

# Mitsubishi Corporation

# 2024 CDP Corporate Questionnaire 2024

### Word version

#### Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

Terms of disclosure for corporate questionnaire 2024 - CDP

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### C1. Introduction

(1.3) Provide an overview and introduction to your organization.

### (1.3.2) Organization type

Select from:

☑ Publicly traded organization

### (1.3.3) Description of organization

Mitsubishi Corporation (MC) is a global integrated business enterprise that develops and operates businesses together with its offices and subsidiaries worldwide, as well as a global network of around 1,800 group companies. MC has eight Business Groups that operate across virtually every industry: Environmental Energy, Materials Solution, Mineral Resources, Urban Development & Infrastructure, Mobility, Food Industry, Smart-Life Creation and Power Solution. (The above eight business groups reflect the new organizational structure as of FY2024. The quantitative data in this questionnaire is based on the FY2023 organizational structure which consists of ten business groups and two business divisions: Natural Gas, Industrial Materials, Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution, Urban Development, Industry Digital Transformation and Next Generation Energy.)

Through these eight Business Groups, MC's current activities have expanded far beyond its traditional trading operations to include project development, production and manufacturing operations, working in collaboration our trusted partners around the globe. With an unwavering commitment to conducting business with integrity and fairness, MC remains fully dedicated to growing its businesses while contributing to a prosperous society. The Three Corporate Principles - Corporate Responsibility to Society; Integrity and Fairness; and Global Understanding Through Business - have served as MC's core philosophy since the company's inception, inspiring us to continually improve the way we address our economic, environmental, and social responsibilities around the world. We disclose our value creation process and both financial information and non-financial information in our Integrated Report. Integrated Report Annual Report Mitsubishi Corporation. Further Corporation (disclosure site)

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
03/30/2024	Select from:  ✓ Yes	Select from: ✓ No

[Fixed row]

# (1.5) Provide details on your reporting boundary.

Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
Select from:  ✓ Yes

[Fixed row]

# (1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

# (1.6.1) Does your organization use this unique identifier?

Select from:

✓ No

**ISIN** code - equity

☑ No
LEI number
(1.6.1) Does your organization use this unique identifier?
Select from: ☑ No
D-U-N-S number
(1.6.1) Does your organization use this unique identifier?
Select from: ☑ No
Other unique identifier
(1.6.1) Does your organization use this unique identifier?
Select from:  ☑ No [Add row]
(1.8) Are you able to provide geolocation data for your facilities?

Select from:

Are you able to provide geolocation data for your facilities?	Comment
Select from:  ✓ No, this is confidential data	N/A

[Fixed row]

### (1.22) Provide details on the commodities that you produce and/or source.

### **Timber products**

# (1.22.1) Produced and/or sourced

Select from:

Sourced

# (1.22.2) Commodity value chain stage

Select all that apply

Trading

# (1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

✓ No, the total volume is confidential

# (1.22.11) Form of commodity

Select all that apply

✓ Wood-based bioenergy

### (1.22.12) % of procurement spend

Select from:

✓ Less than 1%

### (1.22.13) % of revenue dependent on commodity

Select from:

✓ Less than 1%

### (1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

✓ Yes, disclosing

### (1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

✓ No

### (1.22.19) Please explain

We engage in trading in the form of wood-based bioenergy. The sales of this product is less than 1% of the company's total sales, so we have determined that it does not have a significant impact on the overall business.

### Soy

# (1.22.1) Produced and/or sourced

Select from:

✓ Sourced

# (1.22.2) Commodity value chain stage

Select all that apply

Trading

### (1.22.3) Indicate if you have direct soy and/or embedded soy in your value chain

Select from:

✓ Direct soy only

### (1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

✓ No, the total volume is confidential

### (1.22.11) Form of commodity

Select all that apply

- Soybean meal
- ☑ Whole soybeans

### (1.22.12) % of procurement spend

Select from:

**☑** 1-5%

### (1.22.13) % of revenue dependent on commodity

Select from:

**✓** 1-10%

# (1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

✓ Yes, disclosing

### (1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

✓ No

### (1.22.19) Please explain

We handle livestock-related produce/productslivestock products and we are aware that embedded soy is used in the production of these livestock products. However, since we do not have the data on the quantity or monetary value of the embedded soy used in the production of these livestock-related produce/productslivestock products, we have excluded it from the quantitative response.

[Fixed row]

### (1.24) Has your organization mapped its value chain?

# (1.24.1) Value chain mapped

Select from:

✓ Yes, we have mapped or are currently in the process of mapping our value chain

### (1.24.2) Value chain stages covered in mapping

Select all that apply

✓ Upstream value chain

### (1.24.3) Highest supplier tier mapped

Select from:

✓ Tier 2 suppliers

### (1.24.4) Highest supplier tier known but not mapped

Select from:

✓ Tier 3 suppliers

# (1.24.6) Smallholder inclusion in mapping

Select from:

### (1.24.7) Description of mapping process and coverage

As a human rights and environmental due diligence on our supply chain, we conduct 'Sustainable Supply Chain Survey' (the "Survey"). We identify the products to be monitored through the Survey with reference to the United Nations' 'Guiding Principles on Business and Human Rights' and other international standards on sustainable supply chain management. We have selected wood pellets and soybeans as the product to be monitored through the Survey based on the severity (scale, scope, and difficulty of remediation) and likelihood of potential negative impacts on our stakeholders, considering factors such as the situation in the sourcing countries and the conditions in the industry and regions. We evaluate the environmental risks, including pollution and deforestation/biodiversity, and the social risks, including the prohibition of forced labor, of our primary soybean suppliers through the Survey on an annual basis. We have a Grievance Mechanism, a contact point for consultations from external stakeholders, which enable us to identify environmental and social issues in our supply chain in a timely and appropriate manner and to take appropriate action to prevent and mitigate them. ③In the soybean supply chain, Brazil is a major producer of soybeans and has a rich ecosystem including forests. We recognize Brazil as a region that requires special consideration regarding deforestation associated with the expansion of agricultural land. MC is engaged in the grain-related business in Brazil through its wholly-owned subsidiary company, which undertakes the following initiatives for sustainable soybean procurement. 1. In purchasing directly from farmers, traceability is to be ensured, while sourcing in accordance with the regulations of the Soybean Moratorium (Moratória da Soja), the industry guideline for soybeans in the country. 2. In purchasing indirectly through intermediaries, our subsidiary company requires in the contract that the intermediaries comply with the Soybean Moratorium and environmental laws and regulations, as well as not to procure from suppliers included in the slave labor list published by the Brazilian Labor Inspection Secretariat (Secretaria de Inspeção do Trabalho). In addition, our subsidiary company encourages suppliers who have not yet joined the Soybean Moratorium to do so. [Fixed row]

# (1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

Diaetice manning		Explain why your organization has not mapped plastics in your value chain
Select from:  ✓ No, but we plan to within the next two years	Select from:  ✓ No standardized procedure	N/A

[Fixed row]

### (1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

### **Timber products**

# (1.24.2.1) Value chain mapped for this sourced commodity

Select from:

Yes

# (1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

☑ Tier 1 suppliers

# (1.24.2.3) % of tier 1 suppliers mapped

Select from:

**☑** 100%

### (1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

☑ Tier 2 suppliers

### Soy

### (1.24.2.1) Value chain mapped for this sourced commodity

Select from:

Yes

# (1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

☑ Tier 1 suppliers

# (1.24.2.3) % of tier 1 suppliers mapped

Select from:

**☑** 100%

# (1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

✓ Tier 2 suppliers [Fixed row]

- C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities
- (2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

### **Short-term**

# (2.1.1) From (years)

0

### (2.1.3) To (years)

3

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

MC typically establishes a midterm corporate strategy every three years. MC defines "short-term" as the term of one midterm corporate strategy.

### **Medium-term**

### (2.1.1) From (years)

3

### (2.1.3) To (years)

7

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

MC defines "medium-term" as the period up to around 2030, since this is the medium target year set by the company to halve its GHG emissions (against a FY2020 baseline).

### Long-term

# (2.1.1) From (years)

7

# (2.1.2) Is your long-term time horizon open ended?

Select from:

✓ No

# (2.1.3) To (years)

27

# (2.1.4) How this time horizon is linked to strategic and/or financial planning

MC defines "long-term" as the period from 2030 to 2050, since 2050 is the target year set by the company by which to achieve net zero GHG emissions. [Fixed row]

# (2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

Process in place	Dependencies and/or impacts evaluated in this process
Select from:  ✓ Yes	Select from:  ✓ Both dependencies and impacts

[Fixed row]

# (2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Select from: ✓ Yes	Select from:  ✓ Both risks and opportunities	Select from:  ✓ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

### Row 1

# (2.2.2.1) Environmental issue

Select all that apply

✓ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ✓ Dependencies
- Impacts
- Risks
- Opportunities

# (2.2.2.3) Value chain stages covered

Select all that apply

- ✓ Direct operations
- ✓ Upstream value chain
- ✓ Downstream value chain

# (2.2.2.4) Coverage

Select from:

✓ Full

# (2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

# (2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

# (2.2.2.8) Frequency of assessment

Select from:

✓ More than once a year

# (2.2.2.9) Time horizons covered

Select all that apply

- ✓ Short-term
- ✓ Medium-term
- ✓ Long-term

# (2.2.2.10) Integration of risk management process

#### Select from:

✓ Integrated into multi-disciplinary organization-wide risk management process

### (2.2.2.11) Location-specificity used

### Select all that apply

- ✓ Site-specific
- ✓ Local
- ✓ Sub-national
- ✓ National

### (2.2.2.12) Tools and methods used

### Commercially/publicly available tools

- ☑ IBAT for Business
- ✓ TNFD Taskforce on Nature-related Financial Disclosures

### **Enterprise Risk Management**

- ✓ Internal company methods
- ✓ Risk models
- ✓ Stress tests

### **Databases**

- ✓ Nation-specific databases, tools, or standards
- ☑ Regional government databases

### Other

- ✓ Desk-based research
- ✓ External consultants
- ✓ Partner and stakeholder consultation/analysis
- ✓ Scenario analysis

# (2.2.2.13) Risk types and criteria considered

### **Acute physical**

- ☑ Cyclones, hurricanes, typhoons
- ✓ Flood (coastal, fluvial, pluvial, ground water)

### **Chronic physical**

- ✓ Increased severity of extreme weather events
- **✓** Water stress

### **Policy**

- ✓ Carbon pricing mechanisms
- ☑ Changes to international law and bilateral agreements
- ☑ Changes to national legislation

#### Market

☑ Changing customer behavior

### Reputation

✓ Increased partner and stakeholder concern and partner and stakeholder negative feedback

### **Technology**

✓ Transition to lower emissions technology and products

### Liability

- ☑ Exposure to litigation
- ✓ Non-compliance with regulations

# (2.2.2.14) Partners and stakeholders considered

Select all that apply

- ✓ NGOs
- Customers
- Employees
- ✓ Investors
- Suppliers

- Regulators
- ✓ Local communities
- ✓ Indigenous peoples

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ No

### (2.2.2.16) Further details of process

MC conducts an annual sustainability survey targeting all subsidiaries and affiliates including upstream and downstream companies (around 1,800 companies) to collect sustainability data. In addition, MC has classified its businesses as "Green" businesses (e.g. renewable energy), which present significant climate-related transition opportunities, or "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks. This has been done based on our "MC Climate Taxonomy" (prepared in reference to the EU Taxonomy) which includes criteria such as the amount of Scope 3 Category 11 emissions. Based on above, MC has set a governance framework to identify, assess and manage environmental dependencies, impacts, risks, and opportunities, including those relevant to climate change. 1) Company-wide business strategy: Short term, medium term and long term climate-related risks and opportunities are assessed, and the total of all processes takes place more than once a year. a) With regard to businesses classified as "Green" or "Transform", we conduct a 1.5C scenario analysis. The Sustainability Department takes the lead in conducting this analysis, which is, in turn, conducted by each of the relevant Business Groups. The results of this analysis are first deliberated on by the Sustainability Committee and are then confirmed by the Executive Committee, MC's highest-level management decision-making body. The confirmed analyses are incorporated into the strategy of each Business Group through discussions held at each Group's annual Business Strategy Committee. b) Regarding businesses classified as "Transform", MC monitors the impact potentially caused by a 1.5C scenario on the strategies and policies of such businesses on an annual basis, and the results are discussed at the top management level, namely via what we call "Transform Discussions". c)MC has annual processes to confirm the compatibility of the current GHG emissions volumes with the already-set short- and medium-term GHG reduction plans, when formulating investment plans at the Business Strategy Committee meetings, to ensure that MC's overall investment plans are in accordance with the GHG reduction target for FY2030 and 2050, respectively. d) Lastly, MC recognizes physical risks from climate change as significant business risks. MC has conducted a comprehensive physical risk analysis of material assets. 2) Individual projects' medium and long-term climate-related risks and opportunities are assessed, and these processes take place twice a month. When reviewing and making decisions on loan and investment proposals MC has adopted a process in which the Investment Committee, which takes place approximately twice a month, deliberates all proposals to be discussed by the Board of Directors and the Executive Committee, and includes the General Manager of Sustainability Department, and comprehensively covers ESG-related factors. Particularly for screening individual loan and investment proposals for businesses categorized as "Green" or "Transform," MC applies key assumptions of a 1.5C scenario consistent with reaching net zero by 2050 such as internal carbon pricing. Moreover, the projected carbon tax burden under a 1.5°C scenario is analysed when assessing existing portfolio companies' annual business plans, and carbon management measures to be taken in response are discussed as necessary at the Investment Committee.

# (2.2.2.1) Environmental issue

Select all that apply

✓ Forests

# (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Impacts
- Risks
- Opportunities

### (2.2.2.3) Value chain stages covered

Select all that apply

- ✓ Direct operations
- ✓ Upstream value chain

### (2.2.2.4) Coverage

Select from:

✓ Full

# (2.2.2.5) Supplier tiers covered

Select all that apply

- ☑ Tier 1 suppliers
- ☑ Tier 2 suppliers

# (2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

### (2.2.2.8) Frequency of assessment

Select from:

Annually

### (2.2.2.9) Time horizons covered

Select all that apply

✓ Long-term

### (2.2.2.10) Integration of risk management process

Select from:

✓ Integrated into multi-disciplinary organization-wide risk management process

### (2.2.2.11) Location-specificity used

Select all that apply

✓ Not location specific

# (2.2.2.12) Tools and methods used

#### Other

- ✓ External consultants
- ✓ Internal company methods

# (2.2.2.13) Risk types and criteria considered

### **Acute physical**

Drought

### **Chronic physical**

✓ Water stress

✓ Water quality at a basin/catchment level

- ✓ Change in land-use
- ☑ Land loss to desertification
- ✓ Declining ecosystem services
- ✓ Increased ecosystem vulnerability

### **Policy**

- ☑ Lack of mature certification and sustainability standards
- ✓ Poor enforcement of environmental regulation

#### Market

- ✓ Availability and/or increased cost of certified sustainable material
- ✓ Availability and/or increased cost of raw materials

### Reputation

- ✓ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ✓ Other reputation, please specify: Brand damages related to forests risk commodities corruption

### **Technology**

✓ Data access/availability or monitoring systems

### Liability

✓ Non-compliance with regulations

# (2.2.2.14) Partners and stakeholders considered

Select all that apply

- ✓ NGOs
- Customers
- Employees
- Investors
- Suppliers

- ✓ Local communities
- ☑ Other commodity users/producers at a local level

☑ Changing temperature (air, freshwater, marine water)

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ No

### (2.2.2.16) Further details of process

From the perspective of sustainable supply chain management, our company collaborated with external experts and consultants in fiscal years 2016, 2020, and 2023 to identify high-risk commodities in terms of environmental and social aspects as 'target commodities.' For these target commodities, we conduct annual human rights and environmental due diligence (referred to as 'sustainable supply chain surveys') to assess compliance with our 'Sustainable Supply Chain Management Policy.' Timber and soybean have also been identified as 'target commodities' from the perspective of their impact on deforestation, natural ecosystems, and other environmental and social aspects. We conduct annual 'sustainable supply chain surveys' for these suppliers. As mentioned above, as an internal measure, we use 'sustainable supply chain surveys' as a tool to identify forest-related risks of suppliers. When deemed necessary, we visit suppliers to verify their activities.

### Row 3

### (2.2.2.1) Environmental issue

Select all that apply

Water

# (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- ✓ Impacts
- Risks
- Opportunities

### (2.2.2.3) Value chain stages covered

Select all that apply

✓ Direct operations

✓ Upstream value chain

# (2.2.2.4) Coverage

Select from:

✓ Full

# (2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

# (2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

# (2.2.2.8) Frequency of assessment

Select from:

Annually

### (2.2.2.9) Time horizons covered

Select all that apply

- ✓ Short-term
- ✓ Medium-term
- ✓ Long-term

# (2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

# (2.2.2.11) Location-specificity used

Select all that apply

✓ Not location specific

# (2.2.2.12) Tools and methods used

### Commercially/publicly available tools

☑ WRI Aqueduct

### International methodologies and standards

✓ IPCC Climate Change Projections

#### **Databases**

**☑** UNEP Vital Water Graphics

#### Other

- ✓ External consultants
- ✓ Internal company methods
- ✓ Scenario analysis

# (2.2.2.13) Risk types and criteria considered

### **Chronic physical**

- ✓ Water availability at a basin/catchment level
- ✓ Water stress
- ☑ Water quality at a basin/catchment level

#### Market

✓ Inadequate access to water, sanitation, and hygiene services (WASH)

### Reputation

✓ Impact on human health

☑ Stakeholder conflicts concerning water resources at a basin/catchment level

### (2.2.2.14) Partners and stakeholders considered

Select all that apply

✓ NGOs

Customers

Employees

✓ Investors

Suppliers

Regulators

✓ Local communities

✓ Water utilities at a local level

☑ Other water users at the basin/catchment level

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ No

### (2.2.2.16) Further details of process

The Executive Committee decides on the basic policy on risk management as well as matters related to individual risk management and integrated risk management, and makes decisions on the promotion of individual projects. Certain decisions are made by the Board of Directors based on prescribed standards. We have established categories of environmental risk, including water-related issues, natural disaster risk, credit risk, market risk, business investment risk, compliance risk, legal risk, etc., and has established a system to manage each risk according to the activity and scale of the business by designating the officer in charge and the department responsible for each category. The Investment Committee and the Sustainability Committee which are under the Executive Committee, have established and developed a system to deliberate on individual projects and internal systems related to risks in each field. The matters discussed by these committees are reported to the Executive Committee. In individual projects, the person in charge of the department analyzes and understands the risks and returns of each project in accordance with company-wide policies and procedures. In addition, we periodically examine the risks and returns according to the progress of projects and changes in the external environment. With regards to existing businesses, based on the recognition that the assets and businesses are exposed to potential risks from climate change, we conducted a physical risk analysis using climate scenarios specified by the IPCC. We also conducted a water stress analysis using Aqueduct to understand risks related to water resources. Each business uses a management plan once a year to monitor and evaluate the management issues and policies of the investee, as well as our functions and business life cycles. [Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

### (2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

### (2.2.7.2) Description of how interconnections are assessed

As described in 2.2.2, MC takes a holistic approach in assessing and managing environmental dependencies, impacts, risks, and opportunities including but not limited to an annual survey, our "MC Climate Taxonomy", "Transformation Discussions" and the Investment Committee's review. For example, when reviewing and making decisions on loan and investment proposals, as well as divestments and impairments, professionals from the Sustainability Department are given a broad responsibility of reviewing and assessing all relevant social and environmental issues in accordance with the size and nature of the project, so as to capture the complex nature of interconnections between environmental dependencies, impacts, risks and/or opportunities (i.e. a due diligence report will be prepared prior to an investment on the physical risk of drought and water stress for a project in a water scarce region). The review and assessment will be sent to the Investment Committee, which take place approximately twice a month. The Committee deliberates all proposals to be discussed by the Board of Directors and the Executive Committee comprehensively. In addition, the General Manager of the Sustainability Department participates as a member of the Investment Committee. Once loan and investment decisions are made, they are followed up on, at least annually, by the submission of an annual business plan to the Investment Committee. In relation to biodiversity, MC has conducted a TNFD analysis. When conducting analyses under the TNFD framework, it is necessary to obtain detailed information on the natural environments surrounding each business site. MC therefore split the analysis into two phases. In Phase 1, MC identified businesses with high levels of dependence and impact on nature, which allowed us to single out those businesses that need to be analysed in further detail. In Phase 2, the businesses selected during Phase 1 were analyzed on an individual basis. In Phase 1, the analysis was carried out in three steps by using ENCORE, a tool recommended by the TNFD. In step 1, we applied each process defined in ENCORE into our businesses. In step 2, we quantified the qualitative evaluations of ecosystem services, impact drivers, and other factors for each process. In step 3, we calculated and mapped dependency and impact scores for each business. After these steps, by using ENCORE to calculate averages of environmental dependency and impact on nature across all processes, we were able to identify eight businesses with scores in these areas that were higher than those averages. In Phase 2, MC chose to analyze our salmon and trout farming business, Cermaq, which had the highest level of dependence on nature. This analysis was conducted in accordance with the TNFD's Locate, Evaluate, Assess, and Prepare (LEAP) process. In addition, tools such as Aqueduct and STAR recommended by the TNFD were used to confirm the status of ecosystems and biodiversity as well as water stress. [Fixed row]

### (2.3) Have you identified priority locations across your value chain?

# (2.3.1) Identification of priority locations

Select from:

✓ Yes, we have identified priority locations

# (2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- ✓ Direct operations
- ✓ Upstream value chain
- ✓ Downstream value chain

### (2.3.3) Types of priority locations identified

#### Sensitive locations

✓ Areas of limited water availability, flooding, and/or poor quality of water

### Locations with substantive dependencies, impacts, risks, and/or opportunities

✓ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

# (2.3.4) Description of process to identify priority locations

Our subsidiary in Brazil ensures that soybeans they purchase directly from farmers are not from the regions and suppliers listed in the regulations of the Soybean Moratorium.

### (2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it [Fixed row]

### (2.4) How does your organization define substantive effects on your organization?

### **Risks**

### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

### (2.4.2) Indicator used to define substantive effect

Select from:

✓ Asset value

### (2.4.3) Change to indicator

Select from:

✓ % decrease

### (2.4.4) % change to indicator

Select from:

**✓** 1-10

### (2.4.6) Metrics considered in definition

Select all that apply

### (2.4.7) Application of definition

Any matters which are required to be resolved by the Board of Directors pursuant to the provisions of laws, the articles of incorporation, and any important matter relating to the management of the Company are submitted to the Board of Directors for discussion. In addition to the items stipulated by law, matters which have substantive financial or strategic impacts on MC's business are those items set forth in the Regulations of the Board of Directors. For example, for investments and loans, the Board of Directors sets out monetary threshold standards for each type of risk, such as credit risk, market risk and business investment risk including climate change risk in accordance with MC's scale of assets and investments. The monetary thresholds do not exceed 1% of total assets and are set individually depending on the nature of the risk. Therefore, 1% of total assets would be defined as a substantive financial or strategic impact for MC.

### **Opportunities**

# (2.4.1) Type of definition

Select all that apply

Qualitative

Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

✓ Asset value

### (2.4.3) Change to indicator

Select from:

✓ % increase

## (2.4.4) % change to indicator

Select from:

**✓** 1-10

## (2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

#### (2.4.7) Application of definition

Any matters which are required to be resolved by the Board of Directors pursuant to the provisions of laws, the articles of incorporation, and any important matter relating to the management of the Company are submitted to the Board of Directors for discussion. In addition to the items stipulated by law, matters which have substantive financial or strategic impacts on MC's business are those items set forth in the Regulations of the Board of Directors. For example, for investments and loans, the Board of Directors sets out monetary threshold standards for each type of risk, such as credit risk, market risk and business investment risk including climate change risk in accordance with MC's scale of assets and investments. The monetary thresholds do not exceed 1% of total assets and are set individually depending on the nature of the risk. Therefore, 1% of total assets would be defined as a substantive financial or strategic impact for MC. [Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

# (2.5.1) Identification and classification of potential water pollutants

Select from:

✓ Yes, we identify and classify our potential water pollutants

### (2.5.2) How potential water pollutants are identified and classified

We identify and classify pollutants in accordance with environmental laws and regulations and strive to comply with laws and regulations related to pollution prevention. i) Measures and processes implemented by our company in order to identify and classify water pollutants that have the potential to negatively affect water quality and ecosystems: In our food-related business in Japan, we have an agreement with the government of the plant location and manage emissions in accordance with the "conservation of the living environment" section of the environmental standards related to water pollution. ii) Details of established standards to which our company complies: Pollutants subject to management in our food-related business in Japan include hydrogen ion concentration, chemical oxygen demand, suspended solids, total nitrogen, and total phosphorus. iii) Explanation of indicators and guidelines used to identify substances: We have established indicators and guidelines based on laws and regulations and measure the quality of wastewater in accordance with the prescribed frequency and methods. iv) In our overseas fisheries-related business, the different kinds of pollutants we need to keep track of and their concentrations will depend on the country, region, and ecosystem, but we manage them at levels that are stricter than local regulations through various water treatment methods.

[Fixed row]

# (2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

#### Row 1

#### (2.5.1.1) Water pollutant category

Select from:

☑ Other nutrients and oxygen demanding pollutants

### (2.5.1.2) Description of water pollutant and potential impacts

i)Regarding aquaculture products that we procure mainly from Southeast Asia, if wastewater from our supplier's farm is not treated properly and discharged without complying with environmental regulations, there will be an impact on the surrounding environment such as rivers. ii)In the overseas fishery business, there are nitrates and phosphates as water pollutants. Nitrates and phosphates are generated from fish feed and droppings and have an effect on eutrophication of water.

#### (2.5.1.3) Value chain stage

Select all that apply

- ✓ Direct operations
- ✓ Upstream value chain

# (2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☑ Beyond compliance with regulatory requirements
- ✓ Implementation of integrated solid waste management systems
- ☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- ✓ Other, please specify: We confirm with our suppliers of aquatic products the impact of our business activities on the environment through the Sustainable Supply Chain Survey.

## (2.5.1.5) Please explain

Through the Sustainable Supply Chain Survey, we encourage suppliers to comply with our Sustainable Supply Chain Action Guidelines, which include consideration for river pollution. In addition, we minimize the adverse effects of potential water pollutants caused by aquaculture products procured by suppliers by confirming that the wastewater from aquaculture farms is treated with lime, etc. and that the wastewater quality is inspected by a third-party organization. In our overseas fishery business, through reuse in the production cycle and physical or chemical treatment processes, that addiliate comply with local regulations. In addition to complying with local regulations in each country, we certify our facilities under various aquaculture standards (e.g., ASC Aquaculture Stewardship Council and BAP Best Aquaculture Practices), which are often more strict than local regulations.

[Add row]

#### C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

## Climate change

# (3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

#### **Forests**

#### (3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

#### Water

# (3.1.1) Environmental risks identified

Select from:

✓ Yes, both in direct operations and upstream/downstream value chain

#### **Plastics**

#### (3.1.1) Environmental risks identified

Select from:

✓ No

# (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

✓ No standardized procedure

#### (3.1.3) Please explain

N/A

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

#### Climate change

# (3.1.1.1) Risk identifier

Select from:

✓ Risk1

# (3.1.1.3) Risk types and primary environmental risk driver

#### **Policy**

✓ Carbon pricing mechanisms

#### (3.1.1.4) Value chain stage where the risk occurs

Select from:

✓ Direct operations

## (3.1.1.6) Country/area where the risk occurs

Canada

### (3.1.1.9) Organization-specific description of risk

MC has around 1,800 group companies including those involved in fossil fuel-related business. While the financial impact of carbon tax is limited at present, an increased global carbon tax burden would raise operating costs for MC's subsidiaries and affiliates, and could, in turn, lead to a reduction in earnings from these investments for MC. In response to this trend, MC has started to consider emissions reduction measures such as investment in low-carbon facilities. Many of MC's projects are implemented based on a long-term perspective (20-30 years). In ensuring future return, it is vitally important to comprehend policy trends related to carbon taxes, as well as to ascertain business resilience against a potential rise in operating costs and capital expenditure in the future. For instance, an LNG project in Canada with a designed LNG production capacity of 14 million-ton per year, and where a carbon tax has already been introduced, is currently under construction and is projected to commence production by mid-2025. The consolidated net income of the Natural Gas Group, which oversees this project, LNG Canada, totaled 219.5 billion yen in FY2023, accounting for more than 22% of MC's consolidated net income. MC's LNG equity capacity is 12.2 million tons per annum (MTPA) as of March 2024. It will increase by 2.1 MTPA after the start-up of projects under construction, namely LNG Canada. MC will continue to monitor policy trends to manage the potential future carbon tax burden.

# (3.1.1.11) Primary financial effect of the risk

Select from:

✓ Increased indirect [operating] costs

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

✓ Long-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

✓ More likely than not

## (3.1.1.14) Magnitude

Select from:

✓ Medium

# (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

MC has around 1,800 group companies in approximately 90 countries, including those involved in fossil fuel-related business. As many of MC's projects are implemented based on a long-term perspective (20-30 years), there are a range of variables that could influence the financial position, financial performance and cash flows. Such variables may include regulations (i.e. carbon pricing) and technological innovation. For instance, a carbon pricing mechanism was introduced in Australia, where MC's subsidiaries are engaged in natural resource related projects and are already subject to this mechanism, as referred to in 3.5. These types of regulations are expected to expand globally, and more projects will fall under these regulations over time. These future environmental regulations, along with their potential financial impacts, are being closely monitored and analyzed. As for technological innovations, this could lead to both risks and opportunities for MC. For example, variables include the cost of grids, batteries, CCUS, and hydrogen which could all influence the cost competitiveness of MC's energy related business. One of the most prominent examples is in the power generation business. Demand for coal-fired power generation is declining, particularly in OECD countries, as natural gas and renewable energy are increasingly replacing thermal coal as energy sources. Specifically, MC considers a decline in new business opportunities for coal-fired power generation to be a climate-related risk. In FY2019, MC adopted a policy to not enter into any new coal-fired power generation businesses, with the exception of projects on which MC has already commenced development. In view of these shifts in the market, MC has set a target to "aim to double our renewable power generation by FY2030 compared to FY2019 (from 3.3GW to 6.6GW)" and is actively promoting renewable energy projects. In addition, MC will aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

# (3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

92588158352

# (3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

798173778893

# (3.1.1.25) Explanation of financial effect figure

The financial impact of carbon taxes is difficult to predict. This can vary depending on the structure of the carbon tax, such as where it is imposed in the value chain, as well as the political situation in each country and region. The degree of progress in technology to reduce GHG emissions, such as CCUS, is another variable that makes it difficult to determine definitive figures. To estimate the magnitude of the financial impact, MC multiplied its Scope 1 and 2 emissions in FY2023 (22,081,023).

tCO<sub>2</sub>) by the IEA WEO 2023 carbon price projections for 2050 (USD29-250/tCO<sub>2</sub>). The lower figure is based on the carbon price detailed in the STEPS scenario and the higher figure is from the NZE scenario. We used an exchange rate of 144.59JPY/USD, therefore deriving the low figure by 22,081,023\*29\*144.59 (approx. 92.6 billion yen) and the high figure by 22,081,023 \*250\*144.59 (approx. 798.1 billion yen)

#### (3.1.1.26) Primary response to risk

#### Infrastructure, technology and spending

✓ Increase investment in R&D

# (3.1.1.27) Cost of response to risk

109200000

#### (3.1.1.28) Explanation of cost calculation

The "cost of response to risk" stipulated here (JPY109.2 million) is the approximate cost of implementing the measures detailed above, including personnel costs of 4 full-time employees (FTE) in the Sustainability Dept. (Average of JPY27.3 million per FTE multiplied by 4 FTE equals JPY 109.2 million) who engage in climate-related initiatives including this type of analysis.

#### (3.1.1.29) Description of response

MC has a process for confirming short- and medium-term GHG reduction plans when formulating investment plans. As a part of this process, each of MC's Business Groups makes a GHG reduction plan based on its short- to medium-term investment plans, which is then deliberated on at the annual Business Strategy Committee meetings for each Business Group. The amount of emissions reduced as well as the specific reduction measures (procurement of renewable energy, fuel conversion, etc.) are reported to the Sustainability Department on an annual basis to ensure that the GHG reduction levels are in line with MC's target. [Case Study] Situation and Task of the case study: MC's Natural Gas Group has three natural gas businesses in North America. One of the large-scale projects is the Cameron LNG project, an LNG export project in which MC participates as an investor and toller. Its LNG production began in May 2019, and LNG production capacity is currently 12 million tons per annum by way of a total of three liquefaction trains (4 million tons per train), where MC owns the right to use the capacity of approximately 4 million tons, equivalent to one liquefaction train. Currently, there is no carbon tax in the United States, but if one were to be introduced in the future, the project may be subject to this. Action and Results: In order to address potential future regulations and reduce emissions, MC has signed a participation agreement and commenced a feasibility study with Sempra Infrastructure, Total Energies and Mitsui & Co., Ltd. for the development of the proposed Hackberry Carbon Sequestration project in May 2022. The project aims to capture, transport and sequestrate up to 2 million tCO2 per year, primary sourced from Cameron LNG.

#### **Forests**

### (3.1.1.1) Risk identifier

Select from:

✓ Risk1

# (3.1.1.2) Commodity

Select all that apply

☑ Timber products

#### (3.1.1.3) Risk types and primary environmental risk driver

#### Market

☑ Lack of availability and/or increased cost of certified sustainable material

# (3.1.1.4) Value chain stage where the risk occurs

Select from:

✓ Direct operations

# (3.1.1.6) Country/area where the risk occurs

Select all that apply

- Canada
- ✓ United States of America
- ✓ Viet Nam

# (3.1.1.9) Organization-specific description of risk

From a business continuity perspective, we recognize the rising costs of certified sustainable raw materials as a risk factor that could have a significant impact. We handle wood pellets that are confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC. The demand for wood pellets produced from certified sustainable raw materials is rapidly increasing as a decarbonization solution. However, due to the global rise in energy prices and the impact of inflation, manufacturing costs are also increasing. Therefore, if the additional manufacturing costs incurred by wood pellet suppliers are not passed on to the final consumers through sales prices, there is a risk that our handling volume and profitability may decrease

# (3.1.1.11) Primary financial effect of the risk

Sel	lect	from:
0 <i>CI</i>	ひしょ	II OIII.

☑ Change in revenue mix and sources

# (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

✓ Short-term

#### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Unlikely

#### (3.1.1.14) Magnitude

Select from:

✓ Low

# (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Due to the scale of the business, the financial impact on the entire company is extremely limited, therefore not applicable.

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

✓ No

#### (3.1.1.26) Primary response to risk

#### **Engagement**

☑ Engage with suppliers

# (3.1.1.27) Cost of response to risk

# (3.1.1.28) Explanation of cost calculation

We have allocated the annual cost required to maintain FSC, PEFC, and SBP certifications (a total of 1.4 million yen per year for all three certifications) as the cost of response to risk.

# (3.1.1.29) Description of response

To ensure stable transactions of wood pellets that meet legality and sustainability standards, we will continue to share challenges with both suppliers and customers and focus on collaborating over the next 1-3 years, a period when the risk of these issues materializing is high, to address these challenges.

#### Water

# (3.1.1.1) Risk identifier

Select from:

✓ Risk1

# (3.1.1.3) Risk types and primary environmental risk driver

#### **Chronic physical**

✓ Water stress

## (3.1.1.4) Value chain stage where the risk occurs

Select from:

✓ Direct operations

# (3.1.1.6) Country/area where the risk occurs

Select all that apply

Chile

#### (3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify: A desalination plant has been constructed to eliminate the need to withdraw water from the source.

## (3.1.1.9) Organization-specific description of risk

Copper is an essential metal resource for electrification and renewable energy and holds the key to realizing a carbon-neutral society. One of the copper business growth strategies is to maintain and expand production of existing assets. The Escondida copper mine, which boasts the largest production (annually 1.13 million tons from July 23 to June 24) in the world, is one of the key investments in this strategy. Water used in all major processes is an essential resource for stable copper production, and production may decline if the risk of water shortages materializes. Because the Escondida copper mine is located in a desert region in northern Chile, access to water resources is limited. In the past, they used to withdraw water from groundwater, but we have constructed and operated a seawater desalination plant. Since 2020, they have used more than 80% of the water in its operations supplied by seawater, and the rest is supplied by recycled water, to control the risk of operational instability due to water shortages.

# (3.1.1.11) Primary financial effect of the risk

Select from:

✓ Decreased revenues due to reduced production capacity

# (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

✓ Short-term

# (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Unlikely

# (3.1.1.14) Magnitude

Select from:

✓ Medium-low

# (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As of March 2024, our total investment in copper-based operations was 1.06 trillion yen, including mines other than the Escondida copper mine. If water risks materialize, their operations may decline and cause production capacity to decline. However, since 2020, they have used more than 80% of the water in its operations supplied by seawater, and the rest is supplied by recycled water, to control the risk of operational instability due to water shortages.

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

✓ Yes

# (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

#### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

0

# (3.1.1.25) Explanation of financial effect figure

As of March 2024, our total investment in copper business was 1.06 trillion. This includes not only the Escondida copper mine but also other mines (individual investment amounts for each mine are confidential). Our investment in copper mining operations may be affected if operations are disrupted and production capacity is reduced.

#### (3.1.1.26) Primary response to risk

#### Infrastructure, technology and spending

✓ Secure alternative water supply

#### (3.1.1.27) Cost of response to risk

4000000000

## (3.1.1.28) Explanation of cost calculation

Our investment, approximately US4 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.

#### (3.1.1.29) Description of response

Water consumption is reduced in the ore processing phase through water-saving and reuse, among other means. In addition, the desalination plant has eliminated reliance on subterranean aquifers covering all the project's water requirements by the construction of the desalination plant with one of the largest processing and pumping capacities in the world.

## Climate change

# (3.1.1.1) Risk identifier

Select from:

✓ Risk2

# (3.1.1.3) Risk types and primary environmental risk driver

#### **Acute physical**

☑ Cyclone, hurricane, typhoon

# (3.1.1.4) Value chain stage where the risk occurs

Select from:

✓ Direct operations

#### (3.1.1.6) Country/area where the risk occurs

Select all that apply

Australia

# (3.1.1.9) Organization-specific description of risk

Physical events such as floods, droughts, water scarcity, landslides and fires, which are said to be increasing in both frequency and intensity as a result of climate change, will in turn affect MC. Some of MC's subsidiaries and affiliates are involved in mining businesses, which have a higher risk of material and adverse effects to their assets, the productivity and costs associated with their assets, as well as their supply chains, transport and distribution networks, customers' facilities and the markets in which they sell their products due to extreme weather events. For instance, MC's subsidiary MDP is a 50% owner of the BHP Mitsubishi Alliance (BMA), a joint venture with BHP. BMA operates its metallurgical coal business in Queensland, Australia. A cyclonic or overtopping event of the port facility at BMA as a result of a cyclone may lead to unplanned downtime, affecting revenues from the impacted assets.

