealing with dismissal of President and CEO. The matter is deliberated by the Governance, Nomination and Compensation Committee before being resolved by the Board of Directors.

○ Successor Selection Process

Since Former President Kakiuchi took office in April 2016, the Governance, Nomination and Compensation Committee, an advisory committee to the Board of Directors, carefully implemented a successor selection process, including the discussion of the requirements for the President. In addition, the Independent Directors and Audit & Supervisory Board Members and successor candidates engaged in thoroughgoing dialogue and discussion outside of committee meetings. This process led to the selection of President Nakanishi.



Details of Retired Executives Currently Serving in Advisory Positions

Name	Position	Area of Assignment	Work Conditions(full/part-time, remunerated, etc.)	Date of Retirement as President, etc.	Term Ends
Ken Kobayashi	Honorary Chairman	External affairs	Part-time, no remuneration	March 31,2022	March 2028

Number of retired executives currently serving in advisory positions	1
--	---

Mitsubishi Corporation appoints, as necessary, retired executives (President and CEO) to the position of Honorary Chairman. Currently, one Honorary Chairman is appointed. The Honorary Chairman does not serve as a Director. He does not participate in internal management meetings and is not involved in the Company's decision-making process. He mainly engages in external activities that carry high social significance based on requests to the Company.

With effect from July 2020, the Honorary Chairman executes his duties on a part-time basis, with no remuneration.

Policy of Dialogue with Shareholders

(a) Basic Stance

Mitsubishi Corporation's corporate philosophy is enshrined in the Three Corporate Principles. Through corporate activities rooted in the principles of fairness and integrity, Mitsubishi Corporation strives to continuously raise corporate value. Mitsubishi Corporation believes that by helping to enrich society, both materially and spiritually, it will also meet the expectations of shareholders, customers and all other stakeholders. To achieve this, Mitsubishi Corporation is committed to fulfill accountability as a corporate enterprise and gain credibility and reputation from stakeholders including shareholders and investors, by communicating with them in a proactive manner and by disclosing, in a timely and appropriate manner, information about business conditions including management plans and their progress, quantitative financial information, and non-financial information such as for corporate governance and sustainability & CSR affairs.

(b) Persons in Charge and Promoting System

Positioning IR activities as an important management matter, Mitsubishi Corporation is promoting communication with shareholders and investors as well as proactive information disclosure, led by the management, with the President and CEO being chief and CFO being director in charge. To ensure the effectiveness of dialogues with shareholders and investors and information disclosure, Mitsubishi Corporation established a dedicated department in charge, the Investor Relations Department. In addition, Mitsubishi Corporation built a cross-sectional company structure not limited to the dedicated department in charge, by organically linking business groups to corporate staff departments (i.e., Corporate Strategy & Planning Department, Corporate Communications Department, Corporate Administration Department, Corporate Sustainability & CSR Department, Legal Department, Corporate Accounting Department, and Finance Department).

With respect to information disclosure, on which dialogue with shareholders and investors is premised, Mitsubishi Corporation sets up the Disclosure Committee, whose members are the CFO, Executive Officers in charge of Corporate Communications, Corporate Administration, Legal, and Corporate Sustainability & CSR and persons in charge of corporate staff departments (General Managers), as well as a working group consisting of working-level persons from corporate staff departments. After thoroughly reviewing and checking details of information to be disclosed, the team tries to disclose proactive, highly transparent information through the Sustainability Website, Integrated Reports, Annual Securities Report, Notice of Ordinary General Meeting of Shareholders, Investors' Note, and newspaper ads, etc. As a policy for its information disclosure system, Mitsubishi Corporation developed and disclosed Information Disclosure Regulations to keep all officers and employees fully informed.

(c) Policy of Dialogue with Shareholders and Investors and Results of Activities

To continually raise mid- and long-term corporate value, Mitsubishi Corporation is promoting constructive communication with shareholders and investors, led by the management including the President and CEO.

i. Ordinary General Meeting of Shareholders

Mitsubishi Corporation positions the Ordinary General Meeting of Shareholders as the place to fulfill accountability to shareholders. In addition to proactive information disclosure in the Notice of Ordinary General Meeting of Shareholders, Mitsubishi Corporation tries to respond to questions raised by shareholders in a respectful manner.

ii. Communication with Individual Investors

Mitsubishi Corporation holds regular meetings for individual investors by the management and the IR department.

iii. Dialogue with Institutional Investors

In addition to quarterly financial results briefings hosted by President and CEO and CFO, the management of business groups host business-briefing sessions. President and CEO, CFO, the Investor Relations Department, Corporate Administration Department, Corporate Sustainability & CSR Department, and other departments hold briefing sessions and meetings with domestic and foreign institutional investors.

<Activities Conducted in the Fiscal Year Ended March 31, 2022>

President and CEO: The Ordinary General Meeting of Shareholders, communication through meetings with domestic and foreign institutional investors and analysts (2 times), and quarterly financial results briefings.

CFO: Communication through meetings with domestic and foreign institutional investors and analysts (about 11 times), and quarterly financial results briefings.

Group Management Teams: Business briefing sessions (6 times).

Investor Relations Department: Communication through meetings with domestic and foreign institutional investors and analysts (about 400 times), and regular meetings with individual investors (6 times).

Corporate Administration Department, Corporate Sustainability & CSR Department and other departments: Communication through meetings with domestic and foreign institutional investors (about 35 times).

(d) Feedback to Business Management and Control of Insider Information

Mitsubishi Corporation has developed a system by which the opinions from shareholders and investors and business challenges obtained through IR and SR activities are adequately reported to the management including President and CEO and the Board of Directors and the Executive Committee. In addition, the departments in charge feedback the opinions obtained through communication with shareholders and investors across, financial results briefings and other means the company to help improve business management.

To prevent insider information from being leaked during communication with shareholders, either deliberately or accidentally, Mitsubishi Corporation has set forth the Standard for the Prevention of Unfair Stock Trading in accordance with the Code of Conduct for Mitsubishi Corporation's Officers and Employees. Mitsubishi Corporation keeps all officers and employees fully informed of this requirement.

Reference:

In Investor Information on the Company's website, Mitsubishi Corporation posts various types of IR information in addition to the documents listed below. Details are available on the Company's website at the following URL.

<https://www.mitsubishicorp.com/jp/en/ir/>

- Presentation Materials
- Earnings Release
- Integrated Reports
- Financial Statements
- Quarterly Reports
- Investors' Note
- Corporate Brochure
- Sustainability Website

Audit & Supervisory Board and Audit

Audit & Supervisory Board Members /Audit & Supervisory Board ✓ Audit ✓

Audit & Supervisory Board Members /Audit & Supervisory Board

The Audit & Supervisory Board comprises all of the Audit & Supervisory Board Members responsible for auditing the decision-making processes and management performances of Directors in compliance with the Companies Act, and other laws and regulations as well as Mitsubishi Corporation's Articles of Incorporation and internal rules/regulations.

Full-time Audit & Supervisory Board Members ensure the soundness of the management by executing audits from a perspective based on abundant working experience at MC, while Independent Audit & Supervisory Board Members execute audits with a background of abundant working experience in their particular fields as well as neutral and objective perspectives. In addition to resolutions of matters required by law and other important issues, the Audit & Supervisory Board strives to enhance information-sharing among the members through briefings on key matters and reporting the status of auditing activities for each of the members.

○ Structure of the Audit & Supervisory Board (As of June 24, 2022)

Full-time Audit & Supervisory Board Members	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Audit & Supervisory Board Meetings (FY2021)		Attendance at Governance, Nomination & Compensation Committee Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Hajime Hirano	2019 Full-time Audit & Supervisory Board Member (present position) 1979 Joined MC	Regular: 11/11 Extraordinary: 2/2	100%	12/12	100%	-	-
Mitsumasa Icho	2022 Full-time Audit & Supervisory Board Member (present position) 1982 Joined MC	-	-	-	-	-	-

Independent Audit & Supervisory Board Members	Job History, Positions and Responsibilities	Attendance at Board of Directors Meetings (FY2021)		Attendance at Audit & Supervisory Board Meetings (FY2021)	
		Number of meetings attended/held	Attendance rate	Number of meetings attended/held	Attendance rate
Rieko Sato *	2020 Audit & Supervisory Board Member, MC (present position) 1998 Partner, ISHII LAW OFFICE (present position) 1989 Shearman & Sterling LLP (resigned in 1990) 1984 Admitted to the Japan Bar (Attorney-at-Law)	Regular: 11/11 Extraordinary: 2/2	100%	100%	100%
Takeshi Nakao *	2020 Audit & Supervisory Board Member, MC (present position) 2006 CEO, PARTNERS HOLDINGS, Co., Ltd. (present position) 1993 Admitted to Certified Public Accountant of Japan 1989 Joined KPMG Minato Audit Corporation (currently KPMG AZSA LLC) (resigned in 1996)	Regular: 11/11 Extraordinary: 2/2	100%	100%	100%
Mari Kogiso *	2022 Audit & Supervisory Board Member, MC (present position) 2021 Founder and CEO, SDG IMPACT JAPAN Inc. (present position) 2019 General Manager, CEO Office, Fast Retailing Co., Ltd. 1998 joined World Bank (resigned in 2010) 1990 joined The Long-Term Credit Bank of Japan	-	-	-	-

* Indicates the fulfillment of the conditions for Outside Audit & Supervisory Board Members as provided for in Article 2, Item 16 of the Companies Act. Also indicates the fulfillment of the conditions for Independent Directors / Auditors as specified by Tokyo Stock Exchange, Inc. as well as selection criteria for Independent Audit & Supervisory Board Members specified by MC.

Reference: Please refer to "Selection Criteria for Independent Directors and Independent Audit & Supervisory Members" on the MC website for thoughts regarding independence in selection criteria for Independent Directors and Independent Audit & Supervisory Members.
(<https://www.mitsubishicorp.com/jp/en/about/governance/corporategovernance.html>)

○ Percentage of Independent Audit & Supervisory Board Members among Total Audit & Supervisory Board Members*



* Based on the status as of June 24, 2022

Audit Plans

Prior to the start of each fiscal year, the Audit & Supervisory Board formulates audit plans with key areas. In the fiscal year ended March 31, 2021, the following three key audit areas were selected for the monitoring of specific progress in management and execution.

1. Related Measures for Midterm Corporate Strategy 2021:

- Initiatives towards digital transformation (DX)
- Progress in exiting and restructuring certain existing businesses
- Practical implementation of human resource training and development measures

2. Enhancing MC Group Management:

- Delegation of authority and development/implementation of a governing structure that reflects the current business management model
- Proactive efforts by MC representative offices based on a review of the regional office system
- Addressing the Key Sustainability Issues (Materiality) for MC

3. Initiatives to Strengthen Group Corporate Governance:

- Enhancement of deliberations at Board of Directors' meetings
- Strengthening the effectiveness of Company-wide controls
- Proactive governance through dispatching Full-time Audit & Supervisory Board Member to subsidiaries and affiliates

Audits of Management Performance

1 Dialogue with executive officers

Audit & Supervisory Board Members engage in dialogues with the Chairman of the Board, President and CEO, Corporate Functional Officers, Business Group CEOs, Business Division COOs, Administrative Department General Managers, General Manager of Auditing Department, General Manager of the Corporate Strategy & Planning Department and General Managers of the Corporate Staff Section. In the fiscal year ended March 31, 2022, 65 dialogues were held, and at least one Independent Audit & Supervisory Board Member participated in 62 of these dialogues.

Number of dialogues
with CEOs and other
Executive Officers*¹

65

[62*²]



2 Attendance at important meetings

Besides the Audit & Supervisory Board meetings, the Full-time Audit & Supervisory Board Members attend meetings of major internal management bodies, including the Board of Directors; the Governance, Nomination and Compensation Committee; the Executive Committee and the Business Strategy Committee; and provide necessary opinions (130 times in the fiscal year ended March 31, 2022). Besides the Audit & Supervisory Board meetings, the Independent Audit & Supervisory Board Members attend meetings of the Board of Directors after being briefed of discussions in the Executive Committee and lower conference bodies, and provide necessary opinions (25 times in the fiscal year ended March 31, 2022).

Number of major
meetings*¹

130

[25*²]



3 On-site audits and observations

Audit & Supervisory Board Members proactively conduct on-site audits and visits of overseas and domestic MC Group companies in an effort to grasp the local circumstances. In selecting the locations of the on-site audits and visits for the Audit & Supervisory Board Members, besides quantitative aspects such as investment amount and net income, qualitative aspects such as the business environment and compliance cases are also taken into account.

Amid ongoing restrictions on movement due to the COVID-19 pandemic, the Audit & Supervisory Board fulfilled its duties while adapting to the situation by enhancing onsite audits and observations in Japan and conducting remote audits of overseas sites using a variety of tools.

In the fiscal year ended March 31, 2022, dialogues were held with the CEOs and executive officers of 3 companies in 3 countries overseas and 15 domestic MC Group companies, as well as the regional heads of 11 overseas and domestic offices. The Audit & Supervisory Board Members reported on the results of their on-site audits and visits to the Chairman of the Board, the President and CEO, and relevant executive officers.

At least one Independent Audit & Supervisory Board Member participated in on-site audits and visits with 3 companies in 3 countries overseas and 14 domestic MC Group companies, as well as 9 overseas and domestic offices.

Number of on-site audits and visits*¹

29 companies/locations

[26 companies/locations*²]



* 1 Numbers for the fiscal year ended March 31, 2022

* 2 Indicates the number of cases in which more than one Independent Audit & Supervisory Board Member joined

4 Reinforcement of Group Corporate Governance

In addition to dialogues with the CEOs and other executive officers of the MC Group companies, opportunities are arranged for the exchange of information every quarter with the Audit & Supervisory Board Members of 39 major Group companies in Japan, and Audit & Supervisory Board Members of the MC Group companies also hold subcommittees to provide opportunities to share information and exchange opinions. We also provide assistance in training for those who will be assigned to the MC Group companies as full-time Audit & Supervisory Board Members. We will continue working to strengthen the Group corporate governance through regular monitoring.

Enhancing the Effectiveness and Auditing Activities of the Audit & Supervisory Board (Members)

MC conducts annual evaluations of the Board of Directors in order to make continuous improvements to the effectiveness of its corporate governance. The Audit & Supervisory Board (Members) focused on the following matters, referring to the issues reviewed in the effectiveness evaluation.

