

# OUR VIEWS ON SUSTAINABILITY

## Company Creed



Fairness: Act with fairness and integrity at all times.  
 Innovation: Pursue creativity with enterprise and initiative.  
 Harmony: Give and earn the respect of others through cooperation.

## Management Philosophy

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.



# FUNDAMENTAL MATERIALITY



## Fundamental Materiality



The Marubeni Group has identified three categories of Fundamental Materiality for living by our Management Philosophy, building a better tomorrow, and accomplishing the goal of ensuring sustainable growth for the company.

## 1 Human Capital with High Social Value

We regard human capital as our most valuable asset in meeting environmental and social demand, and proactively providing solutions. We define "Human Capital with High Social Value" as individuals who are essential not only to the company but also to society. We will nurture Human Capital with High Social Value, and thereby bring about innovation and provide solutions.

- To us, Human Capital with High Social Value means:**
- Individuals who observe laws and act in conformity with accepted international customs, and who also maintain high ethical standards for the good of society.
  - Innovative individuals with the foresight, insight and creativity needed to anticipate social change.
  - Individuals with sound judgment and the ability to make correct decisions and act quickly.
  - Individuals with the communication skills to truly address the demands of society, with a sense of purpose and responsibility, while also being attuned to the realities of the marketplace. These attributes are the foundation of decision-making, decisiveness and the ability to execute.

## 2 Robust Management Foundation

We have identified Robust Management Foundation as the second category of Fundamental Materiality, as we believe it is necessary both for maximizing the potential of our human capital and for maximizing corporate value.

We must build a foundation that facilitates the activities of our human capital and establish a truly Robust Management Foundation. If we cannot accomplish this, our human capital will not be able to continue innovating and providing solutions. Enabling our human capital to use our management foundation to the fullest will ultimately lead to maximizing corporate value.

- To us, Robust Management Foundation means:**
- A fundamentally sound management foundation with a strong brand presence, reputation, sales foundation and network, and financial footing.
  - A corporate climate and culture that is capable of producing abundant Human Capital with High Social Value, and can enable that human capital to engage in meaningful work.
  - An environment that places importance on the ability to create diverse values and generate quality solutions within a diverse and inclusive organization.

## 3 Governance for Coexistence with Society

We will endeavor to increase corporate value based on a Robust Management Foundation in which Human Capital with High Social Value develops innovative ideas and continues providing solutions.

Within that framework, and given social expectations and demands, we believe that strengthening our corporate governance system for improved coexistence with society is

important to all of our stakeholders. We will deepen our engagement with diverse stakeholders, enhance the effectiveness of the Board of Directors' oversight function, and bring greater transparency to our management in order to build a governance framework that allows for improved coexistence with society and works toward achieving sustainability.

# ENVIRONMENTAL & SOCIAL MATERIALITY

The Sustainable Development Goals (SDGs)\*1 adopted by the United Nations in September 2015 are goals for achieving sustainability and leaving the world a better place for future generations shared by governments, the private sector and civil society. In recognition of this, the Marubeni Group has identified the following categories of Environmental and Social Materiality in which it can truly make a valuable contribution.

In addition to the 17 goals and 169 targets of the SDGs, and taking into consideration stakeholders' expectations and interests as well as the environmental and social impact of our business, our categories of Environmental and Social Materiality are based on the criteria described below. Building on initiatives set out through our Fundamental Materiality, we will contribute to achieving the SDGs and work toward building a better tomorrow.

- Importance to stakeholders
- Impact and scope of our business activities on the environment and society
- Impact on our earnings

\*1. Sustainable Development Goals (SDGs): As a first step, in 2001 the UN established the Millennium Development Goals (MDGs) with a target date of 2015. Subsequently, in September 2015 the UN Sustainable Development Summit established the SDGs under the 2030 Agenda for Sustainable Development. They are a set of international goals covering the period from 2016 through to 2030, and consist of 17 goals and 169 targets.

## Environmental & Social Materiality



# 1 Climate Change


Climate change, which is responsible for phenomena such as global warming, changes in the natural environment and more frequent natural disasters, is a global issue with a broad impact on social and environmental sustainability.

