Marubeni Corporation - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Marubeni is involved in the handling of products and provision of services in a broad range of sectors.

These areas encompass importing and exporting, as well as transactions in the Japanese market,

related to food materials, food products, textiles, materials, pulp and paper, chemicals, energy, metals and mineral resources, transportation machinery, and includes offshore trading.

The Company's activities also extend to power projects and infrastructure, plants and industrial machinery, finance, logistics and information industry,

and real estate development and construction.

Additionally, Marubeni conducts business investment, development and management on a global level.

Marubeni has 133 branches and offices, consisting of Head Office, 12 Japan branches and offices, 58 overseas branches and offices, and 29 overseas corporate subsidiaries containing 33 branches and offices.

The number of employees is 4,389. (Number of employees of the Group 45,470)

In accordance with the spirit of the Company Creed of “Fairness, Innovation and Harmony,” the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment through fair and upright corporate activities. Our Management Philosophy clearly expresses our views on sustainability. To us, sustainability means proactively engaging in environmental and social issues and challenges, delivering solutions through innovation, and living by the Management Philosophy. Corporate value is composed of financial and non-financial value; non-financial value in particular is steadily growing in importance. With regard to sustainability, such issues as climate change, the depletion of forestry resources and human rights issues pose grave threats to social and environmental sustainability. Adopting and implementing clear medium- and long-term corporate policies regarding these issues is directly related to increasing non-financial value and corporate value. Until now, to increase corporate value, each of our businesses has generally created its own innovative business model in anticipation of the challenges facing society. From now on, however, we will further fortify our traditionally strong businesses (vertical evolution) and also leverage internal and external expertise in order to generate better results than would otherwise be possible (horizontal expansion). This is the concept of our “Global crossvalue platform;” it will provide solutions for social and environmental problems and guide us in working toward a better tomorrow by providing a framework for promoting social and economic development and conserving the global environment.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	April 1 2020	March 31 2021

