

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your 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 1,700 group companies. MC has 10 Business Groups that operate across virtually every industry: Natural Gas, Industrial Materials, Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution and Urban Development. Through these 10 Business Groups plus the addition of its Industry Digital Transformation Group and Next-Generation Energy Business Group, 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.

https://www.mitsubishicorp.com/jp/en/ir/library/ar/pdf/areport/2022/all_view.pdf

Further detailed non-financial information including ESG is disclosed in our Sustainability Website.

<https://mitsubishicorp.disclosure.site/en>

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

April 1 2022

End date

March 31 2023

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Algeria
Argentina
Australia
Bangladesh
Bolivia (Plurinational State of)
Brazil
Brunei Darussalam
Cambodia
Canada
Chile
China
Colombia
Côte d'Ivoire
Ecuador
Egypt
Ethiopia
France
Germany
Greece
Hong Kong SAR, China
Hungary
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Japan
Jordan
Kazakhstan
Kenya
Kuwait
Malaysia
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Panama
Peru
Philippines
Poland
Qatar
Republic of Korea
Russian Federation
Saudi Arabia
Senegal
Serbia
Singapore
South Africa
Spain
Sweden
Taiwan, China
Thailand
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uzbekistan
Venezuela (Bolivarian Republic of)
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Equity share

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3898400001
Yes, a SEDOL code	6596785
Yes, a CUSIP number	J43830116
Yes, a Ticker symbol	8058

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Director on board	<p>The Board of Directors is the highest level of authority in Mitsubishi Corporation (MC) and oversees policies related to sustainability, including climate change. The Corporate Functional Officer (Corporate Sustainability & CSR) who is also a Director on the Board and an Executive Vice President, has practical responsibility for climate-related issues. The Corporate Functional Officer (Corporate Sustainability & CSR) is a member of the Executive Committee, which serves as MC's highest decision-making body. This person also serves as the Chairman of the Sustainability & CSR Committee, a subcommittee of the Executive Committee, which discusses the company's sustainability policies including those related to climate change.</p> <p>In 2020, 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.</p> <p>In 2021, through deliberations at the Executive Committee and the Sustainability & CSR Committee, the Corporate Functional Officer 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 by 2050, and also to set up an internal mechanism to deliberate portfolio decarbonization and resilience-building mechanisms, which in turn was adopted in Midterm Corporate Strategy 2024.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing value chain engagement Reviewing and guiding the risk management process	<Not Applicable >	The Board of Directors conducts a comprehensive screening and decision-making process that considers not only economic aspects, but also ESG factors including climate change. The board monitors progress of MC's "Roadmap to a Carbon Neutral Society" announced in October 2021 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). Directors maintain an appropriate grasp of the opportunities and risks related to climate change and monitor whether these have been reflected in business strategies.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	If a director has experience in promoting Energy Transformation (EX) businesses such as renewable energy, or knowledge of environmental and energy policies and decarbonization-related technologies etc., he or she is considered to have competence on climate-related issues. Based on the above criteria, it is assessed that two in-house directors and two outside directors have knowledge related to climate-related issues for the following reasons. One of the in-house directors served as MC's EX task force leader (the predecessor of the Next Generation Energy Business Group), spearheading its EX initiatives including next-generation energy (hydrogen and ammonia) and carbon management such as CCUS and carbon credits. The other director has spent their career mainly in the fields of power generation and energy (including renewable energy), and their previous posts include the GM of the Power Solution Group's CEO Office and the Director of Eneco, a leading clean energy company in Europe. One of the outside directors has worked at Japan's Ministry of Economy, Trade and Industry, where they have long been engaged in the field of public policy regarding the economy and industry. Therefore, they have a deep insight into sustainability related issues, including those related to environmental and energy policies. The other director has spent many years at the helm of a listed manufacturing conglomerate that is engaged in businesses all over the world, giving them keen insight into technologies such as those related to decarbonisation.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other C-Suite Officer, please specify (Corporate Functional Officer(Corporate Sustainability & CSR))

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
- Managing climate-related acquisitions, mergers, and divestitures
- Providing climate-related employee incentives
- Developing a climate transition plan
- Implementing a climate transition plan
- Integrating climate-related issues into the strategy
- Setting climate-related corporate targets
- Monitoring progress against climate-related corporate targets
- Managing value chain engagement on climate-related issues

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

In MC's management framework, sustainability initiatives are overseen by the Director/ Corporate Functional Officer in charge of Corporate Sustainability and CSR. The Sustainability Department plans and drafts related policies and measures under this position.

The person who is in charge of this position spent his career mainly in the fields of power generation and energy (including renewable energy), and his previous posts including GM of the Power Solution Group's CEO Office and the Director of Eneco, a leading clean energy company in Europe.

Therefore he has experience and knowledge of environmental and energy policies and on decarbonization-related technologies etc.

Because of these reasons, he is considered to have competence on climate-related issues relevant to this position.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Director on board

Type of incentive

Monetary reward

Incentive(s)

Bonus – set figure

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

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 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.

These evaluations and their reflection in 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 abovementioned 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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In order to achieve full value of the performance-linked bonuses (medium to long term), In-house Directors need to progress initiatives aimed at reaching 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.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	MC establishes a midterm corporate strategy every 3 years. MC defines short-term as the term of one midterm corporate strategy.
Medium-term	3	8	MC defines medium-term as the period up to around 2030, since this is the medium target year set by the company to halve GHG emissions.
Long-term	9	28	MC defines long-term as the period from 2030 to 2050, since 2050 is the target year set by the company to achieve Net Zero emissions.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Any matter which is 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. That is, 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.

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**Value chain stage(s) covered**

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

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 "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 in terms of both 1) company-wide business strategy as well as 2) individual projects as follows.

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 1.5°C scenario analysis annually. The Sustainability Dept. 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 & CSR 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 a 1.5°C 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 Strategy Committee, 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

The specific process are as follows. Medium term and long term climate-related risks and opportunities are assessed and the processes take place approx. twice a month. 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 Executive Committee and the Board of Directors comprehensively based not only on economic aspects, but also on ESG factors. By having the General Manager of the Sustainability Dept. 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 1.5°C 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.