Marubeni has business operations throughout the world, and views climate change as a serious risk. However, we also believe that it presents business opportunities.

We see contribution to climate change mitigation and adaptation as a category of Environmental and Social Materiality. We contribute to climate change countermeasures mainly through the following policies:

### Coal-Fired Power Generation and Renewable Energy Generation Businesses

The Marubeni Group has 12GW net power generation capacity (as of December 31, 2018) and is a leading independent electric power operator. We announced our "Policy on Coal-Fired Power Generation and Renewable Energy Generation Businesses" on September 18, 2018 as part of our proactive climate change countermeasures.

 Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business), see page 9.

**We view climate change-related transfer risk as a business opportunity, and we aim to increase our "Green Revenue" of 700 billion yen in FY2017 to 1.3 trillion yen by 2023.**

Green Revenue, a part of our business contribution to climate change countermeasures, includes the following:

- Sales of products certified as contributing to sustainable forestry, fisheries, etc.
- Sales from businesses (real estate, etc.) contributing to lessening environmental impact
- Sales from businesses dealing in power generation from renewable energy sources
- Sales from businesses contributing to propagating EV (electric vehicles)
- Sales from businesses (recycling-related, etc.) contributing to waste reduction
- Sales from businesses (water business, etc.) contributing to efficient use of resources

**The Marubeni Group recognizes the importance of climate-related financial disclosures. As new measures to counter climate change, in addition to affirming the recommendations of the TCFD\*2, we will endeavor to better understand the financial impact of both the risks and opportunities brought about by climate change, and also engage in improved climate-related financial disclosure.**

\*2. TCFD (Task Force on Climate-related Financial Disclosures): Established by the Financial Stability Board (FSB).

September 18, 2018

### Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business)

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

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

As a global player in the power business, Marubeni will reduce its greenhouse gas emissions volume from its power generation portfolio. By 2030, Marubeni will cut its FY2018 coal-fired power net generation capacity of approximately 3GW in half. Additionally, Marubeni will deploy innovative technologies to increase the efficiency of its portfolio assets, and proactively promote the reduction of its environmental impact.

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

As a general principle, Marubeni will no longer enter into any new coal-fired power generation business. However, Marubeni might consider pursuing projects that adopt BAT ("Best Available Technology", which at present is USC: "Ultra-supercritical steam generating technology") and are compliant with the policies and measures of the Japanese government and any country in which the project will be executed (e.g. energy supply stability, poverty and employment measures and economic growth policies). Nevertheless, even if Marubeni does make an exception to take on a project like this, Marubeni will make proposals on the creation of a low-carbon society, efficient power generation systems and the diversification of energy sources; Marubeni will make efforts to contribute to the resolution of local issues in the country and/or region in which the project is executed.

#### 3. Proactive Involvement in Renewable Energy Generation Business

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

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

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

\* SmartestEnergy Ltd., established by Marubeni in the U.K. in 2001, purchases power from small to medium sized independent generators, and resells on the wholesale market or to retail customers. <https://www.smartestenergy.com/>

## 2 Sustainable Forestry

Forests are a precious resource and enrich life on Earth in many ways. The Marubeni Group currently holds 140,000 hectares of tree plantations across the world (total gross project area is 320,000 hectares). These forests are run according to management methods for sustainable forestry.

To build a better tomorrow, we have adopted a Forest Management Policy and a Procurement Policy (for Wood-derived Products) to conserve and sustainably use valuable forest resources. By operating our businesses in accordance with these policies, we will promote sustainable forest management and contribute to forest conservation.

### Forest Management Policy

#### 1. Introduction

Marubeni Group (hereinafter the "Company") promotes sustainable forest management by conducting fair and upright corporate activities in accordance with the spirit of the Company Creed of "Fairness, Innovation and Harmony". We recognize that forests are renewable resources that provide various benefits for sustaining life on earth, and embrace economically viable forest management methods with the aim of ensuring the prosperity of present and future generations.

We strive to contribute to the establishment of a circular economy by creating innovation in the utilization of forest resources and responding to the society's environmental needs that are becoming more diverse.

