



Investor briefing

# Governance wakeup call: Proxy voting for director accountability

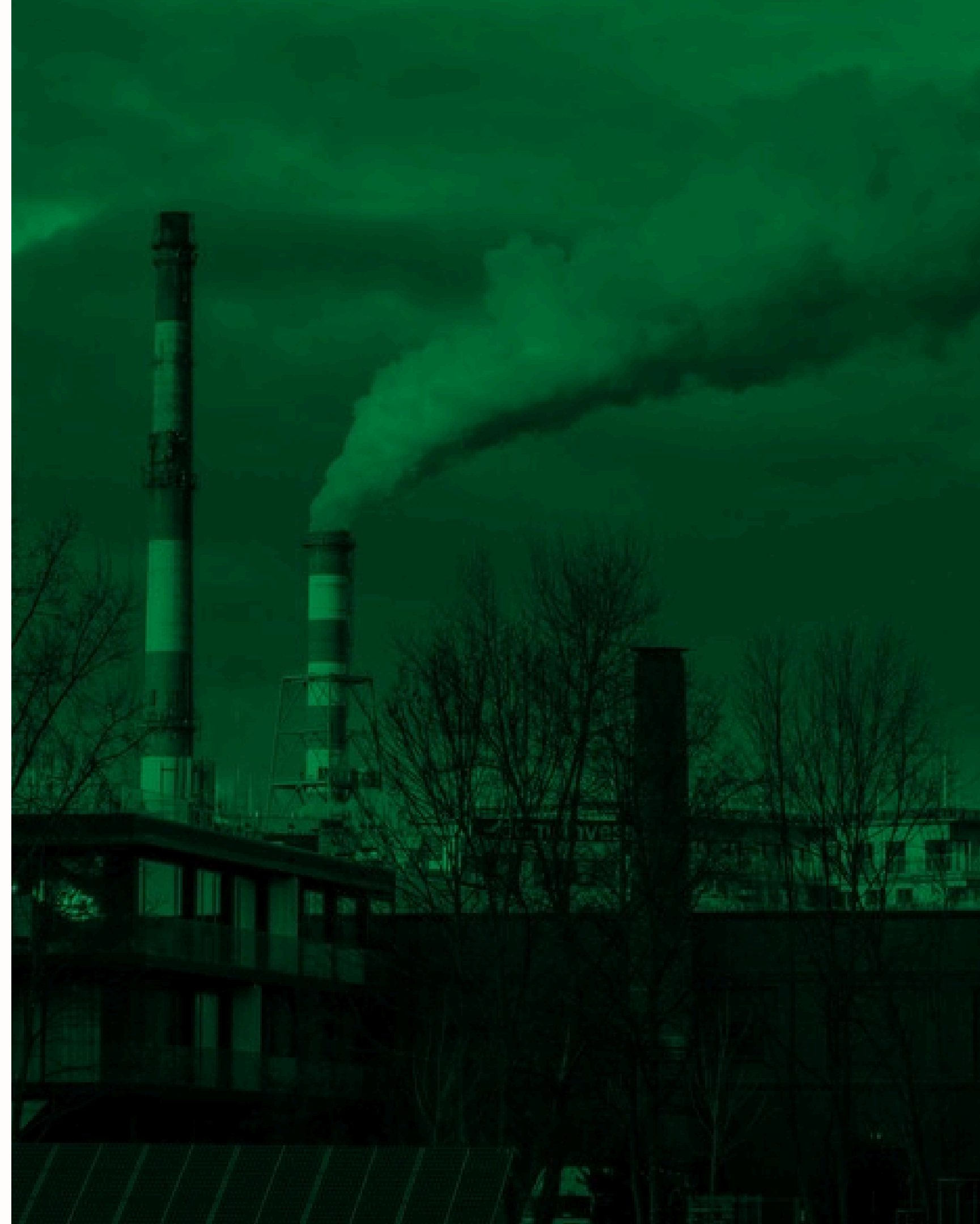
Mitsui & Co. (TYO: 8031)

Sumitomo Corporation (TYO: 8053)

Mitsubishi Corporation (TYO: 8058)

**APRIL 2026**

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## Summary: Directors must be held accountable through proxy voting



### Investors will be negatively impacted by poor risk management

Directors play the ultimate role in guiding companies with an appropriate strategy, monitoring, and supervision of executives. In addition to approving frameworks and policies, Directors are responsible for ensuring effective implementation and oversight, and must be held accountable when companies fail to manage risks properly.



### Investors should use proxy voting rights and “Vote No” on Directors failing to fulfill their duties

Investors should incorporate risk management considerations, including environmental, social, and governance criteria, into their voting decisions on Director elections at the upcoming Japanese Annual General Meetings in 2026.

We recommend investors **“Vote No”** on the election of any Board Directors failing to fulfill their duties

# Summary: Directors must be held accountable through proxy voting



## Baseline governance expectations

To ensure governance is operating effectively, the Board of Directors must provide independent, technically competent **oversight of all material risks** while actively managing capital efficiency to drive transparent, long-term corporate value.



## Boards of Directors are failing both companies and shareholders through insufficient risk management

Climate and social commitments made through policies remain unfulfilled. To retain long-term shareholder value, Directors must align the company's strategy with these commitments. **Effective risk management requires more than disclosing climate scenario analysis, policies, and procedures. Company practices must effectively manage risk and align with commitments.**

## Foundations of governance

Capital and value

Risk and oversight

Independence and capacity

# Investors will be negatively impacted by insufficient risk management



**Goal and policy misalignment** can lead to underperformance in the mid- to long-term, particularly when trading houses continue to invest in fossil fuel projects without adequately integrating downside scenarios into business development plans. This can lead to the misallocation of capital with the wrong priorities and time horizons, and reduced asset value.



**Physical and transition risk mismanagement** can erode earnings due to rising costs, declining demand, and operational instability from extreme weather, ultimately weakening profitability.