#### (3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

# (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

✓ Medium-term

# (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

✓ More likely than not

# (3.1.1.14) Magnitude

Select from:

✓ Medium-high

# (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

MC has around 1,800 group companies in approximately 90 countries, including those involved in fossil fuel-related business. As many of MC's projects are implemented based on a long-term perspective (20-30 years), there are a range of variables that could influence the financial position, financial performance and cash flows. Such variables may include regulations (i.e. carbon pricing) and technological innovation. For instance, a carbon pricing mechanism was introduced in Australia, where MC 's subsidiaries are engaged in natural resource related projects and are already subject to this mechanism, As referred to in 3.5. These types of regulations are expected to expand globally, and more projects will fall under these regulations over time. These future environmental regulations, along with their potential financial impacts, are being closely monitored and analyzed. As for technological innovations, this could lead to both risks and opportunities for MC. For

example, variables include the cost of grids, batteries, CCUS, and hydrogen which could all influence the cost competitiveness of MC's energy related business. One of the most prominent examples is in the power generation business. Demand for coal-fired power generation is declining, particularly in OECD countries, as natural gas and renewable energy are increasingly replacing thermal coal as energy sources. Specifically, MC considers a decline in new business opportunities for coal-fired power generation to be a climate-related risk. In FY2019, MC adopted a policy to not enter into any new coal-fired power generation businesses, with the exception of projects on which MC has already commenced development. In view of these shifts in the market, MC has set a target to "aim to double our renewable power generation by FY2030 compared to FY2019 (from 3.3GW to 6.6GW)" and is actively promoting renewable energy projects. In addition, MC will aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. Having acquired Dutch energy supply company Eneco in FY2019 and by leveraging its expertise in offshore wind power, MC was appointed as an operator for three offshore wind power projects which were the first large-scale commercial projects in Japan and will continue to focus on renewable energy projects.

## (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

## (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

7812000000

# (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

36457000000

## (3.1.1.25) Explanation of financial effect figure

The high degree of uncertainty around the likelihood of occurrence, frequency and severity of the event described by this risk makes it difficult to determine the potential financial impact with precision. Potential financial impact is further dependent on the effectiveness of BHP Mitsubishi Alliance (BMA)'s controls. The frequency and severity of the event would determine any long-term financial implication. An example of possible financial impact has been developed for a potential downtime event at BMA's assets using the following high level assumptions: - A 'minimum' estimate assuming 3 days additional downtime, applied as a pro-rata reduction to average daily sales volume in Australian Financial Year (AFY) 2024 multiplied by AFY2024 average index price\* (total AFY2024 sales volume at 22 million tonnes divided by 365, multiplied by AFY2024 average index price of U287, multiplied by an exchange rate of 149.25 JPY/USD) - A 'maximum' estimate assuming 2 weeks (14 days) additional downtime, applied as a pro-rata reduction to average daily sales volume in AFY2024 multiplied by AFY2024 average index price\* (total AFY2024 sales volume at 22 million tonnes divided by 365, multiplied by 14, multiplied by AFY2024 average index price of U287, multiplied by an exchange rate of 149.25 JPY/USD). BMA is owned 50:50 by BHP and Mitsubishi Development, with sales volume figures above as 50% of total BMA sales volume. These assumptions and figures are provided for illustrative purposes only - actual impacts of a direct weather event will depend on the operations(s) affected, duration of the shutdown (partial or full), market dynamics and pricing at the time, and the capacity for the asset to manage the interruption to supply through stockpile management, leveraging force majeure provisions and/or other mitigating actions. There may also be impacts on our business and stakeholders other than financial impacts - MC has assumed no other impacts other than revenue reduction as a result of downtime in this example for simplicity. \*

# (3.1.1.26) Primary response to risk

#### Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

#### (3.1.1.27) Cost of response to risk

109200000

# (3.1.1.28) Explanation of cost calculation

The "cost of response to risk" stipulated here (JPY109.2 million) is the approximate cost of implementing the measures detailed above, including personnel costs of 4 full-time employees (FTE) in the Sustainability Dept. (Average of JPY27.3 million per FTE multiplied by 4 FTE equals JPY109.2 million) who engage in climate-related initiatives including this type of analysis.

#### (3.1.1.29) Description of response

MC is taking measures to respond to acute physical risks of climate change. [Case Study] (Solution, Task) MC's subsidiary MDP is a 50% owner of the BHP Mitsubishi Alliance (BMA), a joint venture with BHP. During FY2024, BMA completed a project for the fabrication and installation of a new berth superstructure and shiploader and commenced its operation at Hay Point Coal Terminal. This improves the facility's operational resilience to withstand significant weather events and increses its throughput capacity. BMA is continuing to implement a range of wet weather mitigation measures including drone mapping and rain on grid modelling to manage surface water flows to less impactful areas with improved road preparation.

#### **Forests**

#### (3.1.1.1) Risk identifier

Select from:

✓ Risk2

## (3.1.1.2) Commodity

Select all that apply

✓ Soy

# (3.1.1.3) Risk types and primary environmental risk driver

#### Market

☑ Lack of availability and/or increased cost of certified sustainable material

## (3.1.1.4) Value chain stage where the risk occurs

Select from:

✓ Upstream value chain

#### (3.1.1.6) Country/area where the risk occurs

Select all that apply

✓ Brazil

# (3.1.1.9) Organization-specific description of risk

If regulations on deforestation and land conversion are strengthened, or if the demand for DF/DCF soybeans increases, it is expected that the procurement costs for soybeans will rise in response to these demands. However, it is uncertain whether these increased procurement costs can be passed on to the sales prices. Additionally, the share of soybean farms that have received internationally recognized sustainability certifications, such as RTRS, remains extremely limited, and there may be a risk that supply will not keep up with the increasing demand. Therefore, if we are unable to pass the increased procurement costs onto our sales prices or if we are unable to secure supply in the first place, there is a risk that our company's handling volumes from soy may decrease.

### (3.1.1.11) Primary financial effect of the risk

Select from:

✓ Increased direct costs

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

✓ Medium-term

# (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

✓ More likely than not

#### (3.1.1.14) Magnitude

Select from:

Medium

# (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the medium term, it may be difficult to fully pass on the increased procurement costs of DF/DCF soybeans to our sales prices, and there is a possibility that our company will have to absorb a certain portion of these costs. However, as DF/DCF soybeans become a global standard, it is expected that this impact will be mitigated in the long term.

# (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

# (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

8675400000

### (3.1.1.25) Explanation of financial effect figure

We conducted a preliminary calculation by assuming the current unit price of RTRS-certified credits as the additional cost for procuring DF/DCF soybeans. In the minimum case, where we assume that the entire increase in procurement costs can be passed on to the sales prices, the financial impact would be zero. In the maximum case, where no cost increase can be passed on, the entire amount would be considered a financial impact.

#### (3.1.1.26) Primary response to risk

#### **Agricultural practices**

✓ Avoid sourcing from jurisdictions with a high risk of deforestation and conversion of other natural ecosystems

## (3.1.1.27) Cost of response to risk

109200000

# (3.1.1.28) Explanation of cost calculation

The "cost of response to risk" stipulated here (JPY109.2 million) is the approximate cost of implementing the measures detailed above, including personnel costs of 4 full-time employees (FTE) in the Sustainability Dept. (Average of JPY27.3 million per FTE multiplied by 4 FTE equals JPY JPY109.2 million) who engage in forest-related initiatives including this type of analysis

#### (3.1.1.29) Description of response

In pursuit of stable transactions for sustainably verified soybeans, we are advancing the following initiatives with our suppliers: ① Regularly conducting human rights and environmental due diligence (sustainable supply chain survey) within our group's supply chain to evaluate supplier risks, and in case of necessary, encouraging corrective actions; ② Utilizing a grievance mechanism that serves as a point of contact for external stakeholders, allowing us to identify and address environmental and social issues in a timely and appropriate manner, working to prevent and mitigate them; ③ In regions within the soybean supply chain that require particular attention to environmental and social considerations, taking the necessary individual measures.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

#### Climate change

#### (3.1.2.1) Financial metric

Select from:

Revenue

# (3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

97261425

# (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

✓ Less than 1%

# (3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

### (3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

✓ Less than 1%

#### (3.1.2.7) Explanation of financial figures

If a company does not meet the base year figures submitted to the GX League, a Japanese government driven initiative, for the three-year total emissions, the company may choose to buy credits for the amount you have not met. The calculation method is as follows Base year emissions x 3 years - 3-year emissions target: As for MC: 4836t-CO2 (Base Year of emission) x 3years - 7833 (3 year emissions target) 6675t-CO2 6675 t-CO2 x 14571 JPY (Weighted average transaction price for J-credit methodology / price of forest category, which was highest among all major categories. Experimental period of J-credit from September 2022 to January 97,261,425JPY

#### **Forests**

# (3.1.2.1) Financial metric

Select from:

Revenue

#### (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

✓ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

#### (3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

✓ Less than 1%

### (3.1.2.7) Explanation of financial figures

Brazil is not only a major producer of soybeans but also a region with a rich ecosystem, including forests, and is recognized as an area that requires special consideration regarding deforestation due to agricultural expansion. Therefore, we recognize that the continued trade of Brazilian soybeans may become difficult due to the strengthening of regulations on deforestation and conversion, as well as increasing social demands. As a result, we have identified the transaction amount of Brazilian soybeans as Amount of financial metric vulnerable to transition risks.

#### Water

#### (3.1.2.1) Financial metric

Select from:

✓ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

# (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Sel	lect	from:
$\mathbf{c}$	$-c_{\iota}$	II OIII.

✓ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

# $(3.1.2.5)\,$ % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

✓ Less than 1%

## (3.1.2.7) Explanation of financial figures

Confidential information [Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

## (3.2.1) Country/Area & River basin

#### Chile

✓ Other, please specify :Maipo

# (3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

✓ Direct operations

# (3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

Unknown

#### (3.2.10) % organization's total global revenue that could be affected

Select from:

Unknown

### (3.2.11) Please explain

Confidential information

#### Row 2

#### (3.2.1) Country/Area & River basin

#### **Thailand**

Mekong

# (3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

✓ Direct operations

#### (3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

# (3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

✓ Less than 1%

#### (3.2.10) % organization's total global revenue that could be affected

Select from:

✓ Less than 1%

# (3.2.11) Please explain

According to Aqueduct, a Thai tapioca starch manufacturing and processing company is based in an area affected by high water stress. The company's location, classified as the Mekong River Basin, is generally at high risk of water shortages, droughts, and inadequate wastewater treatment. However, based on the analysis of the impact on operations using the WWF Water Risk Filter— and taking into account business characteristics that we identified after conducting interviews with management during site visits—the company's operational risk score was "Low."

[Add row]

# (3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Water-related regulatory violations	Comment
Select from: ✓ No	We did not violate water-related regulations during the reporting year.

[Fixed row]

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

Australia ERF Safeguard Mechanism - ETS

# (3.5.2.1) % of Scope 1 emissions covered by the ETS 100 (3.5.2.2) % of Scope 2 emissions covered by the ETS 0 (3.5.2.3) Period start date 06/30/2022 (3.5.2.4) Period end date 06/29/2023 (3.5.2.5) Allowances allocated 8926 (3.5.2.6) Allowances purchased 208163 (3.5.2.7) Verified Scope 1 emissions in metric tons CO2e 10076663 (3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

# (3.5.2.9) Details of ownership

Select from:

✓ Other, please specify :Our subsidiaries.

# (3.5.2.10) Comment

It is the emissions of our subsidiaries. [Fixed row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from:  ✓ Yes, we have identified opportunities, and some/all are being realized
Forests	Select from:  ☑ Yes, we have identified opportunities, and some/all are being realized
Water	Select from:  ✓ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

**Climate change** 

#### (3.6.1.1) Opportunity identifier

Select from:

✓ Opp1

### (3.6.1.2) Commodity

Select all that apply

✓ Not applicable

#### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### **Products and services**

✓ Increased sales of existing products and services

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Downstream value chain

#### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Netherlands

#### (3.6.1.8) Organization specific description

The shift from coal to gas and renewable energy presents significant business opportunities for MC. For instance, in 2020, together with Chubu Electric Power Co., Inc., MC jointly acquired Eneco, a Dutch integrated energy supply company, that ranks within the top 10 globally in terms of amount of offshore wind energy generated. Eneco has extensive experience and an impressive track record in competitive tenders for offshore wind concessions and support mechanisms. Eneco also offers comprehensive in-house project development capabilities, as well as construction and operation & maintenance services, while providing products and services that enable customers to make the switch to smarter, more sustainable energy consumption. MC will utilize this acquisition as an opportunity to help reduce emissions and to realize its vision of simultaneously generating economic, societal and environmental value through its businesses. MC anticipates that under a 1.5C scenario, increasing demand for renewable energy (solar and wind) will require structural changes in the power business (growing need for grid stabilization accompanying an increase in variable renewable energy). MC expects to be able to increase revenue and earnings from renewable energy-related businesses by capitalizing on its strengths. MC aims to generate synergies by capturing potential opportunities related to renewable energy and related businesses along the value chain, both as an investor and a business incubator.

## (3.6.1.9) Primary financial effect of the opportunity

Select from:

✓ Increased revenue resulting from price premiums

# (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

✓ Medium-term

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ Likely (66-100%)

#### (3.6.1.12) Magnitude

Select from:

✓ Medium

# (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

MC has around 1,800 group companies in approximately 90 countries, including those involved in fossil fuel-related business. There are a range of variables that could influence the financial position, financial performance and cash flows through the mid-term. Such variables may include regulations (i.e. carbon pricing) and technological innovation. For instance, a carbon pricing mechanism was introduced in Australia, where MC's subsidiaries are engaged in natural resource related projects and are already subject to this mechanism, as referred to in 3.5. These types of regulations are expected to expand globally, and more projects will fall under these regulations over time. These future environmental regulations, along with their potential financial impacts, are being closely monitored and analyzed. As for technological innovations, this could lead to both risks and opportunities for MC. For example, variables include the cost of grids, batteries, CCUS, and hydrogen which could all influence the cost competitiveness of MC's energy related business. One of the most prominent examples is in the power generation business.

Demand for coal-fired power generation is declining, particularly in OECD countries, as natural gas and renewable energy are increasingly replacing thermal coal as energy sources. Specifically, MC considers a decline in new business opportunities for coal-fired power generation to be a climate-related risk. In FY2019, MC adopted a policy to not enter into any new coal-fired power generation businesses, with the exception of projects on which MC has already commenced development. In view of these shifts in the market, MC has set a target to "aim to double our renewable power generation by FY2030 compared to FY2019 (from 3.3GW to 6.6GW)", and is actively promoting renewable energy projects. In addition, MC will aim to reduce existing thermal power capacity and switch to zero-emission thermal power, MC was appointed as an operator for three offshore wind power projects which were the first large-sc

# (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

✓ Yes

#### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

43700000000

# (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

43700000000

#### (3.6.1.23) Explanation of financial effect figures

The financial impact of market changes is difficult to predict. MC is engaged in both renewable energy and thermal power generation, so the shift from coal to gas and renewables will have both positive and negative impacts on MC's profits. The financial impact figure of JPY43.7 billion is the equity in earnings from Eneco in FY2023.

# (3.6.1.24) Cost to realize opportunity

400000000000

#### (3.6.1.25) Explanation of cost calculation

The figure of JPY400 billion stipulated as the "cost to realize the opportunity" is the acquisition amount in Eneco. The total value of this acquisition is JPY500 billion yen, and MC has an 80% share of Eneco.

#### (3.6.1.26) Strategy to realize opportunity

MC has set a target to "aim to double our renewable power generation capacity by FY2030 compared to FY2019 (from 3.3 GW to 6.6GW)", and is actively promoting renewable energy projects. In addition, MC will aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. Accordingly, MC will endeavor to raise the value of its renewable energy businesses across the entire value chain, from the supply side to the demand side, including by expanding its power trading business and retail business with its existing customer base. As a recent example, MC acquired Dutch integrated energy supply company Eneco in March 2020. Eneco boasts the third-largest share of the Dutch energy market, and its businesses include power generation, the trading and sale of both gas and electricity, and the supply of district heating systems. Furthermore, in December 2021, MC was appointed as an operator for three offshore wind power projects in Japan (the first off the coast of Noshiro City, Mitane Town and Oga City in Akita Prefecture, the second off the coast of Yurihonjo City in Akita Prefecture, and the third off the coast of Choshi City in Chiba Prefecture) which have a combined capacity of 1.7 GW. During the bidding process, MC fully leveraged

its rich expertise gained from its experience in offshore wind power generation projects with Eneco.

#### **Forests**

# (3.6.1.1) Opportunity identifier

Select from:

✓ Opp1

# (3.6.1.2) Commodity

Select all that apply

✓ Timber products

## (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Resilience

✓ Improved resilience to future regulatory changes

#### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

✓ Direct operations

## (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Japan

#### (3.6.1.8) Organization specific description

From a business continuity perspective, we recognize resilience to future regulatory changes as a significant opportunity that could have a major impact. We have proactively obtained SBP (Sustainable Biomass Program) certification as part of our response to climate change. The wood pellets we handle are primarily sold to biomass power plants utilizing the Japanese government's FIT system. Starting in April 2023, the Japanese government has introduced a system that requires power

plants to report their biomass type-specific lifecycle GHG emissions and to meet a specified reporting threshold as a sustainability evaluation criterion under the FIT/FIP system. This system includes a three-year transition period, making compliance mandatory for projects certified from fiscal year 2022 onward, while projects certified before that remain optional for now. Within this system, SBP certification is highlighted as the primary method for verifying the lifecycle GHG of wood pellets. SBP certification is designed for operators along the value chain to use a common data system to calculate, report, and verify lifecycle GHG emissions. Although the use of SBP certification is not yet widespread in the Japanese wood pellet industry, we have already obtained SBP certification, demonstrating our resilience to regulatory changes and, consequently, our resilience to the impacts of climate change.

#### (3.6.1.9) Primary financial effect of the opportunity

Select from:

✓ Increased revenues resulting from increased demand for products and services

## (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

✓ Short-term

# (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ Virtually certain (99–100%)

## (3.6.1.12) Magnitude

Select from:

✓ High

# (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Due to the scale of the business, the financial impact on the entire company is extremely limited, therefore not applicable.

# (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

**V** No

# (3.6.1.24) Cost to realize opportunity

800000

#### (3.6.1.25) Explanation of cost calculation

We have analyzed that there is a high likelihood of realizing this opportunity within the next 1-3 years. To achieve this opportunity while maintaining our existing SBP certification and ensuring a stable supply of wood pellets, the annual cost required for maintaining the SBP certification is 800,000 yen.

## (3.6.1.26) Strategy to realize opportunity

We will keep a close eye on the future direction of related requirements.

#### Water

# (3.6.1.1) Opportunity identifier

Select from:

✓ Opp1

# (3.6.1.2) Commodity

Select all that apply

✓ Not applicable

# (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### **Products and services**

☑ Ability to diversify business activities

# (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

✓ Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Australia
- Chile
- Japan
- Philippines
- ✓ United Kingdom of Great Britain and Northern Ireland

#### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

Unknown

#### (3.6.1.8) Organization specific description

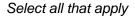
Our affiliate Swing Corporation is engaged in the domestic waterworks business, including the design and construction of water and sewage facilities and the provision of operation and maintenance services. Specifically, MC is engaged in phosphorus recovery from sewage sludge for fertilizer use at the Higashinada Sewage Treatment Plant in Kobe, Hyogo Prefecture. It promotes resource recovery through local production for local consumption and recycling (in FY2020, the project won the innovation category in a 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 FY2011, the project won the sustainability category in a wastewater recycling award sponsored by the Japanese Ministry of Land, Infrastructure, Transport and Tourism).

# (3.6.1.9) Primary financial effect of the opportunity

Select from:

✓ Increased revenues through access to new and emerging markets

# (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization



✓ Short-term

# (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ Virtually certain (99–100%)

# (3.6.1.12) Magnitude

Select from:

✓ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We do not have this figure, but limited impact on the entire company.

## (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

✓ No

# (3.6.1.24) Cost to realize opportunity

0

# (3.6.1.25) Explanation of cost calculation

We do not have this figure.

#### (3.6.1.26) Strategy to realize opportunity

Condidential information

### Climate change

#### (3.6.1.1) Opportunity identifier

Select from:

✓ Opp2

# (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### **Products and services**

✓ Development of new products or services through R&D and innovation

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Downstream value chain

#### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Japan

#### (3.6.1.8) Organization specific description

MC recognizes that CCUS will play a major role in achieving the goals of the Paris Agreement, and aims to promote the commercialization of CCUS through the Next-Generation Energy Business Group established in April, 2023. For CCU, MC is working on short-term initiatives in the construction materials field where some products (such as concrete) have already been commercialized and technically proven. 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 for jet fuel and synthetic fibers). Through the above initiatives, MC is developing new businesses and technologies, investing in and collaborating with various domestic and international corporations. In addition, MC is accelerating efforts in the wide-ranging field of CCUS, such as by participating in demonstration projects. Furthermore, in April 2023, MC, together with South Pole, global climate project developer and solutions provider, has established the NextGen CDR Facility (NextGen) to scale up carbon removal technologies and catalyze the market for high-quality carbon removals. NextGen is the first global facility specialized for innovative carbon removal technologies. Information about the strategic aspects regarding each of these initiatives is detailed in the section "Strategy to realize opportunity and explanation of cost calculation".

### (3.6.1.9) Primary financial effect of the opportunity

#### Select from:

✓ Increased revenues resulting from increased demand for products and services

# (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

✓ Long-term

# (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ More likely than not (50–100%)

## (3.6.1.12) Magnitude

Select from:

✓ Medium

# (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

MC has around 1,800 group companies in approximately 90 countries, including those involved in fossil fuel-related business. As many of MC's projects are implemented based on a long-term perspective (20-30 years), there are a range of variables that could influence the financial position, financial performance and cash flows. Such variables may include regulations (i.e. carbon pricing) and technological innovation. For instance, a carbon pricing mechanism was introduced in Australia, where MC 's subsidiaries are engaged in natural resource related projects and already subject to this mechanism, as referred to in 3.5. These types of regulations are expected to expand globally, and more projects will fall under these regulations over time. These future environmental regulations, along with their potential financial impacts, are being closely monitored and analyzed. As for technological innovations, this could lead to both risks and opportunities for MC. For example, variables include the cost of grids, batteries, CCUS, and hydrogen which could all influence the cost competitiveness of MC's energy related business. One of the most prominent examples is in the power generation business. Demand for coal-fired power generation is declining, particularly in OECD countries, as natural gas and renewable energy are increasingly replacing thermal coal as energy sources. Specifically, MC considers a decline in new business opportunities for coal-fired power generation to be a climate-related risk. In FY2019, MC adopted a policy to not enter into any new coal-fired power generation businesses, with the exception of projects on which MC has already commenced development. In view of these shifts in the market, MC has set a target to "aim to double our renewable power generation by FY2030 compared to FY2019 (from 3.3GW to 6.6GW)", and is actively promoting renewable energy projects. In addition, MC will aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. H

# (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

# (3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

26026000000000

# (3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

225560000000000

# (3.6.1.23) Explanation of financial effect figures

Although MC recognizes the potential impact of CCUS, it is still too early to forecast the financial impact of the industry and MC is not in a position to state concrete figures. Multiple factors such as capital allocation for the development of technology, support from governments, and changes in lifestyles from the COVID-19 pandemic will influence the growth of the industry, and accordingly there are too many uncertainties. However, according to the IEA's Net Zero by 2050 (NZE) scenario, 1.2 Gt of CO2 reduction needs to be accomplished through CCUS by 2030. Multiplying that figure by the carbon price in 2030 (USD15 to 130) according to the NZE, the market size is estimated to be around USD 18 billion to 156 billion. MC expects to play a significant role in the CCUS market (if MC could address 1% of the market, this would amount to USD 180 million to 1,560 million by 2030). We used an exchange rate of 144.59JPY/USD, therefore deriving the low figure by 18 billion\*144.59 approximately 2,603 billion yen and the high figure by 156 billion\*144.59 22,556 billion yen.

# (3.6.1.24) Cost to realize opportunity

420000000

# (3.6.1.25) Explanation of cost calculation

The cost to realize opportunities is the approximate personnel costs of 14 full-time employees (FTE) engaged in CCUS in the business group. We derived JPY420 million by JPY30 million per year for one FTE \* 14.

## (3.6.1.26) Strategy to realize opportunity

MC has set an energy transformation (EX) Strategy through which we will promote low/zero carbon initiatives across the energy sector by connecting seeds (solutions) with needs related to EX Resources (renewable energy, green hydrogen etc.), EX Materials (green steel, carbon neutral materials etc.), and EX Products (next-generation fuels, carbon neutral products etc.). MC will provide solutions as EX Services while working closely with industry, consumers and regions to address

emission reduction needs. In particular, MC aims to promote the commercialization of CCUS through a cross-company task force established in 2021. MC is now working in the following fields. A) Construction Materials MC seeks a combination of various technologies and collaborations with other corporations: CO2-SUICOM is the world's first commercially ready carbon negative concrete product manufacturing technology. MC supports the commercialization overseas of this and is also working on the R&D of new CO2-utilizing concrete. Blue Planet is an US-based start-up that possesses technology for producing aggregates—the raw material for concrete—by fixing CO2 to unused and scrap concrete from industrial waste. MC is financing Blue Planet and has signed a collaboration agreement with it to commercialize their technology. CarbonCure Technologies Inc. is a Canadian company that possesses technology, already widely used in North America, for fixing CO2 into ready-mix concrete. MC has made an equity participation in the company and is now expanding its business in Japan. B) Petroleum and Chemicals MC, along with its partners has been selected in the New Energy and Industrial Technology Development Organization(NEDO)'s publicly-offered commissioned projects, and these organizations are working on the R&D of a method to produce paraxylene from CO2. C) CCS MC is involved in a pilot project led by Japan CCS Co., Ltd. in Tomakomai. While conducting studies through Japan CCS and carbon recycling technology that effectively utilizes emitted CO2, MC is pursuing future commercial use possibilities. D) Carbon Credits MC together with South Pole, a global climate project developer and solutions provider, has established NextGen CDR Facility (NextGen) to scale up carbon removal technologies and catalyze the market for high-quality carbon removals. NextGen is the first global facility specialized for innovative carbon removal technologies.

#### **Forests**

# (3.6.1.1) Opportunity identifier

Select from:

✓ Opp2

# (3.6.1.2) Commodity

Select all that apply

✓ Soy

# (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Resilience

✓ Improved resilience to future regulatory changes

# (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

✓ Upstream value chain

## (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Brazil

## (3.6.1.8) Organization specific description

In light of the anticipated strengthening of future environmental regulations related to soybean production and distribution as measures against challenges such as climate change and biodiversity loss, we recognize that advancing efforts to reduce environmental impact and enhance resilience presents opportunities. To ensure a sustainable supply chain, we have established a policy for 'Sustainable Supply Chain Management' as our basic policy on environmental and social aspects, which we share with our suppliers, seeking their endorsement and implementation. Regarding soybeans, which are one of the commodities requiring special attention, we have formulated individual procurement guidelines and set specific policies and targets to address this issue. In Brazil, recognized as a region with high risks of deforestation due to agricultural expansion, our subsidiary in Brazil is working to procure soybeans without contributing to deforestation. This is achieved by complying with various Brazilian environmental laws and regulations, as well as the Soy Moratorium as industry guidelines, using a farmer and farmland selection system that utilizes satellite imagery. Additionally, we continue to promote initiatives that contribute to biodiversity and GHG reduction, such as providing agricultural guidance to farmers for optimizing pesticide use and selling biological products.

# (3.6.1.9) Primary financial effect of the opportunity

Select from:

✓ Increased revenues resulting from increased demand for products and services

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

✓ Medium-term

# (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ More likely than not (50–100%)

## (3.6.1.12) Magnitude

Select from:

Medium

# (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the medium to long term, we anticipate that regulations aimed at reducing the environmental impact of soybean production and distribution, as well as increasing social demands, will intensify. We expect that soybeans produced through DF/DCF methods or regenerative agriculture will be valued in the market.

# (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

✓ Yes

## (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

0

# (3.6.1.23) Explanation of financial effect figures

Assuming that maintaining transaction volumes is possible by continuing to enhance resilience against environmental challenges such as climate change and biodiversity loss, the transaction amount for Brazilian soybeans would represent a financial impact. However, as this constitutes confidential business information, it has been withheld.

# (3.6.1.24) Cost to realize opportunity

109000000

## (3.6.1.25) Explanation of cost calculation

The "cost of response to risk" stipulated here (JPY109.2 million) is the approximate cost of implementing the measures detailed above, including personnel costs of 4 full-time employees (FTE) in the Sustainability Dept. (Average of JPY27.3 million per FTE multiplied by 4 FTE equals JPY JPY109.2 million) who engage in forest-related initiatives including this type of analysis

## (3.6.1.26) Strategy to realize opportunity

We recognize that enhancing resilience through efforts to reduce environmental impact presents opportunities, especially in the context of anticipated future strengthening of environmental regulations related to soybean production and distribution. In Brazil, which is recognized as a region with high risks of deforestation due to agricultural expansion, our subsidiary in the country is working to procure soybeans without contributing to deforestation. This is achieved by utilizing a farmer

and farmland selection system that uses satellite imagery and by complying with various Brazilian environmental laws and regulations, as well as the guidelines of the Soy Moratorium. Additionally, we are continuing to transform our business model to address potential future environmental regulations as opportunities. This includes initiatives such as reducing pesticide use through agricultural guidance to farmers (including the introduction of digital technologies) to address climate change and natural capital, and the sale of biological products.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

## Climate change

## (3.6.2.1) Financial metric

Select from:

Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

20000000000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

**☑** 100%

# (3.6.2.4) Explanation of financial figures

MC has formulated medium- and long-term GHG emissions reduction targets aligned with the Paris Agreement, namely to halve emissions by FY2030 (FY2020 baseline) and to achieve Net Zero emissions by 2050. In order to achieve Net Zero by 2050 while mitigating transition risks and capturing transition opportunities as the world moves toward decarbonization, MC will invest approximately 2 trillion yen in EX-related initiatives by FY2030 to decarbonize its portfolio, which is the financial metric aligned with the opportunities. From this, approximately 1.2 trillion yen will be invested by FY2024.

#### **Forests**

# (3.6.2.1) Financial metric

Select from:

Revenue

# (3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

✓ Less than 1%

# (3.6.2.4) Explanation of financial figures

In the direct purchase of soybeans by our subsidiary in Brazil, we ensure that no deforestation has occurred in accordance with the Soy Moratorium guidelines, and we recognize that this aligns with our opportunities to certain extent.

#### Water

# (3.6.2.1) Financial metric

Select from:

☑ Other, please specify: We do not have this data.

# (3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

# (3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

✓ Less than 1%

# (3.6.2.4) Explanation of financial figures

We do not have this figure.

[Add row]

#### C4. Governance

## (4.1) Does your organization have a board of directors or an equivalent governing body?

# (4.1.1) Board of directors or equivalent governing body

Select from:

Yes

# (4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

# (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

✓ Independent non-executive directors or equivalent

## (4.1.4) Board diversity and inclusion policy

Select from:

✓ Yes, and it is publicly available

## (4.1.5) Briefly describe what the policy covers

In sharing the spirit of its guiding philosophy, the Three Corporate Principles, MC has an overall Diversity, Equity & Inclusion policy aiming (i) to recruit and apply its broad professional expertise without discrimination, (ii) to reap the benefits of workforce diversity by embracing and applying different perspectives and ideas into its management practices, business creations, and regional developments, and (iii) to improve organizational performance by ensuring an inclusive professional work environment. On top of that, Directors are appointed in light of their experience, insight, expertise, and overall character. At the Board of Directors, these individuals deliberate based on a variety of viewpoints to realize transparent, fair, timely and decisive decision-making and highly effective oversight of management. Among the various criteria laid down in the board skills matrix, innovation in energy and environment and society are most relevant with regards to environmental issues. Based on this policy, our board consists of individuals who have diverse array of backgrounds, including from government, experience in social/environmental impact, and representing a diversity of genders. For further reference, please refer to II 1 1, Size and composition of the Board of Directors in the attached policy.

# (4.1.6) Attach the policy (optional)

MC Principles of corporate\_governance\_202406en.pdf [Fixed row]

# (4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from:  ✓ Yes
Forests	Select from: ✓ Yes
Water	Select from: ✓ Yes
Biodiversity	Select from:  ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

# **Climate change**

# (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

- Director on board
- ✓ Other C-Suite Officer
- Board-level committee

## (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

✓ Yes

# (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☑ Board Terms of Reference
- ✓ Board mandate
- ✓ Individual role descriptions

# (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

# (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

- ✓ Overseeing and guiding scenario analysis
- ✓ Overseeing the setting of corporate targets
- ☑ Monitoring progress towards corporate targets
- ☑ Approving corporate policies and/or commitments
- ✓ Overseeing and guiding public policy engagement
- ✓ Overseeing and guiding the development of a business strategy
- ✓ Overseeing and guiding acquisitions, mergers, and divestitures
- ✓ Overseeing and guiding the development of a climate transition plan
- ✓ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

- ✓ Approving and/or overseeing employee incentives
- ✓ Overseeing and guiding major capital expenditures
- ✓ Monitoring the implementation of the business strategy
- ✓ Overseeing reporting, audit, and verification processes
- ✓ Monitoring the implementation of a climate transition plan

## (4.1.2.7) Please explain

The Board of Directors is the highest level of authority in MC and oversees policies related to sustainability, including climate change. The board monitors the progress of MC's "Roadmap to a Carbon Neutral Society" every year. Furthermore, in accordance with the Board of Directors' Regulations, policies and key initiatives related to climate change and other sustainability matters are reported to the Board of Directors regularly (at least once per quarter). Finally, there are decisions on loan and investment proposals, as well as divestments and impairments, which could be raised as an agenda on any month. The sustainability-related risks and opportunities, including climate change, will be reviewed on all cases. Altogether, MC may schedule a Board meeting on any month and sustainability including climate change could be an agenda any time. Directors maintain an appropriate grasp of the opportunities and risks related to climate change and monitor whether these have been reflected in business strategies. The Representative Director oversees sustainability, including climate-related issues. The Representative Director is a member of the Executive Committee, which serves as MC's highest decision-making body. This Executive Committee has a subcommittee, the Sustainability Committee, which discusses the company's sustainability policies including those related to climate change, and the Representative Director participates in this Sustainability Committee. In 2020, the Representative Director made the decision to switch MC's Head Office electricity to 100% renewable energy and to implement a comprehensive system to ascertain the company's sustainability-related data on a consolidated basis including GHG emissions. In 2021, through deliberations at the Executive Committee and the Sustainability Committee, the Representative Director made the decision to set and disclose medium- and long-term GHG emissions reduction targets, namely to halve emissions by FY2030 (FY2020 baseline) and to achieve Net Zero GHG emissions

#### **Forests**

# (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

✓ Director on board

# (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

# (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

- ☑ Board Terms of Reference
- ▼ Board mandate
- ✓ Individual role descriptions

# (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

✓ Scheduled agenda item in some board meetings – at least annually

## (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ✓ Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- ☑ Approving corporate policies and/or commitments
- ✓ Overseeing and guiding public policy engagement
- ✓ Overseeing reporting, audit, and verification processes
- ☑ Monitoring supplier compliance with organizational requirements
- ✓ Monitoring compliance with corporate policies and/or commitments
- ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

## (4.1.2.7) Please explain

The Board of Directors is the highest level of authority in MC and oversees policies related to sustainability, including forest environment management. In line with the Board of Directors' Regulations, policies and key initiatives related to sustainability matters including forest management are regularly reported to the Board of Directors. Additionally, there are decisions on loan and investment proposals, as well as divestments and impairments, which could be raised as an agenda on any month. The sustainability-related risks and opportunities, including forest initiatives, will be reviewed on all cases. Altogether, MC may schedule a Board meeting on any month and sustainability including forest related topics could be an agenda any time. The Directors maintain an appropriate grasp of the opportunities and risks related to sustainability matters including forest management and monitor whether these have been reflected in business strategies. The Representative Director oversees sustainability including forest-related matters. The Representative Director is a member of the Executive Committee, which serves as MC's highest decision-making body. This Executive Committee has a subcommittee, the Sustainability Committee, which discusses the company's sustainability policies including those related to forest environment issues, and the Representative Director participates in this Sustainability Committee. Furthermore, MC has two Independent Directors who have expertise in sustainability, so as to further contribute to enhancing the function of the Board.

#### Water

# (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

✓ Director on board

# (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

# (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☑ Board Terms of Reference
- ✓ Board mandate
- ✓ Individual role descriptions

## (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

## (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☑ Reviewing and guiding annual budgets
- ☑ Monitoring progress towards corporate targets
- ✓ Overseeing and guiding major capital expenditures
- ✓ Monitoring the implementation of the business strategy
- ✓ Overseeing and guiding acquisitions, mergers, and divestitures
- ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

## (4.1.2.7) Please explain

Important matters related to supply chain management deliberated by the Sustainability Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards. When reviewing and making decisions on investment proposals, we conduct a comprehensive screening process which considers not only economic aspects, but ESG factors as well. From a water resources perspective, we have 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, we utilize the World Resource Institute (WRI)'s Aqueduct tool in order to incorporate external perspectives. Besides screening new investment and exit proposals, we strive to make improvements to existing business investments by monitoring their management practices. In addition, we conduct annual surveys of suppliers to confirm their compliance with our Policy for Sustainable Supply Chain Management, which outlines our actions to address human rights, labor rights, and environmental issues in supply chains for products with high environmental or social risks. Items covered in these surveys include consideration for impacts on local communities and ecosystems; whether suppliers have policies, strategies, and guidelines designed to prevent river pollution and set and monitor water consumption reduction targets; and the content of any water-related surveys carried out.