The Forest Management Policy (hereinafter the "Policy") drives our commitments to sustainable forest management, the protection of forests with high conservation value (HCV) and the elimination of unregulated forest logging in our business activities. We, through our focus on on-site operations, are able to create economic benefits and contribute to society by conducting sustainable forest management through coexistence and co-prosperity with local communities, as well as supplying environmentally conscious wood resources that respond to society's needs.

#### 2. Scope

The Policy applies to all woodchip and pulp manufacturing and forest plantation operations by Marubeni and its subsidiaries worldwide.

#### 3. Commitments

We go beyond compliance in our commitments to sustainable forest management. Through this Policy, we reaffirm our commitment to comply with all applicable laws and regulations relevant to forestry operations and seek to extend this obligation to our contractors and their employees.

#### 1) Natural Capital

In implementing sustainable forest management, we commit to the following guidelines on the principle of No Deforestation:

- Only handling wood resources managed in a sustainable and appropriate way.
- No conversion of natural forests in forest plantation developments.
- Proactively addressing protection of HCV forests in our forest management from the viewpoint of biodiversity conservation.
- No forest plantation operations in HCV forests or on peatland.
- Committing to a "No Burn Policy" that restricts the use of fire in forest plantation operations that can potentially cause forest fires in tropical forest areas.
- Minimizing the impact of logging and related logging access roads construction on ecosystems.
- Proactively addressing the protection of species at risk of extinction included in IUCN's (International Union for Conservation of Nature and Natural Resources) Red List of Threatened Species.
- Restricting the usage of alien species only to cases where impact is manageable.
- Following international best practices for soil management.
- Not using any pesticides classified as Class 1A/1B in the classification scheme of the WHO (World Health Organization), or any substances regulated by the Rotterdam Convention and the Stockholm Convention as pesticides.
- Not using genetic modification technology in forest management.
- Effective utilization of trees damaged by natural disasters such as burned trees, fallen trees, drift wood etc.

**2) Social Capital**

We commit to the social and economic development of the areas where we operate and seek to identify opportunities to create shared values with local communities. We recognize the importance of land use rights for local communities and indigenous people and their right to enjoy a fair share of the benefits obtainable from the commercial use of forest resources. Marubeni Group follows the principles regarding human rights described in the Basic Policy on Human Rights, and conducts the following activities as a responsible party:

- Committing to provide a safe and productive work environment, and not tolerating any form for child labor, forced labor, discrimination, harassment or abuse.
- Following the principle of Free, Prior and Informed Consent (FPIC) when starting new forestry operations on the lands where indigenous and local communities hold legal or customary rights
- Establishing grievance and conflict resolution mechanisms compliant with international standards and the regulatory requirements of the host countries of our forestry operations, as well as engaging in good-faith dialogue with stakeholders to resolve any issues.
- Actively carrying out stakeholder engagement on local, national and international scales.
- Respecting the rights of every worker.

We are contributing to economic and social development of areas where we operate through the following initiatives:

- Creating employment opportunities for local residents (priority allocation of contracts for forest plantation related work)
- Joint programs with local residents (Joint Forestry, Agriculture and Forest Products Harvesting Programs, etc.)
- Support activities for local residents (support for indigenous people, vocational training, disaster prevention drills, voluntary provision of daily necessities, etc.)
- Educational support (scholarships, construction or renovation and extension of schools, dispatching of teachers, operational support, etc.)
- Other community support (support for infrastructure equipment repair, sports events, etc.)

**3) International Standards**

We promote the main principles outlined in international standards relevant to the forestry industry (forest plantations, woodchips and pulp manufacturing) in our own operations as part of our commitment to sustainable forest management.

**4) Environmental and Social Risk Assessment**

We conduct the necessary environmental and social risk assessment prior to the completion of land acquisitions or land developments for new operations.

**4. Governance**

**1) Implementation**

The Policy is approved by Marubeni's Board of Directors. Oversight of the Policy is by the Chairperson of Sustainability Management Committee with implementation by the Business Group.