Improving the scope of information sharing on important investment and loan projects

For matters to be submitted for approval or reported to the Board of Directors, preliminary briefings are held for Independent Directors and Independent Audit & Supervisory Board Members by management on the executive side prior to deliberation by the Board of Directors. For the Audit & Supervisory Board, in addition to these preliminary briefings, members also receive explanations from Audit & Supervisory Board staff related to Board of Directors matters of especially high importance as well as matters that are not quantitatively applicable to the Board of Directors but that are still qualitatively important. Audit & Supervisory Board Members then exchange opinions and share their awareness of risks in relation to the loan and investment projects.

Enhancing the provision of Information to Independent Directors and Audit & Supervisory Board Members through various dialogues hosted by the Audit & Supervisory Board Member's office

As an activity of the Audit & Supervisory Board Members, MC has traditionally provided opportunities for discussion between all Audit & Supervisory Board Members and management executives such as the Chairman, President, Corporate Officers and Group CEOs. As in the previous fiscal year, Independent Directors also actively participate. In addition, since the fiscal year ended March 2021, we have incorporated Business Reports from senior management, which used to be held at meetings of the Board of Directors, into this dialogue, allowing sufficient time for the provision of information, including questions and answers. Independent Audit & Supervisory Board Members also participate in dialogues with the Division Chief Operating Officer to ensure opportunities to hear the opinions of employees on the ground.

Enhancing the Effectiveness of the Audit & Supervisory Board and Its Members

To increase the effectiveness of the audits performed by Audit & Supervisory Board Members, in the year ended March 31, 2022, we further enhanced the reviews of the activities of the Audit & Supervisory Board conducted in previous years. Specifically, the secretariat held mid-year and year-end hearings with each of the Audit & Supervisory Board Members to identify insights about overall auditing activities and things to improve in the coming year respectively. The results were shared and discussed among the Audit & Supervisory Board Members. At these hearings, the participants also discussed the progress of auditing in the key audit areas designated at the start of the fiscal year, and insights from these discussions were then fed back to executives. Through such new processes and other means, we sought to improve auditing methods.

Enhancement of Three-Way Audits

○ Collaboration with Accounting Auditors/Evaluation of Accounting Auditors

We work with accounting auditors through their outline briefings on accounting audit plans, audit reports for quarterly results and monthly meetings. During on-site audits and visits, we also exchange opinions with the accounting auditors of MC Group companies in Japan and overseas if necessary.

With regard to performance evaluations of accounting auditors, we keep track of evaluation data during the fiscal year from regular audit reports and other sources, and hold an accounting auditor evaluation conference at the end of the fiscal year. As a result, we have concluded that the current accounting auditors performed appropriate audits in a professional manner, and accordingly, the Audit & Supervisory Board resolved to reappoint the accounting auditors.

○ Collaboration with the Internal Audit Department

The Internal Audit Department and Full-time Audit & Supervisory Board Members hold monthly meetings where exchange of opinions are made concerning reports on internal audit results. Also at Audit & Supervisory Board meetings, the Internal Audit Department reports their quarterly audit results that are also reported to the President and CEO.

In addition, Audit & Supervisory Board Members attend the internal auditor liaison meetings of 49 major MC Group companies in Japan held by the Internal Audit Department, while the General Manager of the Internal Audit Department attends liaison meetings held by MC's Audit & Supervisory Board Members with the audit & supervisory board members of the MC Group companies mentioned above, and all parties collect audit information and exchange opinions.

Audit

Audit & Supervisory Board Member Audits

The 2 In-house Audit & Supervisory Board Members each have experience in the corporate management, and finance and accounting departments, and they are appointed as Full-time Audit & Supervisory Board Members, respectively. The 3 Independent Audit & Supervisory Board Members each have many years' experience as an attorney (corporate law) and certified public accountant, and experience as Full-time Audit & Supervisory Board Member at a listed company, respectively. Of the 5 Audit & Supervisory Board Members, Mitsumasa Icho, Full-time Audit & Supervisory Board Member, and Takeshi Nakao, Independent Audit & Supervisory Board Member, have a considerable degree of knowledge and experience concerning finance and accounting. One of the Full-time Audit & Supervisory Board Members heads the Audit & Supervisory Board and is also the specified Audit & Supervisory Board Member stipulated by the law. Audit & Supervisory Board Members are assisted as needed by the 8-member Audit & Supervisory Board Members Office (as of June 24, 2022), which is an independent organizational body. As part of their activities based on the audit plan, Audit & Supervisory Board Members attend important in-house meetings (130 meetings including meetings of the Executive Committee and the Business Strategy Meeting) and hold discussions with internal departments, including important offices in Japan and overseas (65 dialogues with management execution departments under the Chairman of the Board, dialogues with management execution personnel at 3 overseas business investees and 15 in Japan, as well as with office heads at 11 offices in and outside Japan). At the same time, Audit & Supervisory Board Members hold regular meetings with Mitsubishi Corporation's independent auditors and Internal Audit Department, to accurately and in a timely manner grasp Mitsubishi Corporation's situation through close cooperation. The Audit & Supervisory Board provides a forum for lively discussion, where the Audit & Supervisory Board Members report and share their audit activities as well as making decisions on statutory matters and so forth. In the fiscal year ended March 31, 2022, Audit & Supervisory Board were held 12 times, and all Audit & Supervisory Board Members were in attendance at every meeting. At the first Audit & Supervisory Board for the fiscal year, the audit plan for that fiscal year is decided upon and a review of the previous fiscal year's audit activities is carried out. These matters are also reported to the Board of Directors. Furthermore, in addition to statutory matters such as the audit report and the selection and dismissal, and remuneration of the independent auditors, the Audit & Supervisory Board also discusses major investment and finance projects and issues identified through audit activities such as on-site audits, tours and dialogues, etc.

Internal Audits

Regarding internal audits, the Internal Audit Department (which had 83 members as of April 1, 2022) conducts audits of MC and its overseas regional subsidiaries and affiliated companies from a Company-wide perspective. In addition, each Business Group has established its own internal audit organization, which audits the operations that fall under its Group organization on a consolidated basis. These internal audits are based on annual audit plans and are conducted after selecting audit targets. The audit results are reported each time to the President and CEO, Audit & Supervisory Board Members and other concerned parties. They are also reported regularly to the Board of Directors and the Executive Committee.

Accounting Audits

The three certified public accountants who carried out the accounting audit of Mitsubishi Corporation were Yuki Higashikawa, Hirofumi Otani and Sogo Ito of Deloitte Touche Tohmatsu LLC. They were assisted by 29 certified public accountants, 18 junior accountants and 56 other staff.

Mutual Cooperation among Audit & Supervisory Board Member Audits, Internal Audits and Accounting Audits, and their Relationship with Internal Control Departments

The Audit & Supervisory Board Members, Corporate Accounting Department, and independent auditors hold regular meetings at the time of quarterly financial results and monthly, and provide opportunities for exchanging opinions with subsidiaries and affiliates as necessary.

In addition, the Internal Audit Department makes regular audit reports to the Audit & Supervisory Board, the Audit & Supervisory Board Members have monthly meetings with the Internal Audit Department, and the Audit & Supervisory Board Member and the Internal Audit Department hold liaison meetings with the Audit & Supervisory Board Members and internal audit departments of subsidiaries and affiliates, and so forth.

This cooperation is intended to strengthen the linkages supporting three-way audits (Audit & Supervisory Board Member Audits, Internal Audits and Accounting Audits).

Fees paid to Mitsubishi Corporation's independent auditors Deloitte Touche Tohmatsu LLC for the fiscal year ended March 31, 2022 were as follows:

- (a) Amount of fees for services in accordance with the first clause of Article 2 of the Certified Public Accountant Law of Japan (Law No. 103, 1948) ^{*1} ¥871 million
- (b) Amount of fees for services other than those prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan ^{*2} ¥13 million
- (c) Total amount of fees to be paid by Mitsubishi Corporation and consolidated subsidiaries ^{*3} ¥2,766 million

^{*1} Fees for services prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan (Law No. 103, 1948) are fees, etc. for audit certification services relating to English language financial statements prepared based on International Financial Reporting Standards (IFRS) and audit certification based on the Companies Act and the Financial Instruments and Exchange Act.

^{*2} Fees for services other than those prescribed in the first clause of Article 2 of the Certified Public Accountant Law of Japan are fees for accounting advisory services, training, etc.

^{*3} Some subsidiaries are audited by certified public accountants or independent auditors (including persons with qualifications equivalent to these qualifications in overseas countries) other than Mitsubishi Corporation's independent auditors.

Directors' and Audit & Supervisory Board Members' Remuneration, etc.

Directors' and Audit & Supervisory Board Members' Remuneration ✓

Directors' and Audit & Supervisory Board Members' Remuneration

In line with the Basic Policy on Corporate Governance, MC has established a remuneration package for Directors and Audit & Supervisory Board Members to ensure a sustainable increase in corporate value, and to ensure that their respective roles are fulfilled properly according to business execution and management supervision functions. The basic approaches behind the package are as follows.

Basic Approach to the Package

○ Remuneration Levels

- Levels of remuneration are set based on the functions and roles of the Directors and Audit & Supervisory Board Members, the MC's performance level and others.
- Based on performance targets, MC makes remuneration levels globally competitive to foster a desire for growth among human resources who will be responsible for the next generation of management and to improve organizational vitality.

○ Remuneration Composition

- To strengthen the performance-linked component of remuneration for Executive Directors (Directors for business execution, excluding Chairman of the Board and Outside Directors, hereinafter the same), remuneration shall not only be based on the relevant single-year's business results, but also be in line with medium- to long-term corporate value. Remuneration composition shall be commensurate with the enhancement of medium- to long-term corporate value based on a new stock-based component (with market conditions) that strengthens the link with shareholder value in addition to cash rewards. From this perspective, consolidated net income (single year and medium to long term), the share price and share growth rates (medium to long term) are adopted as key performance indicators.
- The assurance of independence is necessary for the Chairman of the Board and Outside Directors, who undertake functions of management oversight, and Audit & Supervisory Board Members, who undertake audits, in order for them to appropriately perform their respective roles. For this reason, MC will pay them only fixed monthly remuneration, and not remuneration that is linked with business results.

○ Governance of Remuneration

- Regarding the policy for determining both the remuneration for Directors and Audit & Supervisory Board Members and the appropriateness of remuneration levels and composition, the Governance, Nomination and Compensation Committee*, which comprises a majority of Outside Directors, shall engage in discussion of and monitor the status of the remuneration package on an ongoing basis.

Reference: Governance, Nomination and Compensation Committee

The Process for Setting Remuneration for Directors and Audit & Supervisory Board Members

The Governance, Nomination and Compensation Committee deliberates and the Board of Directors decides the policy for setting Directors' remuneration and the remuneration amount (actual payment amount).

The total remuneration amount (actual payment amount) and individual payment amounts for Directors, excluding individual performance bonuses, are determined by a resolution of the Board of Directors within the upper limits for each type of remuneration decided by resolution of the Ordinary General Meeting of Shareholders held on June 21, 2019. Base salary and annual deferral for retirement remuneration, forms of fixed remuneration, are paid in amounts determined by the Board of Directors. As for variable remuneration, payments of performance-linked bonuses (short term), performance-linked bonuses (medium to long term) and stock-based remuneration linked to medium- to long-term share performance are determined, while reflecting key performance indicators (KPIs), based on a formula set by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee.

MC has adopted a clawback policy*, applicable to the individual performance, performance-linked bonuses (short term) and performance-linked bonuses (medium to long term) of Executive Directors, revising the regulations for executive officers by resolution at the Board of Directors' Meeting held on February 18, 2022.

* In the event that an executive officer causes any loss or damage to the company from willful misconduct or negligence, a serious violation of a delegation agreement, or a serious accounting error/ex-post revision of a financial report due to misconduct resolved by the Board of Directors, non-payment or reduction of the amount/reclaiming of the paid amount is possible by resolution of the Board of Directors.

The payment amounts of individual performance bonuses paid to Directors based on their individual performance assessment, including qualitative assessment, shall be determined and paid on an individual basis, reflecting the President's yearly performance assessment of each Director for the relevant fiscal year (the Board of Directors delegates authority to the President for deciding the individual payment amounts). Performance evaluations of Executive Directors comprehensively take into account their contributions to the organizations and businesses they oversee; their contributions to management of the entire Company, Corporate Staff Section, Business Groups and offices; the achievement of triple-value growth; and the state of sustainability initiatives from an ESG perspective. The annual assessment on the President's performance is decided by the President's Performance Evaluation Committee, which is delegated this authority by the Board of Directors (and is a subcommittee of the Governance, Nomination and Compensation Committee). The subcommittee is comprised of the Chairman of the Board, who also serves as the chair of the Governance, Nomination and Compensation Committee, and Outside Directors sitting on the committee.

Results of the performance assessment are reported to the Board of Directors and the Governance, Nomination and Compensation Committee to ensure objectivity, fairness, and transparency.

Based on the policy for determining remuneration packages (including methods for calculating performance-linked bonuses) that was approved at the ordinary meeting of the Board of Directors held on May 17, 2019, and the extra ordinary meeting of the Board of Directors held on June 21, 2019, each year, the Governance, Nomination and Compensation Committee deliberates and the Board of Directors makes a resolution determining that the total amount of director remuneration packages and methods for deciding payments to individual directors are consistent with said policy for determining remuneration packages.

Each year, the Governance, Nomination and Compensation Committee deliberates and evaluates the fairness of remuneration levels and composition based on compensation data provided by an external consulting firm (Willis Towers Watson).

Total and individual amounts of remuneration for Audit & Supervisory Board Members are determined within the upper limits decided by resolution of the Ordinary General Meeting of Shareholders, held on June 21, 2019 subject to discussions by the Audit & Supervisory Board Members.