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	In line with the transition to a decarbonized society, environmental regulations, including carbon taxes, are being strengthened around the world in an effort to reduce the impact of business operations on climate change. For MC, which is involved in resource-intensive businesses worldwide, including those related to natural resources and energy, the tightening of environmental regulations could lead to lower earnings from subsidiaries and affiliates due to increases to their operating costs and capital expenditures. For instance, a carbon tax was introduced in Canada, where MC is engaged in natural gas projects and already bears a carbon tax burden. These types of regulations are expected to expand globally and more projects will fall under these regulations over time. Under such circumstances, for example, the LNG Canada project, has been designed to achieve one of the world's lowest GHG emissions intensities among LNG liquefaction facilities currently in operation through energy savings achieved by installing highly efficient gas turbines and procuring renewable electricity from a local utility company called BC Hydro.
Emerging regulation	Relevant, always included	In line with the transition to a low-carbon society, environmental regulations, including carbon taxes, are being strengthened around the world in an effort to reduce the impact of climate change. For MC, which has a large number of resource-intensive businesses around the world, including those related to natural resources and energy, the tightening of environmental regulations could lead to lower earnings from subsidiaries and affiliates due to the increases in their operating costs and capital expenditures. Currently, carbon taxes have been levied in some countries, such as Australia and Canada, and they are imposed mainly on fossil fuel-related businesses. In highly regulated regions such as the EU, MC's food-related subsidiaries, for example, also pay carbon taxes. In South and Latin America, where MC is involved in a wide range of projects, some countries such as Chile and Columbia have already introduced a carbon tax. Other countries are also considering the introduction of carbon taxation, and these future environmental regulations, along with their potential financial impact, are being closely monitored and analysed.
Technology	Relevant, always included	For the transition to a low-carbon society, it is important that new technologies to reduce GHG emissions are developed and utilized by various industries. Such technological innovation could lead to both risks and opportunities for MC, which operates in a diverse range of industries. For some of MC's current fossil fuel-related businesses, the emergence of innovative low-carbon solutions could worsen the business environment. For example, under a 1.5°C scenario, the proportion of steel produced by the electric furnace method and other new low-carbon methods is expected to increase, and these trends could negatively affect MC's metallurgical coal business. On the other hand, there is a possibility that CO ₂ recovery facilities could be incorporated with blast furnaces more broadly due to the development of viable CCUS technologies, and in that case, metallurgical coal could continue to be the primary raw material for steel production. There is also a possibility that demand for high-quality metallurgical coal could increase as further efficiencies in the blast furnace process are developed. This would be an example of new technologies becoming an opportunity and increasing MC's resilience. A potential tailwind for MC's copper business due to increased demand for electric vehicles (EV) is another example. Thus, technical innovations related to the climate change may lead to both risks and opportunities for MC.
Legal	Relevant, always included	Due to MC's involvement in some fossil fuel-related businesses, investors are paying close attention to MC's response to climate change. If MC fails to act on climate change and seriously damages its corporate value, it could be sued by shareholders. Such an event is considered a risk because it may lead to a reduction in the company's stock price and a deterioration of funding conditions. In addition, court decisions on a climate-related policies could also affect the company's business direction and strategy.
Market	Relevant, always included	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 and technologies with lower-carbon alternatives. For MC, which offers a wide range of low-carbon solutions around the world while also being involved in resource-intensive businesses, 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 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 that MC has already commenced development. In view of these shifts in the market, MC has set a target to "aim to double 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 its 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 in Japan, and will continue to focus on renewable energy projects.
Reputation	Relevant, always included	In order to accelerate the transition to a low-carbon society, it is widely recognized that companies need to play an active role. MC, as an investor in resource-intensive businesses as well as a provider of a wide range of low-carbon solutions, is expected by investors, NGOs and other key stakeholders to contribute towards this transition. Failure to meet these stakeholder expectations may result in reputational risk and could negatively affect funding from investors who value ESG performance. In effort to gain a clearer understanding of stakeholder expectations, twice a year MC hosts meetings of its Sustainability Advisory Committee, which is comprised of external experts who represent a diverse range of stakeholder groups. The Committee provides advice in relation to the expectations of society in addressing important sustainability issues, including the transition to a low-carbon society, and MC reflects these recommendations through a variety of climate-related initiatives. MC also proactively engages in dialogues with investors, NGOs and other stakeholders. In FY2022, MC held dialogues more than 35 times with institutional investors, who provided feedback on the company's climate-related initiatives, and MC utilized this feedback to develop internal action plans.
Acute physical	Relevant, always included	Acute physical events such as floods, droughts, 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, as a company involved in a wide range of operations through its more than 1,700 subsidiaries and affiliates in approximately 90 countries worldwide. Specifically, there is a risk that this type of physical event could lead to a disruption in supply chains or physical damage to production sites. These could also have financial implications, such as decreased sales due to production stoppages. It may also be necessary to make additional capital expenditures, such as retrofitting facilities, to respond to such risks. Acute physical events such as floods, droughts, 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, as a company involved in a wide range of operations through its more than 1,700 subsidiaries and affiliates in approximately 90 countries worldwide. Specifically, there is a risk that this type of physical event could lead to a disruption in supply chains or physical damage to production sites. These could also have financial implications, such as decreased sales due to production stoppages. It may also be necessary to make additional capital expenditures, such as retrofitting facilities, to respond to such risks. For example, 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, where a large cyclone or flood has the potential to disrupt operations. In order to mitigate such risks, considering the increase in sea levels due to climate change, the company's port infrastructure is being upgraded to the latest standards of being able to withstand wave heights of a once-in-a-millennium event. For the coal mines, water storage standards are regularly reviewed based on the mining plans in each location, and resistance to heavy rainfall has been enhanced through measures including the installation of water pipes to enable transfer of water between mine sites.
Chronic physical	Relevant, always included	Chronic physical events such as longer-term shifts in climate patterns including sustained higher temperatures could also affect MC, as a company involved in a wide range of operations through its more than 1,700 subsidiaries and affiliates in approximately 90 countries worldwide. For instance, the Escondida copper mine, in which MC has a share of 8.25%, operates its copper mining business in the northern part of Chile, where physical risks are relatively high. Since 2008, Chile has been experiencing a "mega drought" that has affected more than 70% of the country (Chile Ministry of Environment 2017). It is the longest drought on record and has had detrimental effects on water availability, vegetation and wildfires within Chile (Garreaud et al., 2019). In Chile, especially the central region, rainfall has been 30% less than average since 2010, with deficits of 80%-90% in 2019 (Voiland, 2019). Loss of rain compounded by high water demand has led to an ongoing water crisis because the aquifers are being depleted faster than they can recharge (Herrera, 2019). This drought is believed to be due to both natural climate variability as well as human-induced climate change (Garreaud et al., 2019). Since water scarcity negatively affects mining operations, securing industrial water is a vital part of the business. Escondida, one of the biggest investments in MC's Mineral Resources Group and the world's leading producer of copper concentrate and cathodes, reduces freshwater consumption throughout its operations—for instance, in areas such as ore processing and dust suppression through water-saving and reuse, among other means. Moreover, the construction of a desalination plant with one of the largest processing and pumping capacities in the world, with CAPEX of approximately US\$4 billion, has helped to eliminate reliance on subterranean aquifers.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

MC has more than 1,700 portfolio companies in approximately 90 countries worldwide, including resource-intensive businesses such as natural gas and mineral resources. In order to accelerate the transition to a low-carbon society, environmental regulations intended to reduce the impact of climate change, such as carbon taxes, are being strengthened globally. In the medium to long term, carbon taxes may be imposed not only on fossil fuel-related businesses, but also across all types of industries. 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. While the financial impact is limited at present, in developed countries and regions such as Australia, Canada and the EU, some of MC's businesses, including natural gas projects, have already been subject to carbon taxes. In response to this trend, MC and its portfolio companies have started to consider emissions reduction measures such as investment in low-carbon facilities. Emerging markets such as China have also initiated a carbon pricing mechanism (ETS), and the number of jurisdictions that introduce carbon taxes is anticipated to increase over time, both from a regional and industrial perspective. Many of MC's projects are implemented on a long-term perspective with at least a 20-30 year timespan. In order to ensure future return on investments, it is vitally important to comprehend policy trends related to carbon taxes in each country and region, 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 from the mid 2020s. Our Natural Gas Group's consolidated net income was 170.6 billion yen in FY2022, accounting for more than 14% of MC's consolidated net income. MC's LNG equity capacity is 11.81 million ton per annum (MTPA) as of March 2023. It has increased by 2.48 MTPA after the start-up of projects under construction, namely the Tangguh expansion in Indonesia and LNG Canada. MC will continue to monitor policy trends to manage the potential future carbon tax burden on our projects.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

83556852634.5

Potential financial impact figure – maximum (currency)

720317695125

Explanation of financial impact 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 financial impact, MC multiplied its Scope 1 and 2 emissions in FY2022 (21,263,991 tCO₂) by the IEA WEO 2022 carbon price projections for 2050 (USD29-250/tCO₂). 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 135.50JPY/USD, therefore deriving the low figure by 21,263,991 *29*135.50 (approx. 84 billion yen) and the high figure by 21,263,991 *250*135.50 (approx. 720.3 billion yen).