**2) Links to Other Policies**

The Policy complements other sustainability related policies of the Company including the Basic Policy on Human Rights and Basic Supply Chain Sustainability Policy.

**3) Policy Management**

We will review the Policy at least once a year, or as new information and knowledge becomes available, in ways that are consistent with our objectives of sustainable forest management.

**4) Certification Audit and Monitoring**

We hold international certification for sustainable forest management and CoC (Chain of Custody) certification to manage distribution and processing. As a result, accredited bodies conduct regular auditing and monitoring of these certifications.

**5) Information Disclosure**

In addition to increasing the transparency of our business activities, we are committed to disclose information on our approach to sustainable forest management on the Company website etc.

Note: HCV forests are forests that have a High Conservation Value in social, cultural and or environmental terms.

**Product Procurement Policy (Forest-derived Products)**

**1. Introduction**

The Marubeni Group (hereinafter referred to as "we") conducts fair and upright corporate activities in accordance with the spirit of its Company Creed of "Fairness, Innovation and Harmony" and strives to build a sustainable society together with its business partners in line with the "Basic Supply Chain Sustainability Policy."

We have established the Product Procurement Policy (Forest-derived Products) (hereinafter referred to as the "Policy") to promote the procurement of timber and related products produced from appropriately managed forests, thereby realizing the sustainable use of forest resources.

This Policy has been approved by Marubeni's Board of Directors. The Chairperson of the Sustainability Management Committee oversees the Policy, and the Business Group is in charge of its effective implementation. We undertake to review this Policy at least annually and revise it as necessary.

**2. Scope**

This Policy applies to the trading of timber and related products by Marubeni and its subsidiaries worldwide. Specifically, it covers raw timber, woodchips (including fuel woodchips), pulp, and paper and paperboard products (hereinafter referred to as "procured products").

**3. Commitment**

In cooperation with suppliers and customers, we are committed to ensuring the traceability of procured products while conducting our procurement activities in accordance with the Basic Supply Chain Sustainability Policy and the following principles.

- (1) No handling of procured products produced from illegally logged timber.
- (2) No handling of products procured from suppliers involved in serious environmental and social controversies, such as the destruction of forests with high conservation value.
- (3) No handling of procured products produced from genetically modified wood.
- (4) Promoting the handling of procured products that have been certified under a reliable international forest certification system.

In order to promote this Policy, we will investigate the environmental and social considerations of suppliers as well as their compliance with laws and regulations. In the event that any non-compliance with this Policy is discovered, consultations and requests for improvement measures will be made. If the non-compliant supplier does not improve, we will review our business relationship with the relevant supplier.

We will regularly disclose information on this Policy. We are committed to promoting to society the sustainable use of forest resources through appropriate communication with our suppliers and customers and other stakeholders.

### 3 Human Rights & Co-development with Communities

Due to the globalization of economic activity, serious abuses of human rights against workers and local residents are taking place in relevant countries and regions. Many of these abuses can be remedied or improved by taking human rights into consideration in business activities, and there are growing expectations that businesses should play a role in remedying human rights abuses.

The Marubeni Group does business in 131 locations\*1 in 66 countries and regions and employs 40,000 people\*2 of many different nationalities and ethnicities. We are active in a wide range of businesses and conduct global, multi-faceted activities.

To create a better tomorrow, we take a sincere approach to dealing with human rights issues facing the international community. As part of our initiatives, we have included the three basic principles of the United Nations' "Guiding Principles on Business and Human Rights: 1) respect for human rights, 2) due diligence on human rights, and 3) redress in our Basic Policy on Human Rights.

\*1. As of April 1, 2018  
 \*2. As of March 31, 2018

#### Basic Policy on Human Rights

In the spirit of the Company Creed of "Fairness, Innovation and Harmony," the Marubeni Group is proudly committed to promoting social and economic development and safeguarding the global environment through fair and upright corporate activities. We recognize that respecting the human rights of persons affected by our business activities and endeavoring to take responsibility for doing so are of utmost importance, and to this end we have formulated our Basic Policy on Human Rights ("the Policy"), based on the UN's Guiding Principles on Business and Human Rights.