○ Remuneration Package for Directors and Audit & Supervisory Board Members (from Fiscal Year Ending March 31, 2020)

Remuneration Item / Composition		Key Performance Indicator (KPI)	Remuneration Details	Executive Directors	Chairman of the Board	Outside Directors	Audit & Supervisory Board Members
Base salary	Fixed; About 20-50%		• An amount determined by the Board of Directors according to position, paid monthly.	1	1	1	5
Annual deferral for retirement remuneration			• Fixed amount of annual deferral for retirement remuneration set aside each year; to be paid in full retirement, with Board of Directors' approval of payment amounts. • By resolution of the Board of Directors, non-payment or reduction of the amount is possible in the event of a serious violation of a delegation agreement, etc.	1	—	—	—
Individual performance bonus	Variable (single year); About 25-35%	Individual Performance (single year)	• Payment amount determined for each Director and Executive Officer based on performance assessments by the President, with the authority delegated by the Board of Directors. • The assessment on the President's performance is determined by the President's Performance Evaluation Committee. • Performance assessment results are reported to the Board of Directors and Governance, Nomination and Compensation Committee.	1	—	—	—
Performance-linked bonus (short term)		Consolidated net income (single year)	• The amount paid is determined in line with consolidated net income in the relevant fiscal year [average of three fiscal years in the case of medium- to long-term], based on formulas resolved by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee. • The amount is adjusted in line with single-year performance if consolidated net income [average over the relevant fiscal year and subsequent two fiscal years in the case of medium- to long-term] exceeds the level of earnings that leads to enhanced corporate value (consolidated capital cost) [average over the three years in the case of medium- to long-term]. • No bonus is paid if the amount is below consolidated capital cost [average of three fiscal years in the case of medium- to long-term] for the relevant business year.	2	—	—	—
Performance-linked bonus (medium to long term)	Variable (medium to long term); About 25-45%	Consolidated net income (medium to long term)		3	—	—	—
Stock-based remuneration linked to medium- to long-term share performances		Share Price/ Growth rate in shares (medium to long term)	• The Board of Directors determines the number of shares allocated to each person. • No allocated stock options can be exercised for a three-year performance period. Based on a formula decided by the Board of Directors following deliberation by the Governance, Nomination and Compensation Committee, the number of stock options that can be exercised at the end of this period varies according to the share growth rate (calculated as Total Shareholder Return (TSR) divided by the TOPIX benchmark growth rate over the same period). • The basic policy is that Directors are obliged to hold any shares while in office. Sales of such shares are restricted until their aggregate market value exceeds approximately 300% of the base salary of each position.	4	—	—	—

Note:

1) to 5) in the table indicate the numbers of limits on remuneration that correspond to each remuneration item. Remuneration limits for Directors and Audit & Supervisory Board members are approved at the 2019 Ordinary General Meeting of Shareholders held on June 21, 2019.

The number of directors to whom the above amounts of director remuneration (excluding stock-based remuneration linked to medium- to long-term share performance) applied was 13 (including 5 Outside Directors); the number of directors to whom the above amount of stock-based remuneration linked to medium- to long-term share performance applied was 7; and the number of Audit & Supervisory Board Members to whom the above amount of Audit & Supervisory Board Member remuneration applied was 5 (including 3 outside members).

- 1) The total annual amount for base salary, annual deferral for retirement remuneration and individual performance bonuses shall be up to ¥1.5 billion per year (For the base salary paid to Outside Directors, up to ¥180 million per year).
- 2) The annual amount for performance-linked bonus (short term) shall be up to 0.06% of consolidated net income (attributable to owners of MC) for the relevant fiscal year.
- 3) The annual amount for performance-linked bonus (medium to long term) shall be up to 0.06% of the average consolidated net income (attributable to owners of MC) over the relevant fiscal year and subsequent two fiscal years.
- 4) The annual amount for stock-based remuneration linked to medium- to long-term share performances shall be no more than ¥600 million per year (with regard to number of shares, limited to 400,000 shares per year).
- 5) The annual amount for base salary paid to Audit & Supervisory Board Members shall be up to ¥250 million per year.

Calculation Method for Performance-Linked Remuneration

● Performance-linked bonus (fiscal year ending March 31, 2023)

1. Performance-linked bonus (short term)

Details of the calculation formulas are as follows.

(1) Upper limit on total payment

The upper limit will be the lower of i) ¥600 million or ii) the maximum total of individual payment amounts prescribed in (2) below.

(2) Individual payments

The specific calculation formula for each position is as follows (rounded to the nearest ¥1,000). However, the payment amount will be ¥0 if the consolidated net income falls below the consolidated capital cost for the fiscal year ending March 31, 2023 (¥520 billion).

President and CEO:

(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2023 – ¥440 billion) × 0.025% + 0.35 (¥100 million)

Executive Vice President:

(consolidated net income [attributable to owners of MC] in the fiscal year ending March 31, 2023 – ¥440 billion) × 0.0075% + 0.105 (¥100 million)

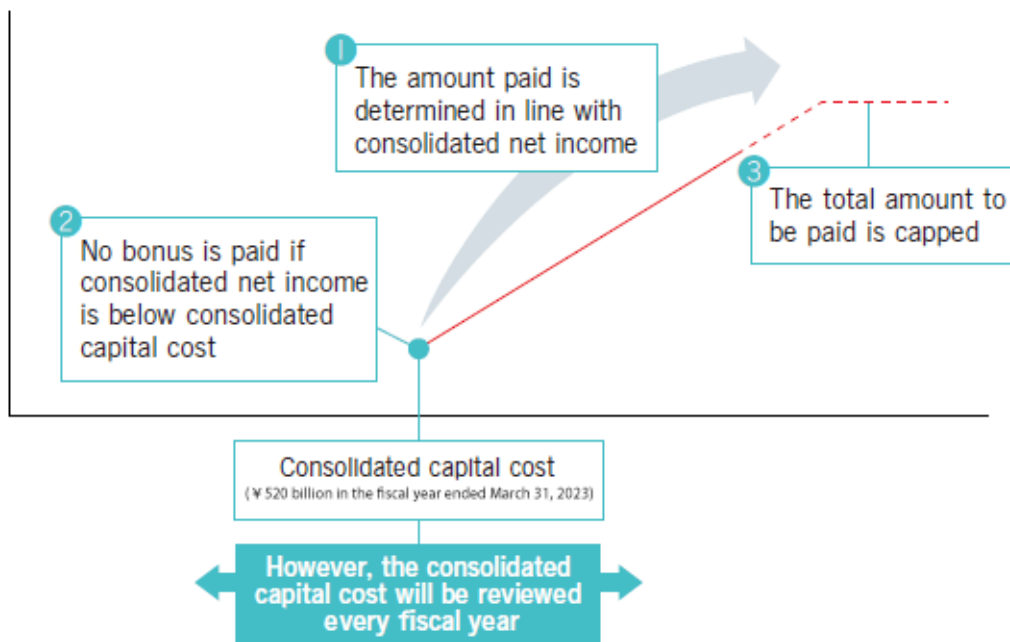
Given the composition of Directors as of June 24, 2022, the maximum payment amount and its total for each position as Executive Officers of eligible Executive Directors are as follows.

Position	Maximum payment amount	Number of persons	Total
President and CEO	¥175 million	1	¥175 million
Executive Vice President	¥52.5 million	4	¥210 million
Total		5	¥385 million

2. Performance-linked bonus (medium to long-term)

The payment amount will be calculated by replacing the above performance-linked bonus (short term) calculation formula with the formula below. Upper limits on total payment amounts and the maximum payment amount with its total for each Executive Officer position as of eligible Executive Directors, given the composition of Directors as of June 24, 2022, are identical to those for performance-linked bonuses (short term).

- “Consolidated net income (attributable to owners of MC) in the fiscal year ending March 31, 2023”
→ Replace with “the average of consolidated net income (attributable to owners of MC) for the three fiscal years ending March 31, 2023, March 31, 2024, and March 31, 2025.”
- “The payment amount will be ¥0 if the consolidated net income falls below the consolidated capital cost for the fiscal year ending March 31, 2023 (¥520 billion).”
→ Replace with “the payment amount will be ¥0 if the average of consolidated net income falls below the average consolidated capital cost for the three fiscal years ending March 31, 2023, March 31, 2024, and March 31, 2025.”



● Stock-based remuneration linked to medium- to longterm share performances

(1) Upper limit on total number of shares

The upper limit will be 400,000 shares of common stock (4,000 units of stock acquisition rights) per fiscal year. The number of shares to be issued per stock acquisition right is 100.

(2) Conditions for exercise of stock acquisition rights

- 1) A stock acquisition rights holder may exercise all or a portion of their stock acquisition rights during the exercisable period, in accordance with the stock growth rate in MC's shares as a market condition (see "Market conditions" below).
- 2) A stock acquisition rights holder may not exercise the stock acquisition rights after 10 years from the day after losing the position as either Director or Executive Officer of MC.

Market conditions

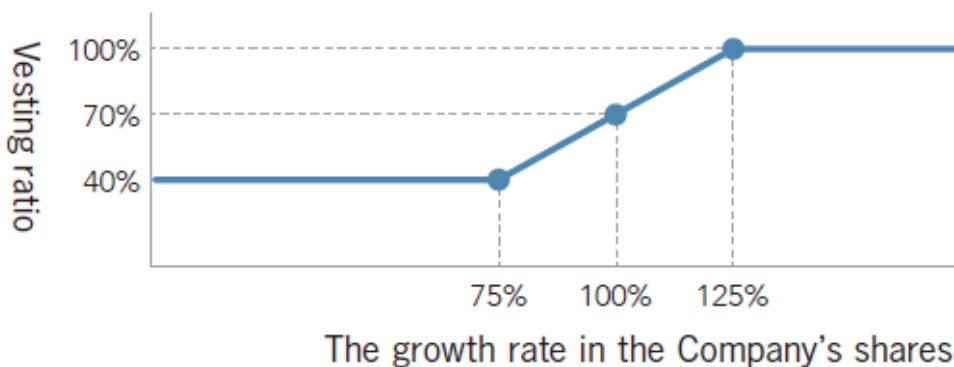
- a) The number of stock acquisition rights that can be exercised by each position will be determined by the following formula.

- Initial number of allocated stock acquisition rights for the position
(based on position as of April 1, 2022) × vesting ratio

b) Vesting ratio

The vesting ratio for stock acquisition rights varies, as shown below, depending on the growth rate in MC's shares (see (c) below) over the three-year period from the allocation date.

- Growth rate of at least 125% in MC's shares: 100%
- Growth rate between 75% and 125% in MC's shares: $40\% + (\text{MC's shares growth rate [\%]} - 75 [\%]) \times 1.2$ (amounts less than 1% rounded to the nearest whole number)
- Growth rate less than 75% in MC's shares: 40%



c) Growth rate in MC's shares

$$\text{Growth rate in MC's shares} = \text{MC's TSR (three years)} / \text{TOPIX growth rate (three years)}$$

$$\text{MC's TSR} = (A + B) / C$$

A: Average closing price for shares of MC's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began (excluding days on which no transactions were made)

B: Total amount of dividends per share of MC's common stock from the date of allocation of stock acquisition rights to the date when the exercise period began

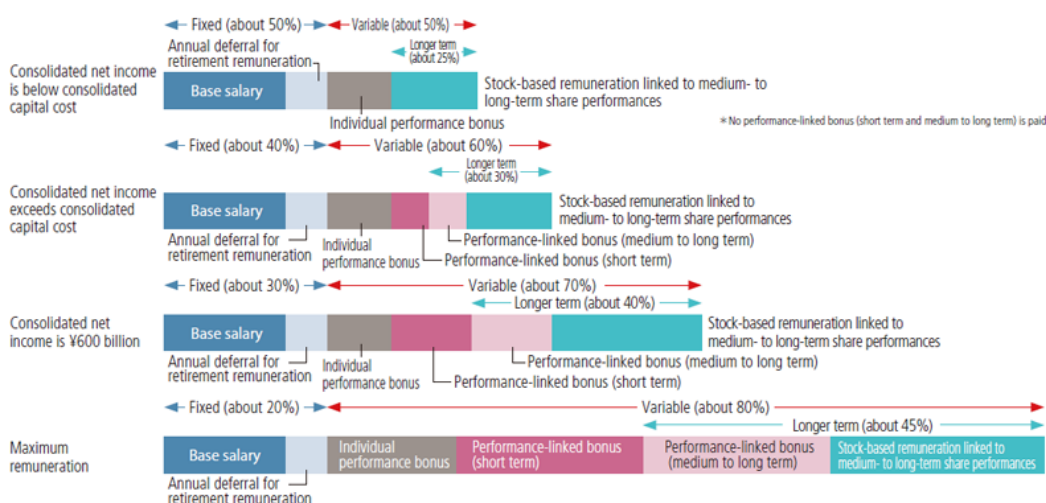
C: Average closing price for shares of MC's common stock on the Tokyo Stock Exchange on each trading day during the three months preceding the month when stock acquisition rights are allocated (excluding days on which no transactions were made)

$$\text{TOPIX growth rate} = D/E$$

D: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when the exercise period began (excluding days on which no transactions were made)

E: Average closing price for TOPIX on the Tokyo Stock Exchange on each trading day during the three months preceding the month when stock acquisition rights are allocated (excluding days on which no transactions were made)

Conceptual Image of Payment Mix for Remuneration of Executive Directors



Note: The proportions shown above are based on certain values for consolidated earnings and the share price, and are for illustrative purposes only. The actual mix will vary depending on changes in Mitsubishi Corporation's consolidated financial results and stock market conditions.

Deliberation Process Regarding the Revision of Remuneration Package for Executive Directors

MC resolved to revise the remuneration package for Executive Directors after continual deliberations by the Board of Directors and the Governance, Nomination and Compensation Committee. The specific review process is as follows.

October 2018 Governance, Nomination and Compensation Committee

- Remuneration-related issues (remuneration levels and composition, proportion of fixed and variable components etc.) were reviewed.
- The basic approach to revisions of remuneration package was deliberated.

November 2018 Board of Directors' Meeting

- The results of the Governance, Nomination and Compensation Committee deliberations were reported.

February 2019 Meetings of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members*

- * MC holds the meeting of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members approximately once every quarter to provide them opportunities for free discussion outside of Board of Directors' meetings.
- The basic approach to revisions of remuneration package was confirmed.
 - Revised remuneration levels and composition, and remuneration governance-related issues were deliberated.

March 2019 Governance, Nomination and Compensation Committee

- The specific remuneration levels and composition were confirmed.
- Specific proposals for breakdown of composition and calculation formulae (including related conditions) for variable remuneration were deliberated.
- Proposed disclosures relating to the revised remuneration package were deliberated.

April 2019 Board of Directors' Meeting

- The results of the Governance, Nomination and Compensation Committee deliberations were reported.

May 2019 Board of Directors' Meeting

- The proposed revisions to remuneration package were approved.

June 2019 Ordinary General Meeting of Shareholders

- Based on the revisions to remuneration package, resolutions were approved at the Ordinary General Meeting of Shareholders regarding revisions to the remuneration limits for Directors and introduction of stock-based remuneration linked to medium- to long-term share performances.