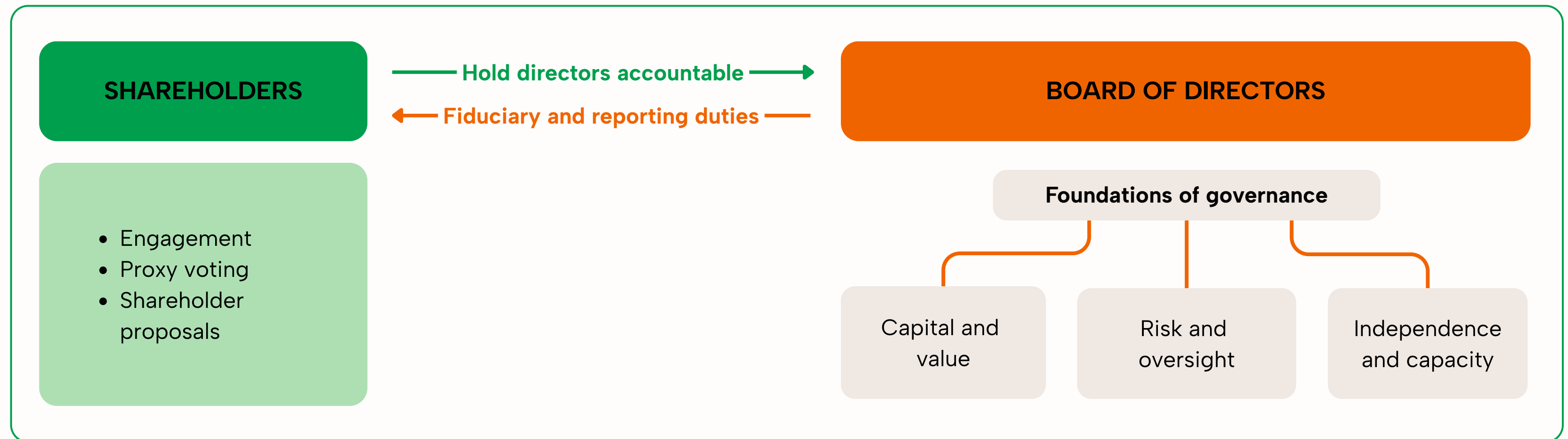
**Failing to manage high project-based risk** can lead to significant legal liabilities, operational disruptions, and delays, all of which can materially erode project economics and overall financial value. Track records of involvement in controversial projects or association with controversial companies could negatively affect project viability, reputation, access to capital, and ultimately investor confidence and valuation.



**Poor legal and regulatory risk management** threatens the financial viability, valuation, and reputation of investments. Given the trading houses' business models, exposures across joint ventures and partnerships may further increase potential liabilities and reputational risks.

# Investors should use proxy voting rights and “Vote No” on Directors failing to fulfill duties

Investors should incorporate risk management considerations, including environmental, social, and governance criteria, into their voting decisions on Director elections at the upcoming Japanese Annual General Meetings in 2026.



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# Board of Directors' role in governance



# Governance and transparency matter to investors

Previous shareholder proposals and engagement have consistently highlighted the importance of Board accountability and transparent governance for risk management to enhance long-term corporate value.

**2024**  
Board competency.

Investors expect the Board to possess the expertise necessary to oversee and manage risks, which are material to corporate strategy and financial performance.

**2025**  
Board and Audit Committee's risk oversight

Investors expect the Board to oversee executives.

The Auditors are expected to audit the Board's performance.

**2026**

"Vote No" on Board Directors failing to fulfil their duties

*Strengthen scrutiny on the Boards' responsibility*

Investors must hold Japanese trading houses' Boards accountable when exercising proxy voting rights at the upcoming Japanese Annual General Meetings in 2026.

# Investor expectations of Board of Directors

Individual Directors and members of a committee can be held accountable for poor governance and risk management.

## ✓ Risk integration into Board governance

“In situations where a company has not properly managed or mitigated material environmental or social risks to the detriment of shareholder value, or when such mismanagement has threatened shareholder value, the **Benchmark Policy may recommend that shareholders vote against the members of the Board who are responsible for oversight of environmental and social risks.**” – [GlassLewis](#)

“Regardless of governance structure, under extraordinary circumstances, **vote against individual directors, members of a committee, or the entire board, due to: Material failures of governance, stewardship, risk oversight (including, but not limited to, environmental, social, and climate change issues)**, or fiduciary responsibilities at the company; [...]” – [ISS](#)

## ✓ Clear delegation of responsibility and oversight

“Directors and boards can no longer fail to [...] maintain clear, board-level oversight of climate risks, considering that **legal responsibility** remains with the directors even when operational tasks are delegated to management. [...] Climate negligence is not just bad oversight; it is a liability waiting to be realised.” – [ClientEarth](#)

## ✓ Proactive capital discipline

“When companies have inadequate information about the physical risks that climate change poses, there is risk that they have mispriced assets and misallocated capital. [...] Unabated climate change will continue to have a negative impact on short-, medium-, and long-term economic performance.” – [CCLI \(Directors' duties and climate change in Japan\)](#)