### **Biodiversity**

# (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Director on board

# (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

## (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☑ Board Terms of Reference
- ▼ Board mandate
- ✓ Individual role descriptions

# (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

✓ Scheduled agenda item in some board meetings – at least annually

# (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

#### Select all that apply

- ✓ Overseeing the setting of corporate targets
- ☑ Monitoring progress towards corporate targets
- ☑ Approving corporate policies and/or commitments
- ✓ Overseeing and guiding public policy engagement
- ✓ Overseeing reporting, audit, and verification processes
- ☑ Monitoring supplier compliance with organizational requirements
- ☑ Monitoring compliance with corporate policies and/or commitments
- ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

# (4.1.2.7) Please explain

The Board of Directors is the highest level of authority in MC and oversees policies related to sustainability, including biodiversity management. In line with the Board of Directors' Regulations, policies and key initiatives related to sustainability matters including biodiversity management are regularly reported to the Board of Directors. Additionally, there are decisions on loan and investment proposals, as well as divestments and impairments, which could be raised as an agenda on any month. The sustainability-related risks and opportunities, including biodiversity initiatives, will be reviewed on all cases. Altogether, MC may schedule a Board meeting on any month and sustainability including biodiversity related topics could be an agenda any time. The Directors maintain an appropriate grasp of the opportunities and risks related to sustainability matters including biodiversity management and monitor whether these have been reflected in business strategies. The Representative Director oversees sustainability including biodiversity-related matters. The Representative Director is a member of the Executive Committee, which serves as MC's highest decision-making body. This Executive Committee has a subcommittee, the Sustainability Committee, which discusses the company's sustainability policies including those related to biodiversity environment issues, and the Representative Director participates in this Sustainability Committee. Furthermore, MC has two Independent Directors who have expertise in sustainability, so as to further contribute to enhancing the function of the Board. [Fixed row]

## (4.2) Does your organization's board have competency on environmental issues?

### Climate change

# (4.2.1) Board-level competency on this environmental issue

Select from:

✓ Yes

# (4.2.2) Mechanisms to maintain an environmentally competent board

#### Select all that apply

- ☑ Consulting regularly with an internal, permanent, subject-expert working group
- ☑ Engaging regularly with external stakeholders and experts on environmental issues
- ✓ Integrating knowledge of environmental issues into board nominating process
- ☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☑ Having at least one board member with expertise on this environmental issue

# (4.2.3) Environmental expertise of the board member

#### **Experience**

- ☑ Executive-level experience in a role focused on environmental issues
- ☑ Experience in the environmental department of a government (national or local)

#### **Forests**

# (4.2.1) Board-level competency on this environmental issue

Select from:

Yes

# (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ✓ Consulting regularly with an internal, permanent, subject-expert working group
- ☑ Engaging regularly with external stakeholders and experts on environmental issues
- ✓ Integrating knowledge of environmental issues into board nominating process
- ☑ Having at least one board member with expertise on this environmental issue

# (4.2.3) Environmental expertise of the board member

#### **Experience**

☑ Executive-level experience in a role focused on environmental issues

☑ Experience in the environmental department of a government (national or local)

### Water

# (4.2.1) Board-level competency on this environmental issue

Select from:

Yes

# (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☑ Consulting regularly with an internal, permanent, subject-expert working group
- ☑ Engaging regularly with external stakeholders and experts on environmental issues
- ✓ Integrating knowledge of environmental issues into board nominating process
- ☑ Having at least one board member with expertise on this environmental issue

# (4.2.3) Environmental expertise of the board member

#### **Experience**

- ☑ Executive-level experience in a role focused on environmental issues
- ☑ Experience in the environmental department of a government (national or local)

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from:  ✓ Yes
Forests	Select from:  ✓ Yes
Water	Select from:  ✓ Yes
Biodiversity	Select from: ✓ Yes

[Fixed row]

# (4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

## Climate change

# (4.3.1.1) Position of individual or committee with responsibility

#### **Executive level**

✓ Other C-Suite Officer, please specify: Chief Stakeholder Engagement Officer

# (4.3.1.2) Environmental responsibilities of this position

### Dependencies, impacts, risks and opportunities

- ✓ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

#### **Engagement**

- ☑ Managing public policy engagement related to environmental issues
- ☑ Managing value chain engagement related to environmental issues

#### Policies, commitments, and targets

- ✓ Monitoring compliance with corporate environmental policies and/or commitments
- ✓ Measuring progress towards environmental corporate targets
- ☑ Measuring progress towards environmental science-based targets
- ✓ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

#### Strategy and financial planning

- ✓ Developing a climate transition plan
- ✓ Implementing a climate transition plan
- ☑ Conducting environmental scenario analysis issues
- ☑ Managing annual budgets related to environmental issues
- ☑ Implementing the business strategy related to environmental issues
- Other
- ☑ Providing employee incentives related to environmental performance

- ✓ Developing a business strategy which considers environmental issues
- ✓ Managing environmental reporting, audit, and verification processes
- ☑ Managing acquisitions, mergers, and divestitures related to environmental

# (4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

# (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

✓ More frequently than quarterly

# (4.3.1.6) Please explain

In MCs management framework sustainability initiatives are overseen by the Chief Stakeholder Engagement Officer (CSEO), who also serves as an Executive Officer. The Sustainability Department plans and drafts related policies and measures under this position. The Sustainability Department is responsible for planning and formulating policies and initiatives which are discussed at the Sustainability Committee meetings held twice a year and then reported to the Executive Committee and the Board of Directors. The Chief Stakeholder Engagement Officer (CSEO) serves as the chair of the Sustainability Committee, which is a sub-committee of the Executive Committee.

#### **Forests**

# (4.3.1.1) Position of individual or committee with responsibility

#### **Executive level**

✓ Other C-Suite Officer, please specify :Cheif Stakeholder Engagement Officer

# (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- ✓ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

#### **Engagement**

- ☑ Managing engagement in landscapes and/or jurisdictions
- ☑ Managing public policy engagement related to environmental issues
- ☑ Managing supplier compliance with environmental requirements
- ☑ Managing value chain engagement related to environmental issues

#### Policies, commitments, and targets

- ☑ Monitoring compliance with corporate environmental policies and/or commitments
- ☑ Measuring progress towards environmental corporate targets

- ✓ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

#### Strategy and financial planning

- Conducting environmental scenario analysis
- ✓ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☑ Managing annual budgets related to environmental issues
- ☑ Managing environmental reporting, audit, and verification processes
- ☑ Managing major capital and/or operational expenditures relating to environmental issues

## (4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

# (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Half-yearly

# (4.3.1.6) Please explain

Sustainability, including issues related to forests, is overseen by our Corporate Functional Officer (CSEO), who also serves as an Executive Officer. The Sustainability Department is responsible for planning and formulating policies and initiatives, which are discussed at the Sustainability Committee meetings held twice a year, and then reported to the Executive Committee and the Board of Directors. The Corporate Functional Officer (CSEO) serves as the chair of the Sustainability Committee.

#### Water

# (4.3.1.1) Position of individual or committee with responsibility

#### **Executive level**

✓ Other C-Suite Officer, please specify: Chief Stakeholder Engagement Officer

# (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- ✓ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

#### **Engagement**

- ☑ Managing public policy engagement related to environmental issues
- ☑ Managing value chain engagement related to environmental issues

#### Policies, commitments, and targets

- ☑ Measuring progress towards environmental corporate targets
- ☑ Measuring progress towards environmental science-based targets
- ☑ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

#### Strategy and financial planning

- ✓ Conducting environmental scenario analysis issues
- ☑ Managing annual budgets related to environmental issues
- ✓ Implementing the business strategy related to environmental issues
- ✓ Developing a business strategy which considers environmental issues
- ☑ Managing environmental reporting, audit, and verification processes

✓ Managing acquisitions, mergers, and divestitures related to environmental

# (4.3.1.4) Reporting line

#### Select from:

☑ Reports to the board directly

# (4.3.1.5) Frequency of reporting to the board on environmental issues

✓ Half-yearly

# (4.3.1.6) Please explain

Sustainability, including water-related issues, is managed by the Corporate Functional Officer (Chief Stakeholder Engagement Officer) of the Company. The Sustainability Department plans and drafts policies and measures, which are discussed at the Sustainability Committee at least once a year, and then submitted to and reported by the Executive Committee and the Board of Directors. The Sustainability Committee and the Investment Committee have established a system for discussing individual projects and internal systems related to environmental risks, including water-related issues. The matters discussed at these committees are discussed or reported by the Managing Officer to the Executive Committee, which is chaired by the President.

## **Biodiversity**

# (4.3.1.1) Position of individual or committee with responsibility

#### **Executive level**

✓ Other C-Suite Officer, please specify :Cheif Stakeholder Engagement Officer

# (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

#### **Engagement**

- ☑ Managing engagement in landscapes and/or jurisdictions
- ☑ Managing public policy engagement related to environmental issues
- ☑ Managing supplier compliance with environmental requirements
- ☑ Managing value chain engagement related to environmental issues

#### Policies, commitments, and targets

✓ Monitoring compliance with corporate environmental policies and/or commitments

- ☑ Measuring progress towards environmental corporate targets
- ☑ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

#### Strategy and financial planning

- ✓ Conducting environmental scenario analysis
- ☑ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☑ Managing annual budgets related to environmental issues
- ☑ Managing environmental reporting, audit, and verification processes
- ☑ Managing major capital and/or operational expenditures relating to environmental issues

# (4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

# (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Half-yearly

## (4.3.1.6) Please explain

Sustainability, including issues related to forests, is overseen by our Corporate Functional Officer (CSEO), who also serves as an Executive Officer. The Sustainability Department is responsible for planning and formulating policies and initiatives, which are discussed at the Sustainability Committee meetings held twice a year, and then reported to the Executive Committee and the Board of Directors. The Corporate Functional Officer (CSEO) serves as the chair of the Sustainability Committee. [Add row]

# (4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

## Climate change

# (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

# (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

20

# (4.5.3) Please explain

To promote medium- to long-term sustainability, MC has added new sustainability factors to the key performance indicators used to calculate performance-linked bonuses (medium to long term) of the directors on board. During the first performance period under the revised scheme, remuneration paid will vary in accordance with the results of evaluations of initiatives related to optimizing the value of human capital and Contributing to Decarbonized Societies (one of MC's Materialities). Specifically, regarding Contributing to Decarbonized Societies, evaluations will examine initiatives aimed at achieving MC's greenhouse gas reduction targets (halve emissions by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and achieve net-zero emissions by 2050) as well as initiatives to simultaneously decarbonize and reinforce MC's portfolio. Based on the performance of these indicators, the renumeration may be increased or decreased by up to 20%.

#### **Forests**

# (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

# (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

15

## (4.5.3) Please explain

Compensation related to forest environmental management is included in individual performance-linked remuneration, which is determined based on individual performance evaluations, encompassing both quantitative and qualitative assessments. For directors responsible for business execution, this remuneration is determined by evaluating their performance for the fiscal year from both financial and non-financial perspectives, with forest environmental management efforts considered as part of the non-financial evaluation. Performance evaluations of Executive Directors comprehensively take into account their contributions to the

organizations and businesses they oversee, their contributions to the management of the entire company, as well as initiatives related to value creation and sustainability, including the management of forest environmental issues.

#### Water

## (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

✓ Yes

# (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

15

# (4.5.3) Please explain

Compensation related to water environmental management is included in individual performance-linked remuneration, which is determined based on individual performance evaluations that include qualitative assessments. For directors responsible for business execution, individual performance-linked remuneration is determined by evaluating their performance for the fiscal year from both financial and non-financial perspectives, and reflecting these results in the amount of compensation paid to each individual. Performance evaluations of Executive Directors comprehensively take into account their contributions to the organizations and businesses they oversee; their contributions to the management of the entire Company, Corporate Staff Section, Business Groups and offices; and the initiatives related to value creation that leads to sustainability, including the management of forest environmental issues.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

## Climate change

# (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

✓ Director on board

## (4.5.1.2) Incentives

Select all that apply

✓ Bonus – set figure

# (4.5.1.3) Performance metrics

#### **Targets**

- ✓ Achievement of environmental targets
- ☑ Reduction in absolute emissions in line with net-zero target

#### Strategy and financial planning

- ☑ Board approval of climate transition plan
- ☑ Achievement of climate transition plan
- ☑ Shift to a business model compatible with a net-zero carbon future

#### **Emission reduction**

- ☑ Implementation of an emissions reduction initiative
- ✓ Increased share of renewable energy in total energy consumption
- ☑ Reduction in absolute emissions

#### Resource use and efficiency

☑ Reduction in total energy consumption

# (4.5.1.4) Incentive plan the incentives are linked to

Select from:

✓ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

# (4.5.1.5) Further details of incentives

To promote a stronger awareness of enhancing corporate value through initiatives related to medium- to long-term sustainability, including ESG factors, MC has added new sustainability factors to the key performance indicators used to calculate performance-linked bonuses (medium to long term). During the first performance

period under the revised scheme, remuneration paid will vary in accordance with the results of evaluations of initiatives related to "Optimizing the Value of Human Capital" (based on Midterm Corporate Strategy 2024, formulated and published in May 2022) and "Contributing to Decarbonized Societies" (one of the material issues within MC's Materiality). Specifically, regarding "Contributing to Decarbonized Societies", evaluations will examine initiatives aimed at achieving MC's GHG reduction targets (to halve emissions by FY2030 (fiscal year ended March 31, 2021 baseline) and to achieve net zero emissions by 2050) as well as initiatives to simultaneously decarbonize and reinforce MC's portfolio.

# (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These evaluations and their reflection in terms of payment amounts will be handled as follows. First, the payment amount is calculated as the average profit for the year over the three fiscal years of the performance period. Next, a newly established subcommittee of the Governance, Nomination and Compensation Committee comprehensively evaluates initiatives related to the above-mentioned sustainability factors over the three fiscal years of the performance period in both quantitative and qualitative terms. The members of the subcommittee are the Chairman of the Board and Independent Directors, to whom this form of remuneration does not apply, and the committee is chaired by an Independent Director. In accordance with the results of the evaluation, the payment amount may then be increased or decreased by up to 20%. The evaluation results are reported to the Board of Directors and are disclosed in the Business Report and Annual Financial Report for the final fiscal year of the performance period. In-house Directors need to progress initiatives aimed at reaching MC's GHG reduction targets (to halve emissions by the fiscal year ending March 31, 2031 (fiscal year ended March 31, 2021 baseline) and to achieve net-zero emissions by 2050) as well as initiatives to simultaneously decarbonize and reinforce MC's portfolio.

#### **Forests**

# (4.5.1.1) Position entitled to monetary incentive

#### **Board or executive level**

✓ Director on board

## (4.5.1.2) Incentives

Select all that apply

✓ Bonus – set figure

# (4.5.1.3) Performance metrics

#### **Targets**

☑ Achievement of environmental targets

# (4.5.1.4) Incentive plan the incentives are linked to

Select from:

✓ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

# (4.5.1.5) Further details of incentives

As a global integrated business enterprise, we aim to enhance corporate value while contributing to the sustainable development of society. Forests are essential to our business activities, and we are committed to addressing global forest-related challenges by developing projects that contribute to solving forest issues through our business operations. Based on our basic policy on corporate governance, we have established an executive compensation system that ensures the appropriate functioning of both business execution and management oversight, in a manner that leads to the continuous enhancement of corporate value. The compensation for directors responsible for business execution (excluding the Chairman of the Board and outside directors) is designed to strengthen the link with company performance. It includes not only cash compensation but also stock-based compensation (subject to stock price conditions) to enhance the alignment with shareholder value and to foster a long-term perspective on corporate value creation. From this perspective, we have adopted performance-linked indicators, including consolidated net income (for both single-year and long-term performance) and stock price growth rate (long-term).

# (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The basic principles of the executive compensation system are as follows: -The compensation levels should reflect the functions and roles expected of our executives, as well as the company's performance levels. -By ensuring globally competitive compensation levels based on the achievement of performance targets, we aim to motivate the growth of the next generation of leaders and enhance organizational vitality.

#### Water

# (4.5.1.1) Position entitled to monetary incentive

#### **Board or executive level**

✓ Director on board

## (4.5.1.2) Incentives

✓ Bonus – set figure

# (4.5.1.3) Performance metrics

#### **Targets**

✓ Achievement of environmental targets

# (4.5.1.4) Incentive plan the incentives are linked to

Select from:

✓ Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

# (4.5.1.5) Further details of incentives

We aim to contribute to the sustainable development of society while enhancing corporate value as a global comprehensive business company. Water is an essential part of our business activities, and our policy is to contribute to solving water-related issues around the world by developing comprehensive water businesses that contribute to solving water problems through its business. Based on our basic policy on corporate governance, we have established a compensation system for directors so as to lead to continuous enhancement of corporate value and to ensure that the functions of business execution and management supervision are appropriately exercised. With regards to the compensation of directors who are responsible for business execution (directors excluding the Chairperson of the Board and outside directors), we have established a compensation structure to raise awareness of medium- to long-term enhancement of corporate value by strengthening the linkage with business performance and adopting compensation linked not only to business performance in a single year but also to medium- to long-term corporate value. In addition to cash compensation, we have established stock compensation (with stock price conditions) that is more closely linked to shareholder value. From this perspective, we have adopted consolidated net income (single-year, medium- to long-term) and stock price/share growth rate (medium- to long-term) as performance-linked indicators.

# (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The basic concept of the executive compensation system is as follows. • The compensation level shall be determined according to the functions and roles that the Company's officers should play and the Company's performance level. • By achieving a compensation level that is competitive on a global basis in accordance with the status of achievement of business results, etc., the motivation of the personnel who will be responsible for the management of the next generation will be aroused and the vitality of the organization will be improved.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?		
	Does your organization have any environmental policies?	
	Select from:	
[Fixed row]	✓ Yes	
(4.6.1) Provide details of your environment	tal policies.	
Row 1		
(4.6.1.1) Environmental issues covered		
Select all that apply  ✓ Climate change		
(4.6.1.2) Level of coverage		
Select from:  ☑ Organization-wide		
(4.6.1.3) Value chain stages covered		
Select all that apply  ✓ Direct operations ✓ Upstream value chain ✓ Downstream value chain ✓ Portfolio		

## (4.6.1.4) Explain the coverage

MC has set out the Mitsubishi Corporation Environmental Charter, which covers activities classified as "our business activities". As MC is engaged in investment, direct operations as well as value chain transactions, this term "our business activities" covers the aspects of our business that come under all "direct operations," "upstream value chain," "downstream value chain" and "portfolio". As for climate change, our policy is further elaborated on in our "Roadmap to a Carbon Neutral Society" in which we explain our Paris-aligned climate targets, net zero GHG emissions by 2050 goal (slide 2) and initiatives that our Business groups are taking towards decarbonization. (from slide 9).). Furthermore, in FY2020, the Corporate Functional Officer made the decision to switch MC's Head Office electricity to 100% renewable energy and implement a comprehensive system to ascertain the company's sustainability-related data on a consolidated basis including GHG emissions. Further reference to: Environmental Charter https://www.mitsubishicorp.com/jp/en/about/philosophy/charter.html

# (4.6.1.5) Environmental policy content

#### **Environmental commitments**

- ☑ Commitment to comply with regulations and mandatory standards
- ✓ Commitment to take environmental action beyond regulatory compliance
- ☑ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- ✓ Commitment to stakeholder engagement and capacity building on environmental issues

#### **Climate-specific commitments**

- ✓ Commitment to 100% renewable energy
- ☑ Commitment to net-zero emissions

#### Social commitments

- ☑ Commitment to promote gender equality and women's empowerment
- ☑ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- ☑ Commitment to respect internationally recognized human rights

#### **Additional references/Descriptions**

☑ Reference to timebound environmental milestones and targets

# (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

✓ Yes, in line with the Paris Agreement

# (4.6.1.7) Public availability

Select from:

✓ Publicly available

# (4.6.1.8) Attach the policy

MC Roadmap to Carbon Neutral Society.pdf

#### Row 2

# (4.6.1.1) Environmental issues covered

Select all that apply

Forests

# (4.6.1.2) Level of coverage

Select from:

✓ Organization-wide

# (4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- ✓ Upstream value chain

# (4.6.1.4) Explain the coverage

Our company handles a diverse range of products and services worldwide. As such, ensuring a sustainable supply chain is one of our critical business challenges. We have established the 'Sustainable Supply Chain Management' to outline our commitment to human rights, labor issues, and environmental sustainability, and to communicate our fundamental approach to suppliers globally. Additionally, we have developed individual guidelines for the procurement of timber and paper products, and soybean. The procurement guidelines for timber and paper products stipulate that we will not be involved in severe social and environmental issues such as the logging of high-conservation-value forests or the destruction of high-carbon-stock areas and land conversion, while the guidelines for soybeans stipulate that we aim to establish a system to ensure that deforestation and human rights violations are not occurring in the production areas of the soybeans we procure.

These materiality issues and guidelines are published on our sustainability website, and we continuously review and update them as necessary in response to stakeholder expectations and evolving challenges.

# (4.6.1.5) Environmental policy content

#### **Environmental commitments**

- ✓ Commitment to avoidance of negative impacts on threatened and protected species
- ☑ Commitment to comply with regulations and mandatory standards
- ☑ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems

#### Social commitments

- ☑ Adoption of the UN International Labour Organization principles
- ✓ Commitment to promote gender equality and women's empowerment
- ☑ Commitment to respect internationally recognized human rights

#### **Additional references/Descriptions**

☑ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

# (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify: Sustainable Development Goal 15 on Life on Land

## (4.6.1.7) Public availability

Select from:

☑ Publicly available

# (4.6.1.8) Attach the policy

guidlines\_tp\_en.pdf

#### Row 3

## (4.6.1.1) Environmental issues covered

Select all that apply

Water

# (4.6.1.2) Level of coverage

Select from:

✓ Organization-wide

## (4.6.1.3) Value chain stages covered

Select all that apply

- ✓ Direct operations
- ✓ Portfolio

# (4.6.1.4) Explain the coverage

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.

## (4.6.1.5) Environmental policy content

#### **Water-specific commitments**

- ☑ Commitment to reduce or phase out hazardous substances
- ☑ Commitment to control/reduce/eliminate water pollution
- ☑ Commitment to reduce water consumption volumes
- ✓ Commitment to reduce water withdrawal volumes.
- ☑ Commitment to safely managed WASH in local communities

#### Social commitments

- ☑ Adoption of the UN International Labour Organization principles
- ☑ Commitment to promote gender equality and women's empowerment
- ✓ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- ☑ Commitment to respect internationally recognized human rights

## (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

## (4.6.1.7) Public availability

Select from:

☑ Publicly available

## (4.6.1.8) Attach the policy

Mitsubishi Corporation Environmental Charter \_ Mitsubishi Corporation.pdf [Add row]

## (4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

## (4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

Yes

## (4.10.2) Collaborative framework or initiative

Select all that apply

- ✓ UN Global Compact
- ✓ Forest Stewardship Council (FSC)

- ☑ World Business Council for Sustainable Development (WBCSD)
- ✓ Other, please specify :GX League, Sustainable Bionass Program (SBP)

- ☑ Task Force on Nature-related Financial Disclosures (TNFD)
- ☑ Task Force on Climate-related Financial Disclosures (TCFD)
- ✓ Programme for the Endorsement of Forest Certification (PEFC)

### (4.10.3) Describe your organization's role within each framework or initiative

TCFD: 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. MC is a planning committee member of the TCFD Consortium, and since 2021, the General Manager of MC's Sustainability Department has served on this committee. MC actively participates in activities to support other Japanese companies' response to climate change. TNFD: MC recognizes the importance of understanding the extent of our dependencies and impacts on nature, analyzing risks and opportunities, minimizing excessive dependencies and negative impacts, and pursuing initiatives that contribute to the recovery of nature. From this perspective, MC conducted a trial analysis based on the beta version of the TNFD framework (V0.1-0.3) in FY2022, ahead of the release of final framework (V1.0). In addition, MC will provide feedback to the TNFD Forum, of which MC is a member, and will contribute to the development of analytical methods based on the results of this analysis. UNGC: MC became a signatory to the UN Global Compact in 2010, and has engaged at the Participant level as of the year ended March 2019. 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. WBCSD: MC is a founding member of the BCSD (Business Council for Sustainable Development), the predecessor of WBCSD, and has participated in the WBCSD since its founding in 1995. MC seconded an employee from its London Branch to the WBCSD full-time from 2016 to 2023. Through its participation in a wide variety of WBCSD initiatives, MC is able to share information and best practice with other leading companies and works to apply those learnings to its own business practice. GX League: The GX League, promoted by the Japanese government, is a framework in which companies that take on the challenge of GX and aim to achieve sustainable growth cooperate with government and academia in order to achieve carbon neutrality and social reform by 2050. MC joined the GX League in April 2023 after its demonstration period in FY 2022. We also have CoC certificates of FSC, PEFC and SBP for timber related businesses. [Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

✓ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement

## activities in line with global environmental treaties or policy goals

Select from:

✓ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

## (4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

✓ Paris Agreement

#### (4.11.4) Attach commitment or position statement

MC Code of Conduct.pdf

## (4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

✓ No

# (4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Based on the Mitsubishi Corporation Code of Conduct, MC requires its officers and employees to "comply with all applicable laws, rules and regulations where they operate, international standards and rules, and all internal corporate rules and policies". In particular, we request our officers and employees to "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". With regard to internal corporate rules in relation to external engagement activities, MC's membership to external bodies/organizations should be limited to those that are necessary for our business operations and those that contribute to the improvement of the company's economic and social status, and the significance, effectiveness, and costs of membership should be fully considered prior to any engagement. Specifically, the validity and eligibility (including the political clearance) of the membership is subject to strict scrutiny. In this regard, the Sustainability Department's opinion is required on the validity and eligibility when the membership involves climate and/or environment activities, as appropriate. After joining an organization, the activity and financial performance of the group will be reviewed at least once a year to determine whether MC should continue the membership.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

#### Row 1

## (4.11.2.1) Type of indirect engagement

Select from:

✓ Indirect engagement via a trade association

### (4.11.2.4) Trade association

#### Global

✓ Other global trade association, please specify: World Business Council for Sustainable Development (WBCSD)

# (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

✓ Climate change

## (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

# (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

✓ Yes, we publicly promoted their current position

# (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The World Business Council for Sustainable Development (WBCSD) is a global, CEO-led community of over 200 leading sustainable businesses working collectively

to accelerate the systems transformations needed for a net zero, nature positive and a more equitable future. WBCSD's Climate & Energy Program facilitates interaction on cutting-edge climate and energy topics between WBCSD members, their peers and other stakeholders as they address critical industry issues and share best practices and solutions. Through the SOS 1.5 initiative, in which MC participates in multiple work streams, WBCSD provides a cross-sectoral framework to help companies transform their operations and align with a 1.5C future.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

20000000

# (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

MC has been a member of the WBCSD since the organization was established in 1995, having previously been a member of the Business Council for Sustainable Development since 1991. MC's Senior Vice President and Chief Stakeholder Engagement Officer who oversees sustainability matters serves as MC's Council Member to the WBCSD, and the General Manager of the Sustainability Department in MC's Head Office and the General Manager of the Corporate Communications & Sustainability Department in MC's London Branch serve as Liaison Delegates. From 2016 to 2023, an employee of MC's London Branch was seconded to WBCSD's headquarters in Geneva. The leading practices of WBCSD and its member companies serve as valuable reference points for MC. MC's funding consists of both a general membership fee or participation fee for specific initiatives which are set out under the WBCSD criteria, which contributes to covering the personnel costs and administrative costs of WBCSD.

# (4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

✓ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

✓ Paris Agreement [Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

#### Row 1

#### (4.12.1.1) Publication

Select from:

✓ In mainstream reports, in line with environmental disclosure standards or frameworks

#### (4.12.1.2) Standard or framework the report is in line with

Select all that apply

✓ TCFD

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

✓ Climate change

### (4.12.1.4) Status of the publication

Select from:

Complete

## (4.12.1.5) Content elements

Select all that apply

- √ Governance
- ✓ Risks & Opportunities
- Strategy

# (4.12.1.6) Page/section reference

P23-30

# (4.12.1.7) Attach the relevant publication

yuuka shoken hokokusho2023\_04.pdf

# (4.12.1.8) Comment

The attached file is our annual securities report. Other materials are as follows (English): Annual Report P50 https://www.mitsubishicorp.com/jp/en/ir/library/ar/pdf/areport/2023/all\_view.pdf TCFD analysis https://mitsubishicorp.disclosure.site/pdf/themes\_161/mc\_tcfd\_2023\_en.pdf Annual Financial Report P14 https://www.mitsubishicorp.com/jp/en/ir/library/afr/pdf/afr2024.pdf [Add row]

#### **C5. Business strategy**

#### (5.1) Does your organization use scenario analysis to identify environmental outcomes?

#### Climate change

### (5.1.1) Use of scenario analysis

Select from:

Yes

## (5.1.2) Frequency of analysis

Select from:

✓ More than once a year

#### **Forests**

## (5.1.1) Use of scenario analysis

Select from:

✓ No, but we plan to within the next two years

#### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

✓ No standardized procedure

## (5.1.4) Explain why your organization has not used scenario analysis

Because we have not established methodologies and systems within the company

#### Water

## (5.1.1) Use of scenario analysis

Select from:

Yes

## (5.1.2) Frequency of analysis

Select from:

✓ Not defined

[Fixed row]

### (5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

#### **Climate change**

## (5.1.1.1) Scenario used

**Climate transition scenarios** 

**☑** IEA NZE 2050

## (5.1.1.3) Approach to scenario

Select from:

✓ Qualitative and quantitative

# (5.1.1.4) Scenario coverage

Select from:

✓ Organization-wide

# (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Technology
- Liability

# (5.1.1.6) Temperature alignment of scenario

Select from:

✓ 1.5°C or lower

## (5.1.1.7) Reference year

2023

## (5.1.1.8) Timeframes covered

Select all that apply

- **✓** 2025
- **☑** 2030
- **☑** 2040
- **✓** 2050

# (5.1.1.9) Driving forces in scenario

#### Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Global targets

#### **Direct interaction with climate**

✓ Perception of efficacy of climate regime

# (5.1.1.10) Assumptions, uncertainties and constraints in scenario

MC used the IEA Net Zero Emissions by 2050 Scenario (IEA NZE) as a reference for a 1.5C scenario analysis conducted in FY2021. Ever since, this assessment is reviewed at least annually. However, the IEA NZE data lacks the granularity required to extract precise insights that reflect MC's particular business characteristics and strategies. As such, MC has collaborated with a third-party organization to create and utilize a customized, specific model of a 1.5C scenario ("FY2022 1.5C Scenario"), while aligning key assumptions with the IEA NZE wherever possible, thus allowing for a detailed level of granularity on topics like demand by region and product. The FY2022 1.5C scenario assumes both decarbonization and economic growth in line with the IEA NZE, with an expected average annual growth rate of approximately 3% in GDP by 2050, and an expected population of about 9.7 billion in 2050. Global CO2 emissions are expected to decline by about 35% in 2030 compared to 2020, with the expectation that we will reach net zero emissions in 2050, largely resulting from changes in land use and the implementation of negative emission technologies. Under the FY2022 1.5C scenario, final energy use in 2050 will be approx. 400 EJ. Furthermore, the electricity share in final energy use will reach approx. 50% in 2050 due to enhanced electrification from decarbonization efforts, leading to an expected global electricity demand of approx. 90 billion GWh/year (3 times or more compared to 2020 levels). Regarding "Final Energy Use", which is considered to differ significantly compared to IEA NZE, the IEA NZE assumes an average annual improvement in energy efficiency of about 4% and 2.7% from 2020 to 2030 and from 2030 to 2050, respectively, with 2019 as the base year. However, considering that energy efficiency improvements over the past decade have averaged less than 2% per year, the FY2022 1.5C scenario assumes a more conservative figure of approx. 2% improvement in energy efficiency per year on average through 2050. Regarding "Primary

### (5.1.1.11) Rationale for choice of scenario

MC, in general, identifies scenarios based on the factors of scientific credibility, coverage across industries and level of widespread acceptance. Among these basic criteria, MC choses scenarios that are the most extreme for the risk factors which MC intends to evaluate. The IEA NZE was chosen in particular to evaluate the transformational risk as it evaluates how society as a whole could change in achieving net zero by 2050. Unlike other scenarios which are less ambitious in regard to climate targets or that simply reflect the extension of current policies, IEA NZE aims to show a pathway for the global energy sector to achieve net zero CO2 emissions by 2050, taking into account various considerations from technological costs to societal factors (i.e. the SDGs). Hence, it was chosen mainly to evaluate the transformational risk of MC's portfolio. On the other hand, the IPCC's RCP 8.5 scenario was chosen to evaluate physical risks, including cases where measures against climate change are limited and a temperature rise of 4 degrees occurs as a consequence, in order to evaluate the severability of physical risks under such scenarios.

#### Water

#### (5.1.1.1) Scenario used

#### Water scenarios

☑ Customized publicly available water scenario, please specify :Water-related Climate-related Socioeconomic

## (5.1.1.3) Approach to scenario

Select from:

✓ Qualitative and quantitative

## (5.1.1.4) Scenario coverage

Select from:

✓ Organization-wide

## (5.1.1.5) Risk types considered in scenario

Select all that apply

- ✓ Acute physical
- Chronic physical

# (5.1.1.7) Reference year

2022

### (5.1.1.8) Timeframes covered

Select all that apply

**✓** 2025

**✓** 2070

**☑** 2030

**✓** 2080

- **☑** 2040
- **☑** 2050
- **☑** 2060

## (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

✓ Climate change (one of five drivers of nature change)

## (5.1.1.10) Assumptions, uncertainties and constraints in scenario

Phase 0: Identification of Critical Assets In order to identify important assets for our business, we firstly identified subsidiaries and affiliates that have a significant financial impact on us by using indicators such as gross profit and total assets, and then selected those assets that are critical to the business. Phase 1: Screening To identify high-risk assets that should be subjected to detailed analysis in Phase 2, we hired an external consultant to conduct screening of 74 assets identified in Phase 0. Using historical data and future projections based on climate change, we scored the severity of each hazard that each asset will be exposed to by 2030. Hazards evaluated include coastal flooding (Storms and sea level rise), river flooding and flooding due to heavy rain, forest fires, rising temperatures, cyclones, and droughts. The climate scenario used was the IPCC Representative Concentration Pathway (RCP) 8.5 scenario. In Phase 1, we scored the severity of each hazard and rated the risk as high, medium, or small according to the overall score for each asset. Phase 2: Detailed analysis For 18 assets located in 8 countries that were judged to have a high overall score and a high likelihood of being affected by physical risks as a result of the Phase 1 screening, we conducted a detailed analysis of each hazard that each asset may be exposed to through 2080 using historical data, future projections based on climate models, and damage records from past hazards. For the detailed analysis in Phase 2, in addition to the RCP 8.5 scenario used in Phase 1, we used the RCP 4.5 scenario as a climate scenario to conduct risk analysis for a moderate increase in temperature. In Phase 2, we evaluated the priority of countermeasures for each hazard on a scale of 1 to 5, taking into account the likelihood of each hazard occurring, the severity of the negative impact on the asset if it occurs, and the likelihood that the asset will be affected by the hazard.

## (5.1.1.11) Rationale for choice of scenario

In addition to the transition risks and opportunities assessed in the 1.5 Scenario Analysis, we also analyze the potential impact of physical risks on the Group's businesses. Specifically, we analyze the risk of business operations being affected by droughts and floods due to increased abnormal weather, and the risk of business operations being affected by temperature rises due to climate change.

### Climate change

#### (5.1.1.1) Scenario used

#### Physical climate scenarios

**☑** RCP 8.5

## (5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

✓ No SSP used

## (5.1.1.3) Approach to scenario

Select from:

✓ Qualitative and quantitative

## (5.1.1.4) Scenario coverage

Select from:

✓ Organization-wide

# (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Liability
- Technology
- ✓ Acute physical

Chronic physical

# (5.1.1.6) Temperature alignment of scenario

Select from:

√
 4.0°C and above

## (5.1.1.7) Reference year

2021

# (5.1.1.8) Timeframes covered

Select all that apply

**☑** 2025

**☑** 2070

**✓** 2030

**☑** 2080

**✓** 2040

**☑** 2050

**✓** 2060

## (5.1.1.9) Driving forces in scenario

#### Local ecosystem asset interactions, dependencies and impacts

✓ Changes to the state of nature

## (5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 8.5 assumes that the trend of high emissions continues with little mitigation efforts being made to negate this. It generally assumes high economic growth and high energy demand, with limited policy measures being adopted to curb emissions. RCP is also constrained in that it does not consider a significant technological breakthrough that could substantially reduce emissions or alter energy consumption patterns. Such assumptions would allow MC to evaluate physical risks in relation to climate hazards.

# (5.1.1.11) Rationale for choice of scenario

MC, in general, identifies scenarios based on the factors of scientific credibility, coverage across industries and level of widespread acceptance. Among these basic criteria, MC chose scenarios that are the most extreme for the risk factors which MC intends to evaluate. The IEA NZE was chosen in particular to evaluate the transformational risk as it evaluates how society as a whole could change in achieving net zero by 2050. Unlike other scenarios which are less ambitious in regard to climate targets or that simply reflect the extension of current policies, IEA NZE aims to show a pathway for the global energy sector to achieve net zero CO2 emissions by 2050, taking into account various considerations from technological costs to societal factors (i.e. the SDGs). Hence, it was chosen mainly to evaluate the transformational risk of MC's portfolio. On the other hand, the IPCC's RCP 8.5 scenario was chosen to evaluate physical risks, including cases where measures against climate change are limited and a temperature rise of 4 degrees occurs as a consequence, in order to evaluate the severability of physical risks under such scenarios.

[Add row]

#### (5.1.2) Provide details of the outcomes of your organization's scenario analysis.

#### Climate change

## (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☑ Risk and opportunities identification, assessment and management
- ✓ Strategy and financial planning
- ☑ Resilience of business model and strategy
- Capacity building
- ☑ Target setting and transition planning

#### (5.1.2.2) Coverage of analysis

Select from:

✓ Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Based on the 1.5 C and the IEA NZE scenario, MC examined the following for natural gas/LNG, metallurgical coal and renewable energy. a) Analysis of the Business Environment b) Strategies and initiatives based on the business environment. Regarding the outcomes, from an opportunity perspective, among the businesses classified as "Green" under the MC Climate Taxonomy as having significant opportunities related to climate change, we selected renewable energy, which is one of our core businesses and for which we have multiple existing projects, as one of the target businesses of our scenario analysis. The implications of the scenario analysis for the renewable energy businesses are as follows: Electrification in a wide range of industries is essential in order to achieve net zero emissions by 2050. It is assumed that a large portion of that electricity needed will be provided through renewable energy, mainly solar and wind power. In the 1.5C scenario, the increase in the scale of total electricity generation and the share of renewable energy in that total generation due to the progress of electrification was found to be very significant. This trend is also consistent with the IEA NZE. Also, in line with the expansion of renewable energy, the 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. The introduction of renewable energy and the spread of battery storage, as well as the accompanying trend toward decentralization of the power supply system, will vary according to country and region depending on the status of policies, regulations, and technological innovations, and the timing of their manifestation may differ significantly. MC "produces" (generates) renewable energy, "integrates" weather-dependent electricity (through a sophisticated balance of supply and demand), and "delivers" this integrated electricity and high added-value services. By strengthening each of these functions of the power value chain, MC aims to expand our renewable energy business in Japan, where offshore wind power is expected to grow, and in Europe, where Eneco's platform stands, as well as in the Americas, Asia, and other regions. MC is making progress toward achieving its target to double its renewable energy power generation capacity from 3.3 GW in FY2019 to 6.6 GW by FY2030. MC (through its 80% subsidiary Eneco) and Shell plc were successful in the tender for the Hollandse Kust West Site VI offshore wind farm (760 MW capacity), located approximately 50 km off the Northwest coast of the Netherlands. This will be Eneco's fifth offshore wind project in the Netherlands and seventh in Europe, bringing the total capacity of offshore wind in the Netherlands to 2,500 MW, and as a result, MC's renewable energy net equity base capacity will expand from 3,430 MW to 3,670 MW. The business strategy of Eneco, as well as other investments on renewable energy, are reviewed annually including in the reporting year (FY2023). Moreover, in line with this scenario analysis, MC established the "Marunouchi Climate Tech Growth Fund" via Marunouchi Innovation Partners (a general partnership led by MC) in April 2023, as a means of supporting new climate tech companies. This fund aims to be one of Asia's largest funds to accelerate growth investments into climate tech companies. The intended period for this fund is about 12 years, aiming to invest several billion yen in around 20 companies.