Directors' and Audit & Supervisory Board Members' Remuneration: Total Amounts and Number of Eligible Persons in the Fiscal

Total remuneration amounts for Directors and Audit & Supervisory Board Members and numbers of eligible people are as follows.

(Millions of yen)

Title	Total Remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to long-term share performances	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
In-house Directors	1,926	8	689	5	73	5	109	5	350	5	350	5	353
Outside Directors	150	5	150	-	-	-	-	-	-	-	-	-	-

Title	Total Remuneration	Base salary		Annual deferral for retirement remuneration		Individual performance bonus		Performance-linked bonus (short term)		Performance-linked bonus (medium to long term)		Stock-based remuneration linked to medium- to long-term share performances	
		Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total	Eligible Persons	Total
In-house Audit & Supervisory Board Members	174	2	174	-	-	-	-	-	-	-	-	-	-
Outside Audit & Supervisory Board Members	63	3	63	-	-	-	-	-	-	-	-	-	-

(Figures less than one million yen are rounded down)

- The above figures include 1 Director who retired and 1 Director who resigned during the fiscal year ended March 31, 2022. Furthermore, there were 11 Directors (including 5 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) as of March 31, 2022.
- The above figures of Individual Performance Bonuses represent the amounts recorded as provisions granted for in the fiscal year ended March 31, 2022.
- The above figures for Performance-linked Bonus (Short term) are determined based on consolidated net income of 937.5 billion yen for the fiscal year ended March 31, 2022, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.
- The above amounts for Performance-linked Bonus (Medium to long-term) are paid on an average of the consolidated net income for the fiscal years ended March 31, 2022 to 2024, but as this cannot be decided currently, the amount shown is provisions for such bonuses as of the fiscal year ended March 31, 2022. The actual amount paid for the fiscal year ended March 31, 2022 will be based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, and the amount for the fiscal year for the fiscal year ended March 31, 2022 will be disclosed in the Fiscal 2023 Business Report.
The actual amount paid for the fiscal year ended March 31, 2020 was based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors. The amount was paid on the average of 548.5 billion yen in consolidated net income for the fiscal years ended March 31, 2020 to 2022, totaling 173 million yen for 7 Directors in the fiscal year ended March 31, 2020.
The actual amount paid for the fiscal year ended March 31, 2021 will be paid on an average of the consolidated net income for the fiscal years ended March 31, 2021 to 2023, but as this cannot be decided currently, a total of 210 million yen for 5 Directors in the fiscal year ended March 31, 2021 was recorded as provisions in the fiscal year ended March 31, 2022 but was not included in the table. The actual amount paid for the fiscal year ended March 31, 2021 will be disclosed in the Fiscal 2022 Business Report.
- The above figures for Stock-Based Remuneration linked to Medium- and Long-term Share Performances (stock options with market conditions) is the amount recorded as an expense granted for the fiscal year ended March 31, 2022. In regard to Stock-Based Remuneration linked to Medium- and Long-term Share Performances, the number of exercisable shares will be determined according to the growth rate in MC's shares over three years from being granted, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors.
- In addition to the above, Mitsubishi Corporation paid executive pensions to retired Directors and Audit & Supervisory Board Members. The amounts paid in the fiscal year ended March 31, 2022 were as follows:
The retirement bonus system, including executive pensions for Directors and Audit & Supervisory Board Members, was abolished at the close of the Ordinary General Meeting of Shareholders held on June 26, 2007.
Mitsubishi Corporation paid ¥87 million to 53 Directors (Outside Directors were ineligible for payment).
Mitsubishi Corporation paid ¥3 million to 4 Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members were ineligible for payment).

Names, Titles, Total Amounts of Consolidated Remuneration and Amount by Type of Remuneration for Each Director and Audit & Supervisory Board Member

Remuneration amounts for Directors and Audit & Supervisory Board Members whose total remuneration was ¥100 million or more are shown in the table below.

Name	Title	Total consolidated remuneration (Millions of yen)	Amount by Type of Remuneration (Millions of yen)					
			Base salary	Annual deferral for retirement remuneration *1	Individual performance bonus	Performance-linked bonus (short term)	Performance-linked bonus (medium to long term) *2	Stock-based remuneration linked to medium- to long-term share performances *3
Ken Kobayashi	Director	386	386	0	0	0	0	0
Takehiko Kakiuchi	Director	784	126	39	120	159	159	179
Kazuyuki Masu	Director	230	42	9	33	47	47	49
Akira Murakoshi	Director	230	42	9	33	47	47	49
Yasuteru Hirai	Director	197	32	7	25	47	47	37
Yutaka Kashiwagi	Director	201	36	7	25	47	47	37

(Figures less than one million yen are rounded down)

- None of the above Directors receive remuneration as a Director or an Audit & Supervisory Board Member of a consolidated subsidiary.

- * 1 The amount of annual deferral for retirement remuneration is accumulated each year as a fixed amount of remuneration for the exercise of duties by each Director over one year. It is paid to the Director after his or her retirement.
- * 2 The amount of Performance-linked Bonus (Medium to long-term) are paid on an average of the consolidated net income for the fiscal years ended March 31, 2022 to 2024, but as this cannot be decided currently, the amount shown is provisions for such bonuses as of the fiscal year ended March 31, 2022, and differs from the actual paid amount. The actual amount paid for the fiscal year ended March 31, 2022 will be based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors, and the amount for the fiscal year for the fiscal year ended March 31, 2022 will be disclosed in the Fiscal 2023 Business Report. The actual amount paid for the fiscal year ended March 31, 2020 was based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors. The amount was paid on the average of 548.5 billion yen in consolidated net income for the fiscal years ended March 31, 2020 to 2022, 62 million yen to President & CEO (Mr Takehiko Kakiuchi) and 18 million yen respectively to 6 Executive Vice Presidents (Mr Kanji Nishiura, Kazuyuki Masu, Shinya Yoshida, Akira Murakoshi, Masakazu Sakakida and Hidenori Takaoka) in the fiscal year ended March 31, 2020. The actual amount paid for the fiscal year ended March 31, 2021 will be paid on an average of the consolidated net income for the fiscal years ended March 31, 2021 to 2023, but as this cannot be decided currently, 95 million yen to President & CEO (Mr Takehiko Kakiuchi) and 28 million yen respectively to 4 Executive Vice Presidents (Mr Kazuyuki Masu, Shinya Yoshida, Akira Murakoshi and Masakazu Sakakida) in the fiscal year ended March 31, 2022 but was not included in the table. The actual amount paid for the fiscal year ended March 31, 2021 will be disclosed in the Fiscal 2022 Business Report.
- * 3 The amount of Stock-Based Remuneration linked to Medium- and Long-term Share Performances is the amount recorded as an expense in the accounting treatment for that fiscal year and differs from the actual amount received from the exercise or sale of stock options. In regard to Stock-Based Remuneration linked to Medium- and Long-term Share Performances, the number of exercisable shares will be determined according to the growth rate in MC's shares over three years from being granted, based on a formula confirmed in advance by the Governance, Nomination and Compensation Committee and resolved by the Board of Directors. Under the conditions for exercise of stock acquisition rights, the starting date of the exercise period for stock acquisition rights had not arrived as of March 2022.

Significant Employee Salaries of Directors and Audit & Supervisory Board Members Serving Concurrently as Employees

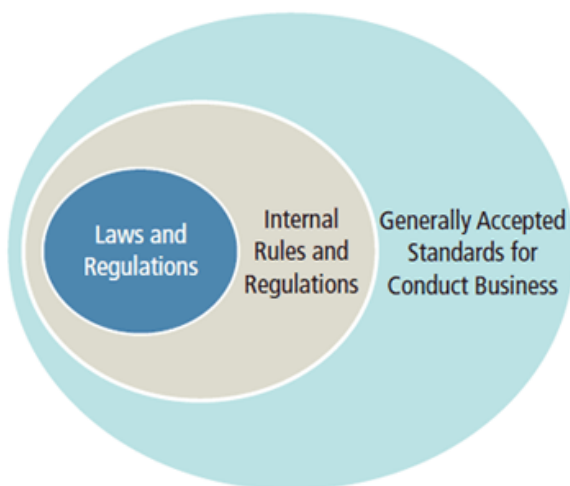
None of MC's Directors and Audit & Supervisory Board Members serve concurrently as employees.

Compliance

Policy ✓ Structure ✓ Initiatives ✓ Performance ✓

Policy

MC defines "compliance" as not only observance of laws, rules, regulations, international standards and internal regulations, but also respect for generally accepted standards for the conduct of business. In addition to 1) observance of laws and regulations, all officers and employees at the MC Group must also 2) observe internal rules and regulations and 3) respect generally accepted standards for the conduct of business. Officers and employees must consider at all times what these standards entail in the present-day context and in the applicable regions, as there are no clearly stated rules in this regard. Officers and employees are aware of the high expectations of society and aim to ensure that the MC Group remains trusted by society.



Key Points of Observation

- 1) Laws and regulations, international rules
- 2) Internal rules and regulations, policies
- 3) Proper consideration for generally accepted social norms for the conduct of business

○ Response Systems for Individual Cases

Officers and employees of MC are required to report to or consult with their superiors/managers or other personnel relevant to the matter, including, compliance personnel, if they become aware of a breach or potential breach of compliance. The managers of organizational bodies must in turn report to or consult with the Compliance Officer of their section or Group, who is then required to report to the Chief Compliance Officer. Furthermore, cases of violations and the status of resolutions reported to the Chief Compliance Officer, including those of Group Companies, are also reported to the Audit & Supervisory Board Members. The relevant Compliance Officer must conduct necessary investigations of the reported matter with the due care of not infringing the human rights and dignity of concerned parties, and implement necessary preventive measures and remedies. The result of the investigations and preventive measures/remedies implemented by the Compliance Officer are reported to the Chief Compliance Officer and used to plan and implement compliance programs for the entire MC Group as lessons learned from the matters.

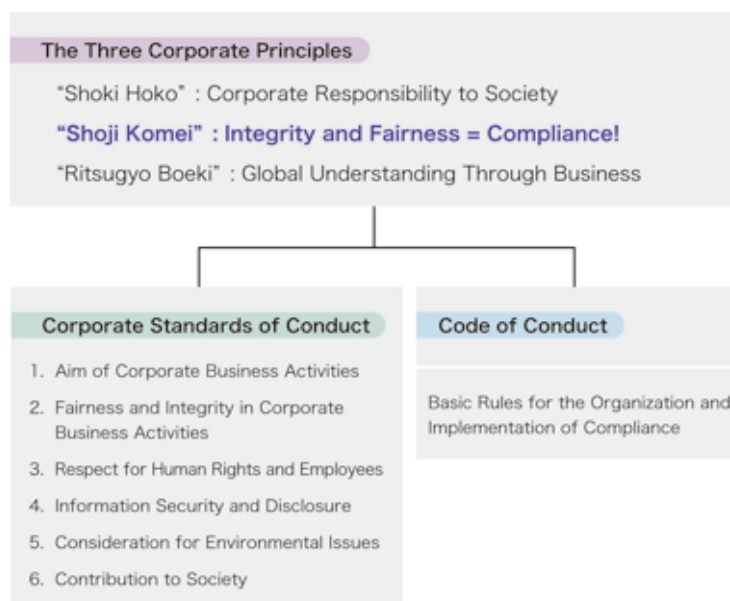
In addition, MC has a dedicated organization within the Legal Department called "Administration Office for the Compliance Committee" to support the Chief Compliance Officer. It supports the Chief Compliance Officer in handling compliance cases, and planning and implementing MC Group compliance programs in cooperation with each Compliance Officer and the relevant departments.

○ Internal Rules and Regulations

MC's core philosophy is The Three Corporate Principles. Beneath this are the Corporate Standards of Conduct, which govern MC as a company, and the Code of Conduct for Executives and Employees, which applies to each executive and employee. The Code of Conduct's basic philosophy is expressed as follows: "In conducting business, MC executives and employees shall comply with laws and regulations, international agreements, and internal rules, observe business manners, and act responsibly in accordance with social norms." At MC, compliance is not limited to simply complying with laws. It is also based on the principle that any action that violates social norms, even if it is not illegal, should not be conducted.

In order to promote the Code of Conduct internally, MC has also printed it in the business card-size Pocket Employee Handbook, which has been distributed to all officers and employees. In addition to the specific points to uphold, contact information for the compliance hotlines and how to access the *Meyasubako* (Compliance Mail Box and Helpline) are also listed. MC executives and employees carry this information with them so that they can check the content at any time. Furthermore, an e-learning program that included case studies related to the Code of Conduct is conducted every year. At the end of the e-learning program, all officers and employees submit a written pledge saying that they will comply with the Code.

Mitsubishi Corporation Internal Rules and Regulations



Reference: [Mitsubishi Corporation Code of Conduct](#)

In order to have an effective compliance program in place and to ensure accessibility to MC's compliance philosophy and rules, MC has established various compliance-related internal regulations under the Three Corporate Principles, the Corporate Standards of Conduct and the Conduct of Conduct. These internal regulations are reviewed every year to reflect amendments to the laws and regulations and changes in the business environment and other conditions surrounding the MC Group.

Major internal rules and regulations relating to compliance are listed below:

- Basic Rules for the Organization and Implementation of Compliance
- Security Trade Control Rules and Regulations
- Standard for Sanction Management
- Trade Procedure Management Standards
- Standard for the Prevention of Cartels
- Standard for Transaction Pursuant to the Law on the Prevention of Delays in the Payment of Subcontracting Charges
- Standards for the Prevention of Unfair Stock Trading
- Code of Prohibition against Improper Payments or Other Types of Benefits
- Standard for Entertainment
- Standard for the Management of Antique Trading
- Permission Approval and Notification Management Standards
- Standard for the Management of Chemical Substances
- Consumer Products Import and Sales Standards

Monitoring System

○ Monitoring of Individual Cases

All reports regarding the facts, causes and preventive measures and remedies of each compliance incident are shared with the Administration Office for the Compliance Committee, and are used for conducting case analyses and risk assessment, and planning compliance programs and measures.

○ Employee Awareness Survey

With the aim of establishing and improving the foundation of MC's organizational culture, including the level of compliance awareness, MC has continued to conduct its Employee Awareness Survey since 2019. This survey integrates the content of MC's Compliance Awareness Survey with its previous employee awareness survey that began in FY2008, and it is conducted once every two to three years according to the business cycle. This is viewed as a key initiative for assessing and evaluating MC's current status, as well as for making improvements to the organizational climate in terms of both human resources and organization, because it is able to confirm the degree of compliance awareness and provision of an ethical workplace environment at the individual officer and employee level. In FY2019, approximately 6,000 MC employees, including those working at domestic and overseas offices, and 110 MC Group companies participated in the survey. Through this survey, we regularly monitor awareness level and status of compliance programs, implement measures to resolve issues identified, and confirm the effectiveness of these measures in the next survey. In FY2020 and FY2021, this was conducted only for consolidated subsidiaries.