Cost of response to risk

110400000

Description of response and explanation of cost calculation

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 10 Business makes a GHG reduction plan based on its short- to medium-term investment plan, which is then deliberated at the annual Business Strategy 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 Dept. 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 exporting project in which MC participates as an investor and a 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 Semptra Infrastructure, TotalEnergies and Mitsui & Co., Ltd. for the development of the proposed Hackberry Carbon Sequestration project in May 2022. The project aims to capture, transport and sequester up to 2 million tCO₂ per year, primary sourced from Cameron LNG.

[Calculation of the cost of response to risk]

The "cost of response to risk" stipulated here (JPY110.4 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 JPY27.6 million per FTE multiplied by 4 FTE equals JPY110.4 million) who engage in climate-related initiatives including this type of analysis.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Cyclone)
----------------	---------------------------------

Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

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 the 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 event or overtopping event of the port facility at BMA as the result of a cyclone may lead to unplanned downtime, affecting revenues from the impacted assets.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

12015000000

Potential financial impact figure – maximum (currency)

56068000000

Explanation of financial impact 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 any 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 AFY2022 multiplied by AFY2022 average index price* (total AFY2022 sales volume at 29 million tonnes divided by 365, multiplied by 3, multiplied by AFY2022 average index price of U\$372, multiplied by an exchange rate of 135.50 JPY/USD) - A 'maximum' estimate assuming 2 weeks (14 days) additional downtime, applied as a pro-rata reduction to average daily sales volume in AFY2022 multiplied by AFY2022 average index price* (total AFY2022 sales volume at 29 million tonnes divided by 365, multiplied by 14, multiplied by AFY2021 average index price of U\$372, multiplied by an exchange rate of 135.50 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.

*Index price uses average of prices announced by Platts/TSI/Argus

Cost of response to risk

110400000

Description of response and explanation of cost calculation

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. BMA experienced severe flooding in 2011. Since the event had substantial negative impacts on the business, countermeasures needed to be taken.

(Action, Result) Given that flooding due to heavy rain at mines has the potential to disrupt operations, the following measures have been implemented to improve resilience of the sites to flooding since the last flood events in 2011:

- 1) Implementation of water storage inventory procedure based on climate forecasts;
- 2) Utilization of the pits under care and maintenance for its water storage management;
- 3) Installation of floods levees to prevent flood water entering pits, pumping and water pipeline systems to move surplus water around and between mine sites and water storage locations, and additional excess water discharge infrastructure.

While these measures have led to a reduction in physical risks, MC together with BMA need to continue to enhance physical risk mitigation in response to climate change forecasts.

[Calculation of the cost of response to risk]

The "cost of response to risk" stipulated here (JPY110.4 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 JPY27.6 million per FTE multiplied by 4 FTE equals JPY110.4 million) who engage in climate-related initiatives including this type of analysis.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

The shift from coal to gas and renewable energy in line with the transition to a decarbonized society presents significant business opportunities for MC, which is engaged in a variety of renewable energy businesses such as solar and wind power projects in Europe, the United States and other parts of the world.

For instance, in 2020, together with Chubu Electric Power Co., Inc., MC jointly acquired Eneco, a Dutch energy supply company. Eneco delivered its first offshore wind park 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 also 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 leveraging Eneco's technological strengths and know-how in the renewable energy field, MC aims to accelerate its own renewable developments in Europe and around the world. MC will utilize this acquisition as an opportunity to help reduce greenhouse gas emissions and to realize its vision of creating MC Shared Value through its businesses.

Based on its most recent scenario analysis, MC anticipates that under a 1.5°C 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). The increase in the scale of total electricity generation and the share of renewable energy due to the progress of electrification is also projected. MC expects to be able to increase revenue and earnings from renewable energy-related businesses by capitalizing on its strengths, as a company with in-depth knowledge across virtually every industry. MC aims to generate synergies by capturing potential opportunities related to renewable energy and related businesses from multiple positions along the value chain, both as an investor and a business incubator.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

32100000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact of market changes is difficult to predict. As described in 2.3a, 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 JPY32.1 billion is the equity in earnings from Eneco in FY2022.

Cost to realize opportunity

400000000000

Strategy to realize opportunity and 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.

MC has set a target to "aim to double 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 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. In the bidding, MC fully leveraged its rich expertise gained from its experience in offshore wind power generation projects with Eneco.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The IEA has stated that CCUS must be utilized to reduce roughly 10% of CO₂ emitted in 2050 in order to achieve the 1.5°C target, and the IPCC has also emphasized the role that technology should play. MC also 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 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".

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

2439000000000

Potential financial impact figure – maximum (currency)

21138000000000

Explanation of financial impact figure

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 135.5JPY/USD, therefore deriving the low figure by 18 billion*135.5 = 2,439 billion yen and the high figure by 156 billion*135.5 = 21,138 billion yen.

Cost to realize opportunity

386400000

Strategy to realize opportunity and explanation of cost calculation

MC has established an 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, EX Materials, and EX Products. MC will provide solutions as EX Services ("Climate Journey Navigator", Decarbonization Consulting, Energy Management etc.) 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 corporations: CO₂-SUICOM is the world's first commercially ready carbon negative concrete product manufacturing technology. MC supports for the commercialization overseas and also working on 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 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 into 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, 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.

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 JPY386.4 million by JPY27.6 million per year for one FTE * 14.

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

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

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Engagement meetings with shareholders:

Mitsubishi Corporation (MC) conducts dialogues with both domestic and foreign institutional investors and proxy advisory firms from January to April every year. The topics of 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 planning of internal climate related measures and expanded disclosure. In FY2022, MC held dialogues with 40 institutional investors.

Annual General Meeting(AGM) :

MC positions the AGM as the primary forum for fulfilling accountability to shareholders. In addition to proactive information disclosure in the Notice of Ordinary General Meeting of Shareholders, including transition plans and progress of business based on such plan, MC actively encourages feedback from shareholders at the AGM. At the AGM held in July 2022, all Directors, Audit & Supervisory Board Members, and each Business Group CEO attended and exchanged opinions with 14 shareholders.

Frequency of feedback collection

Annually

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

C3.1attachedfile.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios	Customized publicly available transition scenario	Company-wide	1.5°C	<p>MC used the IEA Net Zero Emissions by 2050 Scenario (IEA NZE) as a reference for a 1.5°C scenario analysis in FY2021. However, IEA NZE data lacks the granularity required to extract precise insights that reflect MC’s particular business characteristics and strategies. As such, MC collaborated with a third-party organisation to create and utilise a customised, specific model of a 1.5°C scenario (FY 2022 1.5°C Scenario), while aligning key assumptions with IEA NZE wherever possible, thus allowing for a detailed level of granularity on topics like demand by region and product.</p> <p>FY2022 1.5°C scenario assumes both decarbonisation and economic growth like 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.</p> <p>Global CO2 emissions are expected to decline by about 35% in 2030 compared to 2020, with the expectation that we reach net zero emissions in 2050, largely resulting from changes in land use and the implementation of negative emission technologies. The IEA NZE, published in May 2021, utilized 2019 as a reference year and projected a linear decrease in emissions toward 2050. FY2022 1.5°C scenario, however, reflects GHG emissions data through FY2021. As a result, GHG emissions from 2019 to 2021 are marginally less than IEA NZE, though still in the acceptable range of reduction required to realise a temperature increase of less than 1.5°C, as presented by the IPCC.</p> <p>Under FY2022 1.5°C 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).</p> <p>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, FY2022 1.5°C scenario assumes a more conservative figure of approx. 2% improvement in energy efficiency per year on average through 2050. Regarding "Primary Energy from Oil and Gas", primary energy supply is expected to reach approx. 100 EJ in 2050, which is almost equal to IEA NZE.</p>
Physical climate scenarios	RCP 8.5	Company-wide	<Not Applicable>	<p>Since MC is involved in a wide range of businesses, various parameters and assumptions apply. The following are examples:</p> <p>Parameters: Frequency of drought Sea levels</p> <p>Assumption: IPCC Representative Concentration Pathway (RCP) scenarios describe the impact of GHGs on the atmosphere through the end of the 21st century. The emissions projections are based on assumptions about economic activity, energy sources, population growth and other socio-economic factors. RCP8.5 is a high emissions pathway in which emissions continue to increase and radiative forcing rises throughout the 21st century, leading to a radiative forcing of 8.5 Watts per square meter in 2100. The RCP 8.5 pathway delivers a temperature increase of about 4.3°C by 2100, relative to pre-industrial temperatures. As temperature increases, risks associated with water shortage increase significantly. Under the RCP 8.5 scenario, the frequency of droughts is likely to increase by the end of the 21st century in currently arid regions, and renewable surface water and groundwater resources are projected to decrease in arid subtropical regions. Under the RCP 8.5 scenario, sea levels would rise by 45-82 cm. Such a rise in sea level would have a major impact on businesses in coastal areas, low-lying areas and small islands, and would sustain increased damage from high tides and inundation caused by typhoons, and coastal erosion.</p> <p>Analytical choices: Data source: The Special Report on Global Warming of 1.5 °C (SR15), NASA NEX-GDDP, The International Best Track Archive for Climate Stewardship (IBTrACS), World Resources Institute (WRI) Aqueduct tool Time horizon: 2030, 2050, 2080</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