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Australia
Bangladesh
Brazil
Cambodia
Canada
Chile
China
China, Hong Kong Special Administrative Region
Colombia
Ghana
India
Indonesia
Japan
Malaysia
Myanmar
Netherlands
Peru
Philippines
Republic of Korea
Singapore
Thailand
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Small offices with less than 50 employees	Small offices with less than 50 employees were excluded this time for feasibility reasons. They do not represent significant portion of the total water used neither do they represent significant pollution load discharged. This is because these are offices, and only office work is conducted. Therefore, only small kitchens and lavatories are where the water is mostly used, which means that the volume of water withdrawal is very limited and will be discharged directly to sewage treatment plants and will be safely cleaned. The water volumes that these small offices represents less than 1 % of the total water withdrawal of the entire Marubeni Group.
Tenants without facility management authority. (Offices where water fee is included in the rent.)	Since the landlord has the responsibility of the facility management, Marubeni does not have the access to the utility data so they were excluded. The portion of the total water used in these tenants do not represent significant portion neither do they represent significant pollution load discharged. It is because, these are offices, and only office work is conducted. Therefore, only small kitchens and lavatories are where the water is mostly used, which means that the volume of water withdrawal is very limited and will be discharged directly to sewage treatment plants and will be safely cleaned. The water volumes that these small offices represent are less than 1 % of the total water withdrawal of the entire Marubeni Group.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Direct: Sufficient amounts of good quality freshwater available to use is important for Marubeni because a lot of good quality freshwater is used across our direct operations in such as pulp and paper mills, and in agricultural business that use tons of fresh water. The amount of good quality freshwater consumption will be about the same or slightly increase over the next years due to acquisitions. Although the overall water consumption of the group is increasing due to the expansion of the boundary, the water consumption of individual companies is decreasing in 2020. Indirect: Sufficient amounts of good quality freshwater is important for Marubeni because we sell and deliver mining machineries and equipment, to mining sectors. In the mining industry, a lot of fresh water is used, so if any insufficiency in fresh water is caused, it will affect the business, which would lead to less demand of our machineries and equipment. We anticipate that demand and importance of freshwater will stay the same for the next few years as long as the business model does not change in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct: Sufficient amounts of brackish water available to use is important for us because we are running aquaculture businesses. The amount of brackish water consumption will be about the same or slightly increase over the next few years because of the increase in production. Indirect: Sufficient amounts of brackish water available to use is important because we own and operate IWPP (Independent Water and Power Producer) projects and purifying the water by desalination plants in the arid regions. These projects are in demand when there are sufficient amounts of brackish and/or produced water which we need to purify. To meet increased water demand resulting from economic development and population growth, we anticipate that consumption will slightly increase over the next few years, therefore so as the amount which we need to secure.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to manage our water withdrawals. For Marubeni "site" refers to where business is actually being conducted so this includes such as offices, and other manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the total water withdrawal also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites using flowmeters installed at each site or bills from Waterworks and Sewerage Bureau. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water withdrawals – volumes by source	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to manage our water withdrawals. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the volumes of water withdrawal by source also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites using flowmeters installed at each site or bills from Waterworks and Sewerage Bureau. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which needs a management of the quality of water withdrawn to maintain our quality of businesses. For Marubeni, "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the quality of water withdrawal also varies. It is monitored "everyday" at some sites and "at least once a year". In the water quality check, such as pH, COD and others are monitored by quality control devices and by other outsourced vendors so that recycled water and rainwater can be used. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water discharges – total volumes	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to manage our water discharges. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the total water discharges also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites using flowmeters installed at each site or bills from Waterworks and Sewerage Bureau. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water discharges – volumes by destination	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to manage our water discharges. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the volumes of water discharges by destinations also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites using flowmeters installed at each site or bills from Waterworks and Sewerage Bureau. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water discharges – volumes by treatment method	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to manage our water discharges' treatment methods to follow laws and regulations to continue businesses. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the volumes of water discharges by treatment methods also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites. In the water quality check, such as pH, COD and others are monitored by quality control devices and by other outsourced vendors. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water discharge quality – by standard effluent parameters	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to ensure that the discharged water quality constantly meets effluent standards to continue businesses. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the volumes of water discharges by treatment methods also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites. In the water quality check, such as pH, COD and others are monitored by quality control devices and by other outsourced vendors. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water discharge quality – temperature	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, and some of them return the cleaned water to rives, oceans, and ground, so it is important to ensure that the discharged water temperature meets effluent standards to continue businesses as well as to reduce environmental impacts. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the temperature of water discharges also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites. The temperature is checked by thermometers installed at sites that needs the temperature check. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water consumption – total volume	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to know the water consumption volume and examine impact on local water stress to reduce environmental impacts. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the total water consumption also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites. Monitoring is done by subtracting the total volume of water discharge from the total volume of water withdrawal. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
Water recycled/reused	100%	As a general trading and investing company like Marubeni, we are involved in a variety of businesses, some of which use a lot of water at their sites, so it is important to promote recycling of wastewater to reduce the environmental impacts. For Marubeni "site" refers to manufacturing and operating facilities like pulp and paper plants, hydroelectric power plans, and other businesses. Since the range of businesses that we handle is very wide, monitoring frequency of the recycle of water also varies. It is monitored "everyday" at some sites and "at least once a year" at some sites. Monitoring is done by flowmeters installed at sites. These measurements are aggregated through Marubeni HQ's "Sustainability Survey" conducted once a year.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Marubeni supplies all Marubeni employee and contractors that work at Marubeni sites with safely managed WASH services. It is monitored and checked at all sites and offices once a year through "Sustainability Survey" conducted annually. Marubeni ensures that all the employees of Marubeni Group have the access to clean water and sanitation regardless of regulations. The outcome of the survey is aggregate through the survey to Marubeni HQ so that the services of basic human rights are ensured.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	298340	About the same	Marubeni's total water withdrawal volume remained almost at the same level as the previous year. This can be attributed to the balance between new investment projects and divested projects. Since Marubeni's water withdrawal volume is greatly affected by the acquisitions of new businesses and the divestments of existing businesses every year, when it comes to the Marubeni Group's total water withdrawal volume, any changes of less than +/- 20% is defined as almost the same level as the previous year. In the future, it may increase due to new business acquisitions.
Total discharges	285693	About the same	Marubeni's total volume of water discharge remained almost at the same level as the previous year. This can be attributed to the balance between new investment projects and divested projects. Since Marubeni's water volume of discharge is greatly affected by acquisitions of new businesses and the divestments of existing businesses, when it comes to the Marubeni Group's total volume of discharged water, any changes of less than +/- 20% is defined as almost the same level as the previous year. In the future, it may increase due to new business acquisitions.
Total consumption	12647	About the same	Marubeni's total volume of water consumption remained almost at the same level as the previous year. This can be attributed to the balance between new investment projects and divested projects. Since Marubeni's water consumption is greatly affected by acquisitions of new businesses and the divestments of existing businesses, when it comes to the Marubeni Group's total water consumption, any changes of less than +/- 20% is defined as almost the same level as the previous year. In the future, it may increase due to new business acquisitions.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	Less than 1%	About the same	WRI Aqueduct	The percentage of water withdrawn from stressed areas has not changed so much compared to last year. This is because there was no change in the operational area. How the tool was applied: We used WRI Aqueduct. Firstly, we asked our facilities and subsidiaries that had more than 10,000m3 of water withdrawal volume to specify the address of their operation sites and the name of the basin they withdrew water from. After we gained this information, we entered the address, or names of major rivers in WRI Water stress checker and picked up the ones which were judged to be above 40% of water stress, and determined that there are water stress. The basins that were identified within our operations are as follows: Gulf Coast, Mississippi-Missouri, Rio Grande-Bravo, and Saskatchewan-Nelson. We checked with our facilities including branches and operating companies that account for almost 100% of the Group's water withdrawal volume. Number of facilities we have checked this year was: 2499, and 19 was identified as facilities operating in water stressed area.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	281997	About the same	Water withdrawal from the fresh surface water is relevant because it is used a lot in our businesses especially in hydroelectric power plants. The volume of fresh surface water remained about the same compared to last year. This is because there was no significant change in the operation or acquisition and divestment related to fresh surface water. The change rate from last year was +6% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "About the same" for this year. The measurements are done directly by each site. In the future, the volume of water withdrawals from the fresh surface water might slightly increase due to increase in acquisitions.
Brackish surface water/Seawater	Relevant	574	Much higher	Water withdrawal from the seawater is relevant because it is used a lot in our businesses especially in land-based aquaculture business. The volume of sea water has increase compared to last year. This is because Marubeni acquired a land-based aquaculture business in 2020. A lot of seawater is needed in this business. The change rate from last year was +148% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "much higher" for this year. The measurements are done directly by each site. In the future, the volume of water withdrawals from the seawater might slightly increase due to increase in acquisitions.
Groundwater – renewable	Relevant	10459	About the same	Water withdrawal from the groundwater(renewable) is relevant because it is used a lot in our businesses especially in hydroelectric power plants, and in agricultural businesses. The volume of groundwater (renewable) remained about the same compared to last year. This is because there was no significant change in the operation or acquisition and divestment related to groundwater (renewable). The change rate from last year was +10% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "About the same" for this year. The measurements are done directly by each site. In the future, the volume of groundwater(renewable) might slightly increase due to increase in acquisitions.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Marubeni Group's operations do not use any non-renewable groundwater. We do not have a plan to use it in the future either.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Marubeni Group's operations do not use any produced water. As long as the business does not change in the future, the amount of produced water is not expected to change.
Third party sources	Relevant	5310	Much lower	Water withdrawal from the third party sources are relevant since they are not only used in variety of business but also in offices. The volume of water from third party sources was much lower than last year. This is due to divestment of some businesses that used to use a lot of water from third party sources. The change rate from last year was -55% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "much lower" for this year. The measurements are done directly by each site. In the future, the volume of water withdrawals from the third party sources might slightly increase due to increase in acquisitions.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	268138	About the same	Water discharge to fresh surface water is relevant because in some businesses such as hydroelectric power plants in our operation return the water back into fresh surface water after cleaning it. The volume of fresh surface water remained about the same compared to last year. This is because there was no significant change in the operation or acquisition and divestment related to fresh surface water. The change rate from last year was +4% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "About the same" for this year. The measurements are done directly by each site. In the future, the volume of water discharge to the fresh surface water might slightly increase due to increase in acquisitions.
Brackish surface water/seawater	Relevant	11321	About the same	Brackish surface water/seawater - Water discharge to seawater is relevant because in some businesses that engage in petrochemical products' shipping and storing, always keep seawater for cooling purposes and return it to the sea as it is. The volume of seawater remained about the same compared to last year. This is because there was no significant change in the operations or acquisitions and divestments related to seawater. The change rate from last year was -10% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "About the same" for this year. The measurements are done directly by each site. In the future, the volume of water discharge to seawater might slightly increase due to increase in acquisitions.
Groundwater	Relevant	3838	About the same	Water discharge to groundwater (renewable) is relevant because in hydroelectric power plants for example always uses groundwater (renewable)r for cooling purposes and returns it to the ground as it is. The volume of groundwater (renewable) remained about the same compared to last year. This is because there was no significant change in the operation or acquisition and divestment related to groundwater (renewable). The change rate from last year was 1% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "About the same" for this year. The measurements are done directly by each site. In the future, the volume of water discharge to groundwater (renewable) might slightly increase due to increase in acquisitions.
Third-party destinations	Relevant	2396	About the same	Water discharge to third-party destination is relevant because in most sites and offices discharge their wastewater to sewage plants. The volume of water discharge to third-party has remained about the same compared to last year. This is because there was no significant change in the operation or acquisition and divestment related to water discharged to third-party destinations. The change rate from last year was +21% and since the threshold we set for "much higher/ much lower" is anything +/-50% compared to the previous year, and anything +/- 20% is "Higher or Lower", it is "About the same" for this year. The measurements are done directly by each site. In the future, the volume of water discharge to third-party destinations might slightly increase due to increase in acquisitions.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	27443	This is our first year of measurement	1-10	Tertiary treatment is conducted a lot in food-related business. For example, there are salmon aquaculture business, and animal husbandry business. Pulp mill business also conducts tertiary treatment as they use water a lot and recycle it to use it again in their business. Associated hazardous waste types are such as colloidal and dissolved constituents like nutrients, inorganic and other contaminants that remained after the second treatment. Marubeni Group follows laws and regulations of the purification process and the criteria of the purity set at each industry and region. The volume of tertiary treatment would stay the same in the future.
Secondary treatment	Relevant	28017	This is our first year of measurement	1-10	Secondary treatment is conducted in many businesses. It is conducted especially in a business that operates in industrial parks, in wastewater treatment businesses, animal husbandry businesses, and in pulp and paper businesses. Associated hazardous waste types are such as COD (Chemical Oxygen Demand), S.S. (Suspended Solid), BOD (Biochemical Oxygen Demand), and T-N (Total Nitrogen). Marubeni Group follows laws and regulations of the purification process and the criteria of the purity set at each industry and region. The volume of secondary treatment would stay the same in the future.
Primary treatment only	Relevant	225604	This is our first year of measurement	71-80	Primary treatment is conducted in a lot of business, however, hydropower business accounts for a particularly large proportion of this in Marubeni Group. Associated hazardous waste in this business, would be such as leaves, trigs, and other debris, before water enters into pipelines, the water is stilled in a reservoir allowing dirt and other sediments to settle. Marubeni Group follows laws and regulations of the purify process and the criteria of the purity set at each industry and region. The volume of primary treatment would stay the same in the future.
Discharge to the natural environment without treatment	Relevant	3912	This is our first year of measurement	1-10	Most of the water used for this treatment is used as cooling water in hydroelectric power generation. Other examples include water used to clean solar panels and water stored for fire protection in businesses that handle oil. No hazardous waste is included in this water type since the quality of the water does not change even after it is used. Marubeni Group confirms laws and regulations in each site when water is discharged to natural environment without treatment. The volume of this discharge would stay the same in the future.
Discharge to a third party without treatment	Relevant	575	This is our first year of measurement	Less than 1%	Businesses that discharge water to a third party without treatment are such as that only conduct business in offices and shops. Since their main water use are toilets and kitchens, they discharge it to a sewage water treatment plant by paying the costs. Therefore, no hazardous material would be considered. Marubeni Group follows the laws and regulation in each country with regards to effluents. The volume of this discharge would stay the same in the future.
Other	Relevant	86	This is our first year of measurement	Less than 1%	Water discharged to "Other" refers to such as retention basin and water for plants/grass to grow in Marubeni Group's case. This could be in any type of business if the water does not need treatment. There are no hazardous substances in the water that goes into retention basin or to the plants/grass. Marubeni Group follows the laws and regulation in each country with regards to effluents. The volume of this discharge would stay the same in the future.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Marubeni recognizes that energy and resources, including water, are finite, and it is important that we take measures to ensure their effective and efficient use as issues are expected to become more severe in the future. Therefore, Marubeni has stated in the Marubeni Group Environmental Policy that we will promote business projects, offer products and services, technical development and build social systems that help protect and improve the environment in order to engage with customers and other partners in our value chain.