# Baseline governance expectations

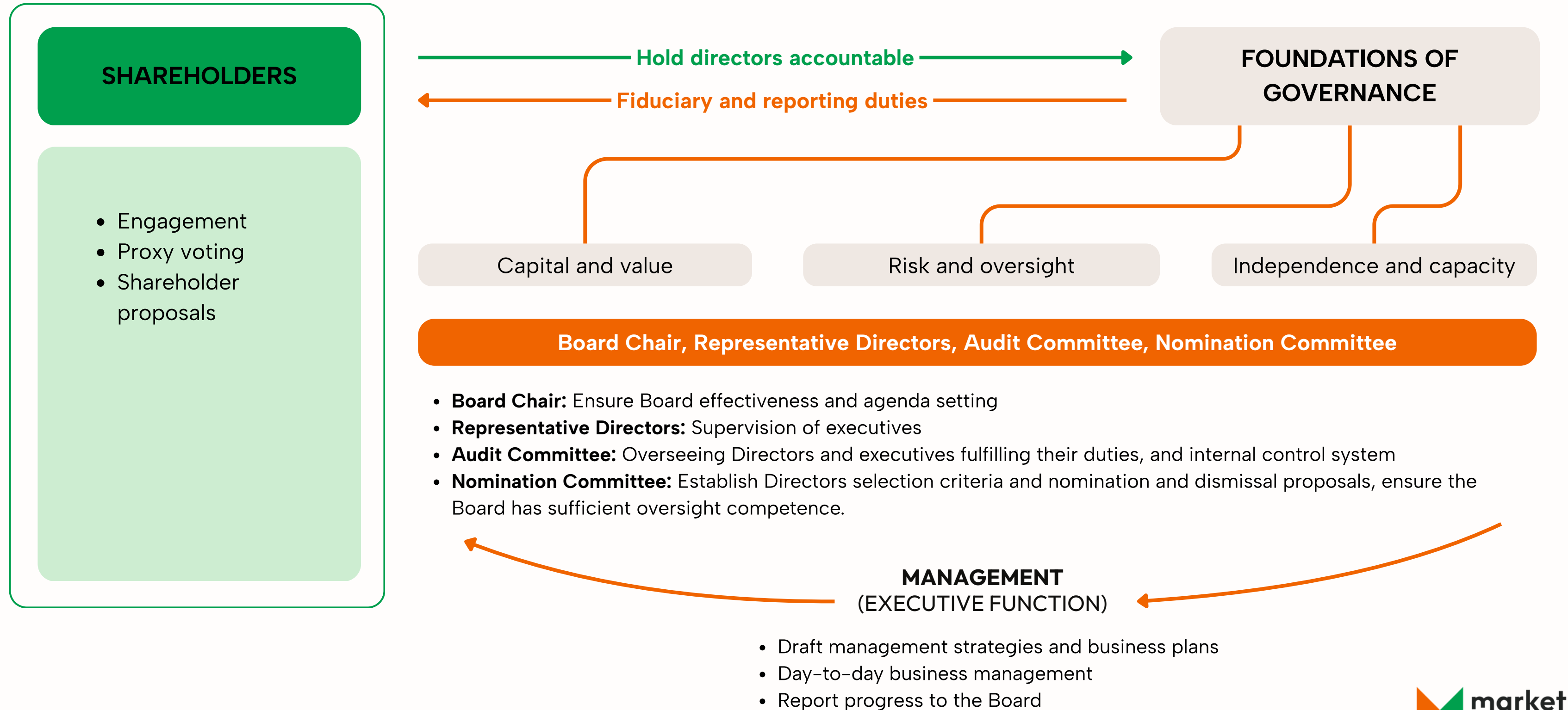
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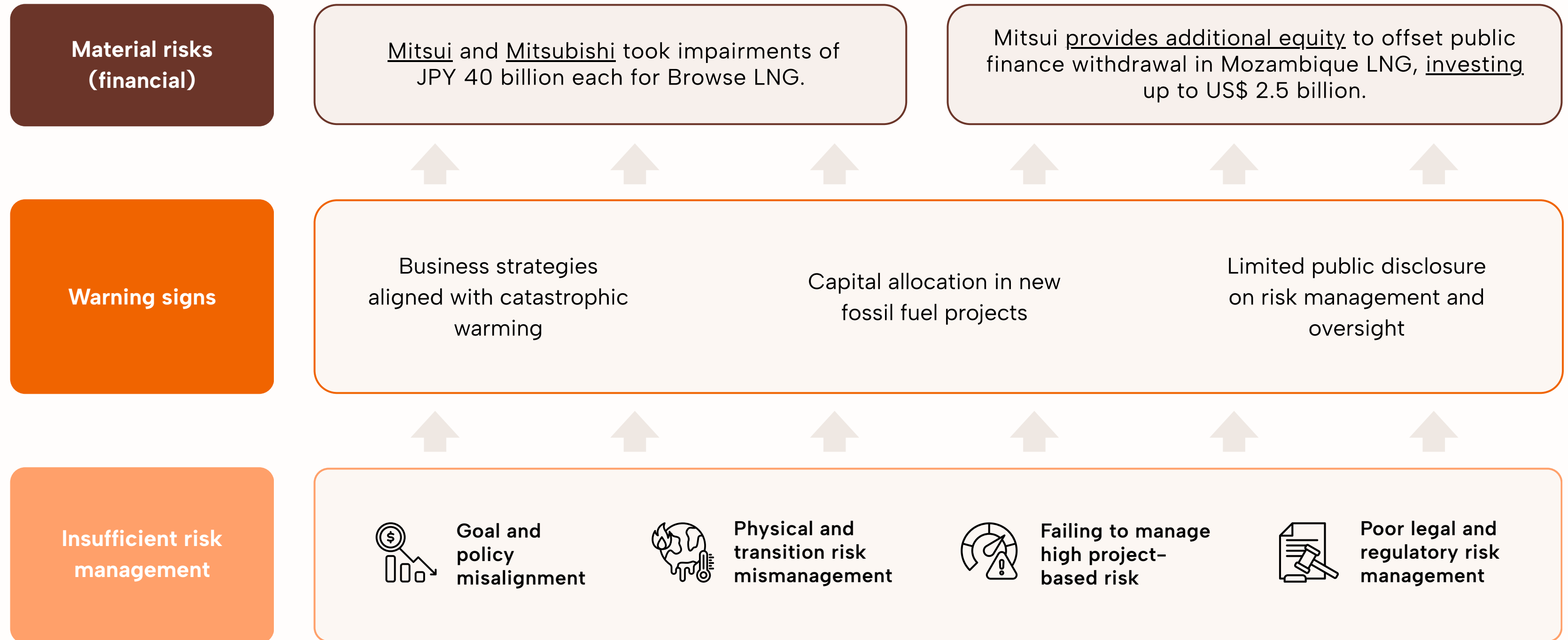
[Visit Asia Shareholder Action website for more information](#)


\*These foundations have been adapted from multiple sources, including the [Japanese Corporate Governance Code](#), the [World Economic Forum Climate Change Governance Principles](#), [CA100+](#), [IIGCC](#), as well as the proxy voting guidelines of proxy advisors and multiple global and Japanese asset managers.

# Baseline governance expectations



# Poor governance poses material financial risks





**Material risk management:  
Policy on paper, not in  
practice**

# Gap between net-zero commitment and business strategy

Mitsui, Sumitomo, and Mitsubishi have all set goals to reach net-zero emissions by 2050, yet none have a clear pathway to this long-term goal.

The business strategy led by the Board and executive functions has significant inconsistencies, including continued reliance on fossil fuel growth.

The International Energy Agency concluded in 2021 that reaching net-zero emissions by 2050 means no new or expanded coal mines and no new oil and gas fields should be approved, largely reiterating this finding since then [1,2,3, and 4].

## Disclosure

Mitsui: Committed to net-zero emission by 2050, disclosed analysis on how business is impacted by the IEA NZE scenario.

Sumitomo: Committed to carbon neutrality by 2050, disclosed analysis on how business is impacted by the IEA NZE scenario.

Mitsubishi: Committed to net-zero by 2050, discloses analysis on how business is impacted by the IEA NZE scenario.

## Practice

Mitsui plans to **increase gas and LNG production in FY26**, with active involvement in new upstream projects worldwide. Publicly admitted that there is **room for sustainability policy non-compliance\*** by the time the contract is signed for a new project, which could effectively undermine commitments.

Sumitomo continues to **hold stakes in carbon-intensive coal and gas projects** with operational plans for the next few decades, as well as proposed new gas projects in Bangladesh and Vietnam.

Mitsubishi plans to **boost LNG production by 40% from 2025 levels** over the next five years, with expansion projects and acquisitions.

\*"Since alignment on sustainability perspectives may not be completed by the time the contract is signed, we introduced a mechanism about two years ago to follow up for a period of 5-10 years after the investment decisions."

# Business strategies are aligned with catastrophic warming

**Mitsui, Sumitomo, and Mitsubishi** all have business plans aligned with catastrophic levels of warming 4.6 °C or higher, according to the MSCI implied Temperature Rise.