In addition to the 1.5 °C climate scenarios set out by the IEA (International Energy Agency) and other scenarios (World Energy Outlook Sustainable Development Scenario, Energy Technology Perspectives Sustainable Development Scenario, etc.), MC collaborated with a third-party organization to create and utilize a customised, specific model of a 1.5°C scenario (FY2022 1.5°C scenario), while aligning key assumptions with the IEA NZE wherever possible. By using this scenario, MC can make extract precise analysis that reflects MC’s particular business characteristics and strategies.

Based on the FY 2022 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.

Results of the climate-related scenario analysis with respect to the focal questions

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 the target business of the FY2022 1.5°C scenario analysis.

The results of the scenario analysis for renewable energy businesses are as follows:

<Analysis of the Business Environment>

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 FY2022 1.5°C 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 is very significant. This trend is also consistent with the IEA NZE.

Also, in line with the expansion of renewable energy, power generation amount of which varies according to weather conditions and which has a strong aspect as a distributed power source, further business opportunities are expected to increase, such as the expansion of transmission capacity, utilization of storage batteries, and demand response, which will contribute to improving the flexibility of the power supply and demand system.

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.

<Specific Initiatives and Case Studies Related to Renewable Energy>

In December 2022, 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. Renewable energy net equity base capacity will expand from 3,430 MW to 3,670 MW.

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>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.</p> <p>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.</p> <p>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.</p> <p>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 investment 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.</p> <p>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.</p> <p>By leveraging Eneco's technological strengths and know-how in the renewable energy field, MC aims to accelerate its own renewable developments in Europe and around the world.</p>
Supply chain and/or value chain	Yes	<p>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.</p> <p>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.</p> <p>MC factors these changes, predicted through a 1.5°C 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Investment in R&D	Yes	<p>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.</p> <p>In light of the trends of MaaS, MC's Automotive & Mobility Group commenced a demonstration project as well as commercial operation for AI-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).</p> <p>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 2023, our supply record of the on-demand-bus system exceeds 20 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 established the new business department for Mobility Energy Transformation within the Automotive & Mobility Group, that provides EV fleet management & leasing services to customers who aim to achieve carbon neutrality in their own fleet operations.</p>
Operations	Yes	<p>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 1.5°C 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.</p> <p>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.</p> <p>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 by the potential carbon tax (which is mentioned above).</p>

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital allocation Acquisitions and divestments	<p>As mentioned in C3.3, 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.</p> <p>As of April 2023, MC's coal-fired power generation capacity is approximately 1.2 GW on an equity share basis (including projects under development and construction), which accounts for approximately 13% 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.</p> <p>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 1.9 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 1.5°C-aligned targets, known as "science-based targets" and is also recognized both domestically and internationally as a company actively working toward measures to address climate change.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of 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
Row 1	Yes, we identify alignment with a sustainable finance taxonomy	At both the company and activity level

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

Other, please specify (MC Climate Taxonomy)

Objective under which alignment is being reported

Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

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

30

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

40

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

50

Describe the methodology used to identify spending/revenue that is aligned

a) Criteria:

The above figure is the percentage of Energy Transformation (EX) related investments in MC's business portfolio. The criteria are a) whether a business can promote emissions reduction by replacing other business, b) whether a business can support the emissions reduction in high-emission businesses, and c) whether a business can be expected to grow in a decarbonized society.

b) Examples:

Businesses included in EX:

(Businesses with high technology maturity)

Renewable Energy, Battery Materials/Bauxite, etc., Copper, Natural Gas

(Businesses with low technology maturity)

Next-Generation Energy (Hydrogen/Ammonia/Biomass, etc.), CCUS

Businesses not included in EX: Metallurgical Coal, Food, Automobiles.

c) Assumptions underlying the estimation:

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 (of which approximately 1.2 trillion yen will be invested by FY2024) to decarbonize its portfolio. In Midterm Corporate Strategy 2024, MC declared to expand ratio of EX-related business portfolio from 20% to around 40% by the end of 2024 and to increase ratio to around 50% in the future.

C3.5b

(C3.5b) 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.

Economic activity

Installation, maintenance and repair of renewable energy technologies

Taxonomy under which information is being reported

Other, please specify (MC Climate Taxonomy)

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

14000000000

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

15.9

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

15.9

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

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

<Not Applicable>

Type(s) of substantial contribution

Own performance

Transitional activity

Activity enabling mitigation

Calculation methodology and supporting information

MC invested approximately 888.9 billion JPY in JFY2022. In this account, MC has invested approximately 80 billion JPY in Eneco, which runs renewable energy businesses such as offshore wind power, and 60 billion JPY in renewable energy power businesses in North America as EX investments.

In the calculation, the sum of 80 billion JPY and 60 billion JPY, totalling 140 billion JPY, is regarded as taxonomy-aligned CAPEX and its percentage of the total investment of 888.9 billion JPY is calculated.

Technical screening criteria met

Please select

Details of technical screening criteria analysis

Do no significant harm requirements met

Please select

Details of do no significant harm analysis

Minimum safeguards compliance requirements met

Please select

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization’s taxonomy alignment.

MC Climate Taxonomy is a new business classification system implemented in FY2022. MC Climate Taxonomy, which covers all of our approximately 130 business units, classifies each into 3 categories: Green (businesses with significant climate-related transition opportunities), Transform (businesses with significant climate-related transition risks), White (other). For businesses classified as Green or Transform, appropriate governance and risk management systems have been adopted to carry out evaluations using assumptions under decarbonization scenarios when screening individual investment proposals, confirm GHG reduction plans when formulating investment plans, and confirm that our business is aligned with a 2050 net zero scenario in terms of both individual projects and company-wide business strategy. In selecting “Transform” businesses, both the volume of GHG emissions (Scope 1, 2, and 3) and the barriers that exist in reducing GHG emission are considered. In order to determine the specific reduction barriers, we use Scope 3 category 11 and Scope 1 6.5 gases, both in which emissions reduction are difficult to achieve, as indicators from the perspective of avoiding stranded assets.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

23311853

Base year Scope 2 emissions covered by target (metric tons CO2e)

1989477

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

25301330

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1:

Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12:

End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13:

Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

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)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

12650665

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

19518478

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1745513

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

21263991

Does this target cover any land-related emissions?

Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

% of target achieved relative to base year [auto-calculated]

31.9140456252695

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

MC has a target to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, 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 (SBT), the SBTi currently restricts applications from oil & gas companies, so we are waiting for their latest guidance on oil & gas companies. As described above, MC has 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.