Having this policy, we have been engaging with our customers and other partners by providing stable supplies of water resources through effective water and sewerage operation, and power and desalination projects. One example of the Marubeni Group's concession businesses is our investment in and personnel dispatch to Maynilad Water Services, Inc. (Maynilad), a water and sewerage company in the West Zone of Metro Manila in the Philippines, where the population of the zone is 9.5 million. Amid the region's ongoing urban expansion and increased congestion, Maynilad is expanding its water distribution network to increase the coverage of water supply services. In addition, it continues to provide a stable water supply to some 1.4 million households in the concession area by promoting more efficient use of water resources with measures to prevent water pipeline leakage and improve water pressure. At the same time, as a medium-to-long-term goal, it is working to raise the currently low percentage of the population connected to the sewage system, to improve the sanitary environment both in normal times and during flooding, and to improve the water quality of the region's water system and Manila Bay, through development of sewage treatment facilities and the sewerage network in its concession area.

The success is measured according to the increase of the number of people who have connected to the sewage system, sanitary environment.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Databases
Other

Tools and methods used
WRI Aqueduct
Regional government databases
Other, please specify (Internal company methods ; External consultants; audit based on EMS of ISO14001)

Comment

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Databases

Tools and methods used
WRI Aqueduct
Regional government databases
Other, please specify (Internal company methods ; External consultants)

Comment

Other stages of the value chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Databases
Other

Tools and methods used
WRI Aqueduct
Regional government databases
Internal company methods
External consultants