#### Water

## (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

### (5.1.2.2) Coverage of analysis

Select from:

✓ Organization-wide

#### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

As an example of responses based on physical risk analysis, we are increasing the procurement of industrial wastewater and treated sewage from third parties to enhance resilience and are considering measures that could lead to further improvements in the mine water recycling rate. The Los Bronces Copper mine plans to use desalination to procure most of its water needs from 2026.

[Fixed row]

#### (5.2) Does your organization's strategy include a climate transition plan?

### (5.2.1) Transition plan

Select from:

✓ Yes, we have a climate transition plan which aligns with a 1.5°C world

#### (5.2.3) Publicly available climate transition plan

Select from:

Yes

# (5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

✓ No, and we do not plan to add an explicit commitment within the next two years

# (5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

Demand for coal-fired power generation is declining, particularly in OECD countries, as natural gas and renewable energy are increasingly replacing thermal coal as energy sources. Specifically, MC considers a decline in new business opportunities for coal-fired power generation to be a climate-related risk. In FY2019, MC adopted a policy to not enter any new coal-fired power generation businesses, with the exception of projects on which MC has already commenced development. In view of these shifts in the market, MC has set a target to "aim to double our renewable power generation by FY2030 compared to FY2019 (from 3.3GW to 6.6GW)" and is actively promoting renewable energy projects. In addition, MC will aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. Having acquired Dutch integrated energy supply company Eneco in FY2019 and by leveraging its expertise in offshore wind power, MC was appointed as an operator for three offshore wind power projects in Japan and will continue to focus on renewable energy projects. As for natural gas and LNG, in contributing towards a carbon neutral society, MC believes in the importance of both advancing the energy transition and ensuring a stable supply of energy. Natural gas/LNG emits a comparatively lower amount of GHG emissions compared to other fossil fuels and is projected to play a vital role in a wide range of areas critical to the energy transition including complementing the intermittency of renewables, accelerating the shift away from coal-fired power, serving as an energy source for sectors where electrification is difficult, and acting as a raw material for the production of next-generation energy. Additionally, we anticipate an increase in demand over the medium term for both natural gas and LNG, particularly in Asia, and believe that natural gas/LNG will play crucial roles throughout the global energy transition.

### (5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

## (5.2.8) Description of feedback mechanism

Engagement meetings with shareholders: MC conducts dialogues with both domestic and foreign institutional investors and proxy advisory firms from January to April every year. The topics of these dialogues include ESG related issues including climate change and transition plans. Constructive dialogues take place every year and are reported to top management, including directors. Subsequently, the contents of the dialogues are discussed internally and utilized for the planning of internal climate related measures and expanded disclosure. In FY2023, MC held dialogues with approximately 40 institutional investors. Annual General Meeting(AGM): MC positions the AGM as the primary forum for fulfilling accountability to its shareholders. In addition to proactive information disclosure in the Notice of Ordinary General Meeting of Shareholders, including regarding transition plans and progress of businesses based on such plans, MC actively encourages feedback from its shareholders at the AGM. At the AGM held in June 2023, all Directors, Audit & Supervisory Board Members, and each Business Group CEO attended and exchanged opinions with 14 shareholders.

## (5.2.9) Frequency of feedback collection

Select from:

✓ More frequently than annually

## (5.2.10) Description of key assumptions and dependencies on which the transition plan relies

MC's transition plan, our "Roadmap to a Carbon Neutral Society", consists of the three core points 1.GHG Reduction Targets: Halve by FY2030, Net Zero by 2050 2.Approx. 2 trillion yen of Energy Transformation (EX)-related investment by FY2030 3. Integrated EX/DX initiatives to "Create a New Future" The rationale behind this is the perception that sustainability as a growth lever. In order to serve this objective, MC has Introduced mechanisms for simultaneously decarbonizing and reinforcing our portfolio, including but not limited to, MC Climate Taxonomy and, Transform Discussion. In sum, the target objectives is achieve both environmental performance (net zero emissions) and economic growth. The general assumptions and dependencies are that the world will indeed move towards Net Zero 2050. To be more specific, MC used the IEA Net Zero Emissions by 2050 Scenario (IEA NZE) as a reference for a 1.5C scenario analysis in FY2021 and our GHG reduction targets were built upon such analysis. Furthermore, in order to achieve Net Zero by 2050 while mitigating transition risks and capturing transition opportunities as the world moves toward decarbonization, MC decided to invest approximately 2 trillion yen in EX-related initiatives by FY2030 (of which approximately 1.2 trillion yen will be invested by FY2024) to decarbonize its portfolio. Likewise, as the transition to a decarbonized society progresses, developments such as stricter environmental regulations and changes in customer preferences are accelerating the replacement of carbon-intensive products technologies with lower-carbon alternatives. For MC, the substitution of existing technologies and products with lower-carbon alternatives could have both positive and negative impacts (i.e. power generation business). Such implications are discussed at the annual meetings of the Business Strategy Committee for each Business Group and incorporated into their short- to medium-term business strategies.

#### (5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

GHG Reduction Target MC conducts an annual sustainability survey targeting all subsidiaries and affiliates including upstream and downstream companies (over 1,700 companies) to collect environmental and social performance data across the entire MC Group. Based on the data from this survey, MC achieved 13% decrease from the emission of the baseline year. Ex-related Investment By FY2030, we will invest a total of approximately 2 trillion yen in EX-related fields related to renewables/electrification and energy. In addition, MC has made its EX strategies central to Midterm Corporate Strategy 2024. MC plans to invest approximately 1.2 trillion yen in the three fiscal years ending March 31, 2025 to expand our EX portfolio. So far, 0.6 trillion yen has been invested. Such investment include three offshore wind farms off the coasts of Japan's Akita and Chiba prefectures\*. Moreover, in March 2022, MC decided to invest up to 100 million USD in Breakthrough Energy Catalyst\*\*, a fund dedicated to accelerating innovative climate technologies. Through participation in this program, MC is demonstrating a commitment to growing these technologies on a global basis. MC will also apply the business expertise and connections with leading value chain partners gained by participating in the program, toward developing scalable businesses for MC in the future. \* The three wind farms are expected to have a total generation capacity of 1.7 GW, contributing significantly to our target to double our renewable power capacity from FY 2019 levels to FY2030 (3.3 to 6.6GW). \*\* A fund that is part of Breakthrough Energy, a network of initiatives founded by Bill Gates in 2015, bringing together companies, governments and private philanthropy to accelerate the adoption of climate technologies that have been proven through R&D as suitable for large-scale commercialization. The current fund focus areas are 1) Clean Hydrogen (and related infrastructure), 2) Long-duration Energy Storage (LDES), 3) Sustainable Aviation Fuel (SAF) and 4) Direct Air Ca

### (5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

MC Roadmap to Carbon Neutral Society.pdf

## (5.2.13) Other environmental issues that your climate transition plan considers

✓ Plastics

## (5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Promiting the recycling business for plastic products is addressed in our climate transition plas as an initiative to contribbte towards a low-cabon and crcular economy. [Fixed row]

#### (5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

## (5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

✓ Yes, both strategy and financial planning

#### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- ✓ Products and services
- ✓ Upstream/downstream value chain
- ✓ Investment in R&D
- Operations

[Fixed row]

#### (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

#### **Products and services**

#### (5.3.1.1) Effect type

Select all that apply

Risks

Opportunities

## (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Climate change

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As the transition to a decarbonized society progresses, developments such as stricter environmental regulations and changes in customer preferences are accelerating the replacement of carbon-intensive products technologies with lower-carbon alternatives. For MC, the substitution of existing technologies and products with lower-carbon alternatives could have both positive and negative impacts. The most prominent example is in the power generation business. Demand for coal-fired power generation has been declining, particularly in OECD countries, as natural gas and renewable energy are increasingly replacing thermal coal as energy sources. Although the scenario analyses are based on a medium- to long-term perspective, the results of these analyses are discussed at the annual meetings of the Business Strategy Committee for each Business Group and incorporated into their short- to medium-term business strategies. A case study can be MC's Power Solution Group subsidiary. In 2021, MC renewed its mid-term goal, aiming to double renewable power generation capacity by FY2030 compared to FY2019 (from 3.3GW to 6.6GW). In addition, MC will reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. The approximate JPY400 billion investments in Eneco, made in FY2019, is in line with this strategy. Eneco delivered its first offshore wind project in 2008, the first in the Netherlands. Since then, Eneco has grown to become an industry leader in the development of large-scale sustainable assets, ranking in the top 10 globally in terms of offshore wind energy generation amount. Eneco has extensive experience and an impressive track record in competitive tenders for offshore wind concessions and support mechanisms. Meanwhile, Eneco offers comprehensive in-house project development capabilities, as well as construction and O&M services, while providing products and services that enable customers to make the switch to smarter, more sustainable energy consumption. By leveragin

#### Upstream/downstream value chain

## (5.3.1.1) Effect type

Select all that apply

Risks

Opportunities

## (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

## (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As the transition to a decarbonized society progresses, developments such as stricter environmental regulations and changes in customer preferences are accelerating the replacement of carbon-intensive products technologies with lower-carbon alternatives. The substitution of existing technologies and products with lower-carbon alternatives could have both positive and negative impacts on the value chain strategies of each of MC's Business Groups. MC factors these changes, predicted through a 1.5C scenario analysis from a medium- to long-term perspective, into discussions on value chain strategies at the annual meetings of the Business Strategy Committee for each Business Group, and the results are reflected into short- to medium-term action plans. For example, a case study of the most substantial strategic decision made in the "supply chain and/or value chain" area to date in the power sector is MC's acquisition of Dutch energy supply company Eneco in March 2020. In light of the increasing need for decarbonized electricity, as well as services to manage electricity demand by improving efficiency, MC invested in Eneco in an effort to reduce value chain emissions. The Power Solution Group has adapted its previous strategy that focused mainly on the supply side and centered on generation and transmission. Rather, by expanding its businesses on the demand side, including in the power trading and retail businesses, with its existing customer base, the Group is now endeavoring to raise corporate value across the entire value chain, including the supply side. For instance, MC subsidiary Eneco boasts the third-largest share of the Dutch energy market, and its businesses include power generation, the trading and sale of both gas and electricity, and the supply of district heating systems.

#### **Investment in R&D**

### (5.3.1.1) Effect type

Select all that apply

Opportunities

## (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

To capture opportunities around the shift to renewable energy and the spread of EV/PHEVs, MC is actively investing in start-ups and participating in business development projects. R&D priorities are also discussed at the annual meetings of the Business Strategy Committee, which considers business opportunities, and the results are reflected in short- to medium-term action plans. In light of the trends of MaaS, MC's Mobility Group commenced a demonstration project as well as commercial operation for Al-based on-demand bus services in collaboration with a bus operator in Japan. MaaS has a high potential to realize a decarbonized society by reducing a significant amount of GHG emissions from transport by providing efficient mobility services. MC invested in a Japan-based MaaS platform start-up, aiming to develop a "Beyond MaaS" business model (tie-ups with other sectors including real estate, retail and tourism). Together with Nishi-Nippon Railroad Co. Ltd., MC has jointly established Next Mobility Co., Ltd (NM) to provide commercial on-demand-bus transit services controlled by AI, and commenced a demonstration project (following which commercial operation began) in Fukuoka in April 2019. As of end of April 2024, our supply record of the on-demand-bus system exceeds 30

sites in Japan and abroad. In February 2023, MC established a self-driving one-stop service company named A-Drive Corporation jointly with Aisan Technology Co., Ltd. Through these projects, MC aims to leverage its expansive network and customer base to build a safe, sustainable, next-generation model for public transport and to offer convenient mobility services to regions in Japan that are facing challenges in that space. MC has newly established e-Mobility Solution Division within its Mobility Group. As the electrification of vehicles and the diversification of energy are expected to progress along with decarbonization, MC will focus on cross-industry new business development through the management of four areas: Fleet, Energy, Battery, and Materials. In July 2024, MC jointly established ALTNA Corporation with Honda Motor Co., Ltd. The aim is to challenge in the social implementation of EVs and the realization of a decarbonized society by optimizing EV usage costs, enhancing the value of batteries containing many rare resources, promoting resource circulation inside Japan, and supplying balancing power through grid storage batteries, which will see increased demand with the spread of renewable energy.

#### **Operations**

## (5.3.1.1) Effect type

Select all that apply

Risks

Opportunities

## (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The strengthening of environmental regulations, which will affect MC's operations in the form of higher costs such as the introduction of carbon taxes has already begun. As a medium- to long-term trend, this impact is expected to expand widely. In order to achieve the GHG reduction targets outlined in "The Roadmap to a Carbon Neutral Society", as sustainability policies to address climate change, we have introduced mechanisms for simultaneously decarbonizing and reinforcing our portfolio. One of the mechanisms is to evaluate the economics (internal rate of return) for new investments, using numerical assumptions under decarbonization scenario as a reference case. This is applied to "green" and "transformation" type of businesses, based on our own climate taxonomy (MC Climate Taxonomy). Through this process, the projected factors under a 1.5C scenario such as oil price, tax burden are adopted for calculations, and such results are presented to the Investment Committee to discuss the degree and possibility of such impacts actually materializing. While this analysis is conducted from a medium- to long-term perspective, it is also used as reference information to determine short- and medium-term actions such as low-carbon capital investment. For example, through the evaluation of the LNG project in Indonesia using numerical assumptions under decarbonization scenario, MC confirmed that the carbon price, which could increase up to the level of the carbon price stated in the NZE of IEA's WEO 2022 in the region, will result in higher OPEX for the project, worsening the overall project economics, if no actions are taken. The project is planning to develop Carbon Capture Utilization and Storage (CCUS). Once the CCUS is implemented, which is subject to a final investment decision by Partners, it will remove up to 90% of the reservoir-associated CO2 which represents nearly half of the project's emissions, making it one of the lowest GHG intensity LNG plants in the world, and will ease the potential negative effects caused

#### Upstream/downstream value chain

## (5.3.1.1) Effect type

Select all that apply

Risks

Opportunities

## (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Forests

## (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our group defines the co-created value continuously generated through the resolution of social issues materiality as MC Shared Value (MCSV) and aims to achieve this. Forest-related issues are included in our materiality. Our approach to simultaneously realizing three values and embodying them as a perspective for our sustainable growth has guided our efforts to address various social challenges through our business activities, in response to the requests of all stakeholders, and contribute to the sustainable development and value creation of society. In 2022, recognizing that stakeholder expectations, particularly regarding climate change, have increased and that the issues to be addressed have evolved, we reviewed our sustainability material issues from the perspective of their importance in business activities. We redefined these issues as materialities, which are critical social challenges that our business activities will address to continuously create value. The materialities include contributions to a decarbonized society, conservation and effective use of natural capital, realization of a sustainable and stable society and living, solving social issues through innovation, addressing regional issues and coexistence with communities, and respecting human rights in business promotion. By solving these social issues, we can address forest-related risks while connecting forest-related opportunities to value creation. Through the sale of wood pellets for biomass power plants in Japan, we are committed to contributing to a sustainable and stable society and decarbonized society. By ensuring that the wood pellets we procure are manufactured from materials confirmed to be legal and sustainable, we also contribute to the conservation and effective use of natural capital. Since 2014, we have utilized third-party certification systems, specifically CoC (Chain of Custody) certification, and handle materials confirmed to be legal and sustainable according to the standards of certification bodies. Soybeans, along with beef, palm oil, and timber products, are positioned as one of the major causes of global deforestation, with particular attention being paid to the deforestation associated with the expansion of soybean farmland in South America, especially in Brazil. In this context, we formulated a soybean procurement guideline last year. In this guideline, we have also publicly disclosed our specific initiatives and goals related to soybean procurement. We are committed to adhering to the disclosed content and continuously monitoring the initiatives of our competitors. Additionally, our subsidiary in Brazil has introduced technology-oriented methods, such as traceability using satellite imagery and biological products, contributing to the development of our grain business strategy.

#### **Operations**

### (5.3.1.1) Effect type

Select all that apply

Risks

Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Water

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We regard our Materiality as a guideline for the continuous creation of significant MC Shared Value, as we aim to create this value by strengthening the MC Group's collective capabilities to address societal challenges, and Materiality includes the water related issues. We 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, we have worked to address various societal issues through its business activities and has contributed towards the sustainable development of society as well as value creation. After reaching the six-year point since the establishment of the Key Sustainability Issues, stakeholder expectations of companies regarding issues such as climate change had grown even higher, and the issues that companies must address had evolved. 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 and revised Materiality. This materiality includes '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.' Through these activities, we contribute for water related issues. For example, we are delivering seawater desalination projects in drought regions of the world such as the 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. We provide a stable supply of desalted water to mines and farmlands in the region. In Qatar, we have been delivering an Independent Water and Power Project that supplies 2,520MW of electricity and 900,000 tons per day of water (which comprises 35% of Qatar's desalination capacity) to Qatar General Electricity & Water Corporation for over 25 years. We are 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. [Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

#### Row 1

## (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Capital allocation
- Acquisitions and divestments

#### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

# (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

✓ Climate change

## (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The shift to renewable energy in power generation has affected MC's markets, value chains, and the R&D strategies for its Power Solution Group's businesses. MC has set a medium to long-term goal to "aim to double renewable power generation capacity by FY2030 compared to FY2019 (from 3.3GW to 6.6GW)", and has adopted a policy not to enter into any new coal-fired power generation businesses, with the exception of projects which MC has already commenced development on. As of April 2024, MC's coal-fired power generation capacity is approximately 1.1 GW on an equity share basis (including projects under development and construction), which accounts for approximately 12% of MC's total capacity as of the same date. MC will gradually reduce its equity share of coal-fired power generation capacity, aiming to realize a complete withdrawal from the coal-fired power generation business by 2050. In addition, MC will reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. Under these new medium- to long-term strategies, goals and policies towards 2030 and 2050, MC is actively promoting renewable energy initiatives and aligning its financial plans, such as capital allocation, accordingly. The approximate JPY400 billion investment in Dutch energy supply company Eneco in FY2019 was made under the new financial plan. With a solid customer base that is the second largest in the Netherlands, the company has approximately 2.1 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. It has recently revealed an ambitious target to be carbon neutral by 2035, including scopes 1, 2, and 3. In addition, the company is the first Dutch company to be recognized as having set 1.5C-aligned targets, known as "science-based targets" and is also recognized both domestically and internationally

#### Row 2

## (5.3.2.1) Financial planning elements that have been affected

Select all that apply

Revenues

## (5.3.2.2) Effect type

Select all that apply

Risks

# (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

Forests

## (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

As a fundamental policy aimed at maintaining and enhancing financial soundness and corporate value, we identify various risks associated with our business activities and categorize and manage them according to their characteristics. In particular, risks that have a significant impact on our financial situation and social reputation are monitored and managed on a consolidated basis.

#### Row 3

## (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ✓ Revenues
- ✓ Capital expenditures

## (5.3.2.2) Effect type

Select all that apply

Risks

# (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

Water

## (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

With the aim of maintaining and enhancing its financial soundness and corporate value, the Company's basic policy is to identify and manage various risks associated with its business activities, and to classify and manage them according to their risk characteristics. In particular, the risks that have a significant impact on the Company's financial position and social credibility are identified and managed on a consolidated basis. As an example, at a copper mine in Chile, the cost of constructing a seawater desalination plant with the world's largest capacity for treatment and water transmission at a cost of approximately US 4 billion is incorporated into the medium- to long-term financial plan. The Company's strategy is to replace businesses in response to changes in the business environment. When a business that contributes to solving water-related social issues is promoted, the revenues and costs of the business are newly incorporated into the financial plan.

#### Row 4

## (5.3.2.1) Financial planning elements that have been affected

Select all that apply

✓ Indirect costs

#### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

## (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The "cost of response to risk" stipulated here (JPY109.2 million) is the approximate cost of implementing the measures detailed above, including personnel costs of 4 full-time employees (FTE) in the Sustainability Dept. (Average of JPY27.3 million per FTE multiplied by 4 FTE equals JPY JPY109.2 million) who engage in forest-related initiatives including this type of analysis. It is considered and included our financial planning.

[Add row]

# (5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

·		Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Select from:  ✓ Yes	Select all that apply  ✓ A sustainable finance taxonomy	Select from:  ✓ At both the organization and activity level

[Fixed row]

# (5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

#### Row 1

# (5.4.1.1) Methodology or framework used to assess alignment

Select from:

✓ A sustainable finance taxonomy

#### (5.4.1.2) Taxonomy under which information is being reported

Select from:

✓ Other, please specify: MC has its own taxonomy (MC Climate Taxonomy), which refers to EU Taxonomy.

#### (5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Total across climate change mitigation and climate change adaption

#### (5.4.1.5) Financial metric

Select from:

CAPEX

## (5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

300000000

### (5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

30

### (5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

40

#### (5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

50

## (5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

MC has classified "Green" businesses (e.g. renewable energy and green hydrogen businesses), which present significant climate-related transition opportunities, and "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks based on "MC Climate Taxonomy" which includes criteria such as the amount of Scope 3 Category 11 emissions. Based on the actual data from surveys and the company's own taxonomy which refers

to third party criteria such as the EU Taxonomy, MC has a governance and risk management framework to identify, assess and respond to climate-related risks and opportunities. 1) Company-wide business strategy The specific processes are as follows. Short term, medium term and long term climate-related risks and opportunities are assessed, and the total of all processes takes place more than once a year. a) With regard to businesses classified as "Green" or "Transform", we conduct a 1.5C scenario analysis annually. The Sustainability Department takes the lead in conducting this analysis, which is, in turn, conducted by each of the relevant Business Groups. The results of this analysis are first deliberated by the Sustainability Committee and are then confirmed by the Executive Committee, MC's highest-level management decision-making body. The confirmed analyses are incorporated into the strategy of each Business Group through discussions at each Group's annual Business Strategy Meeting, at which key business strategies and action plans are deliberated and determined. b) Regarding business classified as "Transform", MC monitors the impact potentially caused by a1.5C scenario on the strategies and policies of such businesses at the management level on an annual basis, namely via "Transform Discussions". In these discussions, the possibility and necessity of transforming the business as well as how it should be conducted, are discussed at the top management level while monitoring the stranded asset risks associated with a transition to a decarbonized world. Via this mechanism, trends on important factors affecting the direction of business can be observed every year. c) Also, based on the above sustainability survey and the future outlook for GHG emission amounts, MC has annual processes to confirm the compatibility of the current GHG emissions volumes with the already-set short- and medium-term GHG reduction plans, when formulating investment plans at the Business StrategyCommittee, to ensure that MC's overall investment plans are in accordance with the GHG reduction target for FY2030 and 2050, respectively. d) Lastly, MC recognizes physical risks from climate change as significant business risks. MC has conducted a comprehensive physical risk analysis of material assets held by our subsidiaries and affiliates. 2) Individual projects When reviewing and making decisions on loan and investment proposals, as well as divestments and impairments, MC has adopted a process in which the Investment Committee, which takes place approx. twice a month, deliberates all proposals to be discussed by the Board of Directors and the Executive Committee comprehensively based not only on economic aspects, but also on ESG factors. By having the General Manager of the Sustainability Department participate as a member of the Investment Committee, MC has put in place a screening process to facilitate decision-making that takes into account environmental and social impacts. Particularly for screening individual loan and investment proposals for businesses categorized as "Green" or "Transform," MC applies key assumptions of a 1.5C scenario consistent with Net Zero by 2050, such as internal carbon pricing (ICP). Moreover, the projected carbon tax burden under a 1.5°C scenario is analysed when assessing existing portfolio companies' annual business plans, and carbon management measures to be taken in response are discussed as necessary at the Investment Committee. [Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

#### Row 1

## (5.4.2.1) Economic activity

Select from:

☑ Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

## (5.4.2.2) Taxonomy under which information is being reported

#### Select from:

✓ Other, please specify: MC Climate Taxonomy, which referes to EU Taxonomy

#### (5.4.2.3) Taxonomy alignment

Select from:

▼ Taxonomy-aligned

#### (5.4.2.4) Financial metrics

Select all that apply

✓ CAPEX

## (5.4.2.5) Types of substantial contribution

Select all that apply

✓ Own performance

## (5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)

300000000000

### (5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

30.9

(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

30.9

(5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

## (5.4.2.27) Calculation methodology and supporting information

MC invested approximately 968.6 billion JPY in JFY2023. In this account, MC has invested approximately 300 billion JPY in energy transfromation. In the calculation, 300 billion JPY is regarded as taxonomy-aligned CAPEX and its percentage of the total investment of 986.8 billion JPY is calculated.

#### (5.4.2.28) Substantial contribution criteria met

Select from:

✓ Yes

## (5.4.2.29) Details of substantial contribution criteria analysis

To achieve Net Zero by 2050 while mitigating transition risks and capturing transition opportunities as the world moves toward decarbonization, MC decided to invest approximately 2 trillion yen in energy transformation -related initiatives by FY2030 (of which approximately 1.2 trillion yen will be invested by FY2024) to decarbonize its portfolio. Energy transformation related initiative will include, for example, renewable energy and copper. The investment of 300 billion JPY (0.3 trillion JPY) is within this investment plan and the contribution is analyses against this plan.

## (5.4.2.30) Do no significant harm requirements met

Select from:

Yes

## (5.4.2.31) Details of do no significant harm analysis

MC has classified all of the businesses in its portfolio as either "Green" businesses (e.g. renewable energy), which present significant climate-related transition opportunities, or "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks. This has been done based on our "MC Climate Taxonomy" (prepared in reference to the EU Taxonomy). When reviewing and making decisions on loan and investment proposals, as well as divestments and impairments, MC has adopted a process in which the Investment Committee, which takes place approximately twice a month, deliberates all proposals to be discussed by the Board of Directors and the Executive Committee, and includes the General Manager of Sustainability Department, and comprehensively covers ESG-related factors. These processes serve as an equivalent mechanism to a do no significant harm analysis in that, collectively, they confirm that our business activities do not cause significant harm to any of the six environmental objectives within the meaning of Article 17 of the Taxonomy Regulation.

## (5.4.2.32) Minimum safeguards compliance requirements met

Select from:

Yes

### (5.4.2.33) Attach any supporting evidence

MC Climate Taxonomy \_ Environmental \_ Sustainability & CSR \_ Mitsubishi Corporation.pdf [Add row]

# (5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

## (5.4.3.1) Details of minimum safeguards analysis

MC has classified all of the businesses in its portfolio as either "Green" businesses (e.g. renewable energy), which present significant climate-related transition opportunities, or "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks. This has been done based on our "MC Climate Taxonomy" (prepared in reference to the EU Taxonomy). When reviewing and making decisions on loan and investment proposals, as well as divestments and impairments, MC has adopted a process in which the Investment Committee, which takes place approximately twice a month, deliberates all proposals to be discussed by the Board of Directors and the Executive Committee, and includes the General Manager of Sustainability Department, and comprehensively covers ESG-related factors including human-rights. Likely, compliance factors are overseen by the Legal Department and tax issues are overseen by the Accounting Department. These processes serve as an equivalent mechanism to a minimum safeguard mechanism in that in that, collectively, they confirm that our business activities do not cause significant harm to any of the EU taxonomy's minimum safeguard criteria.

#### (5.4.3.2) Additional contextual information relevant to your taxonomy accounting

All necessary information is described in "Details of minimum safeguards analysis."

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

✓ No

(5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Taxonomy alignment is not currently our scope of vertification/assurance.
[Fixed row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

### (5.9.1) Water-related CAPEX (+/- % change)

0

## (5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

## (5.9.3) Water-related OPEX (+/- % change)

0

## (5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

# (5.9.5) Please explain

As there were no major changes in management and operation, there were few changes in water-related capital investment (CAPEX) and operating expenses (OPEX) from the previous year. We expect to maintain the same level in the next reporting year.

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

Use of internal pricing of environmental externalities	Environmental externality priced
Select from:  ✓ Yes	Select all that apply  ✓ Carbon

[Fixed row]

## (5.10.1) Provide details of your organization's internal price on carbon.

#### Row 1

## (5.10.1.1) Type of pricing scheme

Select from:

☑ Shadow price

## (5.10.1.2) Objectives for implementing internal price

Select all that apply

- ✓ Navigate regulations
- ✓ Drive energy efficiency
- ✓ Stress test investments
- ✓ Drive low-carbon investment
- ✓ Identify and seize low-carbon opportunities

- ✓ Incentivize consideration of climate-related issues in decision making
- ✓ Incentivize consideration of climate-related issues in risk assessment

# (5.10.1.3) Factors considered when determining the price

Select all that apply

- ✓ Alignment to scientific guidance
- ✓ Alignment with the price of a carbon tax

- ☑ Scenario analysis
- ☑ Social cost of climate-related impact

# (5.10.1.4) Calculation methodology and assumptions made in determining the price

In screening individual loan and investment proposals for businesses classified as "Green" or "Transform" under MC Climate Taxonomy, MC applies key assumptions including internal carbon pricing (ICP) from scientific guidance of a 1.5C scenario consistent with net zero by 2050, such as Net Zero Emissions by 2050 Scenario in the International Energy Agency's World Energy Outlook. Moreover, the projected carbon tax burden under a 1.5C scenario is analyzed when assessing existing portfolio companies' annual business plans, and carbon management measures to take in response are discussed as necessary at the Investment Committee. For instance, stress tests were conducted on the annual business plans of all major projects from MC's Natural Gas Group based on the carbon price under Net Zero Emissions by 2050 Scenario in the International Energy Agency's World Energy Outlook 2023 (USD205/tCO2 in 2040 in advanced economies) to confirm their business resilience. The analysis confirmed that the carbon tax burden would be around 3 times the current level by 2030 for MC's LNG project in Canada (currently under construction) if the tax were to increase to USD150/tCO2, or to CAD170/tCO2 as announced by the Canadian Federal Government. This analysis enhanced the internal discussion on determining which carbon management measures are necessary to effectively manage the OPEX/CAPEX.

## (5.10.1.5) Scopes covered

Select all that apply

✓ Scope 1

✓ Scope 2

### (5.10.1.6) Pricing approach used – spatial variance

Select from:

✓ Differentiated

# (5.10.1.7) Indicate how and why the price is differentiated

In screening individual loan and investment proposals for businesses classified as "Green" or "Transform" under MC Climate Taxonomy, MC applies key assumptions of a 1.5C scenario consistent with net zero by 2050, such as internal carbon pricing (ICP). Moreover, the projected carbon tax burden under a 1.5°C scenario is analyzed when assessing existing portfolio companies' annual business plans, and carbon management measures to take in response are discussed as necessary at the Investment Committee. Price may differentiate, for example, when there is a clear announcement of carbon pricing from the relevant national or subnational government (i.e. announcement from the Canadian Federal Government).

# (5.10.1.8) Pricing approach used – temporal variance

Select from:

Evolutionary

## (5.10.1.9) Indicate how you expect the price to change over time

Price may differentiate by region and timeframe, For example, when there is a clear announcement of carbon pricing from the relevant national or subnational government (i.e. announcement from the Canadian Federal Government), such price will apply. Furthermore, in screening individual loan and investment proposals for businesses classified as Green or Transform under MC Climate Taxonomy MC applies key assumptions of a 1.5C scenario consistent with net zero by 2050 such as internal carbon pricing ICP. The pricing in such scenario varied depending on region (i.e. developed market, emerging market) and timeframe. Moreover, the projected carbon tax burden under a 1.5°C scenario is analyzed when assessing existing portfolio companies' annual business plans and carbon management measures to take in response are discussed as necessary at the Investment Committee.

## (5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

62.2

# (5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

435

# (5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

- Capital expenditure
- Operations
- ☑ Risk management
- ✓ Opportunity management

# (5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

✓ Yes, for some decision-making processes, please specify: Internal Carbon pricing is enforced for businesses classified as "Green" or "Transform" under the MC Climate Taxonomy.

## (5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

# (5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

✓ Yes

# (5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Among the entire business portfolio, MC has classified "Green" businesses, which we identified as having significant climate-related transition risks based on the MC Climate Taxonomy which includes criteria such as Scope 3 Category 11 emissions volumes. Based on the above taxonomy, in screening individual loan and investment proposals for businesses classified as "Green" or "Transform," MC applies key assumptions of a 1.5C scenario consistent with net zero by 2050, such as internal carbon pricing (ICP). Moreover, the projected carbon tax burden under a 1.5°C scenario is analyzed when assessing existing portfolio companies' annual business plans, and carbon management measures to take in response are discussed as necessary at the Investment Committee. For instance, stress tests were conducted on the annual business plans of all major projects of MC's Natural Gas Group based on the carbon price under the Net Zero Emissions by 2050 Scenario (NZE) in the International Energy Agency (IEA)'s World Energy Outlook (WEO) 2021 (USD205/tCO2 in 2040 in developed economies) to confirm their business resilience. For instance, the analysis confirmed that the carbon tax burden would be around 4 times the current level by 2030 for MC's LNG project in Canada if the tax were to increase to USD205/tCO2, or to CAD170/tCO2 as announced by the Canadian Federal Government. This analysis enhanced the internal discussion on determining which carbon management measures are necessary to effectively manage the OPEX/CAPEX for this project.

### (5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from:	Select all that apply
	✓ Yes	✓ Climate change
		✓ Forests
		✓ Water

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Smallholders	Select from:  ✓ Yes	Select all that apply
Customers	Select from: ✓ Yes	Select all that apply  ☑ Climate change ☑ Forests
Investors and shareholders	Select from: ✓ Yes	Select all that apply  ☑ Forests
Other value chain stakeholders	Select from: ✓ Yes	Select all that apply  ☑ Water

[Fixed row]

# (5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

# Climate change

# (5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

✓ Yes, we assess the dependencies and/or impacts of our suppliers

# (5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

### (5.11.1.3) % Tier 1 suppliers assessed

Select from:

**100%** 

# (5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

In identifying products with high environmental or social risk, MC referred to various international norms, consulted with stakeholders, and prioritized them in terms of severity and likelihood. Among 18 products that were identified, LNG and coal were identified as having potential impact on climate change. MC conducted its annual survey of 913 suppliers, including 16 from LNG and coal (169131.8%). They are the entire tier 1 suppliers of these products with contentious transaction.

### (5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

**✓** 1-25%

# (5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

16

#### **Forests**

### (5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

✓ Yes, we assess the dependencies and/or impacts of our suppliers

### (5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- ✓ Dependence on water
- ☑ Dependence on ecosystem services/environmental assets

- ✓ Impact on deforestation or conversion of other natural ecosystems
- ✓ Impact on pollution levels

## (5.11.1.3) % Tier 1 suppliers assessed

Select from:

**100%** 

# (5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We have established a policy for 'Sustainable Supply Chain Management' and we ask our suppliers to comply with the policy. Additionally, in Brazil, where deforestation due to agricultural expansion is a concern, our subsidiary in Brazil complies with the Soy Moratorium guidelines, which are the industry standards in Brazil, as a threshold for directly purchasing soybeans from farmers.

# (5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

**✓** 100%

#### Water

# (5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

✓ Yes, we assess the dependencies and/or impacts of our suppliers

## (5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- ☑ Basin/landscape condition
- ✓ Dependence on water
- ☑ Impact on water availability

☑ Other, please specify :impact on water quality

## (5.11.1.3) % Tier 1 suppliers assessed

Select from:

**☑** 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

For example, the chemical subsidiary purchases from the sole feedstock supplier.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

**☑** 100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1 [Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

# Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

✓ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

# (5.11.2.4) Please explain

With sustainable supply chain management in mind, MC has prioritized products with high environmental and social risk ("products to be monitored") in FY2016 and FY2020, with advice from consultants and external advisors. MC conducts annual human rights and environmental due diligence on the supply chains (through the Sustainable Supply Chain Survey) of suppliers of these "products to be monitored" to assess their level of compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management. In identifying the products 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 of risk, their scope, and how remediable they might be) and 2. Likelihood (situation in each country, industry, and region of procurement). As a result, 18 products were identified, including LNG and coal with their potential high impact on the climate. In April 2023, MC conducted its annual survey of 913 suppliers, including 16 suppliers from LNG and coal. These suppliers are the entire tier 1 suppliers of these products with contentious transaction.MC may further visit the site or request and improvement in case material risk is identified.

#### **Forests**

# (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ No, we do not prioritize which suppliers to engage with on this environmental issue

#### (5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

☑ We engage with all suppliers

## (5.11.2.4) Please explain

We engage with all Tier 1 suppliers on their environmental issues through our company's original supply chain survey and we confirm their products' legality and sustainability by third party certification.

#### Water

# (5.11.2.1) Supplier engagement prioritization on this environmental issue

#### Select from:

✓ Yes, we prioritize which suppliers to engage with on this environmental issue

# (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ✓ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water
- ✓ Material sourcing

## (5.11.2.4) Please explain

With sustainable supply chain management in mind, MC has evaluated and identified products with high environmental and social risk ("products to be monitored") in FY2016 and FY2020, with advice from consultants and external advisors. MC conducts annual human rights and environmental due diligence on the supply chains (through the Sustainable Supply Chain Survey) of suppliers of these "products to be monitored" to assess their level of compliance with the Mitsubishi Corporation Policy for Sustainable Supply Chain Management.

[Fixed row]

## (5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

## Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

## (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

✓ Yes, we have a policy in place for addressing non-compliance

# (5.11.5.3) Comment

By sharing our company's "Policy for Sustainable Supply Chain Management," which outlines our policies regarding environmental concerns, human rights, and labor issues—including environmental issues—in our contracts with suppliers, we ensure that our suppliers adhere to the Basic Policy. If there is a violation of the Basic Policy, we may request the supplier to correct their business practices. If no correction is made, we will re-evaluate our business relationship with the relevant supplier. We will continue to work with our suppliers to ensure that environmental and social considerations are prioritized.