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 31.9% reduction relative to the base year.

To achieve further reduction, 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 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.

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 promoting EX. MC established the EX Task Force and the Industrial DX Group to accelerate these efforts. 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. 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.

* 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 Capture (DAC)

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

23311853

Base year Scope 2 emissions covered by target (metric tons CO2e)

1989477

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

25301330

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

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)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2050

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

19518478

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1745513

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

21263991

Does this target cover any land-related emissions?

Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

% of target achieved relative to base year [auto-calculated]

15.9570228126348

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

MC has a target to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, 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 (SBT), the SBTi currently restricts applications from oil & gas companies, so we are waiting for their latest guidance on oil & gas companies. As described above, MC has 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.

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 16.0% reduction relative to the base year.

To achieve further reduction, 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 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.

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 promoting EX. MC established the EX Task Force and the Industrial DX Group to accelerate these efforts. 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. 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.

* 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 Capture (DAC)

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Please explain target coverage and identify any exclusions

MC has a target to halve the Scope 1 and Scope 2 emissions of MC and its consolidated companies, 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 (SBT), the SBTi currently restricts applications from oil & gas companies, so we are waiting for their latest guidance on oil & gas companies. As described above, MC has 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.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

MC recognizes new technologies and innovations that are not at commercial scale today are necessary for achieving net zero in 2050. As a good example to illustrate this, 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 excellent business expertise and connections with leading value chain partners gained by participating in the program, toward developing scalable businesses for MC in the future. MC believe that these initiatives and actions combined will help to reduce global (including our scope 3) GHG emissions.

* 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 Capture (DAC).

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) 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.

Yes

C4.3a

(C4.3a) 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	3	0
To be implemented*	2	140
Implementation commenced*	9	147105
Implemented*	3	35921
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Biogas
-------------------------------	--------

Estimated annual CO2e savings (metric tonnes CO2e)

121

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

4091620

Investment required (unit currency – as specified in C0.4)

3655104

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Non-energy industrial process emissions reductions	Process equipment replacement
----------------------------------------------------	-------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

8800

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

20490000

Investment required (unit currency – as specified in C0.4)

245880000

Payback period

11-15 years

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

27000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

109

Payback period

1-3 years

Estimated lifetime of the initiative

1-2 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal price on carbon	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 1.5°C 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.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Onshore wind
-------	--------------

Description of product(s) or service(s)

MC promotes 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 describe the case of onshore wind power business.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

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.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Operating an onshore wind for one year.

Reference product/service or baseline scenario used

Average energy mix in each country

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

1812000

Explain your calculation of avoided emissions, including any assumptions

The calculation Formula is as follows: Power generation capacity (MW)×24 hour×365 days×Emission factor(tCO2/MWh)×Capacity factor×Equity ratio of the company (only the avoided emission at the operational stage, which accounts for the majority of emissions, is calculated).

In MC, those that directly contribute to GHG reduction through our company operations are counted on a stock basis(one year), while those that indirectly contributed to GHG reduction, such as the production of materials, are counted on a flow basis. For onshore wind power energy business, the amount of contribution created in a single fiscal year is calculated. (Power Generation business is based on the Company's equity capacity as of the end of December 2022)

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

23311853

Comment

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.

Scope 2 (location-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 2 (market-based)

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

1989477

Comment

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.

Scope 3 category 1: Purchased goods and services

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

2008124

Comment

Scope 3 category 2: Capital goods

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

1079037

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

162516

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

26462

Comment

Scope 3 category 5: Waste generated in operations

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

1834075

Comment

Scope 3 category 6: Business travel

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

11176

Comment

Scope 3 category 7: Employee commuting

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

20323

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

381254047

Comment

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.

Scope 3 category 12: End of life treatment of sold products

Base year start

April 1 2020

Base year end

March 31 2021

Base year emissions (metric tons CO2e)

11219

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

April 1 2021

Base year end

March 31 2022

Base year emissions (metric tons CO2e)

15158000

Comment

Scope 3 Category 15 (Investments) emission is equivalent to Scope 1/2 emission of MC's affiliates based on the equity share basis.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

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)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

19518478

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

2006555

Scope 2, market-based (if applicable)

1745513

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) 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?

Yes

C6.4a

(C6.4a) 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.

Source of excluded emissions

Overseas branches and minor emissions. 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 calculated within the range that can be grasped.

Scope(s) or Scope 3 category(ies)

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Upstream transportation and distribution

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Upstream leased assets

Scope 3: Downstream transportation and distribution

Scope 3: Processing of sold products

Scope 3: End-of-life treatment of sold products

Scope 3: Downstream leased assets

Scope 3: Franchises

Scope 3: Other (upstream)

Scope 3: Other (downstream)

Relevance of Scope 1 emissions from this source

<Not Applicable>

Relevance of location-based Scope 2 emissions from this source

<Not Applicable>

Relevance of market-based Scope 2 emissions from this source

<Not Applicable>

Relevance of Scope 3 emissions from this source

Emissions are not relevant

Date of completion of acquisition or merger

<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents

<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents

20

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.

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.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

2804600

Emissions calculation methodology

Other, please specify (Multiplying the cement transaction volume by the emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scop1 and 2.

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.

As mentioned above, the material Scope3 categories for MC are Category 11 and Category 15.

Capital goods

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1373961

Emissions calculation methodology

Other, please specify (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.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

185542

Emissions calculation methodology

Other, please specify (Adding the results of 1) multiplying the amount of electricity consumed by the unit value for electricity specified by Ministry of the Environment of Japan guidelines 2) multiplying the amount of steam consumed by the unit value for steam)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Upstream transportation and distribution

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

24379

Emissions calculation methodology

Other, please specify (Data collected in compliance with the Act on the Rational Use of Energy in Japan)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Waste generated in operations

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1119730

Emissions calculation methodology

Other, please specify (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.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

10362

Emissions calculation methodology

Other, please specify (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.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

18842

Emissions calculation methodology

Other, please specify (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.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

306939270

Emissions calculation methodology

Other, please specify (The Greenhouse Gas Protocol: Corporate Value Chain (Scope3) Accounting and Reporting Standard)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

End of life treatment of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

7716

Emissions calculation methodology

Other, please specify (Calculated by multiplying the amount of plastic food trays by the specified emissions unit value according to the guidelines provided by the Ministry of the Environment of Japan.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

13881283

Emissions calculation methodology

Other, please specify (Scope 3 Category 15 (Investments) emission is equivalent to Scope 1/2 emission of MC's affiliates based on the equity share basis.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

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 Scope 3 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.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

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 Scope 3 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.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) 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.

Intensity figure

9.9e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

21263991

Metric denominator

unit total revenue

Metric denominator: Unit total

21571973000000

Scope 2 figure used

Market-based

% change from previous year

25

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Change in output

Change in revenue

Please explain

The GHG intensity per unit of revenue decreased due to a reduction in GHG emissions and an increase in total revenue.

Regarding the increase in total revenue, revenues were 21,571.9 billion JPY, an increase of 4,307.1 billion JPY, or 30 % year over year. This was mainly due to rising prices and increased transaction volumes owing to improved market conditions.