#### Our Basic Stance on Human Rights

We support and respect all international rules on human rights, including the UN's International Bill of Human Rights (Universal Declaration of Human Rights and International Covenant on Human Rights), the ILO's Declaration on Fundamental Principles and Rights at Work and the 10 Principles of the UN Global Compact.

#### Scope of Application

This Policy applies to all executives and employees of the Marubeni Group. We also ask that stakeholders (vendors, service providers, contractors, third-party manufacturers, joint venture partners, outsourcing partners, customers and other business partners and local communities) and other related parties observe the intent of the Policy and take appropriate action if a negative effect on human rights caused by them is directly related to the business activities of the Marubeni Group.

#### Responsibility for Human Rights

We will carry out our responsibility to respect human rights by ensuring that we do not violate human rights. If it should come to light that any of our business activities are having a negative impact on human rights, we will take appropriate action to remedy the situation.

#### • Human Rights Due Diligence:

We will create and continue using a system for carrying out human rights due diligence.

#### • Redress:

We will create a system (complaint resolution mechanism) for reporting when our business activities have a negative effect on human rights or we have been involved in human rights violations. If such reports are received, appropriate procedures for redress will be taken once the facts are sufficiently ascertained.

#### • Dialogue and Discussion:

We will engage in sincere dialogue and discussion with relevant stakeholders in order to promote initiatives in line with this Policy.

#### • Compliance with Relevant Laws:

We will observe the laws and regulations of the countries or regions where we conduct business activities. If national laws are in contradiction with internationally recognized human rights, we will pursue solutions in which we can respect human rights principles.

#### • Education and Training:

We will conduct appropriate training and skill development for our executives and employees to ensure that this Policy is understood and effectively put into practice in all our business activities.

#### • Information Disclosure:

We will report on our initiatives, etc. for fulfilling our responsibilities to respect human rights through our official website and other avenues.

The above Policy includes the following policies with regard to those who are especially vulnerable to human rights abuses:

#### • Policy Regarding the Rights of Children:

In addition to supporting the Children's Rights and Business Principles\*3, which are intended to protect children's rights in the course of our business activities, we will undertake social contribution activities to strengthen children's rights and by so doing will contribute to improving children's rights.

#### • Policy Regarding the Rights of Indigenous Peoples:

When conducting our business activities in countries or regions with indigenous peoples, we will acknowledge the native culture and history of indigenous peoples, and we will give due consideration to the laws of the country or region in question and the rights of indigenous peoples set out in international rules.

#### • Policy Regarding Use of Security Services:

We are aware of the inherent risk to human rights related to the use of weapons for security. With regard to the use of security services when conducting business activities, we will observe the laws of the countries or regions where we operate, support international rules and related practices and endeavor to respect human rights.

\*3. Children's Rights and Business Principles: A comprehensive set of principles formulated by UNICEF, the UN Global Compact and Save the Children covering various actions that enterprises can take in the workplace, the marketplace and the community in order to promote respect for children's rights.

## 4 Sustainable & Resilient Value Chains

The Marubeni Group deals with thousands of suppliers\*1 in conducting transactions and operating a wide range of businesses on a global scale. We believe that we make important contributions to sustainability through environmental conservation and sustainable social development initiatives throughout our supply chain. To build a better tomorrow, we have identified Sustainable and Resilient Value Chains and working together with our business partners as an essential category of Environmental and Social Materiality. In addition to managing the supply chain, we will also involve buyers of our products and enhance the strength and competitiveness of our entire value chain, which includes not only the Marubeni group but also our business partners.

As part of our sustainability initiatives, together with stakeholders, we, including our business partners, adopted our Basic Supply Chain CSR Policy in 2008 to manage our supply chain. Subsequently, to advance understanding of and cooperation with the spirit of this Policy, we sent the Policy to suppliers, conducted surveys, and dispatched personnel to suppliers' manufacturing or production sites to conduct direct on-site inspections. Since we believe that value chain management is important, we will continue taking initiatives toward both suppliers and buyers of our products to resolve issues in this area.