In addition, as a result of the periodic review of these measures each fiscal year, from FY2020, MC began offering the Compliance Monitoring Survey to MC Group companies. This serves as a tool to supplement the Employee Awareness Survey, which is conducted once every two or three years in accordance with the company management cycle, by extracting compliance-related questions from that survey. In doing so, MC aims to identify compliance-related concerns in a timely manner even in fiscal years when the Employee Awareness Survey is not conducted.

○ Responses to Risk Factors by Each Business

MC conducts periodic self-assessments of the compliance risks to which special attention should be given for each of its Business Groups and subsidiaries, such as risks relating to anti-trust violations, bribery and corruption, and occupational health and safety, taking into consideration of industry characteristics, product characteristics, regions, etc. Each Compliance Officer of Business Groups conducts risk management initiatives related to the compliance risks to which special attention should be given related to its Business Group. Each subsidiary also appoints a person responsible for compliance matters (i.e. compliance officer of subsidiaries) and implements measures to manage compliance risks relevant to the subsidiary.

○ PDCA Cycle

Utilizing PDCA cycle, MC implements necessary and tailored compliance programs and measures on an annual basis. This includes conducting compliance seminars and adopting or amending internal regulations to address the compliance risks identified as the results of the various surveys, reports and monitoring, taking into consideration the opinions and ideas of the Compliance Officer of each Business Group. The results are further monitored, and an analysis of the results is reflected in the further identification and evaluation of risks. The aim is to improve the awareness and knowledge about compliance of all officers and employees by repeatedly and rigorously educating and training them.

Initiatives

Initiatives for Preventing Corruption

MC has established the “Code of Prohibition against Improper Payments or Other Types of Benefits” in order to prevent provision of improper benefits to domestic and foreign public officials, etc. (including persons who are deemed to be public officials under applicable laws, etc.), and prevent conducts from being seen as suspicious or untrustworthy by third parties. MC also complies with the anti-bribery laws and regulations of various countries, including Japanese criminal law and the Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. The MC Code of Conduct stipulates definitions and compliance requirements for bribery, conflicts of interest, and other forms of misconduct. No bribery risks have as yet been assessed as high risk. Furthermore, MC has established a strict anti-corruption system and pre-approval process by setting detailed guidelines regarding the provision of entertainment or gifts to public officials, etc., and regarding the appointment of agents/intermediaries, etc. In addition, MC has established internal anti-corruption regulations requiring detailed due diligence when accepting workplace experience training for relatives of public officials, etc., as well as providing donations to government and public officials. We have also introduced guidelines to conduct anti-corruption due diligence on our business and other partners. MC continuously and periodically reviews and improves its internal rules and regulations taking into account the trends of the enforcement and proceedings brought by anti-corruption regulators, and anti-corruption programs/measures taken by other companies. In 2016, aiming to build a more effective anti-corruption system, MC conducted a thorough assessment by external experts regarding its entire anti-corruption systems. Utilizing the experts’ evaluations and recommendations, MC is committed to continuously improving its anti-corruption systems and ensure that they operate effectively. Moreover, in 2016, MC created the Anti-Corruption Handbook to provide accurate information about anti-corruption, including information about laws and regulations, and enforcement cases relating to the bribery and corruption in major countries. The handbook also explains MC’s programs, systems and other initiatives to prevent bribery and corruption. The handbook has been distributed throughout the MC Group.

In 2019, MC adopted a risk-based anti-corruption system that devotes appropriate attention and resources depending on the types and scales of transactions and the level of corruption risks in applicable countries, and revised relevant guidelines accordingly to build a system to prevent bribery/corruption on a consolidated basis. Appropriate approval procedures and record management are carried out in accordance with these rules and guidelines, and the rules and guidelines are reviewed at the end of each fiscal year and revised as necessary. At the time of the FY2020 review, MC clearly stated that interested parties are excluded from the investigation of whistleblowing cases and clarified the definition of “public officials” etc. and the definition of “improper benefit” in anti-bribery cases. Through the implementation of these rules and guidelines, MC is working to deter compliance violations and limit opportunities for unethical behavior, such as prohibiting contact with related public officials, etc.

In the fiscal year ended March 2021, there were no bribery or corruption cases which had a significant impact on MC Group.

Initiatives in Selecting and Managing Agencies, Intermediaries, etc.

In addition to preventing corruption by officers and employees, MC established internal regulations to prevent corruption by any agents, consultants, intermediaries, etc. retained by MC (hereafter collectively referred to as "Agents"). The internal regulations require officers and employees to obtain prior approval from the relevant Compliance Officer to retain suitable Agents. From the fiscal year ended in March 2020, MC introduced new internal approval procedures for retaining Agents on the basis of the risk based approach depending on the nature of the relevant services to be provided by the Agents, the size and purpose of projects, and the level of risks, including the level of the corruption risk of the relevant countries. These procedures are reviewed annually.

- Agents are categorized into four categories based on the nature of the services to determine the level of due diligence on the Agents on the points below.
- Agents shall have no relationship with any public officials who would be able to influence on the business transactions and dealings which MC seeks, shall have good track record on the compliance matters in the past, have necessary qualifications and have capabilities to provide the services.
- The adequacy of the amount of remunerations for the services to be paid to Agents shall be thoroughly assessed.
- In the event that an Agent subcontracts its services to a third party, additional appointment procedures will be required to the appointment of such third party as well.
- Contracts with Agents shall include clauses that prohibits the provisions of improper benefits to public officials, etc., by the Agents, and the Agents shall be made aware of MC's Anti-Corruption Guidelines.

Mitsubishi Corporation Group's Anti-Corruption Guideline

In 2015, MC established and published "Mitsubishi Corporation's Anti-Corruption Guideline" in order to inform business partners of MC's basic principles related to the prevention of corruption. In the Guideline, MC explains its anti-corruption policies and initiatives as "MC's commitment" and expects business partners to adhere to MC's anti-corruption initiatives. In April 2019, in order to further strengthen its anti-corruption initiatives, MC expanded the scope of the Guideline to cover the entire MC Group and announced the new "Mitsubishi Corporation Group's Anti-Corruption Guideline." The new Guideline not only includes commitments of the MC Group, but also requests that all business partners and clients (including suppliers) of MC Group prohibit bribery, inform anti-corruption policies, and cooperate with investigations when there are concerns about violations.

Reference: [Mitsubishi Corporation Group's Anti-Corruption Guideline](#)



Cases of Corruption

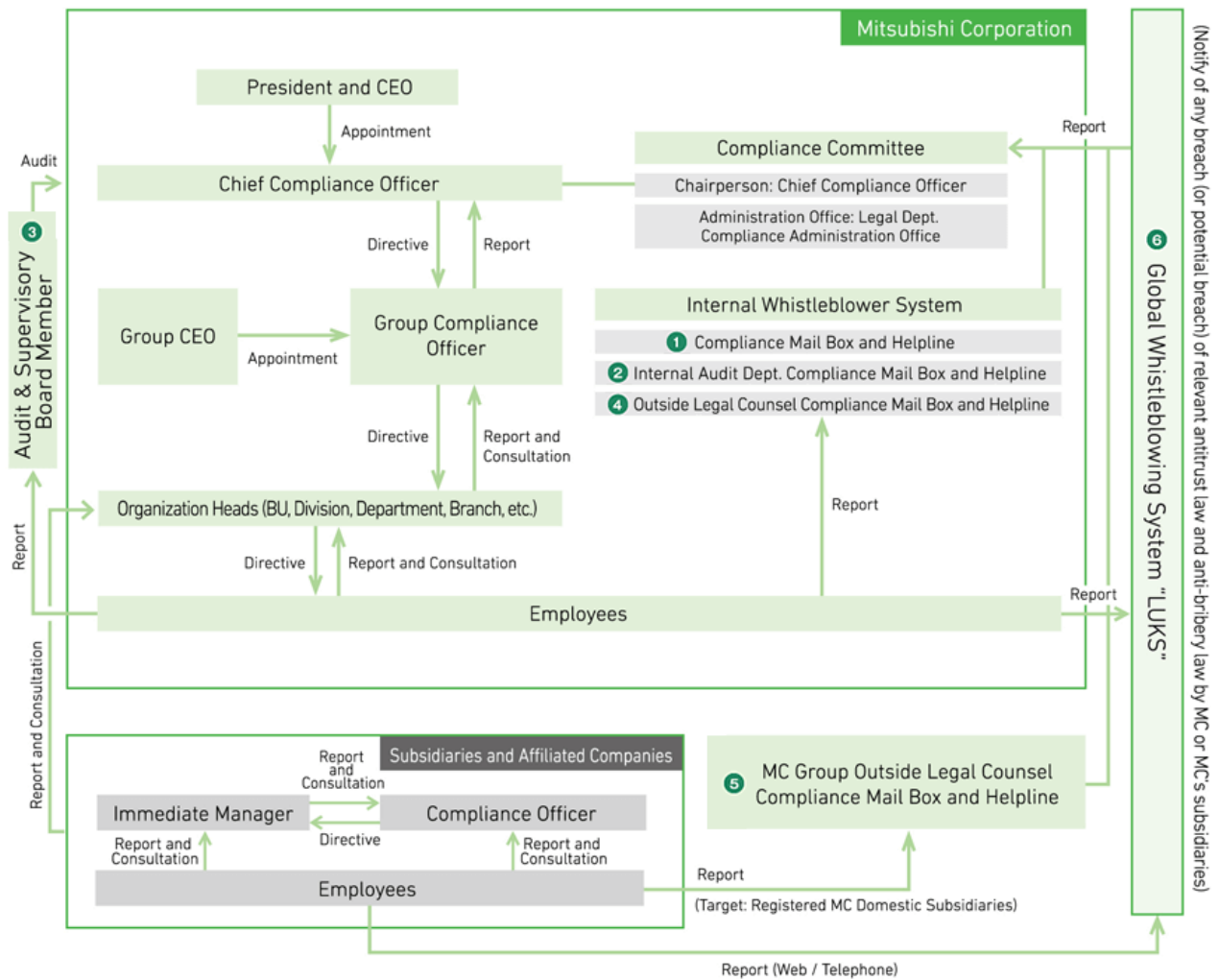
In the fiscal year ended March 2021, there were no corruption cases detected in MC. As a result, no fines or financial penalties relating to the corruption were incurred.

Internal Whistleblowing System

MC has established internal whistleblowing systems, known as the “*Meyasubako* (Compliance Mail Box and Helpline)” (①) . These systems are used to report or consult on any compliance-related questions or issues, including workplace misconduct and harassment, violations of laws and regulations, as well as bribery and corruption. Reports to the *Meyasubako* are sent directly to the Administration Office for the Compliance Committee. MC has also established whistleblowing reporting routes to the Internal Audit Dept. (②) and the Audit & Supervisory Board Members (③) . In addition, MC has established a whistleblowing reporting route connecting to outside legal counsel (called the “*Bengoshi Meyasubako* (Outside Legal Counsel Compliance Mail Box and Helpline)” (④) for officers and employees who wish to remain anonymous. While the outside legal counsel will confirm whether the informant is an officer or employee of MC, they will not reveal the informant’s name or the section to which the informant belongs to the Administration Office for the Compliance Committee without the informant’s consent. For officers and employees of MC Group companies, there is another whistleblowing reporting route called the “MC Group Legal Counsel Compliance Mail Box and Helpline” (⑤) . Furthermore, in 2016, MC established a new whistleblowing system for anti-trust and corruption issues called “Let Us Know System(LUKS)”, which is available to officers and employees of MC and its domestic and overseas subsidiaries 24 hours/day and 365 days/year in multiple languages (Japanese, English, French, Spanish, Chinese, Thai, Indonesian, etc.) (⑥) . Our internal regulations clearly stipulate that we will protect the anonymity and confidentiality of the informant and the report content, uphold the informant’s rights, and prohibit retaliation or disadvantageous treatment towards the informant. Violation of these regulations may result in disciplinary action. Moreover, when investigating the reported matters, MC is sure to avoid any conflicts of interest. MC has also established a system to comply with the whistleblower protection laws of each country, including the Whistleblower Protection Act in Japan. After receiving details of a whistleblowing report, the Administration Office for the Compliance Committee will share the information only with limited number of personnel who need to know the content to conduct the investigation and take related action. Every year, we invite outside instructors to provide training to those in charge of investigating and responding to whistleblowing reports on how to handle and investigate the reports and points to keep in mind. Thus, while we have set up multiple whistleblowing reporting routes, in FY2020, we engaged external experts to assess the effectiveness of our whistleblowing systems and their operation. With regard to management-level harassment training, MC conducts internal trainings aimed at general managers, team leaders and other levels. MC is working to prevent harassment by introducing case studies. Furthermore, each of the following are well-publicized internally: (1) the prohibition of harassment is stipulated in the Code of Conduct; (2) basic policies, pamphlets and other resources have been produced to prevent harassment; and (3) the Whistleblowing Systems as well as the Human Rights Consultation Desk in the Human Resources Department have been established.

In FY2020, there were no whistleblowing reports which had a significant impact on the management of the MC Group.