The gap between warming levels implied by the companies' business strategies and their climate claims is **evident in planned investments in new and expanded coal and LNG assets**. These capital allocation decisions reveal a continued reliance on fossil fuel growth that is fundamentally inconsistent with a Paris-aligned pathway.

This poses significant transition and physical risks.





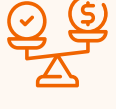



Company	Claimed levels of warming-alignment in transition plan	Actual business strategy warming-alignment
Mitsui	<u>Net-zero emissions in 2050</u>	4.6 °C
Sumitomo	<u>Carbon neutrality by 2050</u>	5.1 °C
Mitsubishi	<u>Net Zero by 2050</u>	6.9 °C

\*Source: Bloomberg (subscription source), search on 27 March 2026.

# Material risks: Energy transition and physical impacts

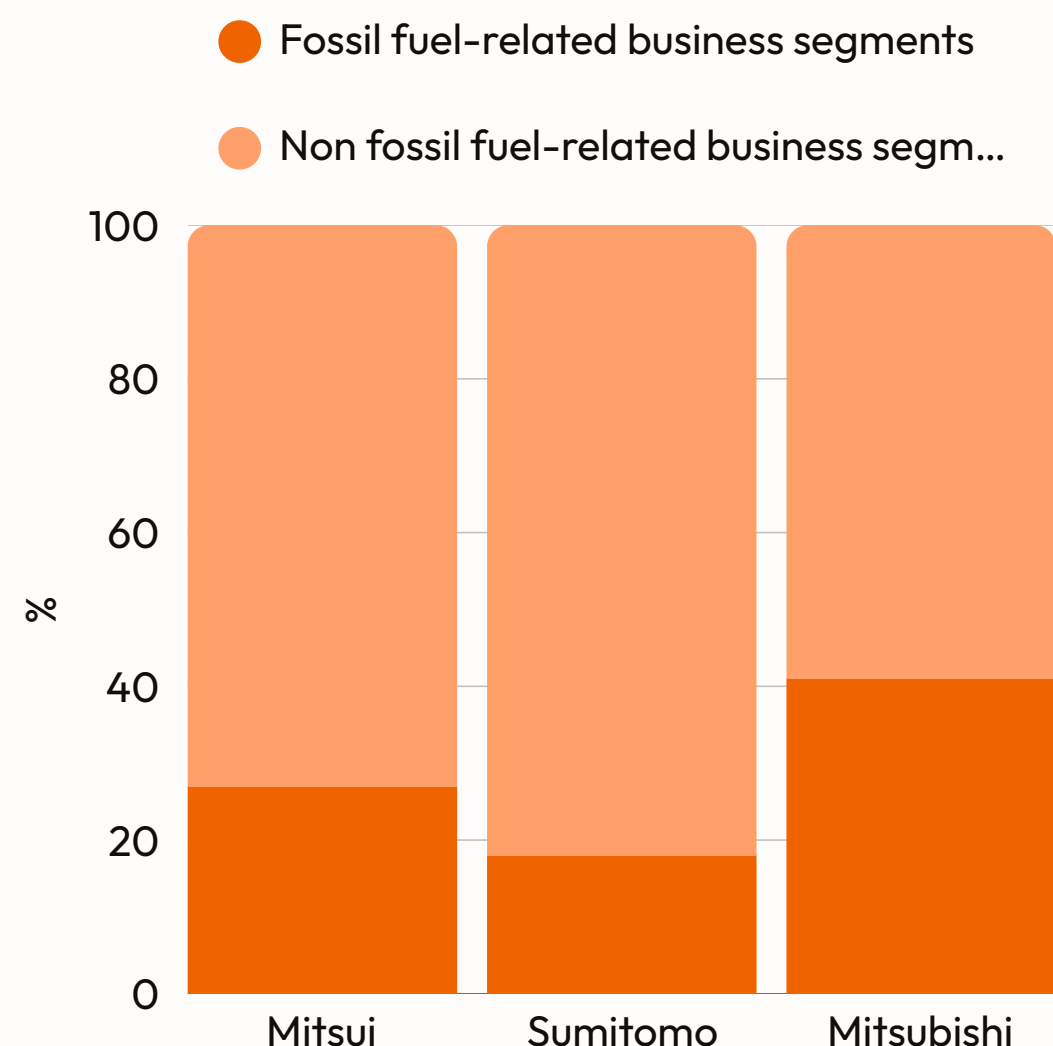
Companies face a myriad of risks and opportunities. When these are material, the Board is responsible for identifying, mitigating, and effectively managing these risks.

Companies with **strategic reliance on fossil fuel expansion** face increasing mid and long-term risks which could significantly impact **business models and profitability**, including **transition risks** from Paris-aligned scenarios, **severe physical risks** from high-warming scenarios, and potential **legal and financial consequences** resulting from attribution science.

Transition risks		Physical risk	
Carbon pricing		Sea level rise	
Regulatory changes		Chronic drought	
Cost-competitiveness		Storms and flooding	
Declining demand		Heatwaves	
<b>Legal and reputational risks:</b> Social, environmental and human rights violations			
<b>Other risks:</b> Exposure to country-specific and geopolitical risks for strategic businesses			

# Exposure to transition risks

As high-emitting businesses with significant fossil fuel operations, the Japanese trading houses face a host of transition risks to their businesses in Paris-aligned scenarios. Most significant is the potential for stranded assets due to the introduction of stringent carbon prices worldwide.