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	We consider this to be a highly contextual issue for our organization because some of Marubeni Group's businesses require sufficient amount of fresh water with secured quality, and most of our businesses that require a lot of water cannot operate without checking the water availability at basin/catchment level because it is directly connected to operation. For example, we operate such as pulp and paper mills, hydroelectric power plants, agriculture, and animal husbandry, and use a lot of fresh water in these businesses. Our hydroelectric power plants, for instance, require a lot of freshwater to generate electricity. If generation stops due to freshwater shortage, it will affect generating capacity and this will lead to shortage of electricity production. To assess the risk, we always obtain information on water availability of each region from regional government databases, and check the impact on our business by monitoring availability and quality. The Sustainability Management Department in Marubeni Headquarter where promotes EMS and plan strategies of sustainability management of Marubeni Group also uses WRI Aqueduct Water Risk Atlas tool to analyze the water scarcity level in the operating regions. In addition, Marubeni conducts risk assessment based on TCFD's recommendations of global warming scenarios of 1.5℃ and 4℃. With this scenario, Marubeni forecasts risks in water availability in our operating areas. Our group as a whole also takes measures to minimize the impact on business activities by conducting the environmental evaluation, and to promote water management to not adversely affect the lives of the surrounding residents and surrounding biodiversity.
Water quality at a basin/catchment level	Relevant, always included	We consider this to be a highly contextual issue for our organization because in some of Marubeni Group's business require sufficient amount of fresh water with secured quality, and most of our businesses that requires a lot of good quality water can not operate without checking the water quality at basin/catchment level because it is directly connected to operation, quality of production, and cost to operate the business. For example, we operate such as pulp and paper mills, hydroelectric power plants, agriculture and animal husbandry, and use a lot of fresh water in these businesses. At our paper mills, for instance, require a lot of good quality freshwater. The quality is checked by water quality check devices before withdrawal and pH, BOD (Biochemical Oxygen Demand), COD (Chemical Oxygen Demand) and SS (Suspended Solids) and tested. Marubeni also obtains information on water quality from the news that regional governments gives us. This includes any weather conditional or natural disaster news that might influence the quality of water at the catchment level of our sites.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	We consider this to be a highly contextual issue for our organization as Marubeni Group operates businesses around the world. In order to operate our businesses, it is important that we follow the regulations and construct a friendly relationship with the local water users. Some of our direct operation discharges water after purifying it, but if in any case significant conflict with stakeholders arises, it may lead to suspension of operation. Therefore, consideration to this issue is necessary and we have to avoid stakeholder conflicts regarding water resources. In order to prevent such issues to arise, Marubeni assesses, before launching a development project or financing or investing in a new business, the project's conformity with environmental laws and the levels of possible adverse impact on the environment in the event of an accident or some other emergency using an internal tool called "Environmental Assessment Tool." The complete evaluation sheet is used as part of making the final decision on whether the project should be implemented. Follow-up evaluation is also conducted for projects considered to have potential environmental risks as a result of the initial assessment. Follow-up is continued until all concerns dispels. Also, in order to minimize the risk, periodic water pollution inspection is conducted at least once a year in every site where our businesses have a potential to pollute water. The Sustainability Department in Marubeni Headquarter where promotes EMS and plan strategies of sustainability management of Marubeni Group also uses WRI Aqueduct Water Risk Atlas tool to analyze the water scarcity level in the operating regions.
Implications of water on your key commodities/raw materials	Relevant, always included	Our water-related risk assessment considers implications of water to our raw materials. The most significant business to be impacted by water would be such as grain/vegetable/fruit cultivation on plantations, fish farming, and forestry products as well as in the supply chain where raw materials are procured. Therefore, it is important that we understand the current and future possibilities of any water-related risks in order to continue our operations and take actions to minimize the risk. Using the WRI Aqueduct, coupled with our company's knowledge and government resources, we forecast how a decrease in the availability of water will affect our business stated above as well as other business like power business in the Sustainability Department in Marubeni Headquarter. The Sustainability Department in Marubeni Headquarter promotes EMS and plan strategies of sustainability management of Marubeni Group. Also, two global warming scenarios of 1.5℃ and 4℃ based on the recommendations of the TCFD have been used to assess the availability of our key commodities. For forestry products, for instance, through this assessment, the possibility of severe natural disasters such as flood or droughts in Australia and in Indonesia where Marubeni's two subsidiaries conducting tree plantation could lead to less amount of harvest of timbers.
Water-related regulatory frameworks	Relevant, always included	We consider this to be a highly contextual issue for our organization as Marubeni Group operates businesses that require a lot of water from various regions around the world. These are, for example, pulp and paper mills, hydroelectric power plants, agriculture, and animal husbandry businesses. Therefore, it is very important that we stick to the relevant laws and regulations of the area in order to keep our operations. To assess the risk, we refer to regional government databases to get the latest regulatory information. As for the status of adaptation to laws and regulations, we monitor the status at the environmental audits conducted by Sustainability Development Department at Head Office once a year, also we identify and conduct on-site inspections of subsidiaries engaged in activities that have a relatively high risk of exerting a significant environmental impact. For these on-site inspections, Marubeni personnel visits the plants and offices of the target companies together with auditors from a third party to inspect the sites, check systems designed to ensure compliance with environmental requirements, and confirm the companies' environmental risk control status.
Status of ecosystems and habitats	Relevant, always included	In accordance with our environmental policy, Marubeni Group commits to conduct business activities in consideration for business impact, and to contribute in cooperation with stakeholders to preserve the environment and to reduce potential environmental impact, including efficient use of resources, prevention of pollution and taking appropriate steps to address climate change and protect biodiversity. For example, Mibugawa Electric Power Co., Ltd., one of our group companies, has "Micro-scale hydro-power". This operation does not require the use of dams or other facilities that entail large-scale construction projects, but rather generates power by utilizing streams or agricultural irrigation canals, thus minimizing the development footprint. In addition, if we develop any new projects that have negative impacts on the ecosystems and habitats in the area, there are risk of provoking conflict with the authorities and local communities and will lead to reputational risks and disruption of the business, so Marubeni conducts risk assessments on the ecosystems and habitats. Also, before launching project development, financing or investing in a new business, the project's conformity with environmental laws and the levels of possible adverse impact on the environment in the event of an accident or some other emergency is assessed using the internal "Environmental Assessment Tool." This tool identifies risks that lies within the business. These are such as water scarcity, environmental impact that our project might give to downstream water users. In the assessment, we also asks the project team to submit evaluation results if any feasibility study is done beforehand and if the business has possibilities to hurt the ecosystem. If the feasibility study is not done yet, it will be followed-up until completed, and will see the results before entering into the projects. Marubeni Group takes special care not to cause any damage to the ecosystem and habitats around our operation.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	We are committed to creating a fair and secure working environment to all employees and helping them maintain and improve their health as safe drinking water and sanitation is a basic human right. We ensure that all of our employees are able to access to the safe drinking water and sanitation services by providing fully-functioning WASH services at all sites and offices. If we cannot ensure the health of employees, it will affect the productivity of the business itself. In all offices and sites around the world, we make sure we stick to the regulations and standards of WASH services and always try to provide better environment for work. Offices and sites in Japan, for example, the tap water quality standards are stipulated by the Ministry of Health, Labour and Welfare based on the law, and we use water that satisfies this standard. We also try as much as possible to stick with Japan's standard even in offices and sites in abroad and continuously monitor if we are providing all of our employees at all of our facilities with safe drinking water and sanitation. Marubeni Service, one of Marubeni's subsidiary, provides management services, for cleaning and hygiene for Marubeni. Once a year, Marubeni receives report from Marubeni Service about the Marubeni's facility management including WASH services to assess whether our management is conducted properly.
Other contextual issues, please specify	Not relevant, explanation provided	There are no other contextual issues other than above in particular in the present.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Customers are included in various means as Marubeni Group is involved in handling of many kinds of products and provision of services in a broad range of sectors in 133 locations in 68 countries. For example, in the event our grain field is hit by a water-related disaster, we are at risk of experiencing delays or suspensions in providing customers with products. Also, if water-related disaster hits our biomass power plant stations and wet all the woody pellets, there is a risk that electricity cannot be generated which means we will not be able to deliver electricity to customers. These incidents may lead to a loss of customer's trust triggered by decreased service functionality which ultimately might be leading to bearing liability. Therefore, before launching a project development or financing or investing in a new business, Marubeni assesses the project's conformity with environmental laws and the levels of possible adverse impact on the environment in the event of an accident or some other emergency using the internal "Sustainability Assessment Tool." This tool is to find risks from the aspect of environmental and social risks related to the business. The complete evaluation of this tool is used as part of making the final decision on whether the project should be implemented or not. Follow-up evaluation is also conducted for projects considered to have potential environmental risks as a result of the initial assessment. Follow-up is continued until all concerns dispels. WRI Aqueduct is also used to identify risks such as flooding in the Sustainability Assessment Tool. We are engaging with our customers by showing these initiatives and water-related news of projects on Marubeni's official website and integrated reports. We expect that in the future, customers will be more relevant as more data transparency will be necessary to gain trust of our business so we will continually strive to show what we do for business transparency and trust.
Employees	Relevant, always included	Employees are included because it is our employees that help identify water-related risks and opportunities, assess the risk and also it is the employees that may be impacted by our activities. We engage with employees by informing our environmental policy, water resource policy, and our water risk management systems through corporate training and emails for any updates. We also issue internal corporate magazine every month, and in some of them, we are introducing Marubeni's ESG related company directions. We believe that employees will be more relevant as employees' involvement and raising awareness of employees are vital for our growth in the future, so we will strive to continually improve our training and awareness method.
Investors	Relevant, always included	Investors are relevant and included because investors care and want to know how Marubeni is managing water-related risks and other sustainability issues in order to minimize investment risk and increase the potential for long term value creation. Marubeni has been engaging with investors by disclosing initiatives and activities related to ESG including forest-related matters through websites, Sustainability Development Report and through answering to CDP Water Security. Also, Marubeni holds direct dialogues with investors through Sustainability Information Session. (It was held in March , FY2020) We expect that in the future, investors involvement and proactiveness will increase, so it is important that we prepare ourselves with this perspective.
Local communities	Relevant, always included	Marubeni Group recognizes that local communities with whom we share water resources are vital when considering risk assessments in order to conduct and grow business. We conduct mutual communication on environmental issues including water-related matters with local communities in order to reflect their opinions and secure transparency regarding our businesses. Results of these communications are taken into consideration and reflected in our risk analysis. For example, when developing a Fukushima and Akita offshore wind power, we held opportunities for dialogues with the local communities like fisheries. We expect that local communities will be more relevant as they are highly important in order to gain support and understanding for success of the project as well as risk management of the project, so we will try to create more ways to engage with local communities.
NGOs	Relevant, always included	If Marubeni Group violates laws and regulations regarding water-related issues, we would lose support from NGOs, and the reputation of Marubeni Group will be influenced negatively. Therefore, in water risk assessment, relationships with NGOs are considered as important. It will be beneficial to take NGO's statement into account in order to prevent deviating from local and NGO's voice in terms of identifying water-related concerns and opportunities. Marubeni supports the activities of the international environmental protection group, World Wide Fund for Nature. Marubeni participates in certification systems in areas such as wood products, seafood, and vegetable oil. Additionally, Mibugawa Electric Power, one of Marubeni's subsidiaries, takes part in the Japan Climate Initiative and promotes renewable energy projects with the aim of creating a society that leaves a minimal carbon footprint. We also answer CDP's Water Security Program questionnaires since 2014 and discloses stakeholders Marubeni's initiatives and water managements. We expect that NGOs will be more relevant in our business in the future, to advance adaptive water management approaches and biodiversity conservation.
Other water users at a basin/catchment level	Relevant, always included	Marubeni Group recognizes that water users at a basin/catchment level with whom we share water resources are vital when considering risk assessments in order to conduct and grow business. For example, when developing a Fukushima and Akita offshore wind power, we held opportunities for dialogues with fisheries working in that area. It is highly important that we gain support and understanding from other water users at the same basin for success of the project as well as to manage the risks of the project. Results of these communications are taken into consideration and reflected in our risk analysis. We expect these stakeholders to become more relevant in the places where increased water stress levels are predicted, so we will continue to try to create more ways to engage with water users at a basin/catchment level.
Regulators	Relevant, always included	Regulations and legislations affect our activities, so we include regulators such as state/regional governments, municipalities and ministries like the Department of Land, Infrastructure, Transport and Tourism. Marubeni conducts business from 133 locations in 68 countries, and Marubeni Group constantly conducts risk assessments on the laws and regulations of respective countries, as they greatly impact our business strategies for the trading and investment businesses including those aimed at securing of procurement and sales routes of products, maintaining existing businesses, and launching new projects. We engage with these regulators in two ways. One is to attend any guidance that regulators hold, and second is reporting our water management and water quality when required. For example, one of our pulp and paper manufacturing subsidiaries, PT. Tanjungenim Lestari Pulp & Paper regularly report their water management system, and the volume of water withdrawals, and discharges to Indonesian government. We believe that water-related laws and regulations that are currently effective in respective countries, greatly impact our revenue depending on the extent to which the countries will tighten the regulations going forward. If we can't keep up with the new laws and regulations and violate them, there may be adverse effects such as fines, suspension of operations and declining reputation. Without following the regulations or laws it is impossible that we continue our business. Therefore, we analyze, evaluate, and monitor the impact of water-related risks on our individual businesses using an environmental evaluation sheet. Furthermore, with respect to water-related risks having mid-to-long-term and significant impacts on our company-wide strategies and policies, a scenario analysis is conducted by the Sustainability Management Committee to evaluate the severity and probability of such risks. We expect these stakeholders to become more relevant in the places where increased water stress levels are predicted, so it is important that we keep up with the new regulations and legislations.
River basin management authorities	Relevant, always included	Marubeni Group constantly conducts risk assessments to prepare for any natural hazards including water related risks and also keep track of any new laws and regulations, of respective countries. Natural hazards, and violation of laws and regulations greatly impact our business strategies for the trading and investment businesses including those aimed at securing of procurement and sales routes of products, maintaining existing businesses, and launching new projects. We engage with these river basin management authorities by, firstly attending any guidance or meetings that are held by them, and secondly reporting our water management and water quality when required. For example, one of our pulp and paper manufacturing subsidiaries, PT. Tanjungenim Lestari Pulp & Paper regularly report their water management system, and the volume of water withdrawals, and discharges to Indonesian government. If we can't keep up with the new information of natural hazards, we cannot take any measures against it. If we don't know new laws and regulations might violate them. These might cause adverse effects such as fines, suspension of operations and declining reputation. Without knowing how to take measures to the natural hazards, and new regulations or laws, it is impossible that we continue our business. Therefore, it is important that we work with river basin management authorities in order to know and collect any new information regarding natural hazards and water-related risks as well as new laws and regulations. We analyze, evaluate, and monitor on our own, the impart of water-related risks on our individual businesses using an environmental evaluation sheet. Furthermore, with respect to water-related risks having mid- to long-term and significant impacts on our company-wide strategies and policies, a scenario analysis is conducted by the Sustainability Management Committee to evaluate the severity and probability of such risks. We expect these stakeholders to become more relevant in the places where increased water stress levels are predicted.
Statutory special interest groups at a local level	Relevant, always included	Marubeni Group recognizes that these stakeholders are water users with whom we share the resource and hence, they represent material stakeholders for our water-related risks. assessments in order to conduct and grow business. We conduct mutual communication on environmental issues including water-related matters with these stakeholders in order to secure transparency regarding our projects. Results of these communications are taken into consideration and reflected in our risk analysis. For example, when developing a Fukushima and Akita offshore wind power, we held opportunities for dialogues with the Fisheries cooperatives. It is highly important that we gain support and understanding in order to succeed our project as well as managing and minimizing the risk of the project and the environment.
Suppliers	Relevant, always included	Suppliers are always included as they consist of Marubeni Group supply chain. If our supplier discharges pollutant water and violates regulations, the business will come to a halt. For example, it will not only break our business supply chain but also will affect reputation risk of Marubeni Group for dealing with such suppliers. Therefore, suppliers are considered as an important factor. We also believe that without suppliers' cooperation, it is not possible to make a sustainable society, so we have set out Basic Supply Chain Sustainability Policy through which we ask for understanding and cooperation of business partners in observing the Guidelines to promote, together with its business partners, highly effective sustainability initiatives. We also conduct due diligence and risk assessment through communication, questionnaires, and on-site inspections for new and existing suppliers alike and provide guidance and review the business relationship if any violations are confirmed. By ensuring that the Basic Policy is applied throughout our operations, we reduce social and environmental risks together with the suppliers. We expect that in the future suppliers' involvement and pro-activeness will increase.
Water utilities at a local level	Relevant, always included	Water supply stability and tariffs are very important factors in our water risk assessment as Marubeni Group operates in 133 locations in 68 countries. Depending on which local water utilities our site and offices use, contracts and fees are different, so we must consider where we want to locate our sites and facilities. It is also important that we have a close communication with water utilities at a local level in order to secure stable supply of water. If natural hazards hit the area where our sites are, there are possibilities of water outage. We have conversation regularly in order not to stop our operations in such event by holding meetings. Even when the supply of freshwater from water utilities is stable, it is important for us to we exchange opinions on operations and countermeasures under weather conditions such as typhoons and any water-related hazards/risks and try to reduce the impact on our sites, business, and to the environment.
Other stakeholder, please specify	Not relevant, explanation provided	There are no other stakeholders in particular.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