Compliance Framework

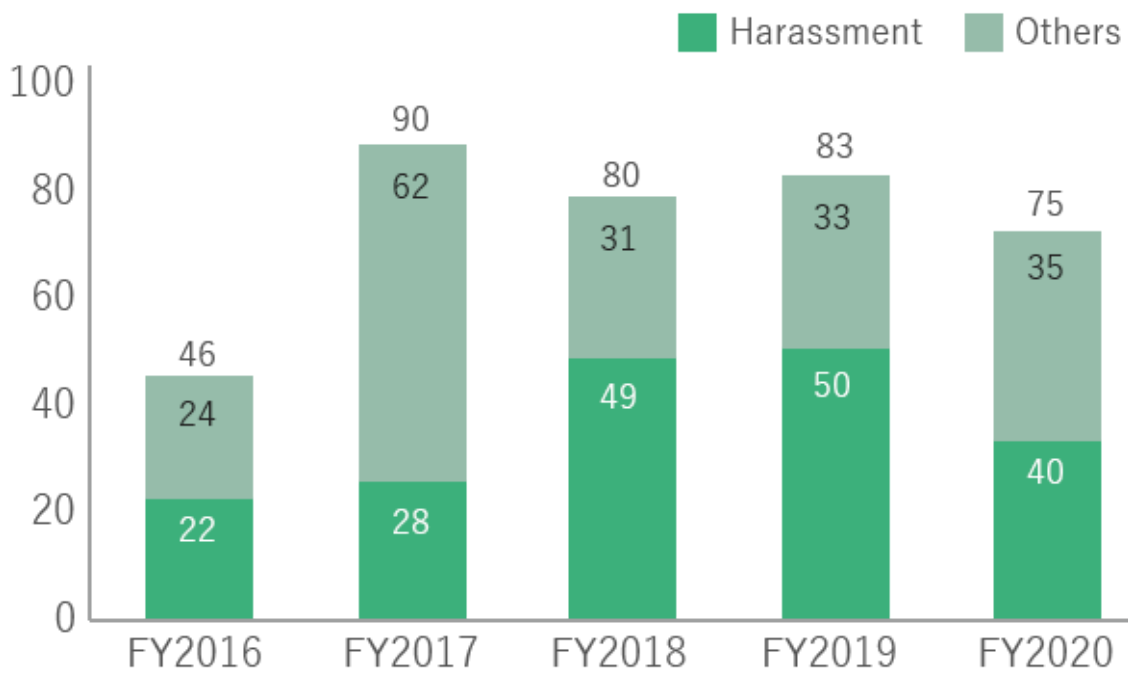


○ Number of Whistleblowing Reports (including Whistleblowing Reports to MC group companies)

In FY2020, MC received a total of 75 reports, including Whistleblowing Reports to MC Group companies, of which 35 were related to harassment.

In FY2020, no reported cases had a significant impact on the management of the MC Group.

Number of Whistleblowing Reports(including Whistleblowing Reports to MC group companies)



Supervision by the Board of Directors

Every year, the Board of Directors receives reports regarding compliance matters, including anti-corruption initiatives, and the results and status of compliance violation cases, together with reports regarding the compliance programs and measures to be implemented in the current fiscal year. In addition, both Outside Directors and Outside Audit & Supervisory Board Members receive reports twice a year regarding compliance activities, so that they can provide more effective supervision from their external perspectives.

Performance

Results of Compliance Training

MC conducts in-house training programs on a Company-wide basis according to level in the organization. Compliance-related training is offered on individual topics such as antitrust laws, the Subcontract Act, prevention of bribery and corruption including anti-bribery laws, and labor management. In FY2020, MC held a total of more than 130 in-house legal and compliance seminars worldwide, with a cumulative total of approximately 7,000 participants. Furthermore, tailored seminars are held for each Business Group and region. MC has also created an e-learning program related to the MC Code of Conduct based on the latest developments and case studies on topics such as harassment, bribery and whistleblowing systems. MC reviews the permeation and effectiveness of compliance based on the MC Code of Conduct by requiring all MC officers, employees, advisors, part-time employees, secondees and temporary staffs to complete this e-learning program on an annual basis.

○ Compliance Discussions

In 2013, MC began holding compliance discussions in which small groups of employees in each workplace discuss compliance issues that could occur in the workplace as well as other day-to-day concerns. These discussions serve as a means of supplementing conventional training, which tends to be a one-way form of communication, and of improving the compliance awareness of every officer and employee. By facilitating these types of discussions about familiar topics in each workplace, every employees will recognize that compliance is something that is connected to them personally, which will in turn gradually increase their compliance awareness. MC has been conducting compliance discussions at least once a year, with the participation of essentially all employees at all levels of every internal organization, including overseas offices since 2013, and MC has also expanded this initiative to over 100 domestic and overseas subsidiaries.

○ Distribution of Handbook for Officers and Employees

In addition to providing training opportunities and the e-learning program, MC has created a Compliance Handbook that presents a collection of the latest case studies in a Q&A format. The aim of this booklet is to resolve any doubts about the compliance duties of officers and employees that they may have on a daily basis, and MC distributes the booklet to all officers and employees. The content of the handbook for officers and employees is updated on a regular basis, and each update is made available through MC intranet.

Number of Compliance Violations

The total number of violations at the Head Office, domestic and overseas branches and offices, and domestic and overseas subsidiaries and affiliated companies that were reported in the fiscal year ended March 2021 was 147. There were no compliance violations that had a significant impact on the management of the MC Group.

Provisions Concerning Legal Violations and Litigation

If MC presently owes debt (legal or constructive) as a result of past incidents, is likely to be required to pay such debt, and a reliable estimate of the amount of such debt (penalties, settlement amount etc.) can be made, MC must record provisions for such debt. As of the end of March 2021, there were no significant provisions requiring separate disclosure in its financial statements.

Tax Transparency

MC conducts tax affairs in accordance with the following basic principles.

(1) Compliance with laws and regulations

MC is committed to comply with the Tax Laws, and not to pursue tax avoidance which deviates from the intention of the Tax Laws in the relevant jurisdictions.

(2) Transparency

MC is committed to report and disclose the tax related information properly, in accordance with the Tax Laws, the accounting principles and the other applicable international rules (e.g. OECD Guidelines).

(3) Relationships with tax authorities

MC seeks to maintain mutual understanding with the local tax authorities whenever necessary, so that MC and its subsidiaries should be subject to proper tax administration in the relevant jurisdictions where they operate.

Risk Management

Policy ✓ Risk Management System ✓

Crisis Management on a Consolidated Basis/Business Continuity Management (BCM) ✓

Policy

MC has a basic policy of identifying various risks involved with its business activities, classifying them by their characteristics, and managing them in order to maintain and improve its financial soundness and corporate value. In particular, risks that significantly affect MC's financial position and social standing are identified and managed on a consolidated basis.

Risk Management System

Overview

MC maintains the following Risk Management System under the aforementioned policy.

- The Executive Committee, a management decision-making body, determines basic policies on risk management as well as individual and integrated risk management items. It also makes decisions about advancing individual projects, and presents matters for the Board of Directors' agenda based on prescribed standards.
- MC has established and maintains an overall system to review individual projects and internal systems in relation to specific types of risk through deliberative bodies under the Executive Committee including the Investment Committee, the Sustainability & CSR Committee, the Compliance Committee and the Human Resources Development (HRD) Committee.
- MC has designated categories of business activity risk corresponding to the details and scale of each risk, including credit, market, business investment, country, compliance, legal, information management, environmental and natural disaster- related risks, and has specified departments responsible for each category.
- With respect to individual projects, personnel responsible for the applicable department in charge of a project make decisions within the scope of their prescribed authority after analyzing and assessing the risk-return profile of each project in accordance with Company-wide policies and procedures. Projects are executed and managed on an individual basis in accordance with this approach. Further, in response to the progress of projects or changes in the external environment, MC conducts periodic verification of risk-return profiles.

In addition to managing risk on an individual project basis, MC assesses risk on a consolidated basis with respect to risks that are capable of being monitored quantitatively and manages these risks properly, making reassessments as necessary.

Risk Type	Director in Charge	Duties Overseen
Credit risk, market risk, business investment risk	Yuzo Nouchi	Corporate Functional Officer, CFO
Information management risk, legal risk, environmental risk	Yutaka kashiwagi	Corporate Functional Officer, IT, CAO, Corporate Communications, Corporate Sustainability & CSR
Country risk, compliance risk, employee safety risks such as natural disasters/terrorism/emerging infectious diseases, etc, business continuity risk	Yasuteru Hirai	Corporate Functional Officer, Global Strategy, Chief Compliance Officer, Officer for Emergency Crisis Management Headquarters

Risk Management Framework

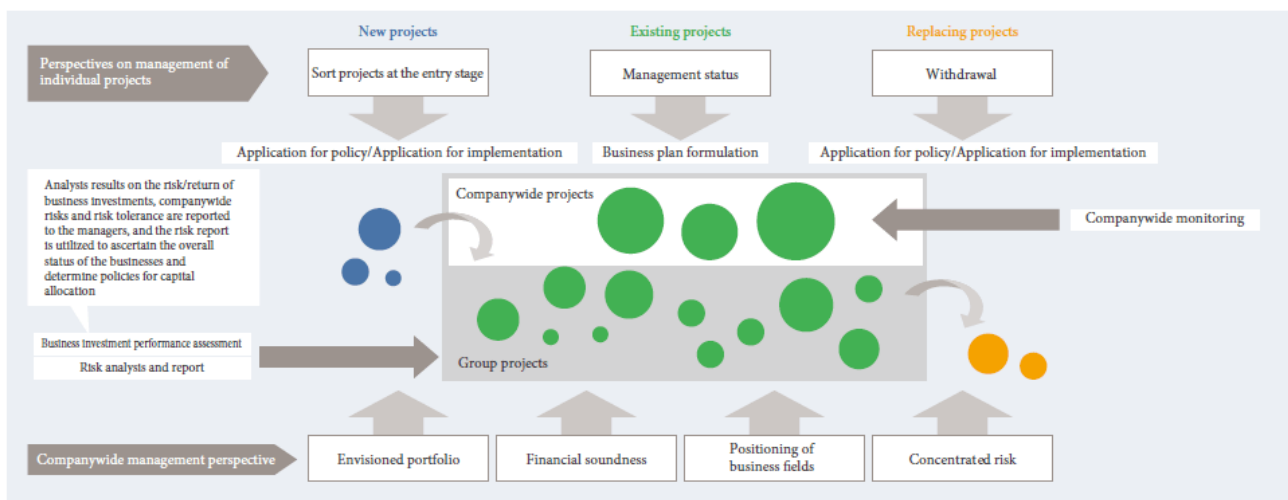
Supervising organization	Matters for supervision
Business Investment Management Department	Business Investment risk (investment asset evaluation systems, new business investment, actions involving existing subsidiaries and affiliates, actions by subsidiaries and affiliates)
Corporate Sustainability & CSR Department	Climate risk
Corporate Administration Department (Security & Crisis management Office)	Risk of natural disasters, etc. (risks related to employee safety, including natural disasters, terrorism, new infectious diseases, and business continuity risks)
Legal Department	Compliance risk (litigation/government investigations, laws and regulations, scandals/ compliance issues)
Global Risk & Insurance Management Department	Country risk
Corporate Accounting Department (Risk Management Team)	Credit risks and market risk (rating systems, accrual (other than foreign exchange accrual), granting loans/ guaranty, acquisition/disposal of non-affiliated investments, acquisition/disposal of fixed assets)
Finance Department	Market risk (foreign exchange risk, interest rate risk, etc.)
Mitsubishi Corporation Financial & Management Services	Credit risk (contracts, transaction credits, deposition, payment extension)

* The above list excludes those items that are related to major risks.

Responding to Business Investment Risk

To manage business investment risk properly, MC has established a screening process to review and make decisions on new, existing, re-profiling and each other type of projects.

New projects	Application for policy/Application for implementation	Narrow down new investment and finance proposals by comprehensively evaluating quantitative aspects in terms of the invested capital and its return determined on the basis of the characteristics of each business, in addition to evaluation of qualitative aspects, including consistency with the business strategy of each Business Group, as well as risk locations and countermeasures
Existing projects	Business plan formulation	Once a year, review subsidiaries and affiliates' management issues and initiatives as well as MC's functions and business life cycle; select subsidiaries and affiliates for companywide review to follow-up on the business management of each Business Group and report results to the Executive Committee
Replacement projects	Application for policy/Application for implementation	Conduct qualitative and quantitative evaluations of new investment and finance proposals based on the priority order of Business Group strategies and promote a healthy business metabolism

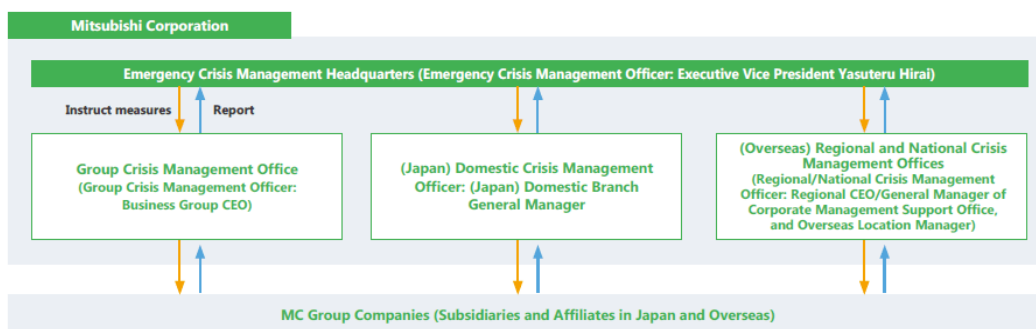


Crisis Management on a Consolidated Basis/ Business Continuity Management (BCM)

Structure and Concept

Crisis Management Structure on a Consolidated Basis

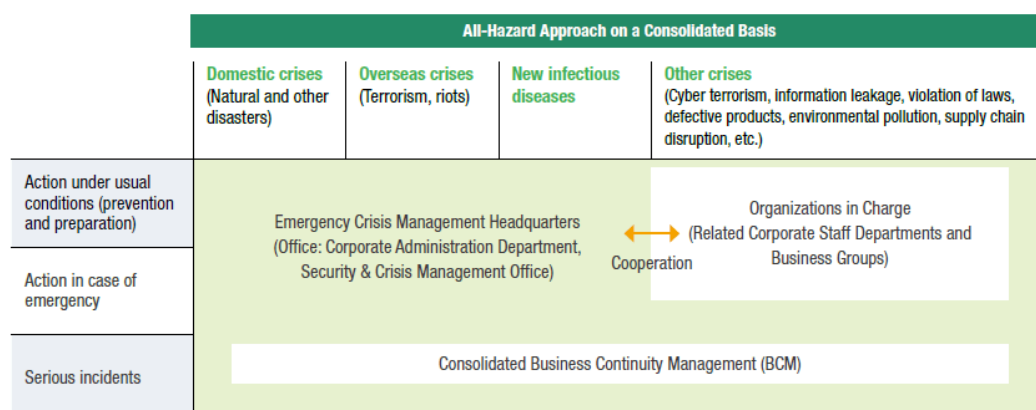
MC has built up a structure for securing the lives and safety of employees and their families as we respond on a consolidated basis to all crises that impact our profit and business continuity (all-hazard approach) by linking together each Business Group and Regional and National Crisis Management Offices under the management and supervision of the Emergency Crisis Management Officer.