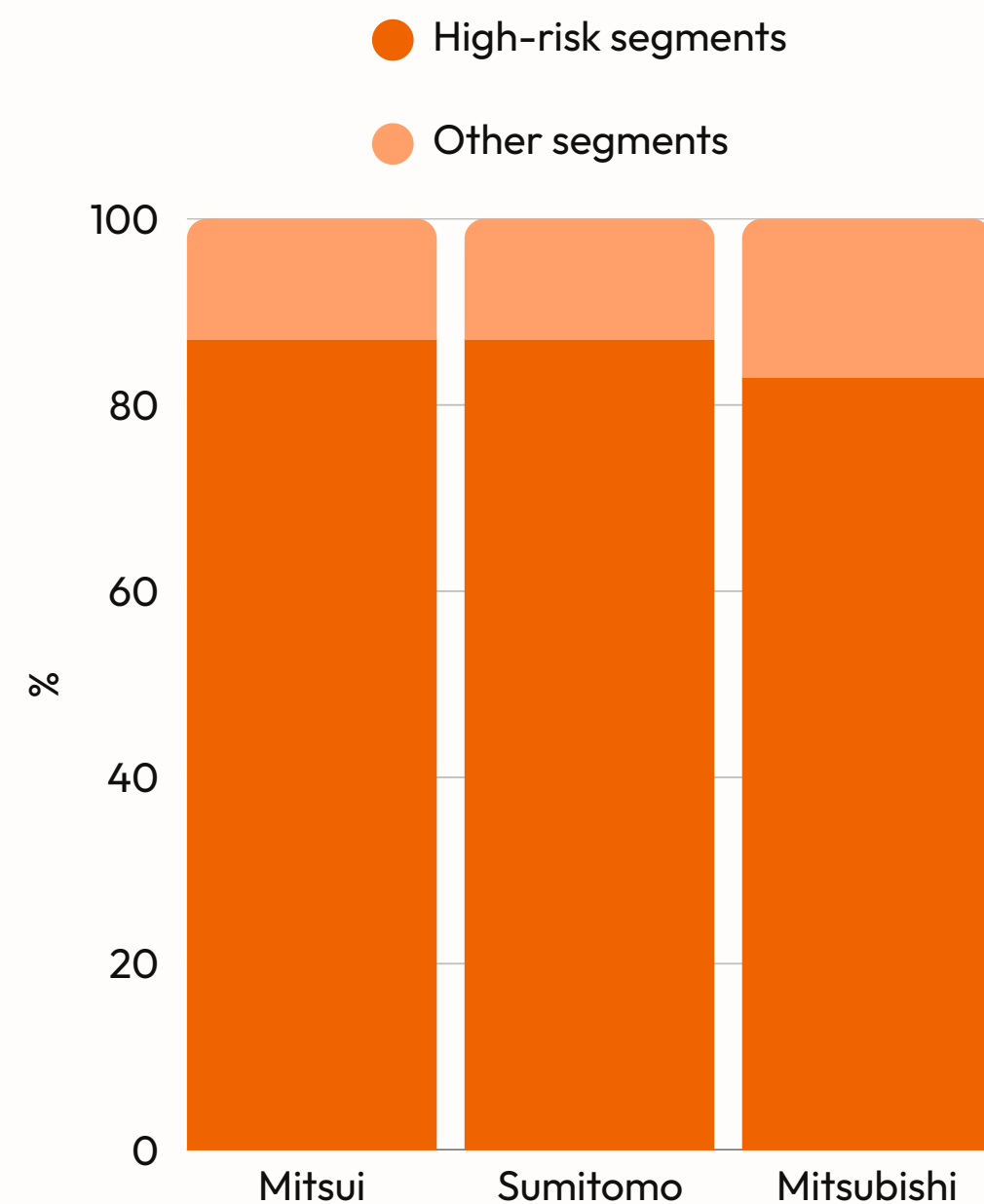


Company	Fossil fuel-related segments*	Approximate % of portfolio in fossil fuel-related segments*
<b>Mitsui</b>	Based on <u>FY ending March 2025 profits</u> : <ul style="list-style-type: none"> <li>• Metallurgical coal (0.67%)</li> <li>• Fossil gas/LNG (14.95%)</li> <li>• Crude oil (4.32%)</li> <li>• Machinery &amp; Infrastructure (7.1% of total profit based on FY24 data for business segment)</li> </ul>	~27%
<b>Sumitomo</b>	Based on <u>FY2024 profits</u> ** <ul style="list-style-type: none"> <li>• Mineral Resources (Approximately 4.4% of profits from coal)</li> <li>• Energy Transformation Business (Approximately 14% of profits)</li> </ul>	~18%
<b>Mitsubishi</b>	Based on Consolidated net income averaged across <u>FY2024</u> : <ul style="list-style-type: none"> <li>• Oil and gas (22.84%)</li> <li>• Metallurgical coal - (Approximately 15.94%)</li> <li>• Power Solution - Fossil fuels (Approximately 2.3%)</li> </ul>	~41%

\*The % of profits in fossil-fuel related segments is based on the companies' disclosures, which often reports fossil fuel segments as part of other business segments. Where full disclosure was not provided, estimates and approximations were used based on information the company had disclosed about profits the company derived from that segment in the relevant reporting year. Companies are exposed to a range of transition risks beyond those directly involved in fossil fuel production, including chemical and steel production, digital (data centres) and urban development.  
\*\*Sumitomo does not provide a detailed breakdown of the energy sources of its Energy Transformation Business, therefore a proxy of 78.4% was assumed for its 'Overseas IPP/WPP business' based on the disclosed ratio of renewable and fossil fuel power generation capacity in its [2025 Sustainability Report](#).

# Exposure to physical risks

As businesses with diverse operations in a range of different economic sectors, the Japanese trading houses face a host of acute and chronic risks to their assets and business supply chains in high-warming scenarios.



Company	Most impacted business segments	*Approximate % of portfolio in segments exposed to high physical risks
<b>Mitsui</b>	Based on <u>FY ending March 2025 profits</u> : <ul style="list-style-type: none"> <li>Mineral and Metal Resources (31.7%), Machinery &amp; Infrastructure (25.9%), Energy (19.3%), Chemicals (8.4%), Iron &amp; Steel Products (1.5%)</li> </ul>	<b>~87%</b>
<b>Sumitomo</b>	Based on <u>FY2024 profits</u> :* <ul style="list-style-type: none"> <li>Energy Transformation Business (15.5%), Transport/Construction (14.3%), Mineral Resources (13.5%), Automotive (13.4%), Diverse Urban Development (12.7%), Steel (12.4%), Chemical Solutions (5.7%)</li> </ul>	<b>~87%</b>
<b>Mitsubishi</b>	Based on Consolidated net income averaged across <u>FY2024</u> : <ul style="list-style-type: none"> <li>Mineral Resources (27.3%), Environmental Energy (22.8%), Mobility (13.3%), Materials Solution (7.4%), Urban Development &amp; Infrastructure (4.7%), Power Solution (4.3%), Food Industry (3.5%)</li> </ul>	<b>~83%</b>

Companies are exposed to a range of physical risks and the impacts of climate change are likely to be felt across the entire economy. Because of this, only sectors likely to face high-risks from the physical impacts of climate (e.g., drought, sea level rise, storms and flooding, and heatwaves) were included. These classifications are general in nature. Without asset-level data it is impossible to accurately assess the level of physical risk in the companies' portfolios. Based on location, assets within the same business segments could be exposed to vastly different levels of physical risk. This underscores why disclosure of asset-level analysis is crucial for investors to understand the companies' risk profile in high-warming scenarios.