#### **Forests**

# (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

✓ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

## (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

✓ Yes, we have a policy in place for addressing non-compliance

# (5.11.5.3) Comment

By sharing our company's "Policy for Sustainable Supply Chain Management," which outlines our policies regarding environmental concerns, human rights, and labor issues—including forest issues—in our contracts with suppliers, we ensure that our suppliers adhere to the Basic Policy. If there is a violation of the Basic Policy, we may request the supplier to correct their business practices. If no correction is made, we will re-evaluate our business relationship with the relevant supplier. We will continue to work with our suppliers to ensure that environmental and social considerations are prioritized.

#### Water

# (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

# (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

✓ Yes, we have a policy in place for addressing non-compliance

# (5.11.5.3) Comment

We conduct annual surveys of suppliers to confirm their compliance with our Policy for Sustainable Supply Chain Management, which outlines our actions to address human rights, labor rights, and environmental issues in supply chains for products with high environmental or social risks. Items covered in these surveys include consideration for impacts on local communities and ecosystems; whether suppliers have policies, strategies, and guidelines designed to prevent river pollution and set and monitor water consumption reduction targets; and the content of any water-related surveys carried out.

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

## Climate change

#### (5.11.6.1) Environmental requirement

Select from:

☑ Implementation of emissions reduction initiatives

# (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

# (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

**✓** 100%

# (5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

**▼** 100%

# (5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

**☑** 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

**100%** 

# (5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Suspend and engage

# (5.11.6.10) % of non-compliant suppliers engaged

Select from:

✓ None

# (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ✓ Providing information on appropriate actions that can be taken to address non-compliance
- ☑ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

# (5.11.6.12) Comment

The standard terms and conditions in our sales and purchase agreements ensure that our suppliers comply with the Policy for Sustainable Supply Chain Management. The policy's Environment section states the following: "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." In cases such as when a supplier violates the policy, 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. MC also conducts the Sustainable Supply Chain Survey in order to better understand the status of compliance with the policy. Note that the coverage of the survey is LNG and coal, which were identified as a priority with potential impact to climate(see 5.11.2 for priorization). These suppliers are the entire tier 1 suppliers of these products with contentious transaction. Also, note that with regard to scope 3, category 15 is currently the scope for engagement.

#### **Forests**

### (5.11.6.1) Environmental requirement

Select from:

✓ No deforestation or conversion of other natural ecosystems

# (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

Certification

✓ First-party verification

# (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

✓ 100%

# (5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

**100%** 

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

**▼** 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

**☑** 100%

# (5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

✓ Suspend and engage

## (5.11.6.10) % of non-compliant suppliers engaged

Select from:

✓ None

# (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ✓ Providing information on appropriate actions that can be taken to address non-compliance
- ☑ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

# (5.11.6.12) Comment

[Timber] If a supplier's certification becomes invalid, we will review the factual situation and, depending on the severity of the issue, consider revising our business relationship with the supplier. If it is determined that continued transactions are possible after corrective actions are taken, we will provide guidance and support for corrective measures as needed.

#### Water

# (5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify :Complying with going beyond water-related regulatory requirements

## (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Certification
- ✓ On-site third-party audit

# (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

**✓** 100%

### (5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

**☑** 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

**☑** 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

**☑** 100%

# (5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

✓ Suspend and engage

# (5.11.6.10) % of non-compliant suppliers engaged

Select from:

✓ None

## (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

✓ Providing information on appropriate actions that can be taken to address non-compliance

## (5.11.6.12) Comment

In the event that we confirm points that should be corrected or improved in relation to the Sustainable Supply Chain Management, in addition to requesting the relevant supplier to take corrective measures, we also provide guidance and assistance as necessary. If we determines that a resolution is unlikely, even after providing continuous guidance and assistance, we will review its business relationship with the relevant supplier.

#### **Forests**

### (5.11.6.1) Environmental requirement

Select from:

✓ No deforestation or conversion of other natural ecosystems

# (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ✓ First-party verification
- ☑ Geospatial monitoring tool

# (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

**✓** 100%

# (5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

**✓** 1-25%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

**☑** 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

**☑** 100%

## (5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

✓ Suspend and engage

# (5.11.6.10) % of non-compliant suppliers engaged

Select from:

✓ None

# (5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- ☑ Providing information on appropriate actions that can be taken to address non-compliance
- ☑ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

# (5.11.6.12) Comment

[Soy] No non-compliant supplier has identified via our monitoring process. However, if a supplier's non-compliance is confirmed, we will review the transaction with

the supplier based on the severity of the issue after verifying the facts. If it is determined that the transaction can continue upon correction, we will provide guidance and support for the necessary corrective actions as needed.

[Add row]

#### (5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

#### Climate change

## (5.11.7.2) Action driven by supplier engagement

Select from:

Emissions reduction

# (5.11.7.3) Type and details of engagement

#### **Capacity building**

- ✓ Provide training, support and best practices on how to measure GHG emissions
- ✓ Provide training, support and best practices on how to mitigate environmental impact

#### Innovation and collaboration

- ✓ Collaborate with suppliers on innovations to reduce environmental impacts in products and services
- ✓ Invest jointly with suppliers in R&D of relevant low-carbon technologies
- ☑ Run a campaign to encourage innovation to reduce environmental impacts on products and services

#### (5.11.7.4) Upstream value chain coverage

Select all that apply

✓ Tier 1 suppliers

# (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

**100%** 

# (5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

**✓** 100%

#### (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

MC has established the Mitsubishi Corporation Policy for Sustainable Supply Chain Management(MCSCM), which outlines MC's actions to address human rights, labor rights and environmental issues including climate change-related issues such as GHG emissions and energy efficiency in the supply chain. This policy serves to convey MC's fundamental perspective to its suppliers around the world, and MC expects all of its suppliers to understand, embrace and abide by the policy. MC engages with its suppliers worldwide, including through an annual survey, in order to monitor their status of compliance with basic policies such as MCSCM and to strengthen communication with them. In April 2023, MC conducted its annual survey of 913 suppliers, including 16 suppliers from LNG and coal as the supply from them accounted a considerable portion of MC's transaction in LNG and coal. In addition, MC employs a system to determine suppliers that may have issues or require assistance based on the results of each questionnaire response. Following this, MC considers and decides whether additional surveys or on-site inspections are necessary. Note that the survey is conducted mainly to those industries where environmental and social considerations are particularly impactful. The coverage (% of tier 1 suppliers by procurement, and % of tier 1 supplier-related Scope 3 emissions) and for those products identified as potentially high impact of climate change (LNG and coal). It does not include all suppliers across MC's diverse value chains of all products, as the actual coverage cannot be captured numerically. Such engagement provides a beneficial opportunity to deepen the suppliers' understanding of how to mitigate environmental impact. In addition, MC announced its participation and investment of 100 million USD in Breakthrough Energy Catalyst, a fund/program dedicated to accelerating innovative climate technologies. Through participation in this program, MC is demonstrating a commitment to growing these technologies on a global basis. MC will also apply the business expertise and the connections with leading value chain partners and customers, which are gained by participating in the program, toward developing scalable businesses and reducing Scope3 emissions for MC in the future. To decarbonize the entire value chain, MC is also working on the other businesses which information is disclosed in our Sustainability Website (https://mitsubishicorp.disclosure.site/en/themes/158#1190).

# (5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

✓ Yes, please specify the environmental requirement: Mitsubishi Corporation Policy for Sustainable Supply Chain Management bridges MC's supply chain management survey and the standard terms and conditions in our sales and purchase agreements.

# (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

✓ Yes

#### **Forests**

# (5.11.7.1) Commodity

Select from:

☑ Timber products

# (5.11.7.2) Action driven by supplier engagement

Select from:

✓ No deforestation and/or conversion of other natural ecosystems

# (5.11.7.3) Type and details of engagement

#### **Financial incentives**

✓ Include long-term contracts linked to environmental commitments

## (5.11.7.4) Upstream value chain coverage

Select all that apply

✓ Tier 1 suppliers

# (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

**☑** 100%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

**✓** 100%

# (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Since 2014, we have utilized the CoC (Chain of Custody) certification under third-party certification systems and handle materials confirmed to be legal and sustainable according to the standards of certification bodies.

# (5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

✓ Yes, please specify the environmental requirement :As stated in 5.11.7.9, we have utilized the CoC (Chain of Custody) certification under third-party certification systems and handle materials confirmed to be legal and sustainable according to the standards of certification bodies.

# (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

#### Water

## (5.11.7.2) Action driven by supplier engagement

Select from:

✓ Total water withdrawal volumes reduction

# (5.11.7.3) Type and details of engagement

#### Innovation and collaboration

✓ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

### (5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

# (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

✓ Less than 1%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

✓ Less than 1%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Examples of specific efforts to reduce its water consumption include the establishment, in 2022, of usage reduction targets for 2030 at its almond orchards in Australia and the U.S., as well as a commitment to improve water use efficiency throughout each orchards by monitoring soil and plant moisture, and to remediate 75% of wet and saline areas.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

✓ Yes, please specify the environmental requirement: In areas where groundwater depletion due to excessive pumping of agricultural water and irrigation is a problem, we believe the efforts to make effective use of water can contribute to local communities.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

✓ Yes

#### **Forests**

# (5.11.7.1) Commodity

Select from:

✓ Soy

# (5.11.7.2) Action driven by supplier engagement

Select from:

✓ No deforestation and/or conversion of other natural ecosystems

# (5.11.7.3) Type and details of engagement

#### **Capacity building**

✓ Provide training, support and best practices on how to mitigate environmental impact

#### **Financial incentives**

✓ Provide financial incentives for environmental performance

#### Information collection

✓ Collect environmental risk and opportunity information at least annually from suppliers

#### (5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

# (5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

**☑** 1-25%

# (5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

**✓** 1-25%

# (5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In terms of risk management within our supply chain, we request that our suppliers agree to, understand, and implement our policy for 'Sustainable Supply Chain Management' which outlines our policies on human rights, labor issues, and environmental protection. Furthermore, to verify compliance with this guideline, we conduct an annual 'Sustainable Supply Chain Survey' as part of our human rights and environmental due diligence within the supply chain. Based on the responses from each supplier, we aim to correct any issues that require attention and identify suppliers with challenges or those needing corrective actions. We then evaluate and decide on the necessity of additional investigations or on-site inspections. Additionally, we utilize a grievance mechanism as a point of contact for external stakeholders to promptly and appropriately identify, prevent, and mitigate environmental and social issues. In the soybean supply chain, our subsidiary in Brazil, a region that requires special consideration for environmental and social aspects, provides a one-stop service to farmers through its 'Agricultural Material Sales Business,' 'Grain Production Business,' and 'Grain Collection Business.' When selecting partner farmers, the subsidiary utilizes satellite imagery to ensure compliance with local regulations and industry rules, as well as to promote traceability in grain procurement, thereby proactively avoiding the purchase of grain from farms involved in deforestation. Moreover, in the sale of agricultural materials, we work to reduce pesticide use (addressing climate change and natural capital) and improve productivity through agricultural guidance to farmers, including the introduction of digital technologies.

# (5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Deforestation Prevention

# (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

# (5.11.8) Provide details of any environmental smallholder engagement activity

#### Row 1

# (5.11.8.1) Commodity

Select from:

✓ Timber products

# (5.11.8.2) Type and details of smallholder engagement approach

#### **Capacity building**

- ✓ Disseminate technical materials
- ✓ Offer on-site technical assistance and extension services
- ✓ Organize capacity building events
- ✓ Prioritize support for smallholders in regions at high-risk of deforestation and conversion of other natural ecosystems

#### Financial incentives

- ☑ Pay higher prices linked to best agricultural practices
- ✓ Provide financial incentives for certified products

# (5.11.8.3) Number of smallholders engaged

1317

# (5.11.8.4) Effect of engagement and measures of success

As part of our social contribution activities, we launched a climate change initiative in 2022 that leverages the power of nature. In collaboration with local partners, we are working with livestock farming communities in South Africa to improve grazing practices, aiming to restore the soil of grasslands degraded by overgrazing. To strengthen engagement with farmers who support these improved grazing methods, we offer various incentives, including reduced fees for participating in cattle auctions that could increase their income, workshops on raising high-quality grazing cattle, and opportunities for vaccinations. These measures have helped to further promote the improvement of grazing practices.

#### Row 2

# (5.11.8.1) Commodity

Select from:

✓ Soy

# (5.11.8.2) Type and details of smallholder engagement approach

#### **Capacity building**

- ✓ Organize capacity building events
- ☑ Develop or distribute upstream value chain mapping tool
- ✓ Offer on-site technical assistance and extension services
- ☑ Support smallholders to adhere to standards in upstream value chain
- ✓ Support smallholders to adhere to regenerative agriculture principles
- ✓ Support smallholders to adopt best practices which protect biodiversity
- ✓ Provide training, support and best practices on sustainable agriculture practices and nutrient management
- ☑ Prioritize support for smallholders in regions at high-risk of deforestation and conversion of other natural ecosystems

#### **Financial incentives**

- ☑ Pay higher prices linked to best agricultural practices
- ✓ Provide financial support to smallholders to invest in precise fertilization techniques, sustainable agricultural practices and nutrient management

#### Innovation and collaboration

☑ Collaborate with smallholders on innovations to reduce environmental impacts in products and services

# (5.11.8.3) Number of smallholders engaged

1000

# (5.11.8.4) Effect of engagement and measures of success

Through the engagement mentioned above in 5.11.8.2, we promote the adoption of more environmentally friendly production methods by farmers, thereby enhancing the sustainability of our soybean supply chain.

[Add row]

# (5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

# Climate change

# (5.11.9.1) Type of stakeholder

Select from:

Customers

# (5.11.9.2) Type and details of engagement

#### Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

#### (5.11.9.3) % of stakeholder type engaged

Select from:

**1**00%

# (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

**☑** 100%

# (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MC is a global integrated business enterprise that develops and operates businesses together with its offices and subsidiaries worldwide, as well as a global network of around 1,700 group companies. MC currently has 8 Business Groups that operate across virtually every industry: Environmental Energy, Materials Solution, Mineral Resources, Urban Development & Infrastructure, Mobility, Food Industry, Smart-Life Creation and Power Solution (Note that the number of business groups were 10 during the reporting year. There was an organization change as of April 2024; though the industry coverage remain the same). Through these 8 Business Groups, MC's current activities have expanded far beyond its traditional trading operations to include project development, production and manufacturing operations, working in collaboration with our trusted partners around the globe. As noted above, MC operates in a variety of countries and regions, and is involved in upstream and downstream value chains in a wide range of industries, resulting in an immeasurable number of customers. Decarbonization involves all customers, and MC will engage with all customers. As the world accelerates toward a decarbonized society, customers' needs for decarbonization are increasing significantly. As a decarbonization solutions provider, MC will respond to such customer needs and contribute to both the transition to a carbon-neutral society and to the improvement of industrial competitiveness together with its customers. Given the immeasurable number of customers, it is difficult to estimate the above percentage of customers. Notwithstanding the foregoing, MC has set GHG emissions reduction targets to halve emissions by FY2030 (FY2020 baseline) and to achieve net zero emissions by 2050. The equity share of affiliates' Scope 1 and Scope 2 emissions, which correspond to Scope 3 Category 15, are included in these targets. Since MC is involved in a wide variety of industries from upstream to downstream along the value chain, its affiliates are often als

## (5.11.9.6) Effect of engagement and measures of success

Solving the challenges of decarbonizing these affiliates will contribute to reducing emissions in Scope 3 Category 15 and concurrently to achieving the target of halving emissions by FY2030 which is a barometer to measure success. In Midterm Corporate Strategy 2024, MC established an EX Strategy. With regard to energy transformation, a common point for all industries is the necessity to understand the current situation, set targets, implement reductions, and explain these to stakeholders (which MC refers to as the "Climate Journey"). For example, MC will follow and navigate this Climate Journey, eventually leading to the reduction of its Scope 3 emissions and the decarbonization of society as a whole. As an example of measures taken with our customers, in May 2020, MC, together with other partners, established the e5 Consortium 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 "EV ship". As the e5 Consortium's first initiative, the world's first zero-emission EV tanker powered by high-capacity lithium-ion batteries was completed. MC's other businesses to decarbonize the entire value chain are disclosed on our Sustainability Website (https://mitsubishicorp.disclosure.site/en/themes/158#1190)

#### **Forests**

# (5.11.9.1) Type of stakeholder

Select from:

Customers

### (5.11.9.2) Type and details of engagement

#### **Education/Information sharing**

✓ Share information about your products and relevant certification schemes

## (5.11.9.3) % of stakeholder type engaged

Select from:

**☑** 100%

# (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As confirming the materials' legality and sustainability is essential, we engage with customers by sharing information about our products and relevant certification schemes upon customers' request.

# (5.11.9.6) Effect of engagement and measures of success

Customers' better understanding on products' legality and sustainability.

#### Water

# (5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify: The Water Project, a public-private initiative

# (5.11.9.2) Type and details of engagement

#### **Education/Information sharing**

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

# (5.11.9.3) % of stakeholder type engaged

Select from:

Unknown

## (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

To promotes initiatives aimed at preserving or restoring healthy water cycles.

# (5.11.9.6) Effect of engagement and measures of success

We share information with other companies on water risks and water-related initiatives, and considers how to pursue such initiatives internally and are promoting activities, both through business and corporate philanthropy initiatives, to maintain and restore sound water cycles.

#### **Forests**

# (5.11.9.1) Type of stakeholder

Select from:

Customers

# (5.11.9.2) Type and details of engagement

#### **Education/Information sharing**

- ☑ Share information about your products and relevant certification schemes
- ☑ Share information on environmental initiatives, progress and achievements

#### Innovation and collaboration

- ☑ Align your organization's goals to support customers' targets and ambitions
- ☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

## (5.11.9.3) % of stakeholder type engaged

Select from:

Unknown

# (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Through engagement, we understand the demands of stakeholders such as investors, NGOs, and customers, and by receiving feedback on our initiatives, we clarify the necessary measures and use this information as a reference when considering the next steps.

#### (5.11.9.6) Effect of engagement and measures of success

[Soy] Feedback from investors, NGOs, and customers, including reports they independently publish, often contains not only opinions about us but also insights on industry trends and recommendations to government authorities. By referring to these insights, we take action on what we can do and recognize areas and recognize what actions we are behind.

#### **Forests**

# (5.11.9.1) Type of stakeholder

Select from:

✓ Investors and shareholders

# (5.11.9.2) Type and details of engagement

#### **Education/Information sharing**

- ☑ Share information about your products and relevant certification schemes
- ☑ Share information on environmental initiatives, progress and achievements

# (5.11.9.3) % of stakeholder type engaged

Select from:

Unknown

## (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Through engagement, we understand the demands of stakeholders such as investors, NGOs, and customers, and by receiving feedback on our initiatives, we clarify the necessary measures and consider such feedback when taking next steps.

# (5.11.9.6) Effect of engagement and measures of success

[Soy] Feedback from investors, NGOs, and customers, including reports they independently publish, often contains not only opinions about us but also insights on industry trends and recommendations to government authorities. By referring to these insights, we take action on what we can do and recognize areas and recognize what actions we are behind.

[Add row]

### **C6. Environmental Performance - Consolidation Approach**

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

## Climate change

# (6.1.1) Consolidation approach used

Select from:

Equity share

# (6.1.2) Provide the rationale for the choice of consolidation approach

MC conducts an annual sustainability survey targeting all subsidiaries and affiliates including upstream and downstream companies (over 1,700 companies) to collect environmental and social performance data across the entire MC Group. In addition, among the entire business portfolio including upstream and downstream companies, MC has classified these as "Green" businesses (e.g. renewable energy and green hydrogen businesses), which present significant climate-related transition opportunities, or "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks. This has been done based on our "MC Climate Taxonomy" which includes criteria such as the amount of Scope 3 Category 11 emissions. Also, based on the above sustainability survey and the future outlook for GHG emission amounts, MC has annual processes to confirm the compatibility of the current GHG emissions volumes with the already-set short- and medium-term GHG reduction plans, when formulating investment plans at the Business Strategy Committee, to ensure that MC's overall investment plans are in accordance with the GHG reduction target for FY2030 and 2050, respectively. Lastly, MC recognizes physical risks from climate change as significant business risks. MC has conducted a comprehensive physical risk analysis of material assets held by our subsidiaries and affiliates based on their performance. As for Scop 1 and 2, MC calculates GHG emissions based on the GHG Protocol's equity share approach from FY2021, including the GHG emissions for its affiliates. As for Scope 3 Category 11 emissions (Use of Sold Products), and we have started to disclose this figure from FY2021.

#### **Forests**

# (6.1.1) Consolidation approach used

Select from:

Equity share

## (6.1.2) Provide the rationale for the choice of consolidation approach

MC conducts an annual sustainability survey targeting all subsidiaries and affiliates including upstream and downstream companies (over 1,700 companies) to collect environmental and social performance data across the entire MC Group.

#### Water

## (6.1.1) Consolidation approach used

Select from:

Equity share

# (6.1.2) Provide the rationale for the choice of consolidation approach

We conduct an annual sustainability survery targeting all subsidiaries and affiliates. In addition, we disclose data on water withdrawals, discharged water, and water consumption for the head office and the business. The scope of coverage is the top 85% of water withdraws on financial control basis.

#### **Plastics**

## (6.1.1) Consolidation approach used

Select from:

✓ Other, please specify :No Data

# (6.1.2) Provide the rationale for the choice of consolidation approach

N/A

# **Biodiversity**

## (6.1.1) Consolidation approach used

Select from:

☑ Equity share

# (6.1.2) Provide the rationale for the choice of consolidation approach

MC conducts an annual sustainability survey targeting all subsidiaries and affiliates including upstream and downstream companies (over 1,700 companies) to collect environmental and social performance data across the entire MC Group.

[Fixed row]

C7. Environmental performance - Climate	Change
(7.1) Is this your first year of reporting emis	sions data to CDP?
Select from: ✓ No	
(7.1.1) Has your organization undergone an changes being accounted for in this disclos	y structural changes in the reporting year, or are any previous structural ure of emissions data?
	Has there been a structural change?
	Select all that apply ☑ No
[Fixed row] (7.1.2) Has your emissions accounting meth	hodology, boundary, and/or reporting year definition changed in the reportin
	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply  ✓ No

# (7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

Base year recalculation	Past years' recalculation
Select from:  ✓ Yes	Select from:  ✓ Yes

[Fixed row]

# (7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☑ IEA CO2 Emissions from Fuel Combustion
- ☑ Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)
- ☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

# (7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from:	Select from:	we are reporting Scope2 emissions, both location-based

Scope 2, location-based	Scope 2, market-based	Comment
✓ We are reporting a Scope 2, location-based figure	✓ We are reporting a Scope 2, market-based figure	and market-based figures.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

#### Row 1

#### (7.4.1.1) Source of excluded emissions

Overseas branches and minor emissions are excluded. While MC recognizes the importance of calculating emissions from its Scope3 categories, it is very difficult to capture all Scope3 emissions because MC engages in various businesses. Therefore, MC gives priority to category 11 which accounts for the majority of its Scope3 emissions and category 15 which are included in MC's Scope1 and 2. Other categories' emissions are not calcurated or are c alculated within the range that can be grasped. For Category 4 emissions, data calculated to comply with Japan's Energy Conservation Law is disclosed. Therefore, MC's Category 4 figures are on a non-consolidated basis, and emissions classified as Category 9 in the GHG Protocol are also included in Category 4.

## (7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

✓ Scope 3: Franchises

✓ Scope 3: Capital goods

☑ Scope 3: Employee commuting

✓ Scope 3: Upstream leased assets

- ✓ Scope 3: Business travel
- ✓ Scope 3: Other (upstream)
- ✓ Scope 3: Other (downstream)
- ✓ Scope 3: Waste generated in operations
- ☑ Scope 3: End-of-life treatment of sold products
- ✓ Scope 3: Upstream transportation and distribution
- ☑ Scope 3: Downstream transportation and distribution
- ☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

# ✓ Scope 3: Downstream leased assets

- ✓ Scope 3: Processing of sold products
- ✓ Scope 3: Purchased goods and services

## (7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

✓ Emissions are not relevant.

## (7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

20

#### (7.4.1.10) Explain why this source is excluded

In October 2021, MC formulated its Roadmap to a Carbon Neutral Society in which MC declared its goal of achieving net zero GHG emissions by 2050. To achieve net zero target by 2050, MC put importance to reduce emissions on a consolidated basis, including its subsidiaries and affiliates, which means MC's Scope3 Category 15 emissions are included in its emission reduction targets. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. Together with an external consultant, MC preliminary calculated all categories and confirmed that Scope3 Category11 accounted for approximately 80% of MC's Scope3 emissions and disclosed it in JFY2022. As an active player in a variety of industries including resources and energy, MC considers that Category11 is the most material category.

#### (7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

MC used an external consultant to calculate the breakdown of its Scope3. As a result, it was found that the Scope3 category11 accounted for 80% of our company's total Scope3 emissions.

[Add row]

#### (7.5) Provide your base year and base year emissions.

#### Scope 1

#### (7.5.1) Base year end

03/31/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

23311853

## (7.5.3) Methodological details

The portion of affiliates' Scope 1 emissions on an equity share basis, which is equivalent to Scope 3 Category 15 (Investments) using the financial control approach, is included in the above figure. The Greenhouse Gas Protocol (GHG Protocol) "Emission Factors from Cross Sector Tools (Mar 2017)" (WRI/WBCSD) is adopted as the basis for calculating Direct CO2 emissions from fuel consumption.

#### Scope 2 (market-based)

#### (7.5.1) Base year end

03/30/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

1989477

#### (7.5.3) Methodological details

The portion of affiliates' Scope 2 emissions on an equity share basis, which is equivalent to Scope 3 Category 15 (Investments) using the financial control approach, is included in the above figure. 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.

#### Scope 3 category 2: Capital goods

#### (7.5.1) Base year end

#### (7.5.2) Base year emissions (metric tons CO2e)

1079037

#### (7.5.3) Methodological details

Calculated by multiplying the investment amount of acquired fixed assets by the specified emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### (7.5.1) Base year end

03/31/2021

## (7.5.2) Base year emissions (metric tons CO2e)

303137

## (7.5.3) Methodological details

Multiplying the amount of electricity consumed by the unit value for electricity specified by Ministry of the Environment of Japan guidelines

#### Scope 3 category 4: Upstream transportation and distribution

#### (7.5.1) Base year end

03/31/2021

## (7.5.2) Base year emissions (metric tons CO2e)

26462.0

# (7.5.3) Methodological details

Data collected in compliance with the Act on Rationalization of Energy Use and Shift to Non-fossil Energy in Japan. Logistics figures cover domestic (Japan) transport where MC is the cargo owner (include waste transportations).

#### **Scope 3 category 5: Waste generated in operations**

#### (7.5.1) Base year end

03/31/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

1834075.0

## (7.5.3) Methodological details

Multiplying the amount of general waste and industrial waste by the emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### Scope 3 category 6: Business travel

#### (7.5.1) Base year end

03/31/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

11176.0

# (7.5.3) Methodological details

Calculated by multiplying number of employees by the specified emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### Scope 3 category 7: Employee commuting

#### (7.5.1) Base year end

## (7.5.2) Base year emissions (metric tons CO2e)

20323.0

## (7.5.3) Methodological details

Calculated by multiplying the number of employees by number of business days and the specified emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### Scope 3 category 9: Downstream transportation and distribution

#### (7.5.1) Base year end

03/31/2021

# (7.5.2) Base year emissions (metric tons CO2e)

0.0

## (7.5.3) Methodological details

Included in calculation for "Upstream transportation and distribution"

#### Scope 3 category 11: Use of sold products

#### (7.5.1) Base year end

03/31/2022

## (7.5.2) Base year emissions (metric tons CO2e)

381254047.0

#### (7.5.3) Methodological details

MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, and MC newly disclosed this figure in JFY 2022. Emissions from the usage of each product are calculated based on the same metrics for Scope 1&2. For products that consume electricity, in cases where it is difficult to identify the country or region where they are sold, an average emission factor for the major sales regions is used.

#### **Scope 3 category 15: Investments**

#### (7.5.1) Base year end

03/30/2021

## (7.5.2) Base year emissions (metric tons CO2e)

17145446

## (7.5.3) Methodological details

Scope 3 Category 15 (Investments) emission is equivalent to Scope 1/2 emission of MC's affiliates based on the equity share basis. [Fixed row]

#### (7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

#### Reporting year

#### (7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

20537397

#### (7.6.3) Methodological details

As the answer in 7.5, MC calculated its Scope1 emissions on an equity share basis (based on the GHG Protocol's equity share approach). So, the figure represent the Scope1 emissions of MC and its consolidated companies, including affiliates.

[Fixed row]

#### (7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

#### Reporting year

## (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

2012805

## (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

1543626

## (7.7.4) Methodological details

As written in 7.5, MC calculates its Scope2 emissions on the GHG Protocol's market-based method. 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. MC uses Adjusted emission factor for each electric power company in Japan (revised in January 2023, Ministry of the Environment and Ministry of Economy, Trade and Industry) to calculate indirect CO2 emissions from electricity consumption, etc. Emission factors for electric power companies outside Japan are individually confirmed, if unavailable, emission factors by country for 2020 from IEA CO2 Emissions from Fuel Combustion (2022 edition) Location-based (country-specific) emission factors are based on the IEA Emissions Factors 2023.

[Fixed row]

#### (7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

#### Purchased goods and services

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

#### (7.8.5) Please explain

In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. Together with an external consultant, MC preliminary calculated all categories and confirmed that Scope3 Category11 accounted for approximately 80% of MC's Scope3 emissions

and disclosed it in JFY2022. As an active player in a variety of industries including resources and energy, MC considers that Category11 is the most material category. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 1 emissions are not calculated.

#### **Capital goods**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

1572037

#### (7.8.3) Emissions calculation methodology

Select all that apply

✓ Average spend-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

As written in the answer of 7.5 Category 15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. As written in 7.5, category 2 emissions are partially calculated by multiplying the investment amount of acquired fixed assets by the specified emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

371053

# (7.8.3) Emissions calculation methodology

Select all that apply

Average data method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

As written in the answer of 7.5 Category 15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. As written in 7.5, Category 3 emissions are calculated by Multiplying the amount of electricity consumed by the unit value for electricity specified by Ministry of the Environment of Japan guidelines

#### **Upstream transportation and distribution**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

41000

#### (7.8.3) Emissions calculation methodology

Select all that apply

- ✓ Fuel-based method
- Distance-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

#### (7.8.5) Please explain

The material Scope3 categories for MC are Category 11 and Category 15, but Scope 3 Category 4 emissions are also calculated from the perspective of complianir low emissions. As mentioned in 7.5, Data ce with Japanese laws and regulations, contrary to the 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 (include waste transportations).

#### Waste generated in operations

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

1252690

#### (7.8.3) Emissions calculation methodology

Select all that apply

Average data method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

#### (7.8.5) Please explain

s written in the answer of 7.5 Category 15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 5 emissions are calculated by multiplying the amount of general waste and industrial waste by the emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### **Business travel**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

10405

## (7.8.3) Emissions calculation methodology

Select all that apply

☑ Other, please specify :Multiply the total number of MC employees by the emission factor

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

Category 6 emissions are not MC's material emissions, so they are estimated by multiplying the number of employees by number of business days and the specified emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.

#### **Employee commuting**

## (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

18921

## (7.8.3) Emissions calculation methodology

Select all that apply

Average data method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

As written in the answer of 7.5 Category 15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 6 emissions are partially calculated. MC requires employees to commute to work using public transportation (primarily trains). Therefore, the figure is estimated by multiplying the total number of employees by the emission factor related to train commuting.

#### **Upstream leased assets**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

## (7.8.5) Please explain

As written in the answer of 7.5 Category 15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 8 emissions are not calculated. But emissions associated with energy use from office buildings leased by MC are calculated and included in scope 1 and 2 emissions.

#### **Downstream transportation and distribution**

## (7.8.1) Evaluation status

Select from:

✓ Not relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

0

# (7.8.3) Emissions calculation methodology

Select all that apply

- ✓ Fuel-based method
- ✓ Distance-based method

# (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

## (7.8.5) Please explain

As witten in 7.5, the figure is partially included in calculation for "Upstream transportation and distribution"

#### **Processing of sold products**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

## (7.8.5) Please explain

In October 2021, MC formulated its Roadmap to a Carbon Neutral Society in which MC declared its goal of achieving net zero GHG emissions by 2050. To achieve net zero target by 2050, MC put importance to reduce emissions on a consolidated basis, including its subsidiaries and affiliates. So, in this Roadmap, MC calculated GHG emissions based on the GHG Protocol's equity share approach from JFY 2021, which means MC's Scope3 Category 15 emissions are included in its Scope1 and 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope3 Category 11 emissions, and MC newly disclosed this figure in JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Category 10 emissions are not calculated because they are not material and for MC.

#### Use of sold products

#### (7.8.1) Evaluation status

Select from:

✓ Relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

353448614

## (7.8.3) Emissions calculation methodology

Select all that apply

✓ Methodology for direct use phase emissions, please specify: Emissions from the usage of each product are calculated based on the same metrics for Scope 1&2.

# (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

For products that consume electricity, in cases where it is difficult to identify the country or region where they are sold, an average emission factor for the major sales

regions is used. Only direct use-phase emissions of sold products are included in calculations. If it is not possible to identify which intermediate products sold are processed into which end products, they are excluded from calculations. If a clear double-count is found for the same emission source among the companies included in the scope of aggregation, one source is excluded from calculations.

#### **End of life treatment of sold products**

## (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

#### (7.8.5) Please explain

As written in the answer of 7.5 Category15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 12 emissions are not calculated because they are minor emissions.

#### **Downstream leased assets**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

## (7.8.5) Please explain

As written in the answer of 7.5 Category 15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category 15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 13 emissions are not calculated because they are minor emissions.

#### **Franchises**

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

#### (7.8.5) Please explain

As written in the answer of 7.5 Category15, MC put importance to reduce emissions on a consolidated basis and included Category 15 emissions in its Scope 1 & 2. In addition to Category15, MC has considered the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, that is Scope 3 Category 11 emissions, which accounted for 80% of MC's total Scope3 emissions, and MC newly disclosed this figure since JFY 2022. As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15. Other categories - which are minor emissions - are not calculated or are only partially calculated based on limited data. Category 14 emissions are not calculated because they are minor emissions.

#### **Investments**

#### (7.8.1) Evaluation status

Select from:

✓ Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

16395000

## (7.8.3) Emissions calculation methodology

Select all that apply

☑ Other, please specify: Scope1 and Scope2 emissions from affiliates and joint ventures (equivalent to Category 15 if the financial control approach of the GHG Protocol is adopted)

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

The portion of affiliates' Scope1 & 2 emissions on an equity share basis, which is equivalent to Scope 3 Category 15 (Investments) using the financial control approach, is included in MC's Scope1& 2 figure.

#### Other (upstream)

## (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

## (7.8.5) Please explain

N/A

#### Other (downstream)

#### (7.8.1) Evaluation status

Select from:

✓ Not relevant, explanation provided

# (7.8.5) Please explain

N/A

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from:  ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from:  ☑ Third-party verification or assurance process in place
Scope 3	Select from: ☑ Third-party verification or assurance process in place

[Fixed row]

# (7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

#### Row 1

# (7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

# (7.9.1.2) Status in the current reporting year

Select from:

Complete

# (7.9.1.3) Type of verification or assurance

Select from:

✓ Limited assurance

#### (7.9.1.4) Attach the statement

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2024.pdf

## (7.9.1.5) Page/section reference

P1 to P5 of PDF (MC Sustainability Website (https://mitsubishicorp.disclosure.site/en) Environment Environmental Data P6/7 of PDF -Independent Practitioner's Assurance Report (JPN/ENG)

# (7.9.1.6) Relevant standard

Select from:

**☑** ISAE3000

## (7.9.1.7) Proportion of reported emissions verified (%)

100 [Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

## (7.9.2.1) Scope 2 approach

Select from:

✓ Scope 2 market-based

# (7.9.2.2) Verification or assurance cycle in place

Select from:

✓ Annual process

#### (7.9.2.3) Status in the current reporting year

Select from:

Complete

# (7.9.2.4) Type of verification or assurance

Select from:

✓ Limited assurance

#### (7.9.2.5) Attach the statement

 ${\it Mitsubishicor poration CDP performance Data Independent Practitonaers Assurance Report JPNENG 2024.pdf}$ 

#### (7.9.2.6) Page/ section reference

P1 to P5 of PDF (MC Sustainability Website (https://mitsubishicorp.disclosure.site/en) Environment Environmental Data P6/7 of PDF -Independent Practitioner's Assurance Report (JPN/ENG)

## (7.9.2.7) Relevant standard

Select from:

✓ ISAE3000

#### (7.9.2.8) Proportion of reported emissions verified (%)

100 [Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

#### (7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Upstream transportation and distribution

#### (7.9.3.2) Verification or assurance cycle in place

Select from:

✓ Annual process

#### (7.9.3.3) Status in the current reporting year

Select from:

Complete

## (7.9.3.4) Type of verification or assurance

Select from:

✓ Limited assurance

#### (7.9.3.5) Attach the statement

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2024.pdf

## (7.9.3.6) Page/section reference

P1 to P5 of PDF (MC Sustainability Website (https://mitsubishicorp.disclosure.site/en) Environment Environmental Data P6/7 of PDF -Independent Practitioner's Assurance Report (JPN/ENG) For Category 4, as described in 7.4.1, only the emissions of the MC alone are known, of which 100% are known.

#### (7.9.3.7) Relevant standard

Select from:

✓ ISAE3000

## (7.9.3.8) Proportion of reported emissions verified (%)

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

#### (7.10.1.1) Change in emissions (metric tons CO2e)

675816

#### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

#### (7.10.1.3) Emissions value (percentage)

2.99

#### (7.10.1.4) Please explain calculation

Scope 2 emissions were driven down by 675816 tCO2e as a result of increase in renewable energy consumption, which includes renewable energy of self-generated power (wind, solar, hydro, geothermal, and biomass) and also renewable energy of purchased electricity, which data has been accumulated from this year. MC's total Scope 1 and 2 emissions in the previous year was 22,613,000 tCO2e, and the -2.99% decrease was figured as (-675816/22,613,000) \* 100 -2.99%.