We identify and asses water-associated risks of direct operations and supply chain by using tools such as WRI Aqueduct, internal Environmental Evaluation Sheet that is aligned with EMS, annual sustainability information review, on-site inspections with experts and regional government database.

For direct operations, we first conduct an annual sustainability information survey to find out which basin our direct operations use and to check if the basin used by those direct operation is under water stress by using WRI Aqueduct. Based on the result, we determine whether there is a risk. In addition to this survey, each business division is obliged to submit an Marubeni's internal Environmental Evaluation Sheet (which is designed in accordance with EMS) every year, and we investigate if there is a water-related risk by checking both the result of WRI Aqueduct and the Environmental Evaluation Sheet. If risks are pointed out, then we ask applicable division to set goals of identifying the method for minimizing the risk and the assumed timeline to accomplish it. This goal is reviewed every year. Furthermore, in 2019, we have conducted another environmental survey including water-related risks to 200 group companies. Of these, 20 companies have been identified as high risk regarding ESG, and we have conducted on-site investigation to 4 companies. For these 4 companies, we have worked with the experts and have pointed out some points that needed improvement, so we are currently working on these procedures. In 2020, we have conducted another on-site survey to one additional company. The rest are scheduled to be investigated after the COVID-19 settles.

For supply chain, although risk assessment is not as strict as the direct operations described as above, we request our suppliers, that are considered to have high risks in supply chain, the same level demand as our direct operations.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Marubeni Group defines substantive financial or strategic impact on our business as, when uncertain events affect our business or site's profit and loss, when plans for projects and the revenue get affected, and when our group's business continuity is threatened.

The metrics used to identify critical change are defined in several ways, and they differ by projects and sites, but these are mainly the cost and time which was taken to provide countermeasures in order to prevent/ make up for such uncertain risks, delay in project process, and the downtime of the incident.

The threshold or amount of change in the metric that represents a significant change also differ by projects and sites, but one absolute threshold or amount of change would be a failure to reach the plan or a failure of the plan (like suspensions) and such as closure of the operation.

This definition/thresholds/metrics are related to both our direct operations and other parts of our value chain.