Regarding the reduction in GHG emissions, this was a result of portfolio replacement, procurement of renewable energy, impact of energy savings/DX, fuel switching, etc.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	17753404	Other, please specify (· The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) · IEA CO2 Emissions from Fuel Combustion · One more in the comment) · 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)
CH4	1711739	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))
N2O	43511	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))
HFCs	9788	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))
PFCs	0	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))
SF6	36	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))

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Australia	2989819
Brazil	36132
Brunei Darussalam	382994
Canada	872579
Chile	157936
China	14141
India	86887
Indonesia	70362
Japan	3011212
Malaysia	48669
Myanmar	310
Norway	56434
Singapore	278687
Thailand	45189
United Kingdom of Great Britain and Northern Ireland	1490493
United States of America	5076586
Italy	15865
Hungary	6
Mexico	30235
Netherlands	2275459
Mauritius	5678
Bangladesh	20024
Hong Kong SAR, China	28
Colombia	38
Jordan	37462
Mongolia	5094
Panama	187
Peru	64503
Philippines	90699
Saudi Arabia	455313
Taiwan, China	1547731
Trinidad and Tobago	151345
Venezuela (Bolivarian Republic of)	199462
Viet Nam	917

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Corporate Staff Section	331
Natural Gas Group	3110341
Industrial Materials Group	335361
Petroleum & Chemicals Group	864891
Mineral Resources Group	2714650
Industrial Infrastructure Group	101438
Automotive & Mobility Group	35124
Food Industry Group	914775
Consumer Industry Group	71831
Power Solution Group	11362639
Urban Development Group	7099
The Industry Digital Transformation Group	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	555383	502305
United States of America	138346	120953
China	31190	38533
Taiwan, China	198	198
Hong Kong SAR, China	88	111
United Kingdom of Great Britain and Northern Ireland	13077	428
Mexico	1566	1636
Malaysia	4181	4047
Viet Nam	7001	7415
Brunei Darussalam	6029	68197
Brazil	1016	532
Hungary	9	9
Norway	19790	16656
Germany	3	5
Myanmar	859	580
Thailand	52063	53605
Singapore	46621	49686
Canada	97880	34773
Netherlands	1104	1270
Australia	424380	409092
Indonesia	62892	61293
India	29396	38229
Ireland	52	8
Spain	80	103
Mauritius	8828	11659
Italy	4453	7570
Chile	270816	82733
Colombia	47	38
Jordan	1342	1342
Mongolia	5095	6057
Panama	36	36
Peru	24781	28046
Philippines	4486	3219
Saudi Arabia	182235	183758
Trinidad and Tobago	8887	9047
Venezuela (Bolivarian Republic of)	2345	2345

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Corporate Staff Section	6583	3279
Natural Gas Group	107378	117545
Industrial Materials Group	69457	59711
Petroleum & Chemicals Group	220712	254060
Mineral Resources Group	753779	501131
Industrial Infrastructure Group	13194	13619
Automotive & Mobility Group	104934	95671
Food Industry Group	462908	474746
Consumer Industry Group	163697	134101
Power Solution Group	92403	79006
Urban Development Group	11431	12568
The Industry Digital Transformation Group	81	75

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

Mitsubishi Shokuhin Co., Ltd.

Primary activity

Food & beverage wholesale

Select the unique identifier(s) you are able to provide for this subsidiary

Please select

ISIN code – bond

<Not Applicable>

ISIN code – equity

<Not Applicable>

CUSIP number

<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

14700

Scope 2, location-based emissions (metric tons CO2e)

Scope 2, market-based emissions (metric tons CO2e)

29300

Comment

This figure is the emissions of Mitsubishi Shokuhin Co., Ltd. (100 % basis)

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) 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 emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	350627	Decreased	1.53	Scope 2 emissions were driven down by 350,627 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 22,851,766 tCO2e, and the -1.53% decrease was figured as $(-350,627/22,851,766) * 100 = -1.53\%$.
Other emissions reduction activities	396844	Decreased	1.74	A certain company in our portfolio has changed the fuel for power generation from coal to biomass, and other company reduced CO2 emissions by making capital investments. MC's total Scope 1 and 2 emissions in the previous year was 22,851,766 tCO2e, and the -1.74% decrease was figured as $(-396,844/22,851,766) * 100 = -1.74\%$.
Divestment	746399	Decreased	3.27	Approximately 40 companies in our portfolio have been or will be deconsolidated. MC's total Scope 1 and 2 emissions in the previous year was 22,851,766 tCO2e, and the -3.27% decrease was figured as $(-746,399/22,851,766) * 100 = -3.27\%$.
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	149085	Decreased	0.65	Several companies in our portfolio have had changes in production volume. MC's total Scope 1 and 2 emissions in the previous year was 22,851,766 tCO2e, and the -0.65% decrease was figured as $(-149,085/22,851,766) * 100 = -0.65\%$.
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	55120	Increased	0.24	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 four 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 22,851,766 tCO2e, and the 0.24% increase was figured as $(55,120/22,851,766) * 100 = 0.24\%$.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) 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)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	50142578	50142578
Consumption of purchased or acquired electricity	<Not Applicable>	1493086	2009256	3502342
Consumption of purchased or acquired heat	<Not Applicable>	0	11319	11319
Consumption of purchased or acquired steam	<Not Applicable>	0	482342	482342
Consumption of purchased or acquired cooling	<Not Applicable>	0	6475	6475
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	340682	<Not Applicable>	340682
Total energy consumption	<Not Applicable>	1833768	50129813	51963581

C8.2b

(C8.2b) 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	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

2522157.19

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Coal

Heating value
LHV

Total fuel MWh consumed by the organization
12844607.72

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
6595684.08

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
28180129.62

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
50142578.61

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	23608349	2470378	2173929	340682
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) 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 C6.3.

Country/area of low-carbon energy consumption

Japan

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify (Solar, Hydropower, etc)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

85358507

Tracking instrument used

NFC – Renewable

Country/area of origin (generation) of the low-carbon energy or energy attribute

Japan

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or re-powering)

<Not Applicable>

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Other, please specify (USA & Canada)

Consumption of purchased electricity (MWh)

1282885

Consumption of self-generated electricity (MWh)

17824

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

127207

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1427916

Country/area

Other, please specify (Countries and areas other than USA and Canada)

Consumption of purchased electricity (MWh)

3502342

Consumption of self-generated electricity (MWh)

322858

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

500136

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4325336

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2023.pdf

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)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Please select

Attach the statement

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2023.pdf

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P6/7 of PDF -Independent Practitioner's Assurance Report (JPN/ENG)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2023.pdf

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)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Energy Consumption)	ISAE 3000	Limited Assurance 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. MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2023.pdf
C7. Emissions breakdown	Year on year change in emissions (Scope 1)	ISAE 3000	Limited Assurance to the amount of CH4, N2O, HFCs, PFCs, and SF6 which are included in Scope 1 (6.5 Gases) MitsubishicorporationCDPperformanceDataIndependentPractitonaersAssuranceReportJPNENG2023.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

UK ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

UK ETS

% of Scope 1 emissions covered by the ETS

0.07

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2022

Period end date

December 31 2022

Allowances allocated

14382

Allowances purchased

14382

Verified Scope 1 emissions in metric tons CO2e

14382

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The strengthening of environmental regulations, such as the introduction of carbon taxes, in line with the transition to a low-carbon society has already begun to affect MC's operations in the form of higher costs due to taxes being levied on its subsidiaries and affiliates. Considering this trend, in FY2022, MC set medium- and long-term GHG emissions reduction targets aligned with the Paris Agreement to halve emissions by FY2030 (FY2020 baseline) and to achieve net zero emissions by 2050. In addition, in Midterm Corporate Strategy 2024, MC established and announced new specific and effective processes for confirming short- and medium-term GHG reduction plans when formulating investment plans. In this process, each of MC's 10 Business Groups, in addition to its Industry Digital Transformation Group and Next-Generation Energy Business Group, makes a GHG reduction plan based on its short- to medium-term investment plan, which is then deliberated at the annual meetings of the Business Strategy Committee. The content of this deliberation is also reported to the Executive Committee, which serves as MC's highest decision-making body, and the Board of Directors. Through this process, MC monitors whether it is consistent with the halving of GHG emissions by FY2030.

Furthermore, MC has classified its business portfolio into "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 1.5°C 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 be taken in response are discussed as necessary at the Investment Committee.