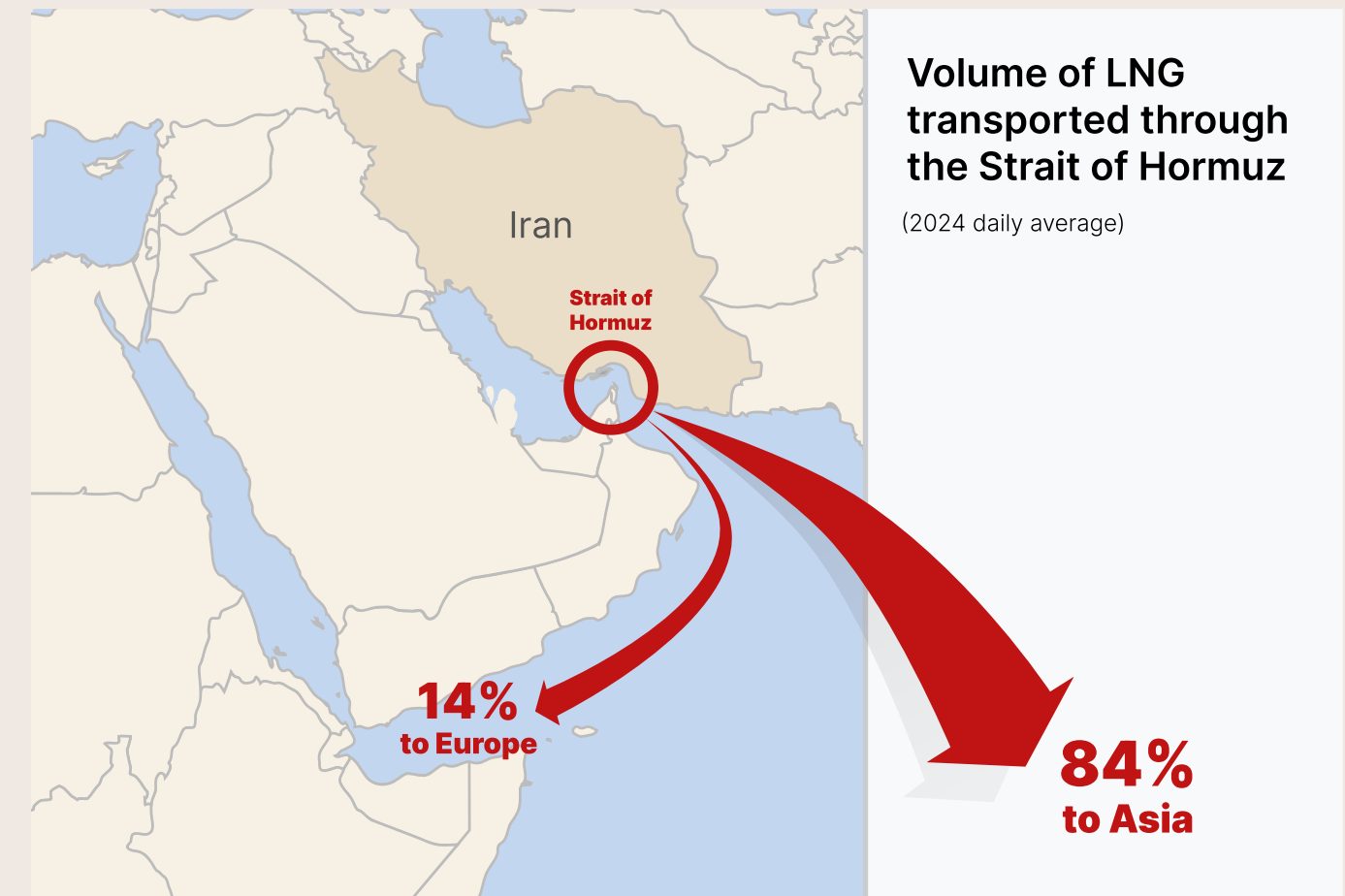
# Risk Alert: LNG supply and the Strait of Hormuz

According to the [Financial Times](#), the **recent Iran conflict and the Strait of Hormuz closure** have already triggered the **largest rise in global natural gas prices** since Russia's full-scale invasion of Ukraine in 2022.

- [Wood Mackenzie](#), which had predicted a 7% rise in **South Asian** LNG demand in 2026, now predicts demand would be "flat at best", quoting "QatarEnergy's force majeure threatens around 20% of global LNG supply and creates severe supply pressure for South Asian importers."
- **East Asia** is faring no better, with surging Asian spot prices such as the Japan Korea Marker spiking nearly 68% to US\$25/MMBtu for April delivery, the highest since 2023.

On the supply side, firms are seeking alternative supply routes, and maritime insurance costs have skyrocketed.

**Assets across the LNG supply chain** (export and import terminals, pipelines, power stations, and shipping vessels) are under threat, owing to the inherent supply chain risks of fossil fuels, and **risk becoming stranded** as countries seek to limit their long-term exposure to volatile fossil fuels.



Hstoops, CC0, via Wikimedia Commons

# Risk Alert: LNG supply and the Strait of Hormuz

The recent energy crisis triggered by the conflict and the blockage of the Strait of Hormuz has **directly impacted major Japanese corporations** across the oil and gas value chain, both existing and proposed. At least 40 energy facilities across nine countries have been severely damaged, and oil and gas infrastructure continues to be under threat of drone strikes.

- **Mitsui has two LNG projects in the United Arab Emirates (UAE), one LNG project in Qatar, and one LNG project in Oman.** The project in Qatar is directly impacted, according to the leading Japanese newspaper Nikkei.
- **Sumitomo has multiple operational gas-fired power projects in the UAE.\***
- **Mitsubishi's LNG assets in Oman, the Oman and Qalhat LNG projects\*, are "vulnerable to spillover effects such as higher war-risk premiums, rising insurance costs, and drone activity in nearby waters".**

In addition to the direct impact on assets in conflict zones, **Japanese corporations with future LNG power projects in 'Emerging Asia' are at risk of significant long-term demand destruction**, power project cancellations, or low utilisation rates. Price volatility and dependence on imported LNG may spur rapid adoption of renewable energy, as seen in Pakistan. Sumitomo and Mitsubishi have proposed projects in Bangladesh and Vietnam, which could expose investors to significant financial risks.

\*Source: IJGlobal (subscription source), search on 25 March 2026.



A ship is illuminated by fire from a burning vessel, after Iranian explosive-laden boats appear to have attacked two fuel tankers in Iraqi waters setting them ablaze, according to port, maritime security and risk firms, amid the U.S.-Israeli conflict with Iran, in this screengrab taken from a handout video released March 12, 2026. Media Office of Iraqi Ports/ Handout | [Reuters](#)

“The world needs to learn how to be less reliant on LNG the hard way. And immediately”

JUNE GOH

SENIOR OIL MARKET ANALYST, SPARTA COMMODITIES

# Gap between human rights policies and business practices

Despite having human rights policies, frameworks, grievance mechanisms, and reporting processes in place, these companies appear to be failing to uphold their commitments to respect human rights. These examples indicate gaps in Board governance and oversight.

## Disclosure

**Mitsui:** Committed to respecting human rights in business activities and expects business partners to do the same.

**Sumitomo:** Committed to respecting human rights in business activities and expects business partners to do the same.

**Mitsubishi:** Committed to respecting human rights in business activities and expects business partners to do the same.