One of the production bases that Marubeni considers vulnerable to water risk is Mibugawa Electric Power which operates hydroelectric power plants. In 2019, Mibugawa suffered from flood and caused serious damage. This caused one of Mibugawa's hydroelectric power to work properly for four months. This has cause drop in almost 0.28% of the Marubeni's Power Division's annual revenue in 2019. Therefore, even though we are taking actions to mitigate the risks as much as we can, if even more serious natural hazards hit multiple hydropower plants at the same time in the future, we consider that we might suffer from substantive financial impact.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	Less than 1%	

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Japan	Tenryu

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment

Country/Area & River basin

Japan	Yodo

Number of facilities exposed to water risk
1

% company-wide facilities this represents
Less than 1%

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Japan	Tenryu

Type of risk & Primary risk driver

Physical	Severe weather events

Primary potential impact
Reduced revenues from lower sales/output

Company-specific description
Mibugawa Electric Power, one of Marubeni's subsidiaries, is engaged in hydroelectric power, and has 21 small hydroelectric power plants in Japan. When there is a heavy rain, the increased water scrapes away sediment in the process of flowing through mountains and provokes sediment inflow to the hydroelectric power plant's water intake equipment and damage it. As a result, the suspension of power supply might occur. This impact was identified based on past experience with heavy rainfall of 2019 in Nagano prefecture which resulted in a significant reduction in water withdrawals for four months in one of the small hydroelectric power plants in Nagano and caused significant damage to operations due to sediment inflow and damage to the intake facilities.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
More likely than not

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
460000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Mibugawa Power, an operating company of the Marubeni's Power Division, experienced a significant reduction in water withdrawals for approximately four months due to heavy rainfall in the fall of 2019, which resulted in a significant reduction in water withdrawals and the associated reduction in revenue due to the inflow of sediment and damage to water intake facilities. Therefore, it depends on damage to the facilities but, if we assume a six-month period of significant reduction in water intake at Power Plant 1 and Power Plant 2, we estimate the impact of roughly 0.27% per year (about 460 million yen) on the Power Division's FY2020 sales of 169,336 million yen (Reference: Consolidated Financial Statements with Independent Auditors' Report, Pg.36).

Primary response to risk
Increase capital expenditure

Description of response
Marubeni has currently set target to increase the proportion of renewable energy sources to approximately 20% of net power generation capacity by 2023 and is placing emphasis on renewable energy sources very much. Under these circumstances, we are making efforts to mitigate the risks associated with hydroelectric power generation, one of our core renewable businesses, by increasing capital expenditure and reinforcing our facilities as we cannot contribute to the increase in power generation capacity if the power plant shuts down operations due to natural disasters or any other reasons. These include thoroughness maintenance and equipment failure prevention.

Cost of response
495000000

Explanation of cost of response
We estimate that we will be spending about 496,000,000 yen over the next few years to reduce this risk as well as to reinforce our management. This includes: new equipment cost + repair cost of old equipment + operation cost of these equipment + introducing cost of drones and IoT for efficient operational management. Marubeni thinks that some of these are continuous cost, given updates of the facilities.

Country/Area & River basin

Japan	Yodo

Type of risk & Primary risk driver

Physical	Flooding

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
Fukuyama Paper, one of Marubeni's subsidiaries, is a pulp and paper manufacturer that stands close to Yodo River. This company take up roughly about 0.5% of Marubeni's total profit. If Fukuyama's production site were to be flooded, faced with power shortages or power outages as a result of heavy rains or flooding, it will be impossible to operate its production facilities, which could cause delays in shipments. According to the hazard map published by Osaka City, there are possibilities of total rainfall of 737mm in 24 hours (although the probability of such rainfall is about 1/1000th in a year) in the area where Fukuyama is and is expected to cause 3-5 meters of flooding.

Timeframe
More than 6 years

Magnitude of potential impact
High

Likelihood
Very unlikely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
8500000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
According to the hazard map published by Osaka City, there are possibilities of total rainfall of 737mm in 24 hours (the probability of rainfall is about 1/1000th in a year) in the area where Fukuyama Paper is, which could cause 3-5 meters of flooding. We have estimated the damage Fukuyama might face caused by this assumption and found that it will take almost six months to recover. The financial impact is based on the cost which will be needed to repair and renew all the equipment and the potential revenue which Fukuyama might lose during the six months closure.

Primary response to risk
Increase insurance coverage

Description of response

Marubeni assesses the business conformity with environmental laws and the levels of possible adverse impact on the environment as well as the risk which the business faces, in the event of an accident or some other emergency using the internal “Environmental Evaluation Sheet.” The complete evaluation sheet is used as part of making the final decision on whether the business should be implemented or not. Also, this year, Marubeni has conducted on-site inspection to subsidiaries and have visited Fukuyama Paper with external consultant. In this on-site inspection, we checked all the ESG related risks that the site has, as well as the vulnerability which Fukuyama, the paper manufacturer faces. To mitigate the risk which Fukuyama has, it turned out that it is important to firstly, increase insurance coverage to minimize the damage to the equipment and other assets as well as to cover the potential lost revenue of the products to be delivered to customers.

Cost of response

24000000

Explanation of cost of response

The cost of response is an estimate based on the assumption in reference to the estimated annual premium. However, increase of financial investment such as insurance coverage will vary on the cost of introducing new equipment and repair of equipment.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Evaluation in progress	We are in the process of evaluating the substantial water risks in our value chain. We are currently picking out the products that are considered to have substantial water-related risks within the value chain, such as paper materials in the Forest Products Division, grains, coffee, and aquatic products in the Food Division, cotton products in the Lifestyle Division, and chemicals in the Agri Business and Chemicals Divisions. For example, in the Food Division, there is a company called Cia Iguaçu de Café Solúvel, which is our subsidiary in Brazil dealing coffee. If there is a water shortage in the area where this company's value chain is, it will disrupt the operation and will affect production lines. Therefore, there is a risk that demand for coffee in Brazil may decline due to higher prices resulting from reduced production volume. More precise evaluation of these impact is to be completed within 3 years.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Products and services

Primary water-related opportunity
Sales of new products/services

Company-specific description & strategy to realize opportunity
Marubeni will pursue long-term corporate value enhancement by 2030 based on the mid-term management plan called GC2021, which aims to simultaneously promote three growth horizons (enhancement of existing businesses, strategic pursuit of existing business domains, and white space) and plans to invest a total of 900 billion yen from 2019 to 2021, including in water-related businesses. In the Power Business & Infrastructure Group, which is engaged in water-related businesses, Marubeni has been strategically developing services and investing on projects that challenge issues in various categories in water environment. These are such as water source maintenance (relieving water stress), water supply, and sewer drain. Marubeni owns and operates four Independent Water and Power Plants (IWPP) in the arid region in the United Arab Emirates. In total, 440 million imperial gallons of desalinated water per day are produced by those plants, Marubeni is helping to reduce stress on the region's water resources. As a new opportunity, for example, we are now involved in a new seawater desalination project in Saudi Arabia, and the plant is now under construction. The construction is to be completed in 2021, and will start to operate for 25 years for providing and selling the desalinated water. Marubeni believes that in a market where the need for water infrastructure is expanding due to population growth and urbanization, providing a stable supply of safe and reliable water will contribute to a sustainable society. Marubeni aims to strengthen its initiatives in the social infrastructure field and enhance its high value-added services and functions. We believe that our investments and developments will provide solutions to the environmental and social problems because these are linked to our strategy and main theme of our sustainability " building a better tomorrow".

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
36000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
The potential financial impact of this assumption is based on the share of estimated net sales per year.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Mibugawa Electric Power

Country/Area & River basin

Japan	Tenryu

Latitude
35.766

Longitude
138.08

Located in area with water stress
No

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
217254

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
213459

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
3795

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
217254

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
213459

Discharges to brackish surface water/seawater
0

Discharges to groundwater
3795

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
About the same

Please explain
Mibugawa Electric Power, Marubeni's subsidiary company, operates 21 small hydroelectric power plants in Japan. The volume of water that ran through hydroelectric power plants was directly measured at each site. There were no significant changes in the volume of the water withdrawn this year compared to the previous year. Since Mibugawa operates hydroelectric power plants, the water withdrawn will be used to generate power and then returned to rivers. Therefore, the consumption is nearly equal to zero so if the volume of water withdrawal drops, so as the volume of water discharge will be. The future trend would stay the same or slightly higher than this year if any new hydroelectric power plants are included. The thresholds of the measurement Marubeni set is as follows: any rate which is over +/-20% is higher or lower compared to the previous year, and any rate which is over +/-50% is Much higher or Much lower. WRI Aqueduct was used to find out if the river related to Mibugawa is stressed or not and turned out that there was no water stress. The water withdrawals from the third party here means municipal supplier.

