

SUSTAINABILITY CASE STUDIES



For case studies related to sustainability in the Marubeni Group, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/group/action_plan/

Uranium Mining Project in Kazakhstan

The Marubeni Group has an indirect ownership interest as a minority shareholder in three companies operating a uranium mining project: Kyzylkum LLP, Khorasan-U LLP, and Baiken-U LLP. However, none of the three companies are consolidated subsidiaries or affiliates of Marubeni.

Revenues by Operating Segment in FYE 3/2018

Revenues by operating segment in FYE 3/2018 were as follows.

Revenue figures for FYE 3/2018 based on the new organizational structure								
(Millions of yen)								
	Food	Consumer Products	Chemical & Forest Products	Energy & Metals	Power Business & Plant	Transportation & Industrial Machinery	Other	Consolidated
Revenue								
Sales of goods	3,979,503	332,833	1,717,692	679,039	198,241	463,766	(9,266)	7,361,808
Commissions on services and trading margins	4,072	69,141	35,748	26,489	13,051	28,011	2,017	178,529
Total revenue	3,983,575	401,974	1,753,440	705,528	211,292	491,777	(7,249)	7,540,337

Notes:
 1. In conjunction with the organizational changes in April 2018, operating segment information for FYE 3/2018 has been reclassified.
 2. These figures have not been audited by a certified public accountant or audit firm.

COOPERATION WITH EXTERNAL INITIATIVES

Industry Groups

As a member of the Japan Foreign Trade Council (JFTC), Marubeni supports the Commitment to a Low-Carbon Society proposed by Keidanren, and takes part in the working groups and public meetings on climate change held by Keidanren and JFTC.

In accordance with the policies of the Commitment to a Low-Carbon Society proposed by Keidanren, Marubeni is taking action on climate change and has set targets for reducing energy usage (electricity and gas) at the Tokyo Head Office and the Osaka Branch in FYE 3/2021 by 10.5% compared to FYE 3/2010, and is moving forward with the introduction of energy-efficient equipment. (Marubeni implements appropriate climate change measures regardless of the level of influence of the affiliated industry group.)

Governments and Government Offices

Marubeni actively participates in subcommittees and workshops on climate change held by the Ministry of Economy, Trade and Industry (METI) and the Ministry of the Environment. In FYE 3/2019, we became a working-group member of the METI Study Group on Implementing TCFD Recommendations, and have discussions with other group-member companies on the best approach to disclosure of the financial impact of climate change.

Other

Marubeni also cooperates with sustainability initiatives. We participate as an advisory member in a World Economic Forum project team that is bringing together suggestions for promoting communication between investors and financial institutions and companies regarding ESG, and we support the activities of the international environmental protection group, World Wide Fund for Nature. In our businesses, we participate in certification systems in areas such as wood products, marine produce, and vegetable oil. Additionally, Marubeni subsidiary Mibugawa Electric Power Co., Ltd. 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.



For further information on cooperation and collaboration with various organizations, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/approach/>

Japan REIT Advisors Co., Ltd. Becomes a Signatory of the Principles for Responsible Investment

Japan REIT Advisors Co., Ltd. (JRA), a Marubeni Group company in the real estate asset management business, conducts asset management for United Urban Investment Corporation (UUR), a J-REIT (Japanese Real Estate Investment Trust) listed on the Tokyo Stock Exchange. In November 2018, JRA became a signatory to the Principles for Responsible Investment (PRI).



For further information on the PRI, please refer to Marubeni's website:
<https://www.marubeni.com/en/news/2018/release/00045.html>

For UUR, one of the largest diversified J-REITs, JRA aims to reduce various risks and secure mid-to-long-term stable earnings by making real estate investments in varied types of use and geographical locations. JRA is also working to improve sustainability by considering ESG factors for sound management to coexist with society and the environment. When considering real estate investments, JRA carefully examines the impact on the environment (asbestos, soil contamination/pollution, etc.), tenants (anti-social forces, work environment, etc.), and neighborhood (relationship with community, traffic congestion