## Practice

Mitsui: **Decided to increase its stake in Mozambique LNG** amid a wave of reports of human rights violations and insecurity in the region, despite some financiers withdrawing due to the high risks.

Sumitomo: Involvement in the controversial coal and LNG projects with human rights impacts in Bangladesh poses questions about the company's risk management.

Mitsubishi: **Received complaints** from indigenous leaders in Canada demanding accountability for alleged human rights abuses, environmental violations, and climate impacts.

# Human rights policies: Peer comparison

Companies have established grievance mechanisms based on human rights policies; however, they do not disclose how these are implemented to meet their commitments, how effectively the grievance mechanisms are used, or the extent to which grievances are escalated to the Board for their risk management and governance consideration.

Company	Number of incidents reported*	Remediation	Board escalation
Mitsui	<p>✗ Does not disclose violation complaints/reports.</p> <p><u>Grievance mechanism</u>: Yes (Led by sustainability division)</p>	<p>✗ Does not disclose such information.</p>	<p>It is not clear if the reports escalate to the Board or management.</p>
Sumitomo	<p>✗ Does not disclose violation complaints/reports.</p> <p><u>Grievance mechanism</u>: Yes (Led by external organisation JaCER)</p>	<p>✗ Does not disclose such information.</p>	<p>The details of each case are reported to the Chief Sustainability, DE&amp;I Officer (Managing Executive Officer). <b>Serious matters are reported periodically to the relevant committee and the Board.</b></p>
Mitsubishi	<p>✓ Discloses violation complaints/reports. 7 reports in FY 2025.</p> <p><u>Grievance mechanism</u>: Yes (Led by sustainability department)</p>	<p>✗ Does not disclose such information.</p>	<p>The results and progress of these cases are reported to the Chief Sustainability Executive Officer (CSEO). <b>Periodic reporting to the Board, with ad hoc escalation for serious matters, depending on the nature and severity.</b></p>

\*Mitsui and Sumitomo disclosed the number of whistleblowing reports and compliance violations.

# Risk Alert: Mozambique LNG

Mitsui holds a **20% stake** in the Mozambique LNG Project, with funding from Japanese megabanks **Mizuho, MUFG and SMBC**, among others. The **US\$20.5 billion** project proceeded despite early warnings of extreme instability and violence in Mozambique.

Following insurgent attacks and human rights violation allegations—including horrific atrocities by Mozambique LNG operator-supported security forces— force majeure was declared in 2021.

Despite dozens of reported deaths, violence, torture and sexual abuse against civilians in the region, Mozambique LNG partners, including Mitsui, **lifted the force majeure in October 2025**. When the UK and Dutch Export Credit Agencies withdrew involvement in December 2025, Mitsui **agreed to commit additional equity**.

Human rights advocates continue to warn companies and executives of serious legal risks for operating in high-risk sites. Mozambique LNG's recommencement and Mitsui's additional equity raise **serious concerns** about renewed violence and repression, and **about the adequacy of Mitsui's due diligence and that of Japanese megabanks in the face of mounting legal complaints and challenges** in Mozambique, France, the Netherlands, and the USA.

✘ Capital and value

✘ Risk and oversight

✘ Independence and capacity

## 'Double attack': The curse of natural gas and armed groups in Mozambique

*As Cabo Delgado province juggles large LNG reserves and ongoing violence, vulnerable civilians are paying the price.*



A soldier walks in front of a burned truck near Palma, Cabo Delgado province, Mozambique, in September 2021 [Simon Wohlfahrt/AFP]

[Al Jazeera](#)

# Risk Alert: Mozambique LNG

Mitsui **decided to increase its stake in Mozambique LNG** amid a wave of reports of human rights violations and insecurity in the region, despite some financiers withdrawing due to the high risks.



## Possible causes of questionable risk management and governance oversight

### Information gap

The Board was **not provided the information** required to assess risks and manage it accordingly before ownership and FID.

### Process gap

**Escalation and risk assessment processes were inadequate** between management (executive function) and Board of Directors.

### Competency gap

The Board **lacks competence** to fully assess risks and identify gaps between policy and business practice.

“Companies and their executives are not neutral actors when they operate in conflict zones. If they enable or fuel crimes, they might be complicit and should be held accountable.”

CLARA GONZALES

EUROPEAN CENTER FOR CONSTITUTIONAL AND HUMAN RIGHTS

# Risk Alert: Matarbari, Bangladesh

**Sumitomo and JERA are bidders for the proposed onshore Matarbari LNG Terminal** in the coastal region of Chattogram, Bangladesh, part of a larger LNG buildout boom backed by Japan. The project has been delayed by more than a decade, amid local and international opposition.

Sumitomo was involved in the construction of the **Matarbari 1 coal power project** in the same region, which **displaced families and destroyed traditional fishing and farming livelihoods**. Matarbari 1's leadership was reportedly arrested by Bangladesh's Anti-Corruption Commission, and there are **corruption allegations** about project expenses and violence against journalists by project authorities.

**Sumitomo's continued involvement**, while others such as Mitsubishi, Mitsui and MUFG are withdrawing from other proposed LNG projects in Bangladesh, **raises doubts about the companies' risk management** and environmental, social and human rights due diligence.

✘ Capital and value

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## Risk Alert: Browse LNG, Australia

Mitsui and Mitsubishi have 14.4% equity stake in the proposed **Browse liquefied natural gas (LNG) project in Australia through their joint venture Japan Australia LNG (MIMI).**

**Browse LNG directly threatens the Scott Reef: a marine biodiversity crown jewel of Australia**, home to endangered green turtles and pygmy blue whales. Any industrial accidents, such as oil spills, could gravely harm these irreplaceable coral reefs and their inhabitants.

Despite Mitsui and Mitsubishi's 2050 net-zero goals, MIMI remains invested in **Browse LNG, a particularly carbon-intensive project.**

**Browse is neither internationally nor domestically cost-competitive.** Its carbon capture & sequestration (CCS) plans are an expensive and unreliable gamble to try to address just a fraction of the project's total potential emissions (including scope 3).

**Mitsubishi and Mitsui each took impairment of JPY 40 billion in FY15.** Investors should closely examine the governance of Mitsubishi and Mitsui's decision to invest in **Browse**, a project with the odds stacked against it, both financially and environmentally.

✘ Capital and value

✘ Risk and oversight

✘ Independence and capacity

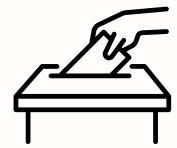


# Governance wakeup call



## Time to exercise your proxy voting power

We recommend investors **“Vote No”** on the election of any Board Directors failing to fulfil their duties.