All-Hazard Approach

Based on the all-hazard approach, MC has built up an internal structure that anticipates all kinds of risks, such as major natural disasters, acts of terrorism, riots, emerging infectious diseases, supply chain disruptions, legal transgressions, and cyber incidents, etc. Under usual conditions, we build up and establish various crisis management measures and structures needed in the event that a crisis does occur, so that we can ensure the safety and ascertain the status of all concerned as part of our initial response, and then act promptly to maintain and recover the infrastructure necessary for business continuity.

In particular, in the event of a serious incident impacting the lives and safety of our employees, as well as continuity of critical business operations, we will respond under MCwide direction of the Emergency Crisis Management Officer, while moving forward with our consolidated Business Continuity Management (BCM) process established for major crises.



* While companywide action to deal with serious incidents shall be taken under the direction of the Emergency Crisis Management Officer, compliance-related incidents shall be dealt with under the direction of the Chief Compliance Officer.

Status of Initiatives in Normal Conditions

○ Crisis Management

Even in normal times, MC makes necessary preparations in anticipation of natural disasters, acts of terrorism, riots, labor disputes, accidents and any other crises in Japan or overseas that could affect the safety of our employees or the continuity of our earnings, assets and businesses.

Specifically, in addition to our various frameworks, regulations, manuals and systems, we conduct a number of initiatives to increase their effectiveness. As well as organizing earthquake simulation training at the Emergency Crisis Management Headquarters and safety confirmation drills on a consolidated basis, we have also established training on crisis management and safety measures for employees assigned to new posts in order to raise employee awareness.

(Examples of main crisis management initiatives)

	Internal Rules and Regulations	BCP / Manual	Other specific measures	In-house education and training, etc.
Common	<ul style="list-style-type: none"> Crisis Management Policy MC Group Crisis Management Guidelines 			
Japan	<ul style="list-style-type: none"> Standard for Japan Crisis Management 	<ul style="list-style-type: none"> Emergency Crisis Response Headquarters Manual EOC/EOC Support Headquarters Manual BCP (head office, domestic/overseas offices) Emerging Infectious Disease Response Manual 	<ul style="list-style-type: none"> Development of IT systems to implement various responses in case of emergencies <ul style="list-style-type: none"> – Safety confirmation for officers and employees – Emergency communication tools – Safety confirmation of officers and employees / facility damage at MC Group companies Maintenance of stockpiles (food, etc.) 	<ul style="list-style-type: none"> Earthquake simulation training EOC drills Safety confirmation training (consolidated basis) Desktop exercises (consolidated basis) Crisis Management Orientation for Employees
Overseas	<ul style="list-style-type: none"> Standard for Overseas Crisis Management 		<ul style="list-style-type: none"> Individual alerts/travel restrictions for overseas business trips Overseas safety surveys Establishment of a safety confirmation IT system for overseas workers and overseas business travelers (including some MC Group companies) 	<ul style="list-style-type: none"> Overseas Crisis Management Orientation for Employees Desktop exercises (consolidated basis)
Emerging infectious diseases	<ul style="list-style-type: none"> Standard for Emerging Infectious Diseases 		<ul style="list-style-type: none"> Working from Home (WFH) Provision of stockpiles (masks, disinfectant, etc.) Various measures to be taken in the office and during commuting / work (for details, refer to “Status of Response to COVID-19”) 	Various warning notices Display of in-house awareness-raising materials

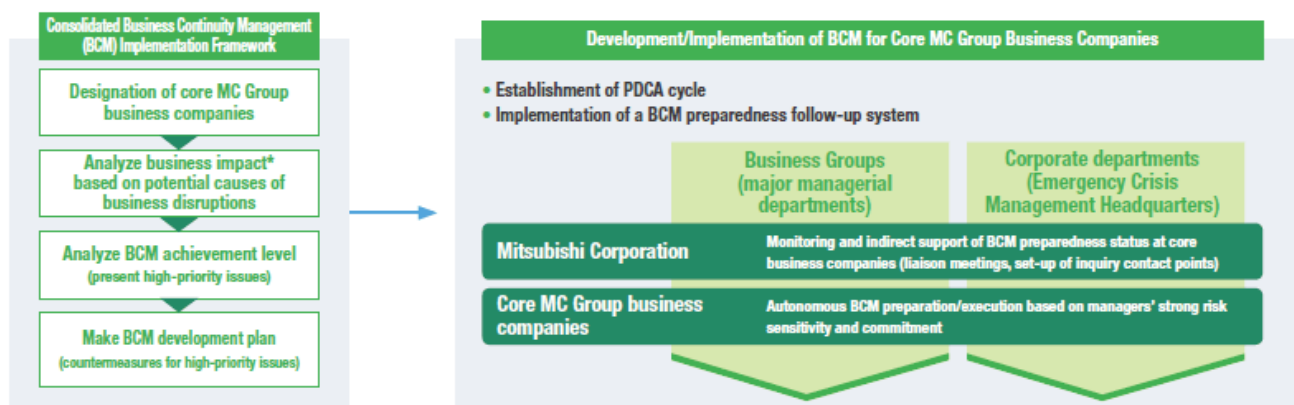
* MC also provides individual support to Group companies

* EOC stands for Emergency Operation Center. In the event of a major disruption to the functions of the Head Office, EOCs and EOC Support Office have been established in the Kansai Branch, Mitsubishi Corporation International (Europe) and Corporate Management Support Office (EMEA), respectively, to act in place of the Emergency Crisis Management Headquarters.

Business Continuity Management (BCM)

In 2018, MC adopted “Business Continuity Management (BCM)” for its core MC Group business companies (selected from among Unlisted MC Group companies) to establish and strengthen our consolidated framework designed to equip us with the business continuity capabilities needed to respond appropriately to major crisis situations. BCM refers to the comprehensive management and implementation of a continuous PDCA cycle, including the formulation of a first response and Business Continuity Plan (BCP) based on risk / impact analysis of each crisis, the establishment of appropriate systems, and education / training. It takes into account the specific local conditions, operational circumstances and business characteristics of operational companies.

Overview of BCM Initiatives



○ Business Impact Analysis Framework

MC conducts analyses of the “cause incidents” that disrupt core operations and trigger “result incidents,” while taking into consideration the characteristics of operations at each company.

- Cause incidents:

Natural disasters, infectious diseases, technology-related, external incidents, internal faults, legal issues, third-party-related

- Result incidents:

Human resources (death / unconfirmed safety, inability to report / commute to work), physical resources (damage of manufacturing / distribution or other facilities), supply chains (disruption of distribution channels, disruption of material / fuel supply), information (breakdown of IT systems or damage to electronic data, data manipulation / alteration, information leakage), reputation (product or service quality issues, environmental problems, administrative penalties), money (suspension of cash withdrawals, suspension of remittance or payments)

○ BCM Follow-up Structure

Based on the premise that MC Group companies should develop their own BCM systems, we also provide lateral support by developing BCM development tools, such as BCM guidebooks and BCP samples, and by holding BCM liaison meetings.

Internal Rules and Regulations	Guidelines	Lateral BCM development support for MC Group companies
<ul style="list-style-type: none"> • Business Continuity Management Policy • Standard for the Business Continuity Management 	<ul style="list-style-type: none"> • MC Group BCM Guidebook 	<ul style="list-style-type: none"> • BCM development status self-assessment tools (heat maps, checklists) • BCM development plans • BCM development tools (First response manual / BCP samples, etc.) • BCM liaison meetings for core MC Group Companies, etc.

Implementation Status Monitoring

With regard to the above-mentioned crisis management and business continuity management (BCM) initiatives, we are working to improve our crisis management and business continuity capabilities by monitoring and providing various types of feedback, including implementation status at Group companies, using the business plans and other documents from each company (unlisted subsidiaries).

○ Preparations for Large-scale Natural Disasters

In the event of an earthquake directly below the Tokyo metropolitan area, MC has established, based on a certain damage scenario derived from published government data, a system that enables the launch of an Emergency Crisis Management Headquarters (including remote response), safety confirmation of officers and employees / facility damage at MC Group companies on a consolidated basis. Various stockpiles have also been arranged. In addition, we are preparing for an earthquake directly below the Tokyo metropolitan area by preparing and updating BCPs and manuals in each organization, conducting earthquake simulations and other trainings on a regular basis, and reviewing areas for improvement. In addition, through the promotion of BCM on a consolidated basis, we are working to continuously strengthen the business continuity capabilities of each company.

○ Status of Response to COVID-19

Led by our Emergency Crisis Management Headquarters, which includes occupational physicians, we promptly implement necessary measures from the perspective of “preventing infection and spread of infection among employees” and “appropriate business continuity”.

In Japan, MC is implementing a policy of conducting business and operations while giving top priority to the safety of employees. During the periods under a state of emergency, this involves appropriate measures in accordance with the requirements of the Japanese national and local governments, such as hygiene management, refraining from group dining and business travel and controlling the number of employees in workplaces. We will continue to take necessary measures on a case-by-case basis, taking into account infection rates and requests from the authorities. Even after the lifting of the states of emergency, we continue to make decisions on the necessity of group dining, business trips, etc. and promote telecommuting based on the infection situation in each region and requests of the national and local governments.

We will continue to take necessary measures on a case-by-case basis based on the infection situation and requests from the national and local governments.

Overseas, we have been assessing the situation of the spread of the infection and the state of medical services in each individual country, promptly taking such measures as evacuating employees and their families from the country, shifting to work-from-home arrangements, and making decisions on returning to the country. We will continue to confirm the safety situation and regulations in each country and ensure appropriate business continuity.

The status of these efforts as of the end of February 2022 is shown here.

[Reference] Key measures to prevent COVID-19 infection and spread

<Key examples of measures to promote telecommuting>

- Promote a flexible work system through staggered work hours and Flex-Time work, etc.
- Put together important points to consider when working from home, and inform employees
- Promote the use of various leave systems
- Promote awareness of health management issues related to telecommuting by the Global Human Resources Department and industrial physicians
- Provide support at the Mental Health Support Desk and respond to employees with mental health problems
- Introduce online employee visitation tools (alumni visits)
- Promote the digitization of various operations (introduction of electronic contracts, promotion of use of internal workflow systems, etc.)
- Lend PCs and smartphones to all employees to allow them to access internal systems
- Increase network capacity

< Points to keep in mind when coming to work >

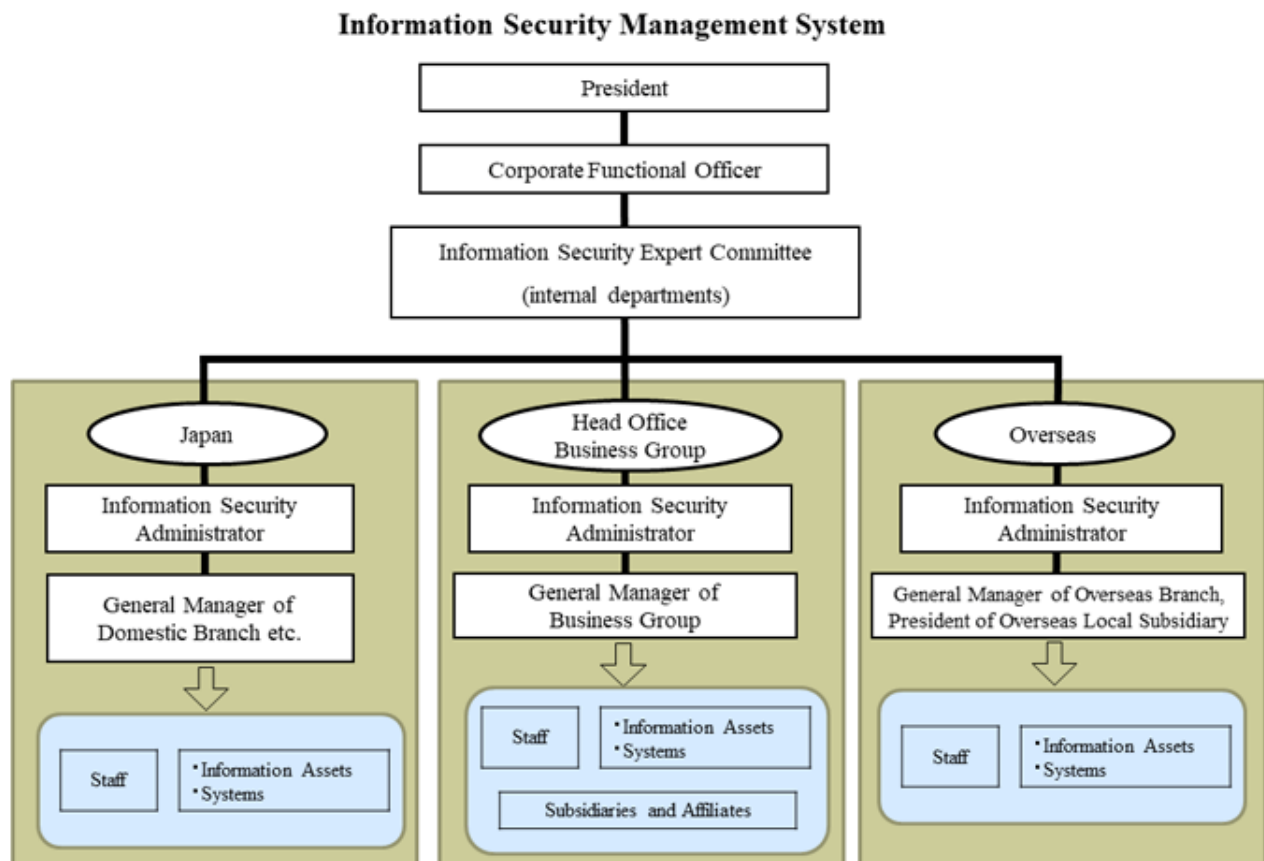
- Those with a body temperature of over 37°C or cold symptoms shall stay at home
- As a rule, pregnant women and those with underlying medical conditions shall work from home
- Supervisors shall carefully consider the situation of above-mentioned employees (i.e. whether or not there are circumstances requiring special consideration)
- Supervisors shall communicate fully with their staff regarding working policies and other matters
- Avoid crowded trains (use of staggered work hours, Flex-Time work)
- To the extent possible, ensure that the number of employees at home and at work is not fixed
- Avoid unnecessary movement between floors or between buildings

<Key measures in the office >

- Mandatory wearing of face masks in offices
- Limits on the number of people using elevators at one time (in order to reduce congestion, consider spreading out arrival and break periods)
- Improved ventilation in offices
- Increased frequency of regular cleaning and disinfection of common areas and equipment
- Installation of acrylic panels in work areas (between seats facing each other)
- Limits on the number of people using meeting rooms (about 50% capacity)
- Body temperature checks for visitors upon entry (non-contact thermometers, thermal imaging cameras)
- Installation of acrylic panels and vinyl curtains at the reception desk, etc.