#### Other emissions reduction activities

#### (7.10.1.1) Change in emissions (metric tons CO2e)

189442

#### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

#### (7.10.1.3) Emissions value (percentage)

0.84

#### (7.10.1.4) Please explain calculation

Some companies in our portfolio has changed the fuel for power generation from coal to biomass and other low-carbon fuels, and other company reduced CO2 emissions by energy effiency projects including upgrades to the boiler control system, heat exchanger, lighting, the hydraulic system, and so on. MC's total Scope 1 and 2 emissions in the previous year was 22,613,000 tCO2e, and the - 0.84% decrease was figured as (-189442/22,613,000) \* 100 - 0.84%.

#### **Divestment**

#### (7.10.1.1) Change in emissions (metric tons CO2e)

730469

#### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

## (7.10.1.3) Emissions value (percentage)

3.23

#### (7.10.1.4) Please explain calculation

Approximately 30 companies in our portfolio have been or will be deconsolidated. MC's total Scope 1 and 2 emissions in the previous year was 22,613,000 tCO2e, and the -3.27% decrease was figured as (-730,469/22,613,000) \* 100 -3.23%

#### **Acquisitions**

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

#### (7.10.1.3) Emissions value (percentage)

0

## (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. MC have not trace the amount of change in acquisitions

#### Mergers

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

# (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

#### (7.10.1.3) Emissions value (percentage)

## (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. MC have not trace the amount of change in mergers.

#### Change in output

## (7.10.1.1) Change in emissions (metric tons CO2e)

0

## (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

#### (7.10.1.3) Emissions value (percentage)

0

## (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. MC have not trace the amount of change in output

#### Change in methodology

# (7.10.1.1) Change in emissions (metric tons CO2e)

0

# (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

## (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. MC have not trace the amount of change in methodology

#### **Change in boundary**

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

## (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. MC have not trace the amount of change in boundary.

#### **Change in physical operating conditions**

## (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

## (7.10.1.3) Emissions value (percentage)

0

## (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. MC have not trace the amount of change in physical operating conditions.

#### Unidentified

# (7.10.1.1) Change in emissions (metric tons CO2e)

0

## (7.10.1.2) Direction of change in emissions

Select from:

✓ No change

## (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

N/A

#### Other

## (7.10.1.1) Change in emissions (metric tons CO2e)

1063750

#### (7.10.1.2) Direction of change in emissions

Select from:

✓ Increased

## (7.10.1.3) Emissions value (percentage)

4.7

#### (7.10.1.4) Please explain calculation

MC has hundreds of subsidiaries within its boundary and a variety factors contribute to increases/decreases in Scope 1 and 2 emissions. Other than the three specific factors specified above, we recorded a 55,120 tCO2e increase due to various operational factors within portfolio companies. MC's total Scope 1 and 2 emissions in the previous year were 22,613,000 tCO2e, and the 4.70% increase was figured as (1,063,750/22,613,000) \* 100 4.70%. [Fixed row]

# (7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

✓ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

√ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

#### Row 1

#### (7.15.1.1) **Greenhouse** gas

Select from:

✓ CO2

#### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

18636499

## (7.15.1.3) **GWP** Reference

Select from:

✓ Other, please specify: • The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) • IEA CO2 Emissions from Fuel Combustion • Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming etc.

#### Row 2

#### (7.15.1.1) Greenhouse gas

Select from:

✓ CH4

#### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1844771

## (7.15.1.3) **GWP** Reference

Select from:

✓ Other, please specify: Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

#### Row 3

#### (7.15.1.1) **Greenhouse** gas

Select from:

**☑** N20

# (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

40120

#### (7.15.1.3) **GWP** Reference

Select from:

✓ Other, please specify: Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

#### Row 4

## (7.15.1.1) **Greenhouse gas**

Select from:

✓ HFCs

## (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

16007

## (7.15.1.3) **GWP** Reference

Select from:

☑ Other, please specify: Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

#### Row 5

#### (7.15.1.1) **Greenhouse** gas

Select from:

✓ PFCs

#### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

## (7.15.1.3) **GWP** Reference

Select from:

✓ Other, please specify: Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

#### Row 6

#### (7.15.1.1) **Greenhouse** gas

Select from:

✓ SF6

## (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

#### (7.15.1.3) **GWP** Reference

Select from:

☑ Other, please specify: Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by

Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)  [Add row]
(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.
Australia
(7.16.1) Scope 1 emissions (metric tons CO2e)
3515956
(7.16.2) Scope 2, location-based (metric tons CO2e)
396664
(7.16.3) Scope 2, market-based (metric tons CO2e)
303193
Bangladesh
(7.16.1) Scope 1 emissions (metric tons CO2e)

17588

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Brazil

(7.16.1) Scope 1 emissions (metric tons CO2e)
56748
(7.16.2) Scope 2, location-based (metric tons CO2e)
1255
(7.16.3) Scope 2, market-based (metric tons CO2e)
361
Brunei Darussalam
(7.16.1) Scope 1 emissions (metric tons CO2e)
374882
(7.16.2) Scope 2, location-based (metric tons CO2e)
42736
(7.16.3) Scope 2, market-based (metric tons CO2e)
43062
Canada
(7.16.1) Scope 1 emissions (metric tons CO2e)
1456722
(7.16.2) Scope 2, location-based (metric tons CO2e)

(7.16.3) Scope 2, market-based (metric tons CO2e)
48144
Chile
(7.16.1) Scope 1 emissions (metric tons CO2e)
159140
(7.16.2) Scope 2, location-based (metric tons CO2e)
225244
(7.16.3) Scope 2, market-based (metric tons CO2e)
71049
China
(7.16.1) Scope 1 emissions (metric tons CO2e)
2508
(7.16.2) Scope 2, location-based (metric tons CO2e)
7225
(7.16.3) Scope 2, market-based (metric tons CO2e)
7225
Hong Kong SAR, China
(7.16.1) Scope 1 emissions (metric tons CO2e)

(7.16.2) Scope 2, location-based (metric tons CO2e) 87 (7.16.3) Scope 2, market-based (metric tons CO2e) 87 India (7.16.1) Scope 1 emissions (metric tons CO2e) 87787 (7.16.2) Scope 2, location-based (metric tons CO2e) 34540 (7.16.3) Scope 2, market-based (metric tons CO2e) 40774 Indonesia (7.16.1) Scope 1 emissions (metric tons CO2e) 930215 (7.16.2) Scope 2, location-based (metric tons CO2e) 4636 (7.16.3) Scope 2, market-based (metric tons CO2e)

#### Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

44

(7.16.3) Scope 2, market-based (metric tons CO2e)

10

#### **Japan**

(7.16.1) Scope 1 emissions (metric tons CO2e)

3263256

(7.16.2) Scope 2, location-based (metric tons CO2e)

759582

(7.16.3) Scope 2, market-based (metric tons CO2e)

703199

#### Malaysia

(7.16.1) Scope 1 emissions (metric tons CO2e)

95081

(7.16.2) Scope 2, location-based (metric tons CO2e)
3025
(7.16.3) Scope 2, market-based (metric tons CO2e)
3025
Marshall Islands
(7.16.1) Scope 1 emissions (metric tons CO2e)
2
(7.16.2) Scope 2, location-based (metric tons CO2e)
o
(7.16.3) Scope 2, market-based (metric tons CO2e)
o
Mexico
(7.16.1) Scope 1 emissions (metric tons CO2e)
1488120
(7.16.2) Scope 2, location-based (metric tons CO2e)
256
(7.16.3) Scope 2, market-based (metric tons CO2e)
273

#### Mongolia

(7.16.1) Scope 1 emissions (metric tons CO2e) 8068 (7.16.2) Scope 2, location-based (metric tons CO2e) 5639 (7.16.3) Scope 2, market-based (metric tons CO2e) 5639 **Myanmar** (7.16.1) Scope 1 emissions (metric tons CO2e) 286 (7.16.2) Scope 2, location-based (metric tons CO2e) 1194 (7.16.3) Scope 2, market-based (metric tons CO2e) 1194 **Netherlands** (7.16.1) Scope 1 emissions (metric tons CO2e) 3624366

(7.16.2) Scope 2, location-based (metric tons CO2e)

39869
(7.16.3) Scope 2, market-based (metric tons CO2e)
39965
Norway
(7.16.1) Scope 1 emissions (metric tons CO2e)
55734
(7.16.2) Scope 2, location-based (metric tons CO2e)
18107
(7.16.3) Scope 2, market-based (metric tons CO2e)
23258
Philippines
(7.16.1) Scope 1 emissions (metric tons CO2e)
387
(7.16.2) Scope 2, location-based (metric tons CO2e)
623
(7.16.3) Scope 2, market-based (metric tons CO2e)

Singapore

(7.16.1) Scope 1 emissions (metric tons CO2e)
236926
(7.16.2) Scope 2, location-based (metric tons CO2e)
41791
(7.16.3) Scope 2, market-based (metric tons CO2e)
41698
Spain
(7.16.1) Scope 1 emissions (metric tons CO2e)
1605
(7.16.2) Scope 2, location-based (metric tons CO2e)
521
(7.16.3) Scope 2, market-based (metric tons CO2e)
317
Thailand
(7.16.1) Scope 1 emissions (metric tons CO2e)
28647
(7.16.2) Scope 2, location-based (metric tons CO2e)
35164

(7.16.3) Scope 2, market-based (metric tons CO2e)
35171
United Kingdom of Great Britain and Northern Ireland
(7.16.1) Scope 1 emissions (metric tons CO2e)
1278774
(7.16.2) Scope 2, location-based (metric tons CO2e)
103980
(7.16.3) Scope 2, market-based (metric tons CO2e)
34659
United States of America
(7.16.1) Scope 1 emissions (metric tons CO2e)
3654586
(7.16.2) Scope 2, location-based (metric tons CO2e)
190900
(7.16.3) Scope 2, market-based (metric tons CO2e)
127293
Venezuela (Bolivarian Republic of)

#### (7.16.2) Scope 2, location-based (metric tons CO2e)

3113

## (7.16.3) Scope 2, market-based (metric tons CO2e)

3113

#### **Viet Nam**

#### (7.16.1) Scope 1 emissions (metric tons CO2e)

825

#### (7.16.2) Scope 2, location-based (metric tons CO2e)

5637

#### (7.16.3) Scope 2, market-based (metric tons CO2e)

5637

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

#### Row 1

#### (7.17.1.1) Business division

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

4552322

Row 2

## (7.17.1.1) Business division

Industrial Materials Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

405395

Row 3

## (7.17.1.1) Business division

Chemicals Solution Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

852853

Row 4

## (7.17.1.1) Business division

Mineral Resources Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

2817564

#### Row 5

## (7.17.1.1) Business division

Industrial Infrastructure Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

131392

Row 6

## (7.17.1.1) Business division

Automotive & Mobility Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

82582

Row 7

## (7.17.1.1) Business division

Food Industry Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

929454

Row 8

## (7.17.1.1) Business division

Consumer Industry Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

26353

Row 9

## (7.17.1.1) Business division

Power Solution Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

10694892

**Row 10** 

#### (7.17.1.1) Business division

Urban Development Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

10080

**Row 11** 

## (7.17.1.1) Business division

Next-Generation Energy Business Group

## (7.17.1.2) Scope 1 emissions (metric ton CO2e)

34123

**Row 12** 

#### (7.17.1.1) Business division

Corporate Staff Section

#### (7.17.1.2) Scope 1 emissions (metric ton CO2e)

385

#### **Row 13**

#### (7.17.1.1) Business division

Industry Digital Transformation Group

#### (7.17.1.2) Scope 1 emissions (metric ton CO2e)

0 [Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

✓ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

#### Row 1

#### (7.20.1.1) Business division

Natural Gas Group

#### (7.20.1.2) Scope 2, location-based (metric tons CO2e)

156801

## (7.20.1.3) Scope 2, market-based (metric tons CO2e) 107266 Row 2 (7.20.1.1) Business division Industrial Materials Group (7.20.1.2) Scope 2, location-based (metric tons CO2e) 96506 (7.20.1.3) Scope 2, market-based (metric tons CO2e) 123910 Row 3 (7.20.1.1) Business division Chemicals Solution Group (7.20.1.2) Scope 2, location-based (metric tons CO2e) 178743 (7.20.1.3) Scope 2, market-based (metric tons CO2e) 180003 Row 4 (7.20.1.1) Business division

Mineral Resources Group

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

726829

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

370480

Row 5

## (7.20.1.1) Business division

Industrial Infrastructure Group

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

11503

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

11308

Row 6

(7.20.1.1) Business division

Automotive & Mobility Group

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

139995

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

#### Row 7

## (7.20.1.1) Business division

Food Industry Group

## (7.20.1.2) Scope 2, location-based (metric tons CO2e)

476872

## (7.20.1.3) Scope 2, market-based (metric tons CO2e)

472444

#### Row 8

## (7.20.1.1) Business division

Consumer Industry Group

## (7.20.1.2) Scope 2, location-based (metric tons CO2e)

113028

## (7.20.1.3) Scope 2, market-based (metric tons CO2e)

82629

#### Row 9

## (7.20.1.1) Business division

Power Solution Group

## (7.20.1.2) Scope 2, location-based (metric tons CO2e) 81021 (7.20.1.3) Scope 2, market-based (metric tons CO2e) 76952 **Row 10** (7.20.1.1) Business division Urban Development Group (7.20.1.2) Scope 2, location-based (metric tons CO2e) 12700 (7.20.1.3) Scope 2, market-based (metric tons CO2e) 12235 **Row 11** (7.20.1.1) Business division Next-Generation Energy Business Group (7.20.1.2) Scope 2, location-based (metric tons CO2e) 10388

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

10176

#### **Row 12**

## (7.20.1.1) Business division

Corporate Staff Section

## (7.20.1.2) Scope 2, location-based (metric tons CO2e)

8364

## (7.20.1.3) Scope 2, market-based (metric tons CO2e)

2966

#### **Row 13**

#### (7.20.1.1) Business division

Industry Digital Transformation Group

#### (7.20.1.2) Scope 2, location-based (metric tons CO2e)

55

## (7.20.1.3) Scope 2, market-based (metric tons CO2e)

49 [Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

#### **Consolidated accounting group**

#### (7.22.1) Scope 1 emissions (metric tons CO2e)

14796977

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

1327287

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

933269

#### (7.22.4) Please explain

MC's Scope 1 and 2 emissions are calculated according to the GHG Protocol's capitalization criteria. Therefore, in addition to the financial accounting disclosure boundary, the emissions of affiliates and jointly controlled entities have been added. The total emissions of MC alone and its subsidiaries, excluding these emissions, are presented here.

#### All other entities

#### (7.22.1) Scope 1 emissions (metric tons CO2e)

5740419

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

685519

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

610358

#### (7.22.4) Please explain

Total emissions of MC affiliates and jointly controlled entities excluded from the Consolidated accounting group emissions. [Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

## (7.23.1.1) Subsidiary name

Mitsubishi Shokuhin Co., Ltd.

#### (7.23.1.2) Primary activity

Select from:

✓ Food & beverage amenities

#### (7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ Ticker symbol

#### (7.23.1.7) Ticker symbol

7451

## (7.23.1.12) Scope 1 emissions (metric tons CO2e)

15629

#### (7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

#### (7.23.1.15) Comment

This figure represents the emissions of Mitsubishi Shokuhin Co., Ltd, (100 % equity basis) [Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

#### Row 1

#### (7.27.1) Allocation challenges

Select from:

✓ Customer base is too large and diverse to accurately track emissions to the customer level

#### (7.27.2) Please explain what would help you overcome these challenges

N/A [Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

## (7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

✓ No

#### (7.28.3) Primary reason for no plans to develop your capabilities to allocate emissions to your customers

Select from:

✓ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

## (7.28.4) Explain why you do not plan to develop capabilities to allocate emissions to your customers

N/A [Fixed row]

## (7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

✓ More than 0% but less than or equal to 5%

#### (7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from:  ☑ Yes
Consumption of purchased or acquired electricity	Select from:  ✓ Yes
Consumption of purchased or acquired heat	Select from:  ✓ Yes
Consumption of purchased or acquired steam	Select from:  ✓ Yes
Consumption of purchased or acquired cooling	Select from: ✓ Yes
Generation of electricity, heat, steam, or cooling	Select from:

	Indicate whether your organization undertook this energy-related activity in the reporting year
	✓ Yes
[Fixed row]	

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

**Consumption of fuel (excluding feedstock)** 

## (7.30.1.1) Heating value

Select from:

✓ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

0

#### (7.30.1.3) MWh from non-renewable sources

54217983

## (7.30.1.4) Total (renewable and non-renewable) MWh

54217983

#### Consumption of purchased or acquired electricity

## (7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

72347

## (7.30.1.3) MWh from non-renewable sources

3520701

## (7.30.1.4) Total (renewable and non-renewable) MWh

3593048

#### Consumption of purchased or acquired heat

## (7.30.1.1) Heating value

Select from:

✓ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

10483

## (7.30.1.3) MWh from non-renewable sources

193217

## (7.30.1.4) Total (renewable and non-renewable) MWh

203700

#### Consumption of purchased or acquired steam

#### (7.30.1.1) Heating value

Select from:

✓ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

23407

## (7.30.1.3) MWh from non-renewable sources

124355

## (7.30.1.4) Total (renewable and non-renewable) MWh

147761

#### Consumption of purchased or acquired cooling

## (7.30.1.1) Heating value

Select from:

✓ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

0

## (7.30.1.3) MWh from non-renewable sources

6794

## (7.30.1.4) Total (renewable and non-renewable) MWh

6794

#### Consumption of self-generated non-fuel renewable energy

## (7.30.1.1) Heating value

Select from:

✓ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

10404

## (7.30.1.4) Total (renewable and non-renewable) MWh

10404

#### **Total energy consumption**

## (7.30.1.1) **Heating value**

Select from:

✓ LHV (lower heating value)

## (7.30.1.2) MWh from renewable sources

116641

## (7.30.1.3) MWh from non-renewable sources

58063050

## (7.30.1.4) Total (renewable and non-renewable) MWh

58179690

[Fixed row]

## (7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from:  ✓ Yes
Consumption of fuel for the generation of heat	Select from:  ✓ Yes
Consumption of fuel for the generation of steam	Select from:  ✓ Yes
Consumption of fuel for the generation of cooling	Select from:  ✓ Yes
Consumption of fuel for co-generation or tri-generation	Select from:  ✓ Yes

[Fixed row]

## (7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

#### **Sustainable biomass**

## (7.30.7.1) Heating value

Select from:

✓ LHV

## (7.30.7.2) Total fuel MWh consumed by the organization

# (7.30.7.3) MWh fuel consumed for self-generation of electricity 0 (7.30.7.4) MWh fuel consumed for self-generation of heat 0 (7.30.7.5) MWh fuel consumed for self-generation of steam 0 (7.30.7.6) MWh fuel consumed for self-generation of cooling (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration 0 (7.30.7.8) Comment MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application. Other biomass (7.30.7.1) Heating value Select from: ✓ LHV (7.30.7.2) Total fuel MWh consumed by the organization 0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

#### (7.30.7.4) MWh fuel consumed for self-generation of heat

0

## (7.30.7.5) MWh fuel consumed for self-generation of steam

0

## (7.30.7.6) MWh fuel consumed for self-generation of cooling

0

## (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration

0

#### (7.30.7.8) Comment

MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application.

#### Other renewable fuels (e.g. renewable hydrogen)

#### (7.30.7.1) Heating value

Select from:

✓ LHV

## (7.30.7.2) Total fuel MWh consumed by the organization

0

## (7.30.7.3) MWh fuel consumed for self-generation of electricity

0

# (7.30.7.4) MWh fuel consumed for self-generation of heat 0 (7.30.7.5) MWh fuel consumed for self-generation of steam 0 (7.30.7.6) MWh fuel consumed for self-generation of cooling 0 (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration (7.30.7.8) Comment MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application. Coal (7.30.7.1) Heating value Select from: ✓ LHV (7.30.7.2) Total fuel MWh consumed by the organization 12104033 (7.30.7.3) MWh fuel consumed for self-generation of electricity 0

(7.30.7.4) MWh fuel consumed for self-generation of heat

#### (7.30.7.5) MWh fuel consumed for self-generation of steam

0

## (7.30.7.6) MWh fuel consumed for self-generation of cooling

0

## (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration

0

## (7.30.7.8) Comment

MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application.

Oil

#### (7.30.7.1) Heating value

Select from:

✓ LHV

## (7.30.7.2) Total fuel MWh consumed by the organization

6785278

## (7.30.7.3) MWh fuel consumed for self-generation of electricity

0

## (7.30.7.4) MWh fuel consumed for self-generation of heat

O

## (7.30.7.5) MWh fuel consumed for self-generation of steam 0 (7.30.7.6) MWh fuel consumed for self-generation of cooling 0 (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration 0 (7.30.7.8) Comment MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application. Gas (7.30.7.1) Heating value Select from: ✓ LHV (7.30.7.2) Total fuel MWh consumed by the organization 35327816 (7.30.7.3) MWh fuel consumed for self-generation of electricity (7.30.7.4) MWh fuel consumed for self-generation of heat 0

#### (7.30.7.6) MWh fuel consumed for self-generation of cooling

0

## (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration

0

## (7.30.7.8) Comment

MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application.

#### Other non-renewable fuels (e.g. non-renewable hydrogen)

#### (7.30.7.1) Heating value

Select from:

✓ LHV

## (7.30.7.2) Total fuel MWh consumed by the organization

857

## (7.30.7.3) MWh fuel consumed for self-generation of electricity

0

## (7.30.7.4) MWh fuel consumed for self-generation of heat

0

## (7.30.7.5) MWh fuel consumed for self-generation of steam

O

## (7.30.7.6) MWh fuel consumed for self-generation of cooling 0 (7.30.7.7) MWh fuel consumed for self-cogeneration or self-trigeneration 0 (7.30.7.8) Comment MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application. **Total fuel** (7.30.7.1) Heating value Select from: ✓ LHV (7.30.7.2) Total fuel MWh consumed by the organization 54217983 (7.30.7.3) MWh fuel consumed for self-generation of electricity (7.30.7.4) MWh fuel consumed for self-generation of heat 0 (7.30.7.5) MWh fuel consumed for self-generation of steam 0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

#### (7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

#### (7.30.7.8) Comment

MC surveys total consumption by fuel type, but not by fuel use. Therefore, 0 is answered for the breakdown by application. [Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

#### **Electricity**

#### (7.30.9.1) Total Gross generation (MWh)

10010467

## (7.30.9.2) Generation that is consumed by the organization (MWh)

1384185

## (7.30.9.3) Gross generation from renewable sources (MWh)

480115

## (7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

26638

Heat

## (7.30.9.1) Total Gross generation (MWh)

(7.30.9.2) Generation that is consumed by the organization (MWh) 8489 (7.30.9.3) Gross generation from renewable sources (MWh) 0 (7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh) 0 **Steam** (7.30.9.1) Total Gross generation (MWh) 5595047 (7.30.9.2) Generation that is consumed by the organization (MWh) 3826350 (7.30.9.3) Gross generation from renewable sources (MWh) 2 (7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh) 5595045 Cooling

(7.30.9.1) Total Gross generation (MWh)

## (7.30.9.2) Generation that is consumed by the organization (MWh)

6794

## (7.30.9.3) Gross generation from renewable sources (MWh)

0

## (7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0 [Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

#### Row 1

## (7.30.14.1) Country/area

Select from:

Japan

#### (7.30.14.2) Sourcing method

Select from:

✓ Retail supply contract with an electricity supplier (retail green electricity)

## (7.30.14.3) Energy carrier

Select from:

**☑** Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:

✓ Low-carbon energy mix, please specify :Solar, Hydropower, etc

## (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3082

## (7.30.14.6) Tracking instrument used

Select from:

✓ NFC – Renewable

## (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Japan

## (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

✓ No

## (7.30.14.10) Comment

N/A

#### Row 2

#### (7.30.14.1) Country/area

Select from:

Japan

# (7.30.14.2) Sourcing method Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

#### (7.30.14.3) Energy carrier

Select from:

Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:

✓ Solar

# (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

18854

# (7.30.14.6) Tracking instrument used

Select from:

✓ NFC – Renewable

# (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Japan

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

✓ No

#### (7.30.14.10) Comment

#### Row 3

# (7.30.14.1) Country/area

Select from:

Japan

# (7.30.14.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

#### (7.30.14.3) Energy carrier

Select from:

✓ Electricity

# (7.30.14.4) Low-carbon technology type

Select from:

✓ Large hydropower (>25 MW)

# (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

834588

# (7.30.14.6) Tracking instrument used

Select from:

✓ NFC – Renewable

### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:  ☑ Japan
(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?
Select from:  ☑ No
(7.30.14.10) Comment
N/A
Row 4
(7.30.14.1) Country/area
Select from:  ☑ Japan
(7.30.14.2) Sourcing method
Select from:  ☑ Retail supply contract with an electricity supplier (retail green electricity)
(7.30.14.3) Energy carrier
Select from:  ☑ Electricity
(7.30.14.4) Low-carbon technology type
Select from:  ☑ Hydropower (capacity unknown)
(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

# (7.30.14.6) Tracking instrument used

Select from:

✓ NFC – Renewable

# (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Japan

# (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

✓ No

# (7.30.14.10) Comment

N/A

#### Row 5

# (7.30.14.1) Country/area

Select from:

Japan

#### (7.30.14.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

# (7.30.14.3) Energy carrier

Select from:  ☑ Electricity
(7.30.14.4) Low-carbon technology type
Select from:  ☑ Wind
(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
585
(7.30.14.6) Tracking instrument used
Select from:  ☑ NFC - Renewable
(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute
Select from:  ☑ Japan
(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?
Select from:  ☑ No
(7.30.14.10) Comment
N/A
Row 6

(7.30.14.1) Country/area

Select from:  ☑ Japan
(7.30.14.2) Sourcing method
Select from:  ☑ Retail supply contract with an electricity supplier (retail green electricity)
(7.30.14.3) Energy carrier
Select from:  ☑ Electricity
(7.30.14.4) Low-carbon technology type
Select from:  ☑ Nuclear
(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
4159
(7.30.14.6) Tracking instrument used
Select from:  ☑ NFC – Renewable
(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute
Select from:  ☑ Japan
(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

**V** No

# (7.30.14.10) Comment

N/A

#### Row 7

# (7.30.14.1) Country/area

Select from:

Japan

# (7.30.14.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

# (7.30.14.3) Energy carrier

Select from:

✓ Electricity

# (7.30.14.4) Low-carbon technology type

Select from:

☑ Renewable energy mix, please specify: Solar, Hydropower, etc

# (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1055605

# (7.30.14.6) Tracking instrument used

Select from:

☑ NFC - Renewable
(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute
Select from: ☑ Japan
(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?
Select from: ☑ No
(7.30.14.10) Comment
N/A [Add row]
(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.
Australia
(7.30.16.1) Consumption of purchased electricity (MWh)
611571
(7.30.16.2) Consumption of self-generated electricity (MWh)
486942
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1098513.00

# **Bangladesh**

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

#### **Brazil**

(7.30.16.1) Consumption of purchased electricity (MWh)

9373

(7.30.16.2) Consumption of self-generated electricity (MWh)

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

9373.00

#### **Brunei Darussalam**

(7.30.16.1) Consumption of purchased electricity (MWh)

4179

(7.30.16.2) Consumption of self-generated electricity (MWh)

181550

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

192074

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

2378516

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2756319.00

#### Canada

(7.30.16.1) Consumption of purchased electricity (MWh)

425279

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

173788

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

599067.00

#### Chile

(7.30.16.1) Consumption of purchased electricity (MWh)

604358

(7.30.16.2) Consumption of self-generated electricity (MWh)

29

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

# (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 0 (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 604387.00 China (7.30.16.1) Consumption of purchased electricity (MWh) 11857 (7.30.16.2) Consumption of self-generated electricity (MWh) 0 (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh) 0 (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 11857.00 Hong Kong SAR, China (7.30.16.1) Consumption of purchased electricity (MWh)

136

(7.30.16.2) Consumption of self-generated electricity (MWh)
o
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)
0
(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)
0
(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)
136.00
India
(7.30.16.1) Consumption of purchased electricity (MWh)
42857
(7.30.16.2) Consumption of self-generated electricity (MWh)
31104
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)
16933
(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)
8232
(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

#### Indonesia

(7.30.16.1) Consumption of purchased electricity (MWh)

5956

(7.30.16.2) Consumption of self-generated electricity (MWh)

118742

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

2581

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

127279.00

#### **Ireland**

(7.30.16.1) Consumption of purchased electricity (MWh)

129

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

129.00

Japan

(7.30.16.1) Consumption of purchased electricity (MWh)

1485613

(7.30.16.2) Consumption of self-generated electricity (MWh)

223004

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

131501

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

1435289

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

3275407.00

Malaysia

(7.30.16.1) Consumption of purchased electricity (MWh)

# (7.30.16.2) Consumption of self-generated electricity (MWh) 0 (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh) 0 (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 0 (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 4896.00 **Marshall Islands** (7.30.16.1) Consumption of purchased electricity (MWh) 0 (7.30.16.2) Consumption of self-generated electricity (MWh) 0 (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh) 0 (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 0



# (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh) 0 (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 8489 (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 13717.00 **Myanmar** (7.30.16.1) Consumption of purchased electricity (MWh) 2699 (7.30.16.2) Consumption of self-generated electricity (MWh) 80 (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh) (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 0 (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 2779.00 **Netherlands**

(7.30.16.1) Consumption of purchased electricity (MWh)
4977
(7.30.16.2) Consumption of self-generated electricity (MWh)
72375
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)
8023
(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)
o
(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)
85375.00
Norway
(7.30.16.1) Consumption of purchased electricity (MWh)
90904
(7.30.16.2) Consumption of self-generated electricity (MWh)
558
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)
o
(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

91462.00

# **Philippines**

(7.30.16.1) Consumption of purchased electricity (MWh)

880

(7.30.16.2) Consumption of self-generated electricity (MWh)

203

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1083.00

#### **Singapore**

(7.30.16.1) Consumption of purchased electricity (MWh)

95909

(7.30.16.2) Consumption of self-generated electricity (MWh)

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

5979

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

101888.00

#### **Spain**

(7.30.16.1) Consumption of purchased electricity (MWh)

2263

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

22

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2285.00

#### **Thailand**

(7.30.16.1) Consumption of purchased electricity (MWh)

75206

(7.30.16.2) Consumption of self-generated electricity (MWh)

1012

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

419

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

76637.00

**United Kingdom of Great Britain and Northern Ireland** 

(7.30.16.1) Consumption of purchased electricity (MWh)

502262

(7.30.16.2) Consumption of self-generated electricity (MWh)

252318

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

3304

# (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 2 (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 757886.00 **United States of America** (7.30.16.1) Consumption of purchased electricity (MWh) 794200 (7.30.16.2) Consumption of self-generated electricity (MWh) 16234 (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh) 0 (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh) 2000 (7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh) 812434.00 Venezuela (Bolivarian Republic of)

21131

(7.30.16.1) Consumption of purchased electricity (MWh)

(7.30.16.2) Consumption of self-generated electricity (MWh)
0
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)
0
(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)
0
(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)
21131.00
Viet Nam
(7.30.16.1) Consumption of purchased electricity (MWh)
10032
(7.30.16.2) Consumption of self-generated electricity (MWh)
34
(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)
0
(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)
0
(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

#### Row 1

# (7.45.1) Intensity figure

0.00000113

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

22081023

#### (7.45.3) Metric denominator

Select from:

✓ unit total revenue

### (7.45.4) Metric denominator: Unit total

19567601000000

# (7.45.5) Scope 2 figure used

Select from:

✓ Market-based

### (7.45.6) % change from previous year

14

# (7.45.7) Direction of change

Select from:

✓ Increased

#### (7.45.8) Reasons for change

Select all that apply

- ☑ Change in renewable energy consumption
- Change in output
- ☑ Change in revenue

#### (7.45.9) Please explain

The GHG intensity per unit of revenue increased due to an increase in GHG emissions and a reduction in total revenue. Regarding the reduction in total revenue, revenues were 19,567.6 billion JPY, an decrease of 2,004.4 billion JPY. This was due to decreased earnings from Australian metallurgical coal prices, impairment losses related to the Overseas food business, gains on sale of a real estate management company in the previous year, and so on. Regarding the increase in GHG emissions is mainly due to the change in emission factor for 6.5 gas.

[Add row]

#### (7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

✓ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

#### Row 1

# (7.53.1.1) Target reference number

Select from:

✓ Abs 1

# (7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

# (7.53.1.4) Target ambition

Select from:

✓ 1.5°C aligned

# (7.53.1.5) Date target was set

10/17/2021

# (7.53.1.6) Target coverage

Select from:

✓ Organization-wide

#### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

✓ Methane (CH4)

✓ Nitrous oxide (N20)

✓ Carbon dioxide (CO2)

✓ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

✓ Sulphur hexafluoride (SF6)

✓ Nitrogen trifluoride (NF3)

# (7.53.1.8) Scopes

Select all that apply

✓ Scope 1

✓ Scope 2

✓ Scope 3

#### (7.53.1.9) Scope 2 accounting method

Select from:

✓ Market-based

### (7.53.1.10) Scope 3 categories

Select all that apply

✓ Scope 3, Category 15 – Investments

# (7.53.1.11) End date of base year

03/30/2021

### (7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

7514575.8

### (7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

641307.9

#### (7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

17145446

### (7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

17145446.000

#### (7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

25301329,700

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

# (7.53.1.54) End date of target

03/30/2031

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

12650664.850

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

4142397

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1543626

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

16395000

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

16395000.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

22081023.000

#### (7.53.1.78) Land-related emissions covered by target

Select from:

✓ Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

(7.53.1.79) % of target achieved relative to base year

25.46

# (7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

MC has set a target to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, including affiliates, based on the equity share method, by FY2030 (FY2020 baseline) and to achieve net zero emissions by 2050. The equity share of affiliates' Scope 1 and Scope 2 emissions, which correspond to Scope 3 Category 15 (Investments), are included in the above targets. With regards to science-based targets, the SBTi currently restricts applications from oil & gas companies, so we are waiting for their latest guidance on oil & gas companies. MC anticipates that the SBTi will issue this guidance within the next two years, and, subject to the review of the issued guidance, is willing to seek validation of this target. As described above, MC has set a mid-term GHG reduction target – baseline: 2020, halved by 2030 (with partial Scope 3 inclusion), and the annual GHG reduction percentage will be beyond what the SBTi suggests. The percentage of Scope 3 emissions covered by the reduction target is the percentage of Scope 3 emissions included in the target among the Scope 3 emissions known at the base year.

#### (7.53.1.83) Target objective

MC's target is to achieve the three core points outlined in our Roadmap to a Carbon Neutral Society, including the two core points of approximately 2 trillion yen of Energy Transformation (EX)-related investment by FY2030, and Integrated EX/DX initiatives to "Create a New Future". The rationale behind this is the perception that sustainability can be utilized as a growth lever, and, in order to serve this objective, MC has introduced mechanisms for simultaneously decarbonizing and reinforcing our portfolio, including but not limited to, our MC Climate Taxonomy and Transform Discussions. In sum, the target objectives are to achieve both environmental performance (net zero emissions) and economic growth. This is further elaborated on as follows: 1) GHG Emissions Reduction Targets: Net zero GHG emissions by 2050, and a FY2030 target with a detailed reduction plan (note that this is also aligned with national targets set by the Japanese Government.). Emissions halved by FY2030 (compared to FY2020 levels) through portfolio replacement driven predominantly by divestment of thermal power assets. 2) Non-Fossil % in the power generation business with an aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. 3) Renewable Energy power generation capacity, doubling MC's renewable energy power generation capacity by FY2030 (compared to FY2020 levels).

### (7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

By the end of the reporting year, MC has achieved a 25.46% reduction relative to the base year. To achieve further reductions, MC will pursue Energy Transformation (EX) globally by doubling our renewable power capacity by FY2030 (FY2020 baseline) and creating next-generation energy supply chains. Specifically, by FY2030, we will invest a total of approximately 2 trillion yen in EX-related fields related to renewables/electrification and energy. In addition, MC has made its EX Strategy central to its Midterm Corporate Strategy 2024. MC plans to invest approximately 1.2 trillion yen in the three fiscal years ending March 31, 2025 in order to expand our EX portfolio. Last year, MC was selected to operate three offshore wind farms off the coasts of Japan's Akita and Chiba prefectures\*. Furthermore, nextgeneration energy and carbon management businesses such as carbon capture utilization and storage (CCUS), will play an important role in advancing EX. In January 2023, in order to further promote our EX Strategy, MC announced the establishment of a new Next-Generation Energy Business Group effective as of April 1, 2023. (This was combined to form the new Environmental Energy Group in April 2024). Under this structure, MC will make concerted efforts to steadily advance EX. Moreover, in March 2022, MC decided to invest up to 100 million USD in Breakthrough Energy Catalyst\*\*, a fund dedicated to accelerating innovative climate technologies. Through participation in this program, MC is demonstrating a commitment to growing these technologies on a global basis. MC will also apply the business expertise and connections with leading value chain partners gained by participating in the program, toward developing scalable businesses for MC in the future. With all of the above combined, MC's emissions have decreased as described above, which indicates that we are generally on track with regard to achieving our target. \* The three wind farms are expected to have a total generation capacity of 1.7 GW. \*\* A fund that is part of Breakthrough Energy, a network of initiatives founded by Bill Gates in 2015, bringing together companies, governments and private philanthropy to accelerate the adoption of climate technologies that have been proven through R&D as suitable for large-scale commercialization. The current fund focus areas are 1) Clean Hydrogen (and related infrastructure), 2) Long-duration Energy Storage, 3) Sustainable Aviation Fuel and 4) Direct Air Capture.