In order to increase its resilience to future environmental regulations, 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 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.

Recently, 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 promoting EX. To apply our collective capabilities in these areas, MC has established the Next-Generation Energy Business Group in April 2023. Under this Group, MC will make concerted efforts to steadily advance EX. Moreover, in April 2022, 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 connections with leading value chain partners gained by participating in the program, toward developing scalable businesses for MC in the future.

Necessary measures are being taken by companies operating in jurisdictions where carbon taxes have already been imposed. For instance, one of MC's food-related subsidiaries in Europe participates in the UK-ETS and manages its GHG emissions reduction in order to ensure continued compliance with the system. The company plans to implement a series of emissions reduction initiatives, including on-site energy generation and increased use of low-carbon renewable energy. These initiatives will support their commitment to achieve carbon neutrality from their manufacturing sites by 2030. The company has undertaken its second carbon footprint exercise across Scopes 1, 2, and 3 and will be using these findings to inform Net Zero Science Based Targets at 1.5 degrees above pre-industrial levels, which it has committed to establish.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of a carbon tax
Social cost of carbon

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations
Stakeholder expectations
Stress test investments

Scope(s) covered

Scope 1
Scope 2

Pricing approach used – spatial variance

Differentiated

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

62.2

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

435

Business decision-making processes this internal carbon price is applied to

Capital expenditure
Operations
Risk management
Opportunity management

Mandatory enforcement of this internal carbon price within these business decision-making processes

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.)

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

Among the entire business portfolio, MC has classified "Green" businesses, which we identified as having significant climate-related transition opportunities, and "Transform" 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 1.5°C 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) 2022 (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 3 times the current level by 2030 for MC's LNG project in Canada if the tax were to increase to USD130/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.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

88

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Mitsubishi Corporation (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. The survey is conducted for suppliers of the specific products that MC has defined as environmental and social considerations in these industries are particularly impactful. In FY2022 "products to be monitored" has increased in 18 products from 8 products that stated in FY2016. Such products are; Shrimp, Cacao, Coffee, Sugar, Chicken, Palm oil, Tuna, Apparel, Tea, Tire, Gas/LNG, Plastic (PP, PE etc.), Crude oil, Wood . 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. Furthermore, in order to improve the convenience and accessibility of the survey for suppliers, MC has built a web-based system and through which it conducts the surveys. In April 2022, MC conducted its annual survey for FY2021, and 896 replies were received from 1016 companies in 50 countries and regions. Respondents answered questions pertaining to matters such as regulations and legal compliance, prohibition of forced labor, child labor and discrimination, environmental conservation and information disclosure.

Since the survey is conducted mainly to those industries where environmental and social considerations are particularly impactful and does not include all suppliers across MC's diverse value chains, the actual coverage (% of suppliers by number, % total procurement spend (direct and indirect), and % Scope 3 emissions as reported in C6.5) cannot be captured numerically. We calculated the percentage of 896 companies that responded to the questionnaire out of 1016 companies.

Impact of engagement, including measures of success

Based on the results of this survey, MC conducts additional surveys, on-site inspections and other measures for a number of suppliers.

The communication with suppliers achieved through these surveys and on-site visits provides a valuable opportunity to deepen the suppliers' understanding of MC's stance on sustainability. MC is working with about 11% of the respondents to share concerns, solve issues, etc. (this figure excludes the number of suppliers with which MC has already worked to share concerns, resolve issues, etc.)

For instance, In FY 2022 MC has visited domestic meat processing company, a poultry supplier of MC's subsidiary Foodlink Corporation. This year, an inspector from DNV Business Assurance Japan Co., Ltd., a third-party inspecting company, has accompanied with MC and evaluated the supplier's sustainability management system by interviewing the supplier's management and employees. .

If a violation of the Mitsubishi Corporation Policy for Sustainable Supply Chain Management is confirmed, MC will demand that the relevant supplier implement corrective measures and will provide guidance and assistance to the supplier as necessary. By sharing best practice examples from its business investees and leading industry initiatives with suppliers, MC aims to strengthen the environmental and social activities of its suppliers and to build solid relationships with them. If MC determines that the supplier is unlikely to implement corrective measures even after providing continuous training and assistance, MC will review its business relationship with the relevant supplier.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
----------------------------	-------------------------------------------------------------------------

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers 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 has 10 Business Groups that operate across virtually every industry: Natural Gas, Industrial Materials, Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution and Urban Development. Through these 10 Business Groups plus the addition of its Industry Digital Transformation Group and Next-Generation Energy Business Group, 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.

Impact of engagement, including measures of success

MC has set medium- and long-term GHG emissions reduction targets aligned with the Paris Agreement: 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 the above targets. Since MC is involved in a wide variety of industries from upstream to downstream along the value chain, its affiliates are often also its customers. 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. In Midterm Corporate Strategy 2024, MC established an EX Strategy. MC will promote low/zero carbon initiatives across the energy sector by connecting solutions with needs related to EX Resources, Materials and Products. MC will provide solutions as EX Services while working closely with industry and customers. With regard to EX Services, through discussions with our customers, we understand that some of them face preliminary challenges such as visualizing their GHG emissions, while others are tackling the challenge of finding ways to reduce GHG emissions. 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"). 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, with Asahi Tanker Co., Ltd., Idemitsu Kosan Co., Ltd, Exeno Yamamizu Corporation, Mitsui O.S.K. Lines, Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd. and TEPCO Energy Partner, Inc., MC established the e5 Consortium 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 in March 2022. MC's other businesses to decarbonize the entire value chain are disclosed on our Sustainability Website (<https://mitsubishicorp.disclosure.site/en/themes/158#1190>)

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

MC and its subsidiaries engage with joint-venture partners such as BHP to reduce GHG emissions. For example, Mitsubishi Development Pty Ltd (MDP), a 100% subsidiary of MC, jointly operates its metallurgical coal business through BHP Mitsubishi Alliance (BMA), together with its partner BHP, in the mineral resources value chain. BMA produces about 60 million tons per year (JFY2021 actual) and has a market share of approximately 30% in the global seaborne market. BMA produces high-quality and cost competitive metallurgical coal at its seven operating mines, together with a rail network and port terminal in Australia. Metallurgical coal is used in steelmaking, and reducing GHG emissions in this process is a major challenge for the steelmaking industry. In order to move towards a low-carbon society, it is important for companies involved in the steelmaking value chain to work together to address the problem. MDP and BHP signed an MOU agreement to work together to pursue emissions reductions, including lifecycle emissions from the use of marketed products. This collaboration aims to promote low-emissions technology by reviewing opportunities to undertake research, pilot new ideas, and develop and deploy new emissions reduction technologies. The partnership also demonstrates the important role the private sector can play in bringing these technologies to market.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Implementation of emissions reduction initiatives

Description of this climate related requirement

The 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.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

88

Mechanisms for monitoring compliance with this climate-related requirement

Other, please specify (MC's Sustainable Supply Chain Survey determines suppliers that may have issues or require assistance based on the results of responses to the survey. In FY2022, there were no requests which MC needed to make for its suppliers regarding Environment.)

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, and we do not plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

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

Regarding the engagement activities conducted by each Business Group, each Group's Chief Sustainability Officer is in charge of confirming whether these activities are consistent with MC's climate strategy.