Information Security and Cyber Security Measures

In order to maintain and improve the information security of our company including our major subsidiaries, we have established an internal system, developed relevant regulations for the safe and appropriate handling and management of information assets, and conduct employee training. Furthermore, in order to address cyber-attacks and e-mail frauds aimed at theft and destruction of information, we have implemented appropriate and effective countermeasures, which are not only control measures for information systems but also employee training and checking / implementation of incident response systems including those of major subsidiaries as well as obtaining the latest information in cooperation with specialized external organizations.



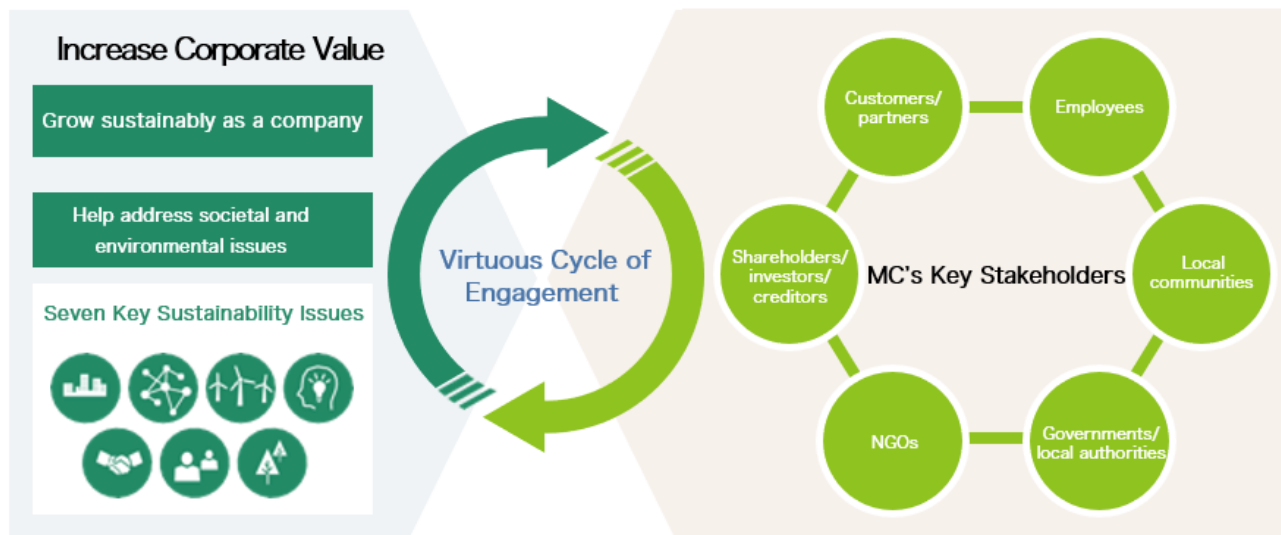
Independent Auditors

The MC Audit & Supervisory Board deliberates on appointments, dismissals, reappointments and non-reappointments of MC's Independent Auditors, and each year assesses appropriateness of the audit methods and the audit results. If the Audit & Supervisory Board deems it fit to dismiss or to not reappoint Independent Auditors, a proposal for new Independent Auditors shall be submitted to the General Meeting of Shareholders.

MC's Primary Stakeholders

With the Three Corporate Principles as its core philosophy, MC has continued to grow together with society by addressing societal issues. The MC Group seeks to increase its corporate value in the medium to long term against a global backdrop of rising uncertainty and unpredictability, including geopolitical and economic shifts, changes in industrial landscapes driven by technological innovation, and evolving societal values. To this end, we believe it is vital to accurately grasp the demands and expectations of our diverse stakeholders through engagement and dialogue, and to reflect these in our Group management.

MC has established a system to reflect stakeholder opinions into company management by incorporating external perspectives into the Board of Directors and its advisory bodies (the Governance, Nomination & Compensation Committee and the International Advisory Committee) as well as the Sustainability Advisory Committee. With these and other initiatives to engage with its various stakeholders, MC aims to achieve sustainable, triple-value growth and to provide solutions to societal and environmental issues through its business activities.



Customers and Partners

MC will contribute to the development of societies and economies by providing a stable supply of products and services that meet the needs of customers and business partners across a wide range of business areas, from upstream raw material procurement to downstream retail, and by working with its customers and business partners to develop various businesses that it could not have realized on its own. Moreover, as a company that handles a diverse range of products and services worldwide, MC is working to achieve a sustainable supply chain as a key issue.

Examples of Engagement

- Producing websites and corporate brochures in multiple languages
- Receiving and responding to opinions and questions
- Supply chain surveys and collaboration with external parties regarding the supply chain (responding to issues with Cermaq Group AS, Lawson, Inc., Princes Limited, Olam International Limited and MC FOODS Ltd.)

Reference: [Supply Chain Management](#)

Employees

In response to the further diversification and globalization of its businesses, MC is working to develop human resources and support their success on a global, consolidated basis, with the aim of "Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce". This is to establish vibrant workplaces where MC's diverse group of employees, regardless of gender, nationality or other attributes, are able to demonstrate their unique abilities to the fullest.

Examples of Engagement

- Human resource development
(enhanced talent management, group-wide training initiatives, etc.)
- Health and productivity management, diversity management
(including supporting health with internal medical clinics and career support for female employees)
- Conducting regular Employee Awareness Surveys
(total of 32,000 survey responses on a global, consolidated basis for the fiscal year ended March 31, 2020)
- Dialogue with the MC Staff Union, and information dissemination through MC's intranet and internal magazine

Reference: [Human Resource Development](#) [Occupational Health and Safety](#) [Diversity Management](#)

Shareholders, Investors and Creditors

MC strives to gain understanding and support of its business and management strategy through the timely and appropriate disclosure of information and enhancement of disclosure materials, as well as through briefings and individual meetings. At the same time, MC works to maximize corporate value by reflecting in its management the opinions and demands of shareholders and investors obtained through dialogue with them.

Examples of Engagement

- Meetings with institutional investors and analysts: approx. 20 times (CEO/ CFO); approx. 400 times (IR); approx. 30 times (ESG)
- Communication with shareholders at the Ordinary General Meeting of Shareholders
- Publication of business reports, integrated reports, sustainability reports, investors' notes
- Quarterly financial results briefings: 4 times annually
- Business briefing sessions: 2 times (the fiscal year ended March 31, 2021)
- Online seminars with individual investors: 3 times (the fiscal year ended March 31, 2021)

Local Communities

MC believes in the importance of "Addressing Regional Issues and Growing Together with Local Communities" and recognizes the value of building relationships with communities for the success of its businesses. Furthermore, by growing together with communities through job creation, promoting community development and procuring raw materials from local communities, MC also strives to minimize negative impacts on local communities, including by respecting the rights of indigenous peoples. Particularly for large-scale projects where the understanding and cooperation of local communities is crucial, we hold public hearings and dialogue with local residents as needed. Growing together with local communities is equally as important as advancing our businesses and generating financial return. This represents the true spirit of MC, which seeks to simultaneously generate economic, environmental and societal value.

Examples of Engagement

- Implementing a local purchasing program for mining operations to procure certain goods and services from local small- and medium-sized enterprises
- Implementing various initiatives in our silica sand operations such as prioritizing employment of indigenous peoples, subsidizing the cost of work training, providing scholarships and supporting local infrastructure development
- Support activities through foundations and funds

NGOs

We recognize NGOs as key stakeholders that function as representatives for the planet and its citizens, and we seriously consider the opinions and requests raised through our robust communication on a day-to-day basis and use them to improve our initiatives. Moreover, we are promoting collaborations with NGOs to address environmental and societal issues.

Examples of Engagement

- Meetings with NGOs: Japan (2); Europe (48); the Americas (20) (e.g. about coal-fired power generation business and climate initiatives)
- CSR activities related to biodiversity (tropical forest regeneration, global coral reef conservation); fisheries improvement and wildlife management initiatives in the Amazon river basin through foundations set up by MC in Europe and the Americas; supporting NGOs working toward sustainable cacao farming in Côte d'Ivoire.
- Receiving the advice and recommendations of NGO representatives on MC's Sustainability Advisory Committee into business initiatives.

Governments and Local Authorities

To achieve improvements and provide solutions to societal issues through our global business operations, we engage in collaboration, joint initiatives and dialogue with public sector bodies through our involvement in business associations, public-private initiatives and other forums, with the aim of contributing to societal development.

Examples of Engagement

- Business association activities:
Dialogues with public sector bodies through the Japan Business Federation (Keidanren), the Japan Chamber of Commerce and Industry, the Tokyo Chamber of Commerce and Industry, the Japan Association of Corporate Executives, the Japan Foreign Trade Council, Inc., etc.
- Public-private initiatives with public institutions:
Collaborations with and utilization of Japanese government ministries (Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, Ministry of the Environment, Ministry of Land, Infrastructure, Transport and Tourism, etc.), the Japan International Cooperation Agency and Multilateral Development Banks (workshops and seminars hosted by the Ministry of Economy, Trade and Industry and the Ministry of the Environment covering utilization of TCFD guidelines, the greater adoption of renewable energy and other topics; Fuel Ammonia Council, Round table discussion on Infrastructure Export and Economic Cooperation etc.)

External Evaluations

The indexes in which MC is included as well as evaluations from ESG rating agencies are as follows.

Going forward, MC will continue to heed sincerely the feedback from our stakeholders and reflect this feedback onto our measures and initiatives, while at the same time working to further expand our disclosure of both financial and non-financial information including ESG.



MC has been included in the FTSE4Good Index Series and the FTSE Blossom Japan Index, both provided by FTSE Russell, as of June 2018. And MC also has been included in the FTSE Blossom Japan Sector Relative Index which provided by FTSE Russell as of April 2022.

Those indexes are used by a wide variety of investors as a reference to evaluate the Environmental, Social and Governance (ESG) performance of companies.

Furthermore, the FTSE Blossom Japan Index is one of the ESG indices selected by Japan's Government Pension Investment Fund (GPIF) for Japanese equities.

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MC has also been included in the MSCI Japan Empowering Women Index (WIN), developed by MSCI in 2018. This index was developed on the premise that companies that promote a high level of gender diversity in their workplaces will be better able to adapt to the risk of personnel shortages caused by a declining workforce in the future, and thus provide sustainable earnings over the long term. WIN is one of the ESG indexes selected by GPIF.

* MC's inclusion in the MSCI Indexes and use of MSCI logos, trademarks, service marks or index names does not constitute sponsorship, endorsement or promotion of MC by MSCI or its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI, and the names and logos of MSCI's indexes, are trademarks or service marks of MSCI or its affiliates.



MC has participated in CDP (formerly the Carbon Disclosure Project) since 2003.

○ CDP Climate Change

CDP Climate Change evaluates how companies are responding to the risks and opportunities associated with climate change.

In the year ended March 2021, MC received a score of A- (Disclosed).

[Download CDP Climate Change 2021 Response](#)



○ CDP Water

CDP Water evaluates companies' water stewardship efforts.

In the year ended March 2021, MC received a score of B.

○ CDP Forest

CDP Forests evaluates how companies are managing the risks associated with deforestation in their supply chain.

In the year ended March 2021, MC received a score of C.

Independent Practitioner's Assurance Report

August 12, 2022

Mr. Katsuya Nakanishi,
President and CEO,
Mitsubishi Corporation

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the ESG Data indicated with ★ for the year ended both March 31, 2022 and March 31, 2023 (the “ESG Data”) included in the “SUSTAINABILITY REPORT 2021 As of July 29, 2022 (PDF)” (the “Report”) of Mitsubishi Corporation (the “Company”).

The Company's Responsibility

The Company is responsible for the preparation of the ESG Data in accordance with the calculation and reporting standard adopted by the Company (indicated with the ESG Data included in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the ESG Data based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (“ISAE”) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (“IAASB”), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG Data is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Externally Disclosed Information/Reporting Scope/Reference Guidelines

MC discloses information externally through the following media in accordance with its Corporate Disclosure Policy.

- Integrated Report
<https://www.mitsubishicorp.com/jp/en/ir/library/ar/>
- Management's Discussion and Analysis of Financial Condition and Results of Operations
<https://www.mitsubishicorp.com/jp/en/ir/library/afr/pdf/afr2021.pdf>
- Voting Results of 2021 Ordinary General Meeting of Shareholders
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/result_2021.pdf
- Notice of 2021 Ordinary General Meeting of Shareholders
https://www.mitsubishicorp.com/jp/en/ir/adr/sh_meeting/pdf/shoshu_2021.pdf
- Investors' Note
<https://www.mitsubishicorp.com/jp/en/ir/library/notes/>
- Corporate Brochure
<https://www.mitsubishicorp.com/jp/en/about/cguide/>
- Corporate Governance Report
https://www.mitsubishicorp.com/jp/en/about/governance/pdf/governance_report_e.pdf
- Mitsubishi Corporation Compliance Report
https://www.mitsubishicorp.com/jp/en/about/governance/pdf/compliance_01_e.pdf
- MC's Social Contributions
<https://www.mitsubishicorp.com/jp/en/csr/contribution/>

Reference: Information about MC's Corporate Disclosure Policy can be found here.
<https://www.mitsubishicorp.com/jp/en/about/philosophy/policy.html>

Reporting Scope

MC and all consolidated Group companies

(In some cases, data is available only for MC on a non-consolidated basis. MC will strive to collect and disclose data on a consolidated basis going forward.)

Main Reference Guidelines

- Global Reporting Initiative (GRI) 「GRI Standards」 Global Reporting Initiative (GRI) GRI Standards
- International Organization for Standardization ISO 26000
- Final Report : Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

Notice Regarding Outlooks

Outlooks contained in this document are based on currently available predictions, budgets, forecasts and plans, as well as on the judgement of MC management. These predictions, budgets, forecasts and plans include many potential risks, uncertain factors and assumptions. Actual outcomes may differ greatly from MC's outlooks due to developments around key factors.

Among the risks, uncertain factors and assumptions that could impact MC's financial performance, besides those contained in this document, other factors include commodity market conditions, exchange rates, the economic situation surrounding MC's business areas, results of pending and future litigation and the continued utility of procured funds, financial products and resources, etc. However, elements that may affect business performance are not limited to these factors.