# (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

Yes

#### Row 2

# (7.53.1.1) Target reference number

Select from:

✓ Abs 2

# (7.53.1.2) Is this a science-based target?

Select from:

✓ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

# (7.53.1.4) Target ambition

Select from:

✓ 1.5°C aligned

#### (7.53.1.5) Date target was set

10/17/2021

#### (7.53.1.6) Target coverage

Select from:

✓ Organization-wide

# (7.53.1.7) Greenhouse gases covered by target

Select all that apply

- ✓ Methane (CH4)
- ✓ Nitrous oxide (N2O)
- ✓ Carbon dioxide (CO2)
- ✓ Perfluorocarbons (PFCs)
- ☑ Hydrofluorocarbons (HFCs)

- ✓ Sulphur hexafluoride (SF6)
- ✓ Nitrogen trifluoride (NF3)

# (7.53.1.8) Scopes

Select all that apply

- ✓ Scope 1
- ✓ Scope 2
- ✓ Scope 3

# (7.53.1.9) Scope 2 accounting method

Select from:

✓ Market-based

#### (7.53.1.10) Scope 3 categories

Select all that apply

✓ Scope 3, Category 15 – Investments

# (7.53.1.11) End date of base year

03/30/2021

# (7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

7514575.8

# (7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

641307.9

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

17145446

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

17145446.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

25301329.700

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

# (7.53.1.54) End date of target

12/30/2050

# (7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

4142397

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1543626

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

16395000

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

16395000.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

22081023.000

# (7.53.1.78) Land-related emissions covered by target

Select from:

✓ Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

#### (7.53.1.79) % of target achieved relative to base year

12.73

# (7.53.1.80) Target status in reporting year

Select from:

Underway

# (7.53.1.82) Explain target coverage and identify any exclusions

MC has set a target to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, including affiliates, based on the equity share method, by FY2030 (FY2020 baseline) and to achieve net zero emissions by 2050. The equity share of affiliates' Scope 1 and Scope 2 emissions, which correspond to Scope 3 Category 15 (Investments), are included in the above targets. With regards to science-based targets, the SBTi currently restricts applications from oil & gas companies, so we are waiting for their latest guidance on oil & gas companies. MC anticipates that SBTi will issue this guidance within the next two years, and, subject to the review of the issued guidance, is willing to seek validation of this target. As described above, MC has set a mid-term GHG reduction target – baseline: 2020, halved by 2030 (with partial Scope 3 inclusion), and the annual GHG reduction percentage will be beyond what the SBTi suggests. The percentage of Scope 3 emissions covered by the reduction target is the percentage of Scope 3 emissions included in the target among the Scope 3 emissions known at the base year.

### (7.53.1.83) Target objective

MC's target is to achieve the three core points outlined in our Roadmap to a Carbon Neutral Society, including the two core points of approximately 2 trillion yen of Energy Transformation (EX)-related investment by FY2030, and Integrated EX/DX initiatives to "Create a New Future". The rationale behind this is the perception that sustainability can be utilized as a growth lever, and, in order to serve this objective, MC has introduced mechanisms for simultaneously decarbonizing and reinforcing our portfolio, including but not limited to, our MC Climate Taxonomy and Transform Discussion. In sum, the target objectives are to achieve both environmental performance (net zero emissions) and economic growth. This is further elaborated on as follows: 1) GHG Emissions Reduction Targets: Net zero GHG emissions by 2050, and a FY2030 target with a detailed reduction plan (note that this is also aligned with national targets set by the Japanese Government.). Emissions halved by FY2030 (compared to FY2020 levels) through portfolio replacement driven predominantly by divestment of thermal power assets. 2) Non-Fossil % in the power generation business with an aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. 3) Renewable Energy power generation capacity, doubling'MC's renewable energy power generation capacity by FY2030 (compared to FY2020 levels).

# (7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

By the end of the reporting year, MC has achieved a 12.73% reduction relative to the base year. To achieve further reductions, MC will pursue Energy Transformation (EX) globally by doubling our renewable power capacity by FY2030 (FY2020 baseline) and creating next-generation energy supply chains. Specifically, by FY2030, we will invest a total of approximately 2 trillion yen in EX-related fields related to renewables/electrification and energy. In addition, MC has made its EX-strategies central to its Midterm Corporate Strategy 2024. MC plans to invest approximately 1.2 trillion yen in the three fiscal years ending March 31, 2025 in order to expand

our EX portfolio. Last year, MC was selected to operate three offshore wind farms off the coasts of Japan's Akita and Chiba prefectures\*. Furthermore, next-generation energy and carbon management businesses, such as carbon capture utilization and storage (CCUS), will play an important role in advancing EX. In January 2023, in order to further promote our EX-Strategy, MC announced the establishment of a new Next-Generation Energy Business Group effective as of April 1, 2023. (This was combined to the new Environmental Energy Group in April 2024). Under this structure, MC will make concerted efforts to steadily advance EX. Moreover, MC decided to invest up to 100 million USD in Breakthrough Energy Catalyst\*\*, a fund dedicated to accelerating innovative climate technologies. Through participation in this program, MC is demonstrating a commitment to growing these technologies on a global basis. MC will also apply the business expertise and connections with leading value chain partners gained by participating in the program, toward developing scalable businesses for MC in the future. With all of the above combined, MC's emissions have decreased as described above, which indicates that we are generally on track with regard to achieving our target. \* The three wind farms, that MC will operate, are expected to have a total generation capacity of 1.7 GW. \*\* A fund that is part of Breakthrough Energy, a network of initiatives founded by Bill Gates in 2015, bringing together companies, governments and private philanthropy to accelerate the adoption of climate technologies that have been proven through R&D as suitable for large-scale commercialization. The current fund focus areas are 1) Clean Hydrogen (and related infrastructure), 2) Long-duration Energy Storage, 3) Sustainable Aviation Fuel and 4) Direct Air Capture.

#### (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

Yes

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

✓ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

## (7.54.3.1) Target reference number

Select from:

**✓** NZ1

#### (7.54.3.2) Date target was set

## (7.54.3.3) Target Coverage

Select from:

✓ Organization-wide

# (7.54.3.4) Targets linked to this net zero target

Select all that apply

- ✓ Abs1
- ✓ Abs2

# (7.54.3.5) End date of target for achieving net zero

12/30/2050

## (7.54.3.6) Is this a science-based target?

Select from:

✓ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

## (7.54.3.8) Scopes

Select all that apply

- ✓ Scope 1
- ✓ Scope 2
- ✓ Scope 3

## (7.54.3.9) Greenhouse gases covered by target

Select all that apply

✓ Methane (CH4)

✓ Sulphur hexafluoride (SF6)

✓ Nitrous oxide (N2O)

✓ Nitrogen trifluoride (NF3)

- ✓ Carbon dioxide (CO2)
- ✓ Perfluorocarbons (PFCs)
- ✓ Hydrofluorocarbons (HFCs)

#### (7.54.3.10) Explain target coverage and identify any exclusions

MC has set a target to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, including affiliates, based on the equity share approach, by FY2030 (FY2020 baseline) and to achieve net zero emissions by 2050. The equity share of affiliates' Scope 1 and Scope 2 emissions, which correspond to Scope 3 Category 15 (Investments), are included in the above targets. With regards to science-based targets, the SBTi currently restricts applications from oil & gas companies, so we are waiting for their latest guidance on oil & gas companies. MC anticipates that SBTi will issue the guidance within the next two years, and, subject to the review of the issued guidance, is willing to seek validation of this target. As described above, MC has set a mid-term GHG reduction target – baseline: 2020, halved by 2030 (with partial Scope 3 inclusion), and the annual GHG reduction percentage will be beyond what the SBTi suggests.

#### (7.54.3.11) Target objective

MC's net zero target is set out as one of the three core points in our Roadmap to a Carbon Neutral Society and the remaining two core points are approximately 2 trillion yen of Energy Transformation (EX)-related investment by FY2030, and Integrated EX/DX initiatives to "Create a New Future". The rationale behind this is the perception that sustainability can be utilized as a growth lever, and, in order to serve this objective, MC has introduced mechanisms for simultaneously decarbonizing and reinforcing our portfolio, including but not limited to, our MC Climate Taxonomy and Transform Discussions. In sum, the target objectives are to achieve both environmental performance (net zero emissions) and economic growth. This is further elaborated on as follows: 1) GHG Emissions Reduction Targets: Net zero GHG emissions by 2050, and a FY2030 target with a detailed reduction plan (note that this is also aligned with national targets set by the Japanese Government.). Emissions halved by FY2030 (compared to FY2020 levels) through portfolio replacement driven predominantly by divestment of thermal power assets. 2) Non-Fossil % in the power generation business with an aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050. 3) Renewable Energy power generation capacity, doubling MC's renewable energy power generation capacity by FY2030 (compared to FY2020 levels). As for Scope 3, MC has examined the management and disclosure of Scope 3 emissions of particularly large emissions categories. For MC, this corresponds to Scope 3 Category 11 emissions (Use of Sold Products), and we have started to disclose this figure from FY2021. Because Scope 3 emissions, including Category 11, are generated by other companies, MC will need to work with a wide range of partners throughout its supply chains to tackle the societal challenge of reducing Scope 3 emissions. MC will tackle this issue through our Integrated EX/DX initiatives (e.g. supply of renewable energy, next-gener

## (7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

✓ Yes

### (7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

✓ Yes, and we have already acted on this in the reporting year

#### (7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

✓ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

#### (7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

MC has set a net zero target for 2050, as well as an interim target of halving GHG emissions by 2030 (our planned milestone). MC conducts an annual sustainability survey targeting all subsidiaries and affiliates to collect sustainability data across the entire MC Group. In addition, among the entire business portfolio, MC has classified businesses which present significant climate-related transition opportunities, and businesses which face significant climate-related transition risks based on "MC Climate Taxonomy". Regarding the latter, MC monitors the impact potentially caused by a 1.5C scenario. The necessity of transforming the business as well as how it should be conducted, are discussed at the top management level annually. Via this mechanism, trends on important factors, including potential emerging trends that were not apparent at the time MC set its climate targets, can be observed. Though this holistic process, risks and opportunities are assessed, and, accordingly, the validity of the climate targets including the milestone are evaluated annually. As for near-term investments, MC plans to invest approximately 1.2 trillion yen in the three fiscal years ending March 31, 2025 (including the reporting year), which will lead to the investment plan of approximately 2 trillion yen by FY2030 to decarbonize our portfolio. MC has already investments in renewable energy, including Eneco, a Dutch integrated energy supply company, that ranks within the top 10 globally in terms of amount of offshore wind energy generated. In addition, MC recognize that next-generation energy and carbon management businesses, such as carbon capture utilization and storage (CCUS), will play an important role in advancing energy transformation. For example, MC announced its participation and investment of 100 million USD in Breakthrough Energy Catalyst, a fund/program dedicated to accelerating innovative climate technologies including direct air capture. Additionally, MC established the "Marunouchi Climate Tech Growth Fund" via Maruno

### (7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

Avoided Emissions

#### (7.54.3.17) Target status in reporting year

Select from:

Underway

#### (7.54.3.19) Process for reviewing target

MC conducts an annual sustainability survey targeting all subsidiaries and affiliates including upstream and downstream companies (around 1,800 companies) to collect environmental and social performance data across the entire MC Group. In addition, among the entire business portfolio including upstream and downstream companies, MC has classified these as "Green" businesses (e.g. renewable energy and green hydrogen businesses), which present significant climate-related transition opportunities, and "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks. This has been done based on the "MC Climate Taxonomy" which includes criteria such as the amount of Scope 3 Category 11 emissions. Regarding businesses classified as "Transform", MC monitors the impact potentially caused by a1.5C scenario on the strategies and policies of such businesses at the management level on an annual basis, namely via "Transform Discussions". In these discussions, the possibility and necessity of transforming the business as well as how it should be conducted, are discussed at the top management level while monitoring the stranded asset risks associated with a transition to a decarbonized world. Via this mechanism, trends on important factors affecting the direction of business, including potential emerging trends that were not apparent at the time MC set its climate targets, can be observed every year. Though this holistic process, short term, medium term and long-term climate-related risks and opportunities are assessed, and, accordingly, the validity of the climate target is evaluated annually. [Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

✓ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	13	`Numeric input
To be implemented	9	29900
Implementation commenced	21	136048

		Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented	6	50076
Not to be implemented	0	`Numeric input

[Fixed row]

#### (7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

#### Row 1

## (7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

✓ Solar PV

## (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

5

# (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

✓ Scope 2 (market-based)

## (7.55.2.4) Voluntary/Mandatory

Select from:

✓ Voluntary

## (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

56468000

## (7.55.2.6) Investment required (unit currency – as specified in C0.4)

19855000

#### (7.55.2.7) Payback period

Select from:

✓ <1 year
</p>

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

Ongoing

#### (7.55.2.9) Comment

The effects of this reduction activity are expected to last for 20 years.

#### Row 3

## (7.55.2.1) Initiative category & Initiative type

#### Low-carbon energy consumption

✓ Solar PV

## (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

200

## (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

✓ Scope 2 (market-based)

## (7.55.2.4) Voluntary/Mandatory

Select from:

✓ Voluntary

## (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

9044744

## (7.55.2.6) Investment required (unit currency – as specified in C0.4)

3960000

## (7.55.2.7) Payback period

Select from:

✓ <1 year
</p>

## (7.55.2.8) Estimated lifetime of the initiative

Select from:

Ongoing

## (7.55.2.9) Comment

N/A

#### Row 4

# (7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Other, please specify :Conversion to recycled fuel oil

## (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

6782

## (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

✓ Scope 1

#### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

## (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

10100000

## (7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

## (7.55.2.7) Payback period

Select from:

✓ <1 year
</p>

## (7.55.2.8) Estimated lifetime of the initiative

Select from:

Ongoing

#### (7.55.2.9) Comment

N/A

Row 5

## (7.55.2.1) Initiative category & Initiative type

#### **Energy efficiency in production processes**

✓ Process optimization

## (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

6489

## (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

✓ Scope 1

## (7.55.2.4) Voluntary/Mandatory

Select from:

✓ Voluntary

## (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

148435082

## (7.55.2.6) Investment required (unit currency – as specified in C0.4)

2617236169

## (7.55.2.7) Payback period

Sel	lect	from:	
001	-cc	II OIII.	

**☑** 16-20 years

## (7.55.2.8) Estimated lifetime of the initiative

Select from:

#### (7.55.2.9) Comment

N/A

#### Row 6

## (7.55.2.1) Initiative category & Initiative type

#### Low-carbon energy generation

☑ Biogas

# (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

17500

## (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

✓ Scope 1

## (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

# (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

## (7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

# (7.55.2.7) Payback period

Select from:

✓ <1 year
</p>

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

✓ >30 years

# (7.55.2.9) Comment

N/A

#### Row 7

## (7.55.2.1) Initiative category & Initiative type

#### Low-carbon energy generation

✓ Solar PV

## (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

19100

## (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

✓ Scope 2 (market-based)

## (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

## (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

85300000

# (7.55.2.6) Investment required (unit currency – as specified in C0.4)

239900000

# (7.55.2.7) Payback period

Select from:

**✓** 1-3 years

## (7.55.2.8) Estimated lifetime of the initiative

Select from:

**✓** 11-15 years

#### (7.55.2.9) Comment

N/A

[Add row]

#### (7.55.3) What methods do you use to drive investment in emissions reduction activities?

#### Row 1

#### (7.55.3.1) Method

Select from:

✓ Internal price on carbon

#### (7.55.3.2) Comment

Among the entire business portfolio, MC has classified "Green" businesses (e.g. renewable energy and green hydrogen businesses), which present significant climate-related transition opportunities, and "Transform" businesses (e.g. natural gas and metallurgical coal businesses), which face significant climate-related transition risks based on the "MC Climate Taxonomy", which includes criteria such as the amount of Scope 3 Category 11 emissions. Based on the "MC Climate Taxonomy", in screening individual loan and investment proposals for businesses categorized as "Green" or "Transform," MC applies key assumptions of a 1.5C scenario consistent with net zero by 2050, such as internal carbon pricing (ICP). Moreover, the projected carbon tax burden under a 1.5°C scenario is analysed when assessing existing portfolio companies' annual business plans, and carbon management measures to be taken in response are discussed as necessary at the Investment Committee.

[Add row]

#### (7.73) Are you providing product level data for your organization's goods or services?

Select from:

✓ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

#### Row 1

## (7.74.1.1) Level of aggregation

Select from:

✓ Product or service

## (7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ The EU Taxonomy for environmentally sustainable economic activities

#### (7.74.1.3) Type of product(s) or service(s)

#### **Power**

Onshore wind

#### (7.74.1.4) Description of product(s) or service(s)

MC is involved in renewable energy businesses such as solar, wind, geothermal, hydro, biomass and offshore wind. These products can be described as low-carbon products, because they contribute to GHG reduction by creating renewable energy. In this field, we have highlighted the case of our onshore wind power business.

#### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

Yes

#### (7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify: WBCSD/WBI "GHG Protocol Corporate Accounting and Reporting Standard" (2019), Ministry of Economy, Trade and Industry "Guidelines for Quantifying GHG emission reductions of goods or services through Global Value Chain" (2018), etc.

#### (7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

✓ Use stage

#### (7.74.1.8) Functional unit used

Operating an onshore wind unit for one year.

### (7.74.1.9) Reference product/service or baseline scenario used

Average energy mix in each country

#### (7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

✓ Use stage

# (7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

652000

#### (7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The calculation formula is as follows: Power generation capacity (MW) x 24 hours x 365 days x Emission factor (tCO2/MWh) x Capacity factor x Equity ratio of the company (only the avoided emissions at the operational stage, which accounts for the majority of emissions, is calculated). In MC, those products that directly contribute to GHG reductions through our company operations are counted on a stock basis (one year), while those that indirectly contributed to GHG reductions, such as the production of materials, are counted on a flow basis (Lifetime). For the onshore wind power business, the amount of contribution created in a single fiscal year is calculated. (Power generation business is based on MC's equity generation capacity as of the end of December 2023.)

#### (7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1 [Add row]

#### (7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

✓ No

## **C8.** Environmental performance - Forests

#### (8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	Select from:  ✓ Yes
Soy	Select from: ✓ Yes

[Fixed row]

## (8.1.1) Provide details on these exclusions.

## **Timber products**

# (8.1.1.1) Exclusion

Select from:

✓ Other, please specify :Group Companies

# (8.1.1.2) Description of exclusion

Focus solely on parent company

# (8.1.1.3) Value chain stage

Select from:

✓ Upstream value chain

## (8.1.1.4) Reason for exclusion

Select from:

✓ Other, please specify: Focus solely on parent comapny

## (8.1.1.8) Indicate if you are providing the commodity volume that is being excluded from your disclosure of forestsrelated data

Select from:

✓ No, the volume excluded is confidential

#### (8.1.1.10) Please explain

Because we chose to disclose the response, it was necessary to limit the information and scope that could be made public.

#### Soy

#### (8.1.1.1) Exclusion

Select from:

✓ Other, please specify :Embedded soy

#### (8.1.1.2) Description of exclusion

Exclude transactions involving embedded soy

## (8.1.1.3) Value chain stage

Select from:

✓ Upstream value chain

## (8.1.1.4) Reason for exclusion

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$\sim \Delta$	lect	tro	m·
$o_{c_l}$	ししし	$H \cup H$	,,,,

✓ Data is not available

## (8.1.1.5) Primary reason why data is not available for your disclosed commodity

Select from:

✓ Not an immediate strategic priority

## (8.1.1.8) Indicate if you are providing the commodity volume that is being excluded from your disclosure of forestsrelated data

Select from:

✓ No, the volume excluded is unknown

#### (8.1.1.10) Please explain

We handles livestock products, and we are aware that we also handle embedded soy used in the production of these livestock products. However, since we do not have data on the quantity or monetary value of the embedded soy, we have excluded it.

[Add row]

#### (8.2) Provide a breakdown of your disclosure volume per commodity.

	Volume type
	Select all that apply  ☑ Sourced
Soy	Select all that apply  ✓ Sourced

[Fixed row]

#### (8.2.1) Provide details on any soy embedded in animal products sourced by your organization.

	Disclosure of embedded soy	Description of embedded soy use and soy tiers
Soy	Select from:  ✓ All of our embedded soy volume is excluded from our disclosure as reported in 8.1.1	We source products that come from livestock products which have been fed soy-based meal.

[Fixed row]

#### (8.5) Provide details on the origins of your sourced volumes.

#### **Timber products**

## (8.5.1) Country/area of origin

Select from:

✓ United States of America

## (8.5.2) First level administrative division

Select from:

✓ States/equivalent jurisdictions

## (8.5.3) Specify the states or equivalent jurisdictions

We purchase materials from the USA that are confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC.

#### (8.5.5) Source

Select all that apply

✓ Single contracted producer

## (8.5.7) Please explain

We purchase materials confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC from the United States.

#### Soy

# (8.5.1) Country/area of origin

Select from:

China

## (8.5.2) First level administrative division

Select from:

✓ States/equivalent jurisdictions

## (8.5.3) Specify the states or equivalent jurisdictions

Henan Province / Shandong Province / Hebei Province

#### (8.5.5) Source

Select all that apply

✓ Trader/broker/commodity market

#### **Timber products**

## (8.5.1) Country/area of origin

Select from:

Canada

#### (8.5.2) First level administrative division

Select from:

✓ States/equivalent jurisdictions

#### (8.5.3) Specify the states or equivalent jurisdictions

We purchase materials from Canada that are confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC.

## (8.5.5) Source

Select all that apply

☑ Single contracted producer

#### (8.5.7) Please explain

We purchase materials that are confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC from Canada.

#### **Timber products**

## (8.5.1) Country/area of origin

Select from:

✓ Viet Nam

#### (8.5.2) First level administrative division

Select from:

✓ States/equivalent jurisdictions

## (8.5.3) Specify the states or equivalent jurisdictions

We purchase materials from Viet Nam that are confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification

bodies such as FSC and PEFC.

# (8.5.5) Source

Select all that apply

✓ Multiple contracted producers

# (8.5.7) Please explain

We purchase materials that are confirmed to be legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC from Vietnam.

#### Soy

#### (8.5.1) Country/area of origin

Select from:

✓ Brazil

# (8.5.2) First level administrative division

Select from:

✓ States/equivalent jurisdictions

## (8.5.3) Specify the states or equivalent jurisdictions

Mato Grosso / Mato Grosso do Sul / Paraná / Goiás

#### (8.5.5) Source

Select all that apply

- ✓ Independent smallholders
- ✓ Single contracted producer
- ✓ Multiple contracted producers
- ☑ Trader/broker/commodity market

#### Soy

## (8.5.1) Country/area of origin

Select from:

✓ United States of America

## (8.5.2) First level administrative division

Select from:

✓ States/equivalent jurisdictions

## (8.5.3) Specify the states or equivalent jurisdictions

Illinois / Iowa / Minnesota

#### (8.5.5) Source

Select all that apply

- ✓ Independent smallholders
- ☑ Single contracted producer
- ✓ Multiple contracted producers
- ✓ Trader/broker/commodity market

[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

#### **Timber products**

## (8.7.1) Active no-deforestation or no-conversion target

Select from:

☑ No, and we do not plan to have a no-deforestation or no-conversion target in the next two years

#### (8.7.3) Primary reason for not having an active no-deforestation or no-conversion target in the reporting year

Select from:

☑ Other, please specify: As we confirm that products we purchase are legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC.

#### (8.7.4) Explain why you did not have an active no-deforestation or no-conversion target in the reporting year

As stated in 8.7.3, as we confirm that products we purchase are legal and sustainable according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC.

# (8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

✓ Yes, we have other targets related to this commodity

#### Soy

## (8.7.1) Active no-deforestation or no-conversion target

Select from:

✓ Yes, we have a no-deforestation target

#### (8.7.2) No-deforestation or no-conversion target coverage

Select from:

✓ Organization-wide (including suppliers)

## (8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or noconversion target

Select from:

✓ Yes, we have other targets related to this commodity [Fixed row]

(8.7.1) Provide details on your no-deforestation or no-conversion target that was active during the reporting year.

#### Soy

## (8.7.1.1) No-deforestation or no-conversion target

Select from:

No-deforestation

#### (8.7.1.2) Your organization's definition of "no-deforestation" or "no-conversion"

"No Deforestation" means not engaged in illegal logging.

#### (8.7.1.3) Cutoff date

Select from:

✓ No cutoff date

## (8.7.1.6) Target date for achieving no-deforestation or no-conversion

Select from:

✓ No target date [Add row]

(8.7.2) Provide details of other targets related to your commodities, including any which contribute to your no-deforestation or no-conversion target, and progress made against them.

#### **Timber products**

## (8.7.2.1) Target reference number

Select from:

✓ Target 1

## (8.7.2.3) Target coverage

Select from:

✓ Country/area/region

## (8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☑ Total commodity volume associated with operations or locations covered by target

### (8.7.2.5) Category of target & Quantitative metric

#### Other target category, please specify

✓ Other target metric, please specify: The number of trees planted

#### (8.7.2.8) Date target was set

03/31/2008

# (8.7.2.9) End date of base year

03/30/2009

## (8.7.2.10) Base year figure

0

# (8.7.2.11) End date of target

#### (8.7.2.12) Target year figure

1000000

## (8.7.2.13) Reporting year figure

8000

## (8.7.2.14) Target status in reporting year

Select from:

Underway

#### (8.7.2.15) % of target achieved relative to base year

0.80

## (8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target

Select all that apply

- ☑ Sustainable Development Goals
- ✓ Planetary Boundaries

#### (8.7.2.17) Explain target coverage and identify any exclusions

In the state of Sarawak, Malaysia, where logging was once carried out, we are conducting reforestation activities for the restoration of tropical rainforests with the participation of local residents. The tree species being planted are native Dipterocarpaceae species that make up the Southeast Asian tropical rainforests, including primarily Shorea macrophylla, Dryobalanops beccarii, Shorea parvifolia, and Shorea falcifera. In addition to these native species, rubber trees are also planted as useful species to support the sustainable use of the forest by the local residents. Furthermore, fruit trees such as durian, tarap, starfruit, and rambutan are planted based on the preferences of the local community. The reforestation is carried out using the natural regeneration-based method known as line planting, which takes advantage of the existing secondary forest vegetation. Regular activities include maintenance of planted trees, cultivation of seedlings, repair of forest access roads, and monitoring of growth conditions and technical guidance provided by experts from the local national university.

## (8.7.2.18) Plan for achieving target, and progress made to the end of the reporting year

In 2023, 8,000 seedlings, including Dipterocarp species and other local fruits, were planted in Sabal National Park, Sarawak by the local residents. An additional 4,000 trees are planned to be planted. Experts from Sarawak State University conducted growth surveys and provided advice. The seedlings of local fruits were planted by local women, providing them with a source of income through their sale. Additionally, water pipes were laid in the surrounding villages to improve living and sanitary conditions of the local residents.

#### (8.7.2.20) Further details of target

This project engages local communities of the indigenous people. They understand and support the project and are truly a part of the project. They work toward planting or raising seedlings but also it becomes a vital source of income. We also conduct tree planting events for the local children which include environmental education to increase their understanding of the natural environment and the importance of the rainforest.

#### Soy

## (8.7.2.1) Target reference number

Select from:

✓ Target 2

#### (8.7.2.2) Target contributes to no-deforestation or no-conversion target reported in 8.7

Select from:

✓ Yes, this target contributes to our no-deforestation target

#### (8.7.2.3) Target coverage

Select from:

Suppliers

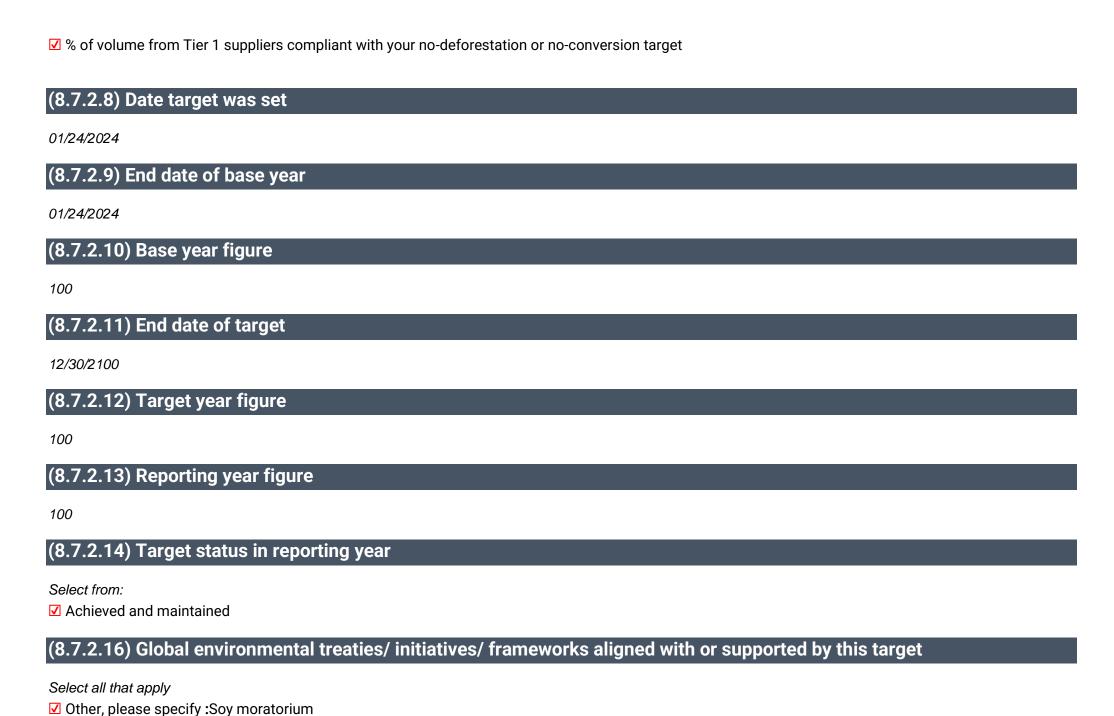
#### (8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☑ Other volume, please specify: Purchasing volume directly from farmers in Brazil

### (8.7.2.5) Category of target & Quantitative metric

#### **Engagement with Tier 1 suppliers**



#### (8.7.2.17) Explain target coverage and identify any exclusions

This is a target aimed at direct purchases from farmers by our subsidiary in Brazil.

## (8.7.2.19) List the actions which contributed most to achieving or maintaining this target

We are committed to purchasing only from farmers who comply with the Soy Moratorium by utilizing a farmer and farmland selection system that uses satellite imagery.

#### (8.7.2.20) Further details of target

As a procurement target, Our subsidiary in Brazil aims to achieve the following in direct purchases from farmers. a. 100% soybean traceability to farm b. 100% soybeans procured in accordance with the regulations of the Soybean Moratorium.

[Add row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

#### **Timber products**

#### (8.8.1) Traceability system

Select from:

Yes

# (8.8.2) Methods/tools used in traceability system

Select all that apply

☑ Chain-of-custody certification

#### (8.8.3) Description of methods/tools used in traceability system

We handle wood pellets that are verified for legality, sustainability, and traceability in accordance with the standards of internationally recognized third-party certification bodies such as FSC and PEFC.

#### Soy

## (8.8.1) Traceability system

Select from:

Yes

#### (8.8.2) Methods/tools used in traceability system

Select all that apply

- ✓ Value chain mapping
- ☑ Supplier engagement/communication
- ✓ Internal traceability system

#### (8.8.3) Description of methods/tools used in traceability system

We conduct surveys of our suppliers using our own system. Additionally, our subsidiary in Brazil maps and monitors purchasing farms through a system that utilizes satellite imagery.

[Fixed row]

#### (8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

#### **Timber products**

#### (8.8.1.1) % of sourced volume traceable to production unit

0

## (8.8.1.2)~% of sourced volume traceable to sourcing area and not to production unit

0

#### (8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

0

(8.8.1.6) % of sourced volume reported

100.00

#### Soy

(8.8.1.1) % of sourced volume traceable to production unit

25

(8.8.1.2)~% of sourced volume traceable to sourcing area and not to production unit

36

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

39

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

#### (8.8.1.6) % of sourced volume reported

100.00 [Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

#### **Timber products**

## (8.9.1) DF/DCF status assessed for this commodity

Select from:

✓ Yes, deforestation- and conversion-free (DCF) status assessed

## (8.9.2) % of disclosure volume determined as DF/DCF in the reporting year

100

(8.9.4) % of disclosure volume determined as DF/DCF through monitoring of production unit

0

(8.9.5) % of disclosure volume determined as DF/DCF through monitoring of sourcing area

0

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

✓ Yes

#### Soy

#### (8.9.1) DF/DCF status assessed for this commodity

Select from:

✓ Yes, deforestation-free (DF) status assessed

#### (8.9.2) % of disclosure volume determined as DF/DCF in the reporting year

59

(8.9.3) % of disclosure volume determined as DF/DCF through a third-party certification scheme providing full DF/DCF assurance

2

(8.9.4) % of disclosure volume determined as DF/DCF through monitoring of production unit

18

(8.9.5) % of disclosure volume determined as DF/DCF through monitoring of sourcing area

41

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

✓ No

[Fixed row]

(8.9.1) Provide details of third-party certification schemes used to determine the deforestation-free (DF) or deforestationand conversion-free (DCF) status of the disclosure volume, since specified cutoff date.

	Third-party certification scheme	% of disclosure volume determined as DF/DCF through certification scheme providing full DF/DCF assurance	Comment
Soy	Forest management unit/Producer certification  ☑ RTRS standard for Responsible Soy Production	2	We source a portion of our soy using the RTRS standard for Responsible Soy Production certification scheme.

[Add row]

#### (8.9.2) Provide details of third-party certification schemes not providing full DF/DCF assurance.

#### **Timber products**

# (8.9.2.1) Third-party certification scheme not providing full DF/DCF assurance

#### **Chain-of-custody certification**

✓ PEFC Chain-of-Custody (any type)

# (8.9.2.3) Additional control methods in place to determine DF/DCF status of volumes certified through scheme not providing full DF/DCF assurance

Select all that apply

✓ No

## (8.9.2.4) Comment

We handle wood pellets that are confirmed to have legal and sustainable segregation management according to the standards of internationally recognized third-party certification bodies such as FSC and PEFC.

## (8.9.2.5) Certification documentation

PEFC Certificate(Mitsubishi Corp).pdf [Add row]

(8.9.3) Provide details of production unit monitoring used to determine deforestation-free (DF) or deforestation- and conversion-free (DCF) status of volumes since specified cutoff date.

Soy

(8.9.3.1) % of disclosure volume determined as DF/DCF through monitoring of production unit

18.00

#### (8.9.3.2) Production unit monitoring approach

Select all that apply

Geospatial monitoring or remote sensing tool

☑ Other, please specify: Our subsidiary in Brazil ensures that soybeans they purchase directly from farmers are not from the regions and suppliers listed in the regulations of the Soybean Moratorium.

### (8.9.3.3) Description of production unit monitoring approach

Our subsidiary in Brazil has a farmer and farmland selection system that leverages satellite imagery to not only ensure strict compliance with local regulations and industry rules but also to promote traceability in grain procurement, thereby proactively avoiding the purchase of grain from farms involved in deforestation.

## (8.9.3.4) DF/DCF status verified

Select from:

✓ Yes

## (8.9.3.5) Type of verification

Select all that apply

☑ First party

(8.9.3.6) % of your disclosure volume that is both determined as DF/DCF through monitoring of production unit and is verified as DF/DCF

18

## (8.9.3.7) Explain the process of verifying DF/DCF status

Our subsidiary in Brazil uses a farmer and farmland selection system that leverages satellite imagery to not only ensure strict compliance with local regulations and industry rules but also to promote traceability in grain procurement, thereby proactively avoiding the purchase of grain from farms involved in deforestation.

[Fixed row]

(8.9.4) Provide details of the sourcing area monitoring used to determine deforestation-free (DF) or deforestation- and conversion-free (DCF) status of volumes since specified cutoff date.

#### Soy

(8.9.4.1) % of disclosure volume determined as DF/DCF through monitoring of deforestation and conversion within the sourcing area

41.00

(8.9.4.2) Monitoring approach used for determining that sourcing areas have no or negligible risk of deforestation or conversion

Select all that apply

☑ Other, please specify :USEC/SSAP Certified

## (8.9.4.3) Description of approach, including frequency of assessment

in purchase with USEC/SSAP Certification

Select all that apply	
✓ United States of America	
(8.9.4.5) Sourcing areas	
Illinois State, Iowa State, Minnesota State	
(8.9.4.6) DF/DCF status is verified	
Select from:  ☑ No  [Fixed row]	
(8.10) Indicate whether you have monitored or estimated footprint for your disclosed commodities.	the deforestation and conversion of other natural ecosystems
	Monitoring or estimating your deforestation and conversion footprint
Timber products	Select from:

[Fixed row]

Soy

(8.10.1) Provide details on the monitoring or estimating of your deforestation and conversion footprint.

# **Timber products**

(8.9.4.4) Countries/areas of origin

Yes

Yes

Select from:

## (8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:

☑ We estimate the deforestation and conversion footprint based on sourcing area

## (8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

✓ During the last 5 years

# (8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

We utilize CoC certification scheme of internationally recognized third-party certification bodies that do not permit illegal logging or logging in high-conservation-value forests to assess and ensure that there is no deforestation in our supply chain.

#### Soy

## (8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:

☑ We estimate the deforestation and conversion footprint based on sourcing area

## (8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

☑ Other, please specify: We recognize that the risk of deforestation varies by region, but we have not conducted quantitative Footprint measurements for a specific period

# (8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

We refer to information published by international organizations and NGOs [Add row]

(8.11) For volumes not assessed and deteractions in the reporting year to increase pr	rmined as deforestation- and conversion-free (DCF), indicate if you have taken oduction or sourcing of DCF volumes.
	Actions taken to increase production or sourcing of DCF volumes
Soy	Select from:  ✓ Yes
[Fixed row]	
(8.11.1) Provide details of actions taken in deforestation- and conversion-free (DCF) v Soy	the reporting year to assess and increase production/sourcing of volumes.
(8.11.1.1) Action type	
Select from:  ☑ Increasing supplier control systems	
(8.11.1.2) % of disclosure volume that is c	overed by this action
3	
(8.11.1.3) Indicate whether you had any m	ajor barriers or challenges related to this action in the reporting year
Select from:  ✓ Yes	
(8.11.1.4) Main measures identified to ma	nage or resolve the challenges

✓ Investment in monitoring tools and traceability systems

# (8.11.1.5) Provide further details on the actions taken, their contribution to achieving DCF status, and any related barriers or challenges

Our subsidiary in Brazil has initiated a survey to check the status of environmental and social initiatives among suppliers involved in indirect purchases. Conducting such surveys with suppliers in the soybean supply chain is not yet common practice, so it can be challenging to obtain their cooperation. However, we are taking steps to reduce the burden of responding, such as introducing a system to streamline the response process.

[Add row]

(8.13.1) Provide details on the actions your organization has taken in its direct operations and/or upstream value chain that have resulted in reduced GHG emissions and/or enhanced removals.

#### Row 1

### (8.13.1.1) Commodity

Select from:

✓ Soy

[Add row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

## (8.14.1) Assess legal compliance with forest regulations

Select from:

✓ Yes, from suppliers

## (8.14.2) Aspects of legislation considered

Select all that apply

- ☑ Environmental protection
- ☑ Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting
- ✓ Labor rights
- ☑ Human rights protected under international law
- ☑ The principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples

# (8.14.3) Procedure to ensure legal compliance

Select all that apply

- Certification
- ✓ First party audits
- ☑ Supplier self-declaration
- ☑ Third party audits

## (8.14.5) Please explain

Before initiating transactions, we conduct third-party sustainability due diligence on our suppliers. After the transactions begin, we verify legality and sustainability using international forest certification systems for each shipment. Additionally, we conduct a 'Sustainable Supply Chain Survey' once per year and visit supplier factories as needed.