In addition, the Business Groups consult with the Sustainability Department on a case-by-case basis to confirm the content of these activities and consistency with MC's climate strategy. The Sustainability Department then reports to the Corporate Functional Officer (Corporate Sustainability & CSR) who also serves as a Member of the Board and Executive Vice President as necessary.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Japan Foreign Trade Council)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Based on the recognition that building a low-carbon society is an urgent global issue, the Council is actively involved in reducing global greenhouse gas emissions. The Council is collaborating with the Japanese government and the Keidanren (Japan Business Federation) towards building a low-carbon society. The Council has participated in the Japanese Ministry of Economy, Trade and Industry (METI)'s follow-up since 2007, and has also participated in the Keidanren's Voluntary Action Plan on the Environment (currently: Commitment to a Low Carbon Society) since 1998. The Council aims to reduce its energy usage (for the entire company floorplan; kWh/m2) by 15.7% compared to 2013 levels by 2030 (target amount is 108.6kWh/ m2) based on the Keidanren's Commitment to a Low Carbon Society (established on September 16, 2015). The Council is a member of the Keidanren, which engages with the government on climate change legislation. By taking advantage of the distinctive sogo shosha (Japanese trading and investment companies such as MC) business model, we shall promote business operations that conserve the environment or reduce environmental burdens, as well as support and promote activities which contribute to the resolution of environmental problems. MC's President and CEO is the Vice Chairman of the Japan Foreign Trade Council. Through our role in the Council, we contribute to the Council's policy formulation, attainment of reduction targets, and other aims explained previously. MC plays an important role in influencing positions of the Council, the Keidanren, and the Japanese Government as an industry leader through deliberations with the Japan Foreign Trade Council and participating members.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Japan Business Federation (Keidanren))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Keidanren is taking action to reduce greenhouse gas emissions on a global scale by promoting efforts towards the steady achievement of its Commitment to a Low Carbon Society, which also contributes to Japan's midterm NDC goal to "reduce emissions by 40% by 2030". Promoting efforts to address global warming is necessary for sustained economic growth, and the economy and environment must thrive together. The Keidanren first turns its attention to 2030 goals, and then focuses on innovation to tackle climate change in the long term.

The Keidanren has set out a path towards a decarbonized society that can be created through the deployment of innovative technologies provided through the "Challenge Zero" project, and has drawn up a picture for a decarbonized society, in line with the goals of the Paris Agreement.

The Keidanren is strongly promoting Challenge Zero in cooperation with the Japanese government, creating a game-changing initiative where companies compete in innovation, attract ESG investment, and encourage collaboration among various actors. The aim of the project is to achieve the goals of the Paris Agreement as promptly as possible.

MC is a member of the Working Group on Global Warming. Through its role in the Keidanren, MC tries to contribute to its policy formulation and other aims explained above. MC plays an important role in influencing the positions of the Keidanren and the Japanese Government as an industry leader through deliberations with the Keidanren and participating members.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Other, please specify (World Business Council for Sustainable Development (WBCSD))

State the organization or individual to which you provided funding

World Business Council for Sustainable Development (WBCSD)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

20000000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

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 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 1.5°C future.

MC has been a member since the WBCSD was established in 1995, having previously been a member of the Business Council for Sustainable Development since 1991. MC's Senior Vice President, Chief Stakeholder Engagement Officer who oversees sustainability matters holds the position of Council Member for MC, 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.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

有価証券報告書2022_Mitsubishi Corporation.pdf

Page/Section reference

P18, P.23-30

Content elements

Governance
Strategy
Risks & opportunities
Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Task Force on Climate-related Financial Disclosures (TCFD) Task Force on Nature-related Financial Disclosures (TNFD) UN Global Compact World Business Council for Sustainable Development (WBCSD) Other, please specify (GX League)	<p>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 Japanese companies' response to climate change.</p> <p>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.</p> <p>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.</p> <p>WBCSD: MC is a founding member of the BCS (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 shares information and best practice with other leading companies and works to apply those learnings to its own business practice.</p> <p>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.</p>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>MC recognizes the critical importance of natural capital, including biodiversity, and is committed to maintaining, protecting, and restoring it. We have positioned "Conserving and Effectively Utilizing Natural Capital", including consideration of biodiversity, as part of our Materiality, which are issues for management to address in order for MC to achieve sustainable growth.</p> <p>MC strives to mitigate the impact that its businesses have on biodiversity and seeks ways to contribute to ecosystem preservation through its businesses as well as through corporate philanthropy activities aimed at environmental preservation. Regarding contributions to the preservation of ecosystems through our business activities, MC takes into account aspects related to biodiversity when screening new projects and divesting from existing projects, and also aims to make improvements by monitoring the management practice of existing business investments.</p> <p>The Corporate Functional Officer (Corporate Sustainability & CSR) who serves as a Member of the Board and Executive Vice President is in charge of Biodiversity. Important matters related to biodiversity deliberated by the Sustainability & CSR Committee are formally approved by the Executive Committee and put forward or reported to the Board of Directors based on prescribed standards.</p>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Other, please specify (Keidanren Initiative for Biodiversity Conservation)	SDG Other, please specify (The TNFD Forum, UNGC)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

IBAT – Integrated Biodiversity Assessment Tool

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

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

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

CBD – Global Biodiversity Framework

ENCORE tool

STAR – Species Threat Abatement and Restoration metric

TNFD – Taskforce on Nature-related Financial Disclosures

Other, please specify (Aqueduct)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

When conducting analyses under the TNFD framework, it is necessary to obtain detailed information on the natural environments surrounding each business site. We therefore split the analysis into two phases. In Phase 1, we identified businesses with high levels of dependence and impact on nature, which allowed us to single out those businesses that need to be analyzed 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 apply each process defined in ENCORE into our businesses. In step 2, we quantify the qualitative evaluations of ecosystem services, impact drivers, and other factors for each process. In step 3, we calculate and map 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 averages.

In Phase 2, we 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.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

UNESCO World Heritage site

Country/area

Mexico

Name of the biodiversity-sensitive area

Ojo de Liebre Lagoon

Proximity

Up to 25 km

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.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Site selection

Project design

Operational controls

Abatement controls

Restoration

Other, please specify (Monitoring Surveys)

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

ESSA has operations within the El Vicaíno Biosphere Reserve, including facilities located near the Ojo de Liebre lagoon (a UNESCO World Heritage site that is a breeding ground for gray whales). Great care is taken at all times to respect the surrounding ecosystem, while also working to protect and preserve biodiversity. In September 2000, the region in which ESSA is situated was designated by the WHSRN, a U.S.-based shorebird protection group, as a site of international importance, and in April 2009 the designation was upgraded to that of hemispheric importance. ESSA cooperates with the activities of WHSRN such as surveys of bird species in the salt fields and maintenance and protection of nesting sites. In addition, ESSA is working to protect the natural environment through the installations of approximately 200 roosts which protect birds from coyotes and other dangers. ESSA's salt production activities are leading to the creation of new types of ecosystems. With a similar degree of salinity to the nearby lagoons, the evaporation ponds are home to many species of fish, crustaceans and birds. The 8,000-hectare ponds' high microorganism density allows them to generate the same amount of oxygen as would the same area of forest in Canada. Under the three environmental policies of "Prevention of Air, Land and Ocean Pollution," "Conserving the Natural Environment" and "Biodiversity Monitoring," ESSA will continue to pursue sustainable development in harmony with the environment by engaging in ecosystem research and conservation activities, etc. together with a wide range of stakeholders including members of the local community, local government organizations, universities, and NGOs.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Please select	The File is too big to upload. MC disclose the same file on its website. p166-p182 https://mitsubishicorp.disclosure.site/pdf/202303en.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Representative Director, Executive Vice President	Director on board

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Mitsubishi Corporation (MC) is a global integrated business enterprise that develops and operates businesses together with its offices and subsidiaries in approximately 90 countries and regions worldwide, as well as a global network of around 1,700 group companies. MC has 10 Business Groups that operate across virtually every industry: Natural Gas, Industrial Materials, Petroleum & Chemicals, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution and Urban Development. Through these 10 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.

https://www.mitsubishicorp.com/jp/en/ir/library/ar/pdf/areport/2021/all_view.pdf

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	21571973000000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
Please select

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms