

Special Feature

The MC Group's Path Toward Sustainable Growth



MC believes it is important to address global environmental and societal issues in its pursuit of sustainable growth. In this special feature, we introduce the MC Group's approach as well as specific initiatives aimed at achieving sustainable growth.

The Pursuit of Sustainable Growth is the Very Essence of our Business

As reflected by the adoption of the Sustainable Development Goals (SDGs*) and the Paris Agreement, the importance of addressing global warming and societal issues is rapidly growing. To continue growing sustainably as a business, companies need to work actively to tackle these issues from a mid to long-term perspective.

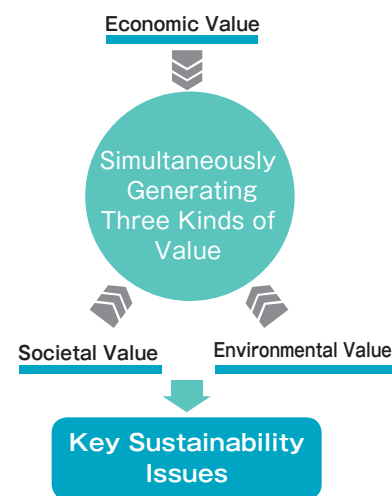
With Midterm Corporate Strategy 2018, MC has re-emphasized its commitment to simultaneously generating not only economic value but also environmental value and societal value through its

business activities, with the aim of achieving sustainable growth.

Furthermore, MC has identified a number of Key Sustainability Issues which have been placed as strategic management issues in order to simultaneously generate these three types of value (please see the right-hand page for details). MC will continue to create businesses that generate value for societies



and tackle these issues through its business activities as it pursues sustainable growth.



*SDGs : A set of 17 global goals adopted at the United Nations summit held in September 2015 as the core of a "new sustainable development agenda for 2030."

Procuring and Supplying in a Sustainable Manner

Recognizing the importance of managing environmental and social impacts in its supply chains, including issues such as forced labor and child labor, MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management, and confirms compliance with this policy through measures including onsite inspections.



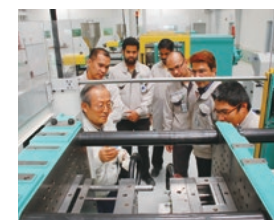
Transitioning to a Low-carbon Society

MC aims to achieve at least 20% renewable energy in its power generation business (by 2030, based on generation amount).



Tackling Evolving Regional Issues

MC is contributing to the creation of local employment and the growth of industrial infrastructure in Myanmar through the development of an industrial park in Thilawa, located on the outskirts of Yangon.



Growing Together with Local Communities

MC is supporting technical education and training programs in Saudi Arabia, contributing to job creation for young people.



Addressing the Needs of Society through Business Innovation

Based in Silicon Valley, MC is promoting the development of cutting-edge businesses in fields including the environment and health care.



Fostering Our Employees' Maximum Potential

In order to develop human resources with advanced management skills, MC is working to create opportunities and workplaces where the members of its diverse workforce are able to realize both personal and professional growth as they share values in a spirit of mutual learning.



Conserving the Natural Environment

MC conducts its Tropical Forest Regeneration Experimental Project in Malaysia, Brazil, Kenya, and Indonesia.



Cermaq: A company aiming to achieve sustainable growth through sustainable salmon farming

Cermaq, an MC Group company, is the world's third largest salmon farming company. Through its sustainable aquaculture business and cooperation with its diverse range of stakeholders, Cermaq is actively working to not only protect marine resources, but also to contribute in other ways such as ensuring a stable supply of food and providing employment opportunities for local communities.

In 2016, Cermaq incorporated

the SDGs into their management goals, taking a new step in their effort to contribute towards solving global sustainability challenges.

Cermaq has received praise for their contributions towards



realizing the SDGs.

The company was selected by a European consulting firm as a model case for their efforts to address SDG 14: Life Below Water in a report presented to the United Nations entitled "Future Of Spaceship Earth."

*Model companies, called "frontier companies," were selected from across the world for each of the 17 SDGs.

In order to protect the marine environment, Cermaq focuses its management initiatives in the following three areas.

Conservation of Biodiversity

With the aim of conserving biodiversity and natural resources, Cermaq monitors impact to biodiversity in the ocean areas where it conducts its farming activities, referencing the IUCN Red List of Threatened Species. The results of this analysis are reported regularly via Cermaq's corporate website.



Strengthening the Supply Chain



In order to provide a stable supply of safe, reliable and sustainably produced farmed salmon, a key component is fish feed. Aiming to reduce impacts on marine resources, Cermaq has increased the share of grains used in its fish feed. Cermaq also seeks to manage risks in its feed supply chain by ensuring traceability and confirming that fishing regulations have been upheld by fish feed suppliers.

Partnerships

Cermaq works with its suppliers and other industry players to eliminate Illegal, Unreported and Unregulated (IUU) fishing from the supply chain in an effort to ensure transparency and sustainable practices. One prime example is through participation in the Seafood Industry for Ocean Stewardship, an initiative established in 2016 through which the company collaborates with the world's largest salmon farming companies to share information and knowledge with the aim of achieving a common goal of providing a sustainable, healthy food supply.



With Midterm Corporate Strategy 2018, MC strives to simultaneously generate economic, environmental and societal value by working together with MC Group companies with leading practices such as Cermaq in order to realize group-wide sustainability management.