[Fixed row]

## (8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

Engagement in landscape/jurisdictional initiatives
Select from:  ✓ Yes, we engage in landscape/jurisdictional initiatives

[Fixed row]

(8.15.1) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

## (8.15.1.1) Criteria for prioritizing landscapes/jurisdictions for engagement

Select all that apply

- ☑ Risk of fires
- ✓ Risk of water stress
- ✓ Risk of biodiversity loss
- ✓ Opportunity to increase market access for smallholders and local communities
- ☑ Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems
- ☑ Recognized as priority landscape by credible multi-stakeholder groups or industry platforms

## (8.15.1.2) Explain your process for prioritizing landscapes/jurisdictions for engagement

Process for Determining Priorities: We begin by identifying benefits such as the maintenance and restoration of water resources, increased income, and improved livestock quality that contribute to improving the living standards of smallholder farmers and local communities in each region through interviews and other methods. Next, we assess whether these benefits can be provided to smallholder farmers and local communities, and whether offering these benefits will enable them to cooperate in sustainable rangeland conservation activities that enhance the health of the grazing lands. Based on this assessment, priorities are determined. Overview of Criteria for Determining Priorities: -Opportunities for smallholder farmers and local communities to expand market access: Promotion of participation in livestock auctions. -Recognized as a high-priority landscape by multiple reliable stakeholder groups: Identified as a high-priority landscape where the health of grazing lands has been compromised by overgrazing or development and with high carbon sequestration potential, shared with stakeholders. -Risks of deforestation, forest/land degradation, and conversion in other natural ecosystems: Risks of overgrazing or development that compromise the health of rangelands. -Risk of biodiversity loss: Increase in invasive species. -Risk of fire: Risk of fires in grazing lands. -Risk of water stress/water shortage: Risk of depletion of water resources due to compromised grazing land health.

[Fixed row]

(8.15.2) Provide details of your engagement with landscape/jurisdictional initiatives to sustainable land use during the reporting year.

Row 1

## (8.15.2.1) Landscape/jurisdiction ID

Select from:

**✓** LJ1

## (8.15.2.2) Name of initiative

South African Rangeland Restoration for Climate, Community and Waters

# (8.15.2.3) Country/area

Select from:

South Africa

## (8.15.2.4) Name of landscape or jurisdiction area

UMZIMVUBU CATCHMENT

## (8.15.2.5) Attach public information about the initiative (optional)

Mitsubishi Corporation - Announcements - 2022 - "Mitsubishi Corporation Supports Natural Climate Solutions in South Africa and Canada" \_ Mitsubishi Corporation.pdf

## (8.15.2.6) Indicate if you can provide the size of the area covered by the initiative

Select from:

Yes

# (8.15.2.7) Area covered by the initiative (ha)

30000

## (8.15.2.8) Type of engagement

Select all that apply

- ☑ Convener: Leads or facilitates the design, set-up, and high-level management of the initiative
- ☑ Funder: Provides full or partial financial resources

## (8.15.2.9) Engagement start year

2022

## (8.15.2.10) Engagement end year

Select from:

✓ Please specify:2025

## (8.15.2.11) Estimated investment over the project period

810000

## (8.15.2.12) Landscape goals supported by engagement

#### **Environmental**

- ☑ Avoided deforestation/conversion of other natural ecosystems and/or decreased degradation rate
- ✓ Improved rate of carbon sequestration (e.g., through restoration)
- ✓ Natural ecosystems conserved and/or restored
- ☑ Adequate water availability, water quality or access to WASH (Water, Sanitation and Hygiene) services

#### Governance

☑ Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management

#### Social

✓ Implementation of livelihood activities/practices that reduce pressure on forests

#### **Production**

- ☑ Improved and/or maintained soil health
- ✓ Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)
- ☑ Reliable commodity traceability and landscape monitoring/data collection system

## (8.15.2.13) Organization actions supporting initiative

#### Participate in planning and multi-stakeholder alignment

- ☑ Collaborate on establishing and managing monitoring system for deforestation, natural ecosystem conversion and/or degradation
- ☑ Collaborate on establishing and managing monitoring system for livelihoods and human well-being
- ☑ Collaborate on landscape sustainability assessments through participatory mapping

## (8.15.2.14) Type of partners engaged in the initiative design and implementation

Select all that apply

- ✓ Sub-national government
- ✓ Local communities
- ✓ NGO and/or civil society
- Producers
- ✓ Private sector

## (8.15.2.15) Description of engagement

-Funding for this project -Regular exchange of opinions on the monitoring system and evaluation of the project's initiatives

## (8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions

Select from:

☑ Yes, progress is monitored using an internally defined framework

### (8.15.2.17) State the achievements of your engagement so far and how progress is monitored

-Identification of project target areas through soil surveys and other methods. -Engagement and consensus-building with local communities for participation in the project. -Calculation of the baseline for carbon sequestration in the target areas. -Increase in farmers' income. Progress Monitoring Methods: -Monitoring the implementation of conservation efforts and the area of activities in the project target areas. -Monitoring the number of smallholder farmers and local communities who support the project and the number of contracts signed. -Monitoring the number of soil samples collected and the development of soil carbon sequestration models. - Monitoring sales at livestock auctions.

## (8.15.2.18) Claims made

Select from:

☑ No, we are not making any claims, and we do not plan to within the next two years [Add row]

(8.15.3) For each of your disclosed commodities, provide details on the disclosure volume from each of the landscapes/jurisdictions you engage in.

Row 1

## (8.15.3.1) Landscape/jurisdiction ID

Select from:

**✓** LJ1

(8.15.3.2) Does any of your produced and/or sourced commodity volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?

Select from:

☑ No, we do not produce/source from this landscape/jurisdiction [Add row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

✓ Yes

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

## (8.16.1.1) Commodity

Select all that apply

✓ Timber products

## (8.16.1.2) Activities

Select all that apply

- ✓ Involved in industry platforms
- ☑ Engaging with non-governmental organizations

#### (8.16.1.3) Country/area

Select from:

Japan

## (8.16.1.4) Subnational area

Select from:

✓ Not applicable

## (8.16.1.5) Provide further details of the activity

We have been participating in the United Nations Global Compact (UNGC) since 2010 and have been active as a Participant member since 2018. The UNGC promotes universal principles in the areas of human rights, labor, environment, and anti-corruption, and our company declares its support for these principles and promotes initiatives based on the spirit of its three core commitments. Additionally, we are one of the member companies of the Global Compact Network Japan (GCNJ), which was established in 2003 as a local network in Japan. We actively participate in stakeholder engagement activities, such as understanding external environments and collaborating with other companies. FSC and PEFC are certification systems that advocate for appropriate environmental conservation and economically sustainable forest management that benefits society. We have obtained CoC (Chain of Custody) certification under these certification systems, and we handle timber products produced with consideration for human rights, biodiversity preservation, and natural capital conservation.

#### Row 2

## (8.16.1.1) Commodity

Select all that apply

✓ Soy

## (8.16.1.2) Activities

Select all that apply

✓ Involved in industry platforms

#### (8.16.1.3) Country/area

Select from:

✓ Brazil

## (8.16.1.4) Subnational area

Select from:

✓ Please specify :Amazon biome

# (8.16.1.5) Provide further details of the activity

In purchasing of our subsidiary in Brazil directly from farmers, traceability is to be ensured, and in accordance with the regulations of the Soybean Moratorium (Moratória da Soja(\*)), the industry guideline for soybeans in the country, soybeans are not to be procured from the following regions and suppliers. a. Regions included in the annual list prepared by the secretariat of the Moratória da Soja as regions where deforestation has taken place in the Amazon biome since July 22, 2008 b. Regions designated as embargoed areas by the Brazilian Institute of Environment and the Renewable Natural Resources (IBAMA) or by state governments for violations of environmental laws and regulations c. Suppliers included in the slave labor list published by the Brazilian Labor Inspection Secretariat (Secretaria de Inspeção do Trabalho) (\*)An industry initiative to ban the trade of soybeans produced on deforested land rested in the Amazon Biome after July 22, 2008. Participating companies are required to undergo periodic third-party audits to ensure that soybean trade activities in the Amazon Biome and management systems are in line with the initiative's guidelines [Add row]

# (8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

✓ Yes

# (8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

#### Row 1

## (8.17.1.1) Project reference

Select from:

✓ Project 1

### (8.17.1.2) Project type

Select from:

Reforestation

## (8.17.1.3) Expected benefits of project

Select all that apply

- ✓ Disaster risk reduction
- Reduction of GHG emissions
- ☑ Reduce/halt biodiversity loss
- ☑ Restoration of natural ecosystem(s)
- ☑ Improvement of water availability and quality
- ✓ Further transformative change through sharing of project design, implementation and lessons learnt

## (8.17.1.4) Is this project originating any carbon credits?

Select from:

✓ No

## (8.17.1.5) Description of project

MC is carrying out a forest conservation project in Aki City, Kochi Prefecture, the birthplace of Yataro Iwasaki, the founder of the original Mitsubishi company. MC has entered into a forest conservation agreement with Kochi Prefecture, Aki City, and the Eastern Kochi Forestry Association in an aim to conserve the local environment,

and collaborations have been ongoing since 2009. This project was MC's first forest conservation initiative implemented in Japan. It has been named the "Mitsubishi Corporation Thousand Year Forest" (also known as Yataro's Forest) and consists of a 263-hectare expanse of forest, 143 hectares of which are owned by MC. Aside from conducting forest conservation activities to improve functions that serve the public interest, such as headwater conservation, the area is also used as a place for MC employees to participate in volunteer activities as well as for environmental education. In March 2020, MC entered into an agreement with the Shikoku Forestry Bureau, Aki City and the Eastern Kochi Forestry Association to introduce management policies in the Becchaku area of Yataro's Forest based on the Shikoku Forestry Bureau's policy of establishing what it refers to as "green corridors," in an effort to conserve biodiversity. As a result of these conservation activities, a section of Yataro's Forest was certified as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment in March 2024.

#### (8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

✓ Project based elsewhere

## (8.17.1.7) Start year

2009

#### (8.17.1.8) Target year

Select from:

✓ Indefinitely

## (8.17.1.9) Project area to date (Hectares)

263

## (8.17.1.10) Project area in the target year (Hectares)

263

## (8.17.1.11) Country/Area

Select from:

Japan

## (8.17.1.12) Latitude

## (8.17.1.13) Longitude

134

## (8.17.1.14) Monitoring frequency

Select from:

☑ Six-monthly or more frequently

#### (8.17.1.15) Total investment over the project period (currency)

15000000

## (8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

- Disaster risk reduction
- ✓ Improvement of water availability and quality
- ✓ Reduce/halt biodiversity loss
- ☑ Reduction of GHG emissions

## (8.17.1.17) Please explain

The total investment over the project's duration, including forest acquisition costs and conservation expenses incurred since the project's inception in 2009, amounts to 1.5 million yen. The 'Thousand Year Forest' will not only continue forest conservation activities to enhance public functions of the forest, such as watershed protection, but also serve as a venue for nature-based learning experiences, volunteer activities, and environmental education for our employees and local residents. The 'Thousand Year Forest' is located in the Bekkaku district of Aki City, Kochi Prefecture, near the border with Tokushima Prefecture. It is a water source for Aki City and features a diverse range of trees, including Japanese cedar, beech, cypress, fir, and Japanese oak. The forest is also home to various animals and birds, such as the Japanese serow, dormice, and ruddy kingfisher. The increase in CO2 absorption due to forest management activities is calculated using the formula based on the IPCC Guidelines: 'CO2 absorption per hectare (t-CO2/year) (incremental growth) (expansion factor) (volume density) (carbon content rate) (CO2 conversion factor).' The CO2 absorption amount is certified by the prefecture, and certificates are issued to quantify the contribution of forest management activities. [Add row]

#### **C9. Environmental performance - Water security**

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

Yes

(9.1.1) Provide details on these exclusions.

#### Row 1

## (9.1.1.1) Exclusion

Select from:

✓ Water aspects

## (9.1.1.2) Description of exclusion

Businesses in the bottom 15% of water withdrawals on financial control basis.

## (9.1.1.3) Reason for exclusion

Select from:

✓ Other, please specify :small volume(withdrawals)

## (9.1.1.7) Percentage of water volume the exclusion represents

Select from:

**☑** 11-20%

## (9.1.1.8) Please explain

The exclusion is the fact that the top 99.2% of water withdraws (based on financial control) of our business is outside the target area based on the water stress

analysis, and th	he percentage	of the	total is	limited.
[Add row]				

#### (9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

#### Water withdrawals - total volumes

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 100%

#### (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

The amount of water withdrawals by each business is annually surveyed and tabulated on a consolidated basis.

## (9.2.4) Please explain

In order to check the risks and opportunities in business activities in a timely manner, we aggregate the data of the entire business.

#### Water withdrawals - volumes by source

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 100%

## (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

The amount of water withdrawals by source by each business is annually surveyed and tabulated on a consolidated basis.

## (9.2.4) Please explain

In order to check the risks and opportunities in business activities in a timely manner, we aggregate the data of the entire business.

#### Water withdrawals quality

#### (9.2.1) % of sites/facilities/operations

Select from:

**☑** 76-99

## (9.2.2) Frequency of measurement

Select from:

Continuously

## (9.2.3) Method of measurement

In resource-related businesses, fishery-related businesses, and the manufacturing industry, we measure and monitor the water quality of withdraw based on the standards of each business.

#### (9.2.4) Please explain

The quality, composition, and purity of the water are important for operation.

#### Water discharges - total volumes

## (9.2.1) % of sites/facilities/operations

Select from:

**1**00%

## (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

The amount of water discharges by each business is annually surveyed and tabulated on a consolidated basis.

#### (9.2.4) Please explain

In order to check the risks and opportunities in business activities in a timely manner, we aggregate the data of the entire business.

#### Water discharges – volumes by destination

## (9.2.1) % of sites/facilities/operations

Select from:

**100%** 

## (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

The amount of water discharges by source by each destination is annually surveyed and tabulated on a consolidated basis.

# (9.2.4) Please explain

In order to check the risks and opportunities in business activities in a timely manner, we aggregate the data of the entire business.

#### Water discharges - volumes by treatment method

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 76-99

## (9.2.2) Frequency of measurement

Select from:

Daily

## (9.2.3) Method of measurement

In resource-related businesses, fishery-related businesses, and the manufacturing industry, we measure and monitor the discharged water volumes by treatment method based on the standards of each business.

#### (9.2.4) Please explain

Treatment methods of discharged water differ depending on the usage.

## Water discharge quality - by standard effluent parameters

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 76-99

## (9.2.2) Frequency of measurement

Select from:

Daily

#### (9.2.3) Method of measurement

In resource-related businesses, fishery-related businesses, and the manufacturing industry, standard effluent parameters are measured and monitored based on the standards of each business.

## (9.2.4) Please explain

Treatment methods of discharged water differ depending on the usage.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 76-99

## (9.2.2) Frequency of measurement

Select from:

Daily

## (9.2.3) Method of measurement

In the resource-related business, we measure and monitor the quality of emissions to water. In the fishery-related business, we measure and monitor the quality of emissions to water such as phosphate by sampling with special equipment (automatic samplers).

## (9.2.4) Please explain

In business related to discharged water that involve nitrates, phosphates, insecticides, and other priority hazardous substances, we check the conditions of discharged water through measurement and monitoring volumes.

#### Water discharge quality - temperature

## (9.2.1) % of sites/facilities/operations

Select from:

**26-50** 

## (9.2.2) Frequency of measurement

Select from:

Daily

## (9.2.3) Method of measurement

In resource-related businesses, fishery-related businesses, and the manufacturing industry, we measure and monitor the water temperature.

## (9.2.4) Please explain

We measure the temperature of discharged water in business where the temperature affects the surrounding environment and the growth of microorganisms.

#### Water consumption - total volume

#### (9.2.1) % of sites/facilities/operations

Select from:

**☑** 100%

## (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

The amount of water consumption by each business is annually surveyed and tabulated on a consolidated basis.

#### (9.2.4) Please explain

In order to check the risks and opportunities in business activities in a timely manner, we aggregate the data of the entire business.

#### Water recycled/reused

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 100%

## (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

年に1回、連結ベースで各事業における再利用の状況を調査し、集計しています。

## (9.2.4) Please explain

事業活動におけるリスクと機会を適時把握するため、事業全体でのデータ把握に努めています。

## The provision of fully-functioning, safely managed WASH services to all workers

## (9.2.1) % of sites/facilities/operations

Select from:

**☑** 100%

# (9.2.2) Frequency of measurement

Select from:

Yearly

## (9.2.3) Method of measurement

事業投資先のWASHサービスを含む労働安全衛生について、年に1回経営計画書を通じてモニタリングしています。

#### (9.2.4) Please explain

当社グループ労働安全衛生方針にて、いかなる国・地域での就労 においても、現地の労働基準・各種法令の遵守を基本とし充実し たマネジメントを行うことを規 定しています。

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

#### **Total withdrawals**

## (9.2.2.1) Volume (megaliters/year)

1061966

#### (9.2.2.2) Comparison with previous reporting year

Select from:

☑ About the same

## (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Maximum potential volume reduction already achieved

#### (9.2.2.4) Five-year forecast

Select from:

✓ About the same

## (9.2.2.5) Primary reason for forecast

Select from:

☑ Maximum potential volume reduction already achieved

## (9.2.2.6) Please explain

Water withdrawals increased by 5% from the previous year, but there was no significant change except for a slight change of internal data aggregation methods.

#### **Total discharges**

## (9.2.2.1) Volume (megaliters/year)

851271

## (9.2.2.2) Comparison with previous reporting year

Select from:

Lower

## (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Maximum potential volume reduction already achieved

# (9.2.2.4) Five-year forecast

Select from:

✓ About the same

# (9.2.2.5) Primary reason for forecast

Select from:

☑ Maximum potential volume reduction already achieved

## (9.2.2.6) Please explain

Discharged Water withdraws decreased by 8% from the previous year, but there was no significant change except for a slight change of internal data aggregation

methods.

### **Total consumption**

## (9.2.2.1) Volume (megaliters/year)

210695

## (9.2.2.2) Comparison with previous reporting year

Select from:

Higher

# (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Maximum potential volume reduction already achieved

## (9.2.2.4) Five-year forecast

Select from:

☑ About the same

## (9.2.2.5) Primary reason for forecast

Select from:

☑ Maximum potential volume reduction already achieved

## (9.2.2.6) Please explain

Water consumption increased from the previous year due to a slight increase water withdrawals and decrease discharged water. However, since our business includes the heat supply business, the ratio of consumption to water withdrawals is not high at around 20%. We continue to work to improve the efficiency of water use and do not expect a large increase in consumption in the future.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

### (9.2.4.1) Withdrawals are from areas with water stress

Select from:

✓ No

## (9.2.4.8) Identification tool

Select all that apply

✓ WRI Aqueduct

#### (9.2.4.9) Please explain

The top 20 our group companies in terms of water withdrawal amounts (accounting for approximately 99.2% of the total water withdrawal amount for companies under our financial control) were identified. WRI's Aqueduct water stress analysis tool was used to carry out a survey to determine if any of the 20 companies identified were located in areas of high water stress. As a result, we identified one company. However, based on the analysis of the impact on operations using the WWF Water Risk Filter— and taking into account business characteristics that we identified after conducting interviews with management during site visits—the company's operational risk score was "Low." The Company has set a water recycling ratio target of 10% to reduce water consumption per unit of production volume, and is working on water reuse by recirculating water used to backwash microfiltration membranes, etc.

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

#### (9.2.7.1) Relevance

Select from:

✓ Relevant

## (9.2.7.2) Volume (megaliters/year)

871176

## (9.2.7.3) Comparison with previous reporting year

Select from:

✓ About the same

## (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

## (9.2.7.5) Please explain

In the heat supply business, fishery-related business, resource-related business, chemical manufacturing business, etc., they withdraw rainwater, water from rivers, or others. Water withdrawals increased from the previous year, but there was no significant change except for the range of usual operation and a slight change of internal data aggregation methods.

#### **Brackish surface water/Seawater**

## (9.2.7.1) Relevance

Select from:

✓ Relevant

## (9.2.7.2) Volume (megaliters/year)

155176

# (9.2.7.3) Comparison with previous reporting year

Select from:

✓ About the same

## (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

### (9.2.7.5) Please explain

In the fishery-related business, resource-related business, food-related business, etc., they withdraw seawater. Water withdrawals increased from the previous year, but there was no significant change except for the range of usual operation and a slight change of internal data aggregation methods.

#### Groundwater - renewable

## (9.2.7.1) Relevance

Select from:

✓ Relevant

## (9.2.7.2) Volume (megaliters/year)

17147

# (9.2.7.3) Comparison with previous reporting year

Select from:

☑ About the same

#### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify :about the same

## (9.2.7.5) Please explain

In the fishery-related business, they withdraw groundwater. There was no significant change from the previous year.

#### Groundwater - non-renewable

# (9.2.7.1) Relevance

Select from:

✓ Not relevant

## (9.2.7.5) Please explain

We do not use groundwater-non-renewable and are not relevant.

#### **Produced/Entrained water**

# (9.2.7.1) Relevance

Select from:

✓ Not relevant

## (9.2.7.5) Please explain

We do not use produced/entrained water and are not relevant.

## Third party sources

# (9.2.7.1) Relevance

Select from:

Relevant

# (9.2.7.2) Volume (megaliters/year)

18468

## (9.2.7.3) Comparison with previous reporting year

Select from:

✓ About the same

## (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

## (9.2.7.5) Please explain

In the heat supply business, food-related business, resource-related business, chemical manufacturing business, etc., they withdraw water from third party sources. There was no significant change from the previous year.

[Fixed row]

## (9.2.8) Provide total water discharge data by destination.

#### Fresh surface water

## (9.2.8.1) Relevance

Select from:

✓ Relevant

## (9.2.8.2) Volume (megaliters/year)

689469

#### (9.2.8.3) Comparison with previous reporting year

Select from:

☑ About the same

## (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

## (9.2.8.5) Please explain

In the heat supply business, fishery-related business, resource-related business, chemical manufacturing business, etc., they discharge to fresh surface water. Discharged water decreased from the previous year, but there was no significant change except for the range of usual operation and a slight change of internal data aggregation methods.

#### **Brackish surface water/seawater**

#### (9.2.8.1) Relevance

Select from:

✓ Relevant

## (9.2.8.2) Volume (megaliters/year)

175481

## (9.2.8.3) Comparison with previous reporting year

Select from:

✓ About the same

## (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

## (9.2.8.5) Please explain

In the fishery-related business, resource-related business, food-related business, etc., they discharge to seawater. Discharged water decreased from the previous year, but there was no significant change except for the range of usual operation and a slight change of internal data aggregation methods.

#### Groundwater

## (9.2.8.1) Relevance

Select from:

Relevant

# (9.2.8.2) Volume (megaliters/year)

4806

# (9.2.8.3) Comparison with previous reporting year

Select from:

✓ About the same

## (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

# (9.2.8.5) Please explain

In the fishery-related business, they discharge to groundwater. There was no significant change from the previous year.

#### **Third-party destinations**

# (9.2.8.1) Relevance

Select from:

✓ Relevant

# (9.2.8.2) Volume (megaliters/year)

1514

## (9.2.8.3) Comparison with previous reporting year

Select from:

☑ About the same

### (9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

## (9.2.8.5) Please explain

In the heat supply business, resource-related business, chemical manufacturing business, they discharge water to third party destinations. There was no significant change from the previous year.

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

#### **Tertiary treatment**

## (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

## (9.2.9.2) Volume (megaliters/year)

17536

## (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

# (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

# (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

**✓** 21-30

# (9.2.9.6) Please explain

In the fishery and food-related businesses, they conduct tertiary treatment for dephosphorization. The volume was no significant change from the previous year.

#### **Secondary treatment**

# (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

# (9.2.9.2) Volume (megaliters/year)

11347

# (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

# (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

# (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

**☑** 21-30

# (9.2.9.6) Please explain

In the fishery and food-related businesses, water containing organic substances, such as washing water, is discharged after secondary treatment by microbial decomposition. The volume was no significant change from the previous year.

#### **Primary treatment only**

# (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

# (9.2.9.2) Volume (megaliters/year)

4384

# (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

✓ About the same

# (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify :about the same

#### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

**✓** 21-30

# (9.2.9.6) Please explain

In the fishery and food-related businesses, discharged water with a small pollution that does not require tertiary or secondary treatment is discharged after primary treatment for neutralization. The volume was no significant change from the previous year.

#### Discharge to the natural environment without treatment

#### (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

# (9.2.9.2) Volume (megaliters/year)

21696

# (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

✓ About the same

# (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

#### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

**☑** 21-30

# (9.2.9.6) Please explain

In the fishery and chemical businesses, they discharge water after confirmation to meet standard. The volume was no significant change except for the range of usual operation from the previous year.

#### Discharge to a third party without treatment

# (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

# (9.2.9.2) Volume (megaliters/year)

1399

# (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

About the same

# (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

# (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

✓ 11-20

# (9.2.9.6) Please explain

In the chemical business, discharged water is treated at a third-party treatment facility and then discharged into the natural environment so that the discharged water does not affect the surrounding environment. The volume was no significant change except for the range of usual operation from the previous year.

#### **Other**

# (9.2.9.1) Relevance of treatment level to discharge

Sel	loct	fro	m·
SEI	せしに	IIU	III.

✓ Relevant

#### (9.2.9.2) Volume (megaliters/year)

814909

# (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

## (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

✓ Other, please specify :about the same

# (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

**☑** 61-70

# (9.2.9.6) Please explain

The volume was aggregated that do not correspond to the treatment and discharged methods explained so far. The volume was no significant change except for the range of usual operation from the previous year.

[Fixed row]

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

# (9.2.10.1) Emissions to water in the reporting year (metric tons)

# (9.2.10.2) Categories of substances included

Select all that apply

- Nitrates
- Phosphates
- Pesticides
- ✓ Priority substances listed under the EU Water Framework Directive

# (9.2.10.3) List the specific substances included

Not Applicable

# (9.2.10.4) Please explain

They are contained in discharged water in the food-related business and chemicals business. In the food-related business, tertiary treatment is carried out, and in the chemicals business, analysis meters are installed. After confirming that the discharged water meets the standards of the Water Pollution Control Law, they are discharged into the natural environment.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

#### **Direct operations**

# (9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

# (9.3.2) Total number of facilities identified

# (9.3.3) % of facilities in direct operations that this represents

Select from:

✓ Less than 1%

#### (9.3.4) Please explain

We carried out water stress analysis of group companies with high water withdrawal amounts in order to identify priority reduction targets. As a result, we identified that a Thai tapioca starch manufacturing and processing company is located in an area affected by high water stress. However, based on the analysis of the impact on operations using the WWF Water Risk Filter— and taking into account business characteristics that we identified after conducting interviews with management during site visits—the company's operational risk score was "Low." As a result, our group companies have no business in water stress area.

#### **Upstream value chain**

# (9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

# (9.3.4) Please explain

N/A

[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

# (9.3.1.1) Facility reference number

Select from:

✓ Facility 1

# (9.3.1.2) Facility name (optional)

Copper Mine

# (9.3.1.3) Value chain stage

Select from:

✓ Direct operations

# (9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Impacts

# (9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

✓ Yes, withdrawals and discharges

# (9.3.1.7) Country/Area & River basin

#### **Zimbabwe**

✓ Other, please specify :Maipo, Chile

# (9.3.1.8) Latitude

-33.147814

# (9.3.1.9) Longitude

-70.28638

# (9.3.1.10) Located in area with water stress

Select from:  ✓ Yes
(9.3.1.13) Total water withdrawals at this facility (megaliters)
2627
(9.3.1.14) Comparison of total withdrawals with previous reporting year
Select from:  ☑ About the same
(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0
(9.3.1.16) Withdrawals from brackish surface water/seawater
o
(9.3.1.17) Withdrawals from groundwater - renewable
o
(9.3.1.18) Withdrawals from groundwater - non-renewable
o
(9.3.1.19) Withdrawals from produced/entrained water
o
(9.3.1.20) Withdrawals from third party sources
0

(9.3.1.21) Total water discharges at this facility (megaliters)
689
(9.3.1.22) Comparison of total discharges with previous reporting year
Select from:  ✓ About the same
(9.3.1.23) Discharges to fresh surface water
0
(9.3.1.24) Discharges to brackish surface water/seawater
0
(9.3.1.25) Discharges to groundwater
0
(9.3.1.26) Discharges to third party destinations
0
(9.3.1.27) Total water consumption at this facility (megaliters)
30592
(9.3.1.28) Comparison of total consumption with previous reporting year
Select from:  ☑ About the same
(9.3.1.29) Please explain

There was no significant change in volume except for the range of usual operation from the previous year.

#### Row 2

# (9.3.1.1) Facility reference number

Select from:

✓ Facility 2

# (9.3.1.2) Facility name (optional)

a Thai tapioca starch manufacturing and processing company

# (9.3.1.3) Value chain stage

Select from:

✓ Direct operations

# (9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Impacts

# (9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

✓ Yes, withdrawals and discharges

# (9.3.1.7) Country/Area & River basin

#### Cambodia

Mekong

#### (9.3.1.8) Latitude

# (9.3.1.9) Longitude

103.55845

# (9.3.1.10) Located in area with water stress

Select from:

Yes

# (9.3.1.13) Total water withdrawals at this facility (megaliters)

3267

# (9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

✓ About the same

# (9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

3267

# (9.3.1.16) Withdrawals from brackish surface water/seawater

0

# (9.3.1.17) Withdrawals from groundwater - renewable

0

# (9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water
O
(9.3.1.20) Withdrawals from third party sources
0
(9.3.1.21) Total water discharges at this facility (megaliters)
0
(9.3.1.22) Comparison of total discharges with previous reporting year
Select from:  ☑ About the same
(9.3.1.23) Discharges to fresh surface water
0
(9.3.1.24) Discharges to brackish surface water/seawater
O
(9.3.1.25) Discharges to groundwater
0
(9.3.1.26) Discharges to third party destinations
0
(9.3.1.27) Total water consumption at this facility (megaliters)
3267

# (9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

✓ About the same

#### (9.3.1.29) Please explain

There was no significant change in volume except for the range of usual operation from the previous year. [Add row]

# (9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals - total volumes

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

# Water withdrawals - volume by source

# (9.3.2.1) % verified

Select from:

✓ Not verified

#### (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

# Water withdrawals - quality by standard water quality parameters

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

#### Water discharges - total volumes

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

# Water discharges – volume by destination

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

# Water discharges – volume by final treatment level

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

# Water discharges – quality by standard water quality parameters

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider.

#### Water consumption - total volume

# (9.3.2.1) % verified

Select from:

✓ Not verified

# (9.3.2.3) Please explain

We have not been verified from the third party but we will consider. [Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

✓ This is confidential

# (9.5) Provide a figure for your organization's total water withdrawal efficiency.

# (9.5.1) Revenue (currency)

19567601000000

# (9.5.2) Total water withdrawal efficiency

18425826.25

# (9.5.3) Anticipated forward trend

We establish appropriate water consumption, recycling, reuse, and treatment throughout its operations and makes efforts to improve use efficiency and reduce consumption. Since water withdrawal efficiency varies from industry to industry, it may decrease if there is any change of the business portfolio. However, water withdrawal efficiency would be expected to improve when the current business portfolio continues.

[Fixed row]

(9.12) Provide any available water intensity values for your organization's products or services.

#### Row 1

#### (9.12.1) Product name

Not Applicable

# (9.12.2) Water intensity value

n

# (9.12.3) Numerator: Water aspect

Select from:  ☑ Other, please specify :Not Applicable
(9.12.4) Denominator
Not Applicable
(9.12.5) Comment
Not Applicable [Add row]
(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

**Products contain hazardous substances** 

[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Select from:

Yes

Row 1

# (9.13.1.1) Regulatory classification of hazardous substances

Select from:

☑ List of substances (Canadian Environmental Protection Act)

#### (9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

✓ Less than 10%

#### (9.13.1.3) Please explain

Substances manufactured by a chemical business company are included in the list of substances under the Canadian Environmental Protection Act but they manage them appropriately and sell to customers.

[Add row]

# (9.14) Do you classify any of your current products and/or services as low water impact?

# (9.14.1) Products and/or services classified as low water impact

Select from:

Yes

# (9.14.2) Definition used to classify low water impact

We are working to reduce water consumption in the production process and to reduce BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand), and other pollutant emissions as stipulated by the Water Pollution Control Law, the Sewerage Law, and the regulations of the local governments where our plants are located.

# (9.14.4) Please explain

At a subsidiary of fisheries related business, its environmental policy is to reduce the amount of water consumption in the production process and to take measures to prevent the outflow of pollutants. We have set annual and medium-term targets for reducing the volume of water consumption. Specifically, we aggregate the amount of water consumption and discharged at all our plants and review the results every month to save water and reduce the environmental impact. In addition, we set targets for the reduction of CO2 emissions and waste emissions, as well as the rate of recycling of food waste, and are working to make continuous improvements through the PDCA cycle.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

# **Water pollution**

#### (9.15.1.1) Target set in this category

Select from:

✓ No, and we do not plan to within the next two years

## (9.15.1.2) Please explain

We have no targets, but as we disclose in our Environmental Charter, we acknowledge the importance to create and enhance environmental value through environmental conservation and environmental impact reduction measures including pollution prevention. In addition, from the perspective of managing environmental laws and regulations, in order to ensure thorough compliance with laws and regulations related to the prevention of pollution and the control, reuse, and recycling of waste, we will fulfill our responsibilities by disseminating information and raising awareness through internal notifications and related meetings.

#### **Water withdrawals**

#### (9.15.1.1) Target set in this category

Select from:

Yes

Water, Sanitation, and Hygiene (WASH) services

# (9.15.1.1) Target set in this category

Select from:

Yes

#### Other

# (9.15.1.1) Target set in this category

Select from:

Yes

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

#### Row 1

# (9.15.2.1) Target reference number

Select from:

✓ Target 1

# (9.15.2.2) Target coverage

Select from:

✓ Organization-wide (direct operations only)

# (9.15.2.3) Category of target & Quantitative metric

#### Monitoring of water use

☑ Other monitoring water use, please specify: Monitoring of water use

# (9.15.2.4) Date target was set

03/31/2021

# (9.15.2.5) End date of base year

03/30/2022

# (9.15.2.6) Base year figure

100

# (9.15.2.7) End date of target year

03/30/2024

# (9.15.2.8) Target year figure

100

# (9.15.2.9) Reporting year figure

100

# (9.15.2.10) Target status in reporting year

Select from:

Achieved and maintained

# (9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

✓ None, alignment not assessed

# (9.15.2.13) Explain target coverage and identify any exclusions

We conduct annual 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, we are conducting an analysis of individual increases and decreases of the various surveyed items.

# (9.15.2.15) Actions which contributed most to achieving or maintaining this target

Not Applicable

# (9.15.2.16) Further details of target

Not Applicable [Add row]

# **C10. Environmental performance - Plastics**

# (10.1) Do you have plastics-related targets, and if so what type?

Targets in place
Select from:  ☑ No, but we plan to within the next two years

[Fixed row]

C11. Environmental performance - Biodiversity
---

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

# (11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

#### (11.2.2) Type of action taken to progress biodiversity-related commitments

Select all that apply

✓ Other, please specify: Keidanren Initiative for Biodiversity Conservation [Fixed row]

# (11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

Does your organization use indicators to monitor biodiversity performance?
Select from: ☑ No, we do not use indicators, but plan to within the next two years

[Fixed row]

(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

#### Row 1

# (11.4.1.4) Country/area

Select from:

Mexico

# (11.4.1.5) Name of the area important for biodiversity

Ojo de Liebre Lagoon

# (11.4.1.6) Proximity

Select from:

☑ Up to 25 km

#### (11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

Exportadora de Sal, S.A. (ESSA), a salt manufacturer in which MC and the Government of Mexico have equity interests of 49% and 51% respectively, operates the world's largest single solar salt field in Northwestern Mexico. ESSA supplies approximately 40% 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

# (11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

✓ Yes, but mitigation measures have been implemented [Add row]

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(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

Other environmental information included in your CDP response is verified and/or assured by a third party
Select from:  ✓ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

# (13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

✓ Climate change

# (13.1.1.2) Disclosure module and data verified and/or assured

**Environmental performance - Climate change** 

✓ Fuel consumption

#### (13.1.1.3) Verification/assurance standard

#### **General standards**

**☑** ISAE 3000

#### (13.1.1.4) Further details of the third-party verification/assurance process

The unit of Energy Consumption covered by the Assurance is GJ, but CDP's answer uses MWh, which makes the numbers different. In addition, the amount covered by the Assurance include HHV consumption. On the CDP system, we cannot answer both amount of LHV and HHV.

# (13.1.1.5) Attach verification/assurance evidence/report (optional)

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2024.pdf

#### Row 2

# (13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

✓ Climate change

# (13.1.1.2) Disclosure module and data verified and/or assured

#### **Environmental performance - Climate change**

✓ Methane emissions

#### (13.1.1.3) Verification/assurance standard

#### **General standards**

**☑** ISAE 3000

# (13.1.1.4) Further details of the third-party verification/assurance process

Limited Assuarance to the amount of CH4, N2O, HFCs, PFCs, and SF6 which are included in Scope 1 (6.5 Gases)

# (13.1.1.5) Attach verification/assurance evidence/report (optional)

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2024.pdf

#### Row 3

# (13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

✓ Climate change

# (13.1.1.2) Disclosure module and data verified and/or assured

#### **Environmental performance - Climate change**

☑ Electricity/Steam/Heat/Cooling consumption

# (13.1.1.3) Verification/assurance standard

#### **General standards**

**☑** ISAE 3000

# (13.1.1.4) Further details of the third-party verification/assurance process

The total electricity consumption of our company on a non-consolidated and consolidated basis is guaranteed by a third party in MWh.

#### (13.1.1.5) Attach verification/assurance evidence/report (optional)

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2024.pdf

#### Row 4

# (13.1.1.1) Environmental issue for which data has been verified and/or assured

✓ Climate change

# (13.1.1.2) Disclosure module and data verified and/or assured

#### **Environmental performance - Climate change**

✓ Waste data

# (13.1.1.3) Verification/assurance standard

#### **General standards**

**✓** ISAE 3000

# (13.1.1.4) Further details of the third-party verification/assurance process

We have obtained third-party guarantees for the total volume and recycling rate of waste generated from our head office and some of our buildings in Tokyo.

# (13.1.1.5) Attach verification/assurance evidence/report (optional)

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2024.pdf [Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

# (13.3.1) Job title

Representative Director, Senior Executive Vice President, Senior Assistant to the President and CEO

# (13.3.2) Corresponding job category

Select from:

☑ Director on board [Fixed row]