In addition, we have revised our Basic Supply Chain CSR Policy, adopting a new Basic Supply Chain Sustainability Policy to place more importance on climate change countermeasures and respect for human rights.

\*1. Approximately 3,000 firms have direct dealings with Marubeni (as of March 31, 2018)

### Basic Supply Chain Sustainability Policy

(Revised January 2019)

1. The Marubeni Group, not being satisfied with simply strengthening its own sustainability initiatives, supports strengthening sustainability throughout its supply chain with the objective of building an environmentally friendly, healthy and sustainable society.
  2. Having set out the Supply Chain Sustainability Guidelines below, the Marubeni Group asks for the understanding and cooperation of its business partners in observing the Guidelines, to promote, together with its business partners, highly effective sustainability initiatives. Further, when calling on its business partners, the Marubeni Group will communicate the Guidelines so that they are fully aware of the Guidelines and will assist business partners' capacity building by making recommendations, requests or providing guidance as necessary and by sharing examples of good practices.
  3. Supply Chain Sustainability Guidelines
    - (1) **Observance of Laws:**
      - Observe the laws of the countries where business is conducted and laws relating to business transactions.
    - (2) **Respect for Human Rights:**
      - Respect human rights without discrimination, harassment of any kind, abuse or other inhumane treatment.
      - No child labor or forced labor.
      - Proper management of employees' work hours, breaks and holidays and prohibition of excessive overtime work.
      - Payment of the legally mandated minimum wage and endeavoring to pay at least a living wage. No inappropriate wage abatement.
      - Respect for employees' right to unionize for the purpose of labor-management negotiations and right to collective bargaining.
    - (3) **Conservation of the Environment:**
      - Recognize that climate change issues are important and respond appropriately.
      - Protect the natural environment.
      - Reduce environmental negative impact, prevent pollution.
  - (4) **Fair Transactions:**
    - Conduct fair transactions and do not inhibit free competition.
    - Prevent corruption; offer no bribes or illegal contributions.
  - (5) **Safety and Health:**
    - Ensure safe and healthy workplaces and maintain a good working environment.
  - (6) **Quality Control:**
    - Maintain the quality and safety of products and services.
  - (7) **Information Disclosure:**
    - Timely and appropriate disclosure of information.
4. As part of this Policy, the Marubeni Group has set out the following procedures for dealing with vendors that do not meet labor standards.
- (i) When it comes to light that a vendor has failed to meet labor standards relating to (1) Observance of Laws, (2) Respect for Human Rights or (5) Safety and Health, we will as necessary, ask the vendor to:
    - Ascertain the facts, and
    - If the facts are true, prepare a report on the background of the issue and improvement measures. Depending on circumstances, we may also inspect the vendor.
  - (ii) If we determine that improvement measures are insufficient, we will request that further measures be taken.
  - (iii) If, despite implementing steps (i) and (ii) above, the situation does not improve, we will examine whether to continue our relationship with the vendor.

# ORGANIZATION



As part of its organization to promote sustainability initiatives, the Marubeni Group has a Sustainability Management Committee under the supervision of the President. The Committee discusses policies and measures concerning our sustainability initiatives and ESG risk management and reports to the Board of Directors at least once a year. To incorporate the views of external parties, the Committee also includes External Directors and External Audit & Supervisory Board Members in an advisory role. A Director heads the Sustainability Management Committee, and the Board of Directors, by receiving periodic reports on important issues pertaining to the sustainability initiatives discussed by the Committee, oversees sustainability-related issues evaluated from the viewpoints of the appropriateness of our ESG risk management and compatibility with society.

Starting April 1, 2019, we will take the following steps to enhance our sustainability management organization:

- A Chief Sustainable Development Officer will serve as the head of the Sustainability Management Committee.
- A Sustainability Management Department will be newly established within the Corporate Staff (CS) Group to coordinate sustainability management among the Business Division, the CS Group, and our branches, offices and local subsidiaries.
- A Sustainability Leader in charge of sustainability management will be appointed in each business division, each department within the CS Group, and at each branch, office and overseas corporate subsidiary. A Sustainability Manager will also be appointed in each business department.