For the upcoming Japanese Annual General Meetings in 2026, investors should **exercise their voting rights** and active stewardship **to safeguard long-term shareholder value**, including by engaging with companies to discourage investment in high-risk, value-destructive projects such as fossil fuel expansion.



Investors should incorporate risk management considerations, including environmental, social, and governance criteria, into their voting decisions.



**Failure to act exposes investors** to reputational damage, potential devaluation of beneficiaries’ assets, heightened systemic climate-related risks, and the possibility of **falling short of their fiduciary duties for asset owners.**

## Get in touch and find out more

[Book a meeting with us](#), or find more information and related resources on our [Asia Shareholder Action website](#).

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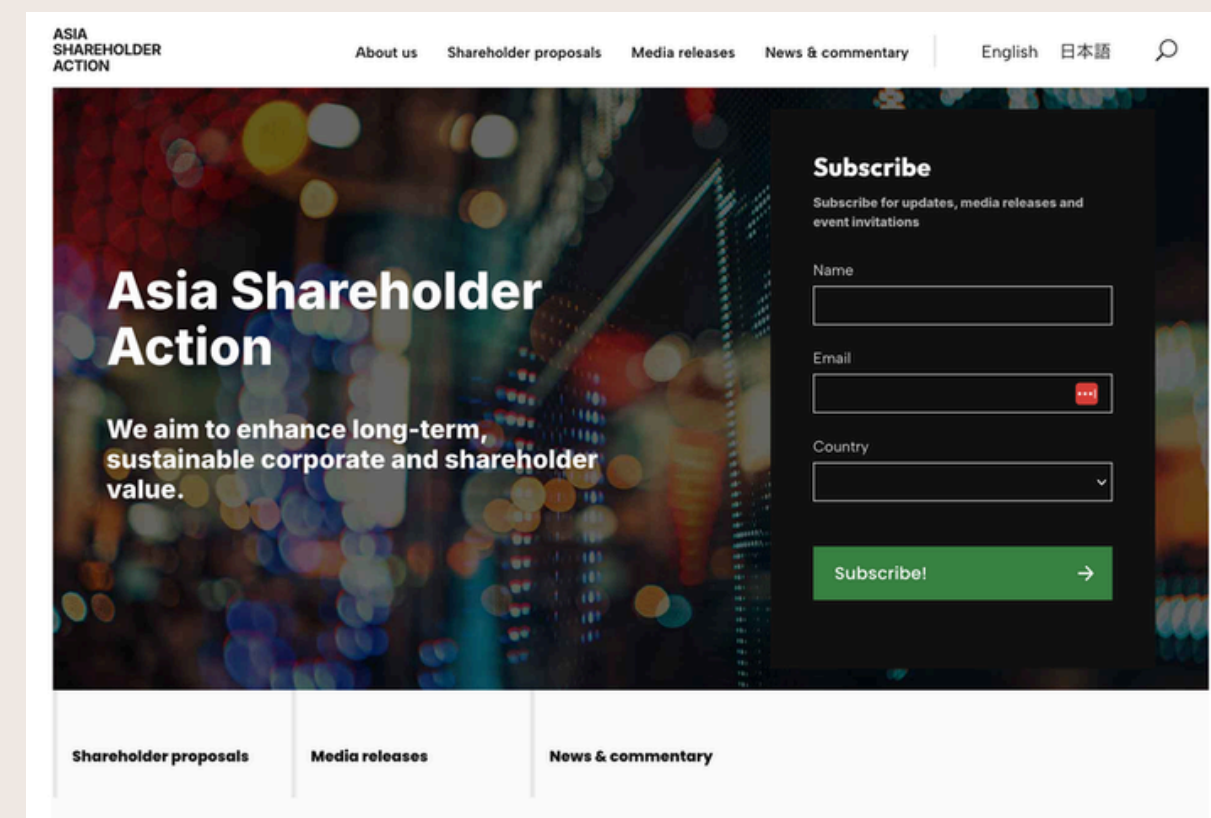
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**Analysis featured in this briefing does not substitute analysis and disclosure from the companies themselves with primary information"** – The purpose of the information featured here is to demonstrate to investors the substantial climate-risks the companies are exposed to, and encourages them to undertake their own detailed, forward-looking analysis to demonstrate to investors how they are managing these risks.

# Appendix: Engagement timeline

## 2019–2022

Market Forces and partners engaged Sumitomo on climate issues, including policies on coal power plants. In 2021, a proposal on Paris-aligned strategy disclosure gained strong support. In February 2022, Sumitomo prohibited new coal power plant projects and construction without exception.

## 2022–PRESENT

Market Forces and FoE Japan engage with Mitsubishi on climate-related issues, including policies on fossil fuel business and decarbonisation strategies. In 2022, a proposal to disclose emissions targets and a Paris-aligned strategy gained strong support. In March 2023, Mitsubishi disclosed scope 3 emissions, including category 11, but excluded it from reduction targets. In 2023, the same proposal again received strong support, highlighting investor demand for greater disclosure.

Market Forces and FoE Japan continued engaging with Mitsubishi, including social issues such as human rights violation risks.

## 2024–PRESENT

Market Forces began engaging Sumitomo and Mitsui on fossil fuel exposure and transition plans in late 2024, with FoE Japan joining Mitsui engagement. In 2025, co-filers continued discussions with Mitsubishi, Sumitomo, and Mitsui on climate and social risk management, and stronger transition plans and governance, proposing advisory resolutions for AGMs. After companies declined to include these, shareholder proposals demanding disclosure of the financial cost of not meeting 1.5°C and financial risk audit by the Audit & Supervisory Committee/Board.

## August–September 2025

Market Forces had online and in-person meetings with Mitsubishi, Mitsui, and Sumitomo. Discussions about the topic raised at the AGM reiterated our concerns and interests regarding governance enhancements in risk management and further climate-related financial disclosures.

## September–December 2025

Market Forces engaged Mitsubishi and Mitsui through email exchanges and formal letters regarding projects linked to serious human rights concerns. While responses were received, concerns about ongoing impacts remain unresolved.

Letters were also sent to Mitsubishi's CEO and Board regarding LNG Canada, and to Mitsui's Directors and Auditors regarding Mozambique LNG, requesting meetings with external Directors and Audit Committee members; no meetings have been secured to date.

## February–March 2026

Market Forces held online meetings with Mitsubishi, Mitsui, and Sumitomo, followed by email exchanges to further clarify the role of Boards, committees, and Auditors in risk management for new and existing projects. Companies shared progress and improvement of the climate change measures, if any, and exchanged views. Requested a meeting with external directors, but was declined by all companies.

## April 2026

Market Forces exchanged emails to follow-up questions including the internal escalation process used for grievance mechanism and its disclosure status.