Facility reference number
Facility 2

Facility name (optional)
Fukuyama Paper

Country/Area & River basin

Japan	Yodo

Latitude
34.73

Longitude
135.45

Located in area with water stress
No

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
1003.99

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
995.82

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
8.17

Total water discharges at this facility (megaliters/year)
712.55

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
712.55

Total water consumption at this facility (megaliters/year)
291.44

Comparison of total consumption with previous reporting year
About the same

Please explain
The water volume of withdrawal, discharge and consumption has stayed almost the same compared to the previous year. The volume is directly measured at the site by flow meters. The future trend would be about the same as this year as there is no significant reasons for change. Also, the thresholds of the measurement Marubeni set are as follows: any rate which is over +/-20% is higher or lower compared to the previous year, and any rate which is over +/-50% is Much higher or Much lower. WRI Aqueduct was used to find out if the river related to Fukuyama Paper is stressed or not and turned out that there was no water stress. The third-party destinations do not include water to other organizations for further use.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
76-100

What standard and methodology was used?
Marubeni has asked KPMG AZSA Sustainability Co. Ltd to audit and verify environmental data including the total volumes of water withdrawal, total volume of discharge, total consumption, withdrawal by source, discharged volume by source, destination, and recycled rate. Verification process is now being conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000" The process is in progress this year, but the coverage of this will be 100%.

Water withdrawals – volume by source

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water withdrawals – quality

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – total volumes

% verified
76-100

What standard and methodology was used?
Marubeni has asked KPMG AZSA Sustainability Co. Ltd to audit and verify environmental data including the total volumes of water withdrawal, total volume of discharge, total consumption, withdrawal by source, discharged volume by source, destination, and recycled rate. Verification process is now being conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000" The process is in progress this year, but the coverage of this will be 100%.

Water discharges – volume by destination

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by treatment method

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – quality by standard effluent parameters

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – temperature

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water consumption – total volume

% verified
76-100

What standard and methodology was used?
Marubeni has asked KPMG AZSA Sustainability Co. Ltd to audit and verify environmental data including the total volumes of water withdrawal, total volume of discharge, total consumption, withdrawal by source, discharged volume by source, destination, and recycled rate. Verification process is now being conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000" The process is in progress this year, but the coverage of this will be 100%.

Water recycled/reused

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Marubeni believes that our business growth must align with sustainable growth of society. Therefore, Marubeni has set company-wide "Concept of Marubeni Group's Sustainability" and has identified three categories of Fundamental Materiality, and four categories of Environmental and Social materiality in our Sustainability Management Committee in 2019. The Environmental and Social materiality aligns with public policy initiatives such as SDGs. Marubeni also has company-wide Environmental Policy. In this policy we clearly state our commitment of using energy and resources, including water, efficiently. By reducing water usage through promotion of efficient use and recycling of water, as well as providing stable supplies of water resources through effective water and sewerage operation and power and desalination projects, we will not only commit to regulatory compliance but also continue to contribute to the environment communities and to resolving water-related social issues.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	The CEO has the final authority over water-related issues on the Board of Directors. The CEO has the authority to make final decisions regarding policies and strategies pertaining to water-related issues proposed by The Sustainability Management Committee, which is an advisory body for the CEO, and is responsible for oversight. After the Board of Directors deliberates on water-related risk management targets such as reducing water consumption, and other strategies and policies pertaining to water-related issues, the CEO, who participates in these discussions, makes final decisions and is ultimately responsible for overseeing the implementation of the decisions while considering the viewpoints of the appropriateness of our ESG risk management and compatibility with society. When Marubeni set goals for reducing the amount of water usage in 2011 for example, the CEO made the final decision based on discussions by the Board of Directors and has been overseeing their implementation.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	By receiving periodic reports on important matters pertaining to water-related issues discussed by the Sustainability Management Committee, the Board of Directors oversees matters regarding sustainability management including water-related issues while considering various viewpoints, such as the appropriateness of our ESG risk management and compatibility with society. The Committee has been established as an advisory body for the CEO and as part of its organization to promote sustainability initiatives. By integrating water-related issues into reviewing and guiding our corporate strategy, the Board of Directors aims to enhance its corporate value by consistently staying ahead of changes and by incorporating into the company's business model the latest trends in water-related measures. For example, the Board revises and updates the company's strategies and policies that are incompatible with global trends in water-related measures while considering environmental and social needs. Furthermore, by monitoring implementation and performance of objectives, the Board of Directors responds by various means, including periodically reviewing our water consumption targets and other policies and taking necessary steps if the targets have not been reached.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
Chief Sustainability Officer (CSO) is the chair of Marubeni's Sustainability Management Committee that is under direct control of President and CEO. The CSO who is the Committee chair, has the final authority over water-related issues evaluated and monitored by the Committee. In the committee, themes such as company-wide commitment, policies, measures, outcomes, and the process, regarding Marubeni's water security and activities in the Committee are reported at least quarterly to the Board of Directors from CSO and are ultimately managed under the supervision of the Board of Directors. The Sustainability Management Committee compiles the risks and opportunities regarding water-related issues presented by each division and evaluates their impacts on the company, after which the Committee is responsible for formulating and updating the company-wide strategies and policies that address water security and for leading and monitoring the progress of action plans.

Name of the position(s) and/or committee(s)
Sustainability committee

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
The Sustainability Management Committee is under the direct control of the President and CEO and convenes monthly or every two months. There are three committee members who are external directors or outside auditors, who act as advisors and provide external viewpoints. The Board of Directors provides oversight by receiving regular reports on the important issues that are discussed by the committee. The company's policies and measures for sustainability including identification and periodic review of the material issues with consideration of the ESG perspectives, climate change and the transition to low-carbon society, water security issues, measures on conservation of biodiversity, as well as human rights in business and risk management in the supply chain are discussed. With regards to water security issues, the committee mainly discusses the amount of water consumption of Marubeni Group, and water businesses such as water supply and sewage projects, and water treatment projects.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

