

*The following policy was initially announced in September 2018 and updated based on the latest status as of July 2021.

Business Policies Pertaining to Our Coal-Fired Power Generation Business and Renewable Energy Generation Business

(Formulated in September 2018)

Marubeni Corporation (hereinafter, “Marubeni”) recognizes that climate change is a major issue shared by all of humanity. It is a problem that threatens the co-existence of the global environment and society, a problem that has an enormous effect on Marubeni’s business and its shareholders, and a problem that Marubeni believes must be dealt with swiftly. Therefore, as part of Marubeni’s promotion of sustainable management, and in order to contribute fight global climate change, Marubeni has established new business policies (hereinafter, “Policies”) regarding its coal-fired power generation business and its renewable energy generation business.

1. The Process of Pulling Out of Coal-Fired Power Generation

As a global player in the power business, Marubeni will reduce its greenhouse gas emissions volume from its power generation portfolio. By 2025, Marubeni will cut its FY2018 coal-fired power net generation capacity of approximately 3GW in half, and aim for approximately 1.3GW as our coal-fired power net generation capacity in 2030, and further, aim for zero by 2050. ^{*1} Additionally, Marubeni will deploy innovative technologies to increase the efficiency of its portfolio assets, and proactively promote the reduction of its environmental impact.

2. The Policy on New Coal-Fired Power Generation Business

Marubeni will no longer enter into any new coal-fired power generation business.

3. Proactive Involvement in Renewable Energy Generation Business

Looking forward to the expansion of the renewable energy generation business, Marubeni will strive to expand the ratio of power generated by renewable energy sources in its own net power supply from approximately 10% to approximately 20% by 2023. Furthermore, Marubeni will contribute to the transition towards a low-carbon society by promoting the expansion of the handled volume of renewable energy sources pertaining to energy trading. An example of this is SmartestEnergy Ltd.^{*2}, a wholly-owned subsidiary located in the United Kingdom that manages approximately 3GW of total energy, which is purchased from independent generators; about 80% of that 3GW is generated by renewable energy sources.

Moving toward the achievement of these Policies, Marubeni will work to properly communicate and cooperate with its diverse stakeholders, and also proactively disclose updates on Marubeni's progress in reaching these goals. Additionally, given the changes to the external environment, Marubeni will refer to the various international guidelines, beginning with the OECD Export Credits Arrangement, diligently monitor measures taken by different countries in terms of coal-fired and renewable energy generation business, as well as the international state of affairs, and use this information to periodically review and rework its own policies from the standpoint of climate change counter measures.

In April 2018, Marubeni launched the Sustainability Management Committee (hereinafter, “the Committee”) under the supervision of the President and CEO, with the aim to strengthen the company’s sustainability initiatives. Since its launch, and while soliciting the opinions of external parties, the Committee has discussed a number of basic policies and measures pertaining to Marubeni’s sustainability initiatives, beginning with identification and periodic review of the materiality. Policies and measures considered as a result of these discussions will be announced as part of Marubeni’s ESG related data once it has been compiled.

^{*1} The Process of Pulling Out of Coal-Fired Power Generation is updated in line with the Marubeni Long-Term Vision on Climate Change: Towards Net-Zero GHG Emissions (formulated in March 2021).

^{*2} SmartestEnergy Ltd., established by Marubeni in the U.K. in 2001, purchases power from small to medium sized independent generators, and resells on the wholesale market or to retail customers.

<https://www.smartestenergy.com/>