To ensure that all of our direct and indirect activities are consistent with Marubeni's environment policy including water policy, Marubeni notifies these to our employees as well as employees in subsidiaries. Also, we conducted Sustainability supply chain survey in FY2019, and in that survey we have investigated 200 subsidiaries regarding environment, H&S, and social aspects. In the survey, water-risk was also included. On top of these supply chain survey to our subsidiaries, we conduct Sustainability Assessment Tool to any new business before we start to get involved or make an investment to new business. In this survey, we see water-related risks such as water stress, and the effluent management. In this way, Marubeni manages to ensure that our approaches to water-related policy and strategy is consistent within our entire Group businesses. If in any case there are discrepancy with our policies, we will investigate by conducting on site investigation with external consultants, and we will try to cure it. If in the event that we cannot take any remedies, we will withdraw from the project or any transaction.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?
Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	Under our basic sustainability aim "Building a better tomorrow", Marubeni Group provides solutions to water-related issues proactively in response to environmental and social needs and contributes to solving problems such as environmental pollution due to drainage, water shortage, and water infrastructure development. This is Marubeni Group's major direction and strategy. Marubeni Group is working to expand water / environment-related products and services by integrating them into our business strategy, so increase of global sales of water / environment-related products and services of Marubeni Group will directly lead to the improvement of the water environment. For example, Marubeni has a diversified business portfolio in the water business sector spanning from water supply & wastewater treatment to BOT (Built, Operate, Transfer), EPC (Engineering, Procurement, Construction) and the operation & maintenance of water treatment plants in Asia, the Americas, Europe, and the Middle East. Anticipation of the growing demand for water infrastructure and diversification of water issues due to the increase in the world's population and ongoing urbanization, we will continue to strengthen our competitiveness and further develop our businesses with the goal of contributing to the achievement of sustainable society. It is a corporate philosophy and a long-term plan that will last as long as the Marubeni survives.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	Marubeni Group is involved in a variety of projects in arid regions and in regions with scarce water sources around the world. Marubeni Group owns and operates four IWPP (Independent Water and Power Producer) projects in the arid region in the United Arab Emirates, helping to turn sea water into fresh water and to reduce stress on the region's water resources. Marubeni Group also operates water and wastewater concessions to build-own-operate (BOO) projects, engineering, procurement and construction (EPC) projects, and operation, maintenance, and management for water treatment facilities in Chile, Peru, Brazil, Philippines, Portugal, and in Qatar. Marubeni Group is strategically developing a variety of businesses and working on solving water and environmental problems and integrating them into a long-term business, because the increase in sales of these projects is linked to improvement of water environment around the world. By utilizing cultivated know-how of Marubeni Group through water businesses to date, Marubeni will continue to develop new businesses to solve new water and environmental social problems, in addition to optimizing the business and stabilizing the profit base of existing projects.
Financial planning	Yes, water-related issues are integrated	21-30	As financial plan to achieve the long-term business plan, we have set the following three plans. (1) Enhance existing businesses, (2) Pursue strategies in existing business areas, and (3) Pursue new business (what we call the White Space). In 1&2, we plan to invest 700 billion yen in total to strengthen our existing business base and maximize asset value by strengthening our efforts in social infrastructure businesses, including the water-related business, and entering the infrastructure fund business. In 3, we aim to maximize future basic cash flow through investment of 200 billion yen. The Marubeni group aims to maximize future underlying cash flow through investment of 200 billion yen to provide any solutions to water-related issues as well as to develop business opportunities. As a new opportunity, we are now involved in a new seawater desalination project in Saudi Arabia, and the plant is now under construction. The construction is to be completed in 2021, and will start to operate for 25 years for providing and selling the desalinated water. Marubeni believes that in a market where the need for water infrastructure is expanding due to population growth and urbanization, providing a stable supply of safe and reliable water will contribute to a sustainable society.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

2

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

10

Water-related OPEX (+/- % change)

1

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

6

Please explain

This is our first year of measurement regarding water-related CAPEX & OPEX, therefore the change from the previous year of these are based on the rough estimation calculated from the entire CAPEX and OPEX of Marubeni. In FY2020 for example, there was CAPEX in one of our subsidiaries in order to install a new wastewater treatment facility. OPEX was for such as increase in water usage in some subsidiaries and personnel cost increase for water-related management position. In FY2021, some subsidiaries are planning to expand and to improve their main plants and network of water, and some subsidiaries are also planning to replace and introduce a new water infrastructure and storage including major components like pipes, pumps and tanks so the CAPEX will likely go up by around 10% compared to FY2020. OPEX will also likely increase by 6% because in some subsidiaries, there will be a maintenance of waste water tanks.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	IEA 450	Climate change affects several of the Group's businesses that use water a lot. For example, in the Food Division, there is a company called Cia Iguaçu de Café Solúvel which is our subsidiary in Brazil dealing in coffee. In the event of water shortages occurs in the area where this company stands, due to extreme weather conditions, it will disrupt the operation and will affect production lines. Therefore, there is a risk that demand for coffee in Brazil may decline due to higher prices resulting from reduced production volume. Marubeni's Forest Products Division has subsidiary of pulp mill in Indonesia. The climate-related scenario analysis identified that there is a risk of change in the precipitation and might cause increased frequency of flooding. This could result in the suspension of production. The revenue of the Food Division in FY2020 was 1,276,052 million yen. The revenue of the Forest Products Division in FY2020 was 231,800 million yen. Total of these take up about 24% of Marubeni Group's total revenue which is 6,332,414 million yen.	In preparation for this forecast, the Food Division is working to diversify geographically by expanding procurement and sales destinations through the development of new production areas and business partners. In the Forest Products Divisions, to cover the cost of damage that might be provoked by anticipated flooding and other extreme weather events, scope of damage insurance premiums has been widened. The timeframe for these research and development initiatives and increased capital investment is expected to be two to three years, but the progress for these is reported to the Sustainability Development Committee once a year so that we can make sure that we are on the right track, and taking necessary and appropriate actions.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Marubeni is investigating practical measures under our materiality for standardized mechanism to be established.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Company-wide targets and goals are set in our long-term goal called "Environmental and Social materiality". Environmental and Social materiality aligns with public policy initiatives such as SDGs. In line with this, Marubeni also has company-wide Environmental Policy. In this policy, we clearly state our commitment of using energy and resources, including water, efficiently. We also have Environmental Evaluation Sheet which aligns with EMS. Every year, each department is asked to set business level/specific targets and/or goals related to the business content of each department and the environmental matters. When setting a target or goal, we ask each division to prioritize businesses with high water use. For example, in a department that is responsible for a pulp and paper mill sets a goal of increasing the water recycling rate. Results are reviewed three times a year. In this way, we are monitoring our targets and goals at the corporate level. Since this is a business level targets and goals, it will influence the target and goals of the site/facility and activity level in a chain. In addition, as for Marubeni HQ, we go through the water consumption data of the past 10 years and set the realistic goal.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water consumption

Level
Site/facility

Primary motivation
Reduced environmental impact

Description of target
We have set and published the goal to reduce water consumption at the Tokyo Head Office to reduce our water consumption by 3% in comparison to FY 2011. Preserving natural resources including water is in our Group Environmental Policy and it is one of our very important initiatives. We believe that reducing water consumption at Tokyo Head Office at first, would stimulate our subsidiaries and can prove that Marubeni does walk the talk.

Quantitative metric
% reduction in total water consumption

Baseline year
2011

Start year
2011

Target year
2021

% of target achieved
100

Please explain
As of the end of fiscal 2020, the Marubeni Tokyo Office had achieved a cumulative 95% reduction in water consumption compared to the 3% reduction target set in fiscal 2011, which is approximately 31.8 times the reduction target. Since this is approximately 31.8 times the reduction target, the rate of achievement of the target is well over 100%. We are now in the process of setting a next new goal for the Marubeni HQ.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Promotion of water data transparency

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
The relevance of the goal: Marubeni has started to disclose "Environmental Data" including water related information in 2000 At the very first disclosure, the disclosed water related information was limited to Tokyo HQ and Osaka branch, but the coverage has become wider and now it includes all the Marubeni's branches, and operating sites around the world. The information has become more specific and accurate as of today as well. This goal is important for Marubeni because it is our social responsibility to calculate as well as offer accurate and transparent information to stakeholders. Marubeni conducts business all over the world, so it is important to consider the environment and recognise how much we are consuming resources through our business. In this way, we know how much we can reduce the consumption by making goal lines. Marubeni implements this goal by conducting Group-wide "Sustainability Information Survey" every year and sending this survey to all the Marubeni's operating companies in the world. We are still putting forth great effort to meet the social standards as well as to contribute to the greater achievement in water circulation and biodiversity conservation.

Baseline year
2000

Start year
2000

End year
2025

Progress
A description of the indicators that are used to assess progress: We define success as the point at which we are able to provide complete disclosure to CDP Water and other ESG ratings. The threshold of success and how they have progresses against it: Our threshold for success is 100%. Given that our targets are set high, and that the world expects more detailed information and transparency of information in the future, we believe we will not be able to achieve this goal easily, as we will always have room for improvement. Considering the overall progress of disclosure of information to CDP and other ESG rating agencies in terms of response rates and scores, we feel that the current progress is around 90%. To take leadership in this category, as well as to meet the social requirements, we believe that it is important to always rethink the company's structure, as well as to disclose more transparent information spontaneously.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

In progress

W10. Sign off

W-FI

(W-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.

Nothing in particular.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please state the main reason why you are declining to respond to your customers

Prefer to work directly with customer, not through a third party

Please confirm below

I have read and accept the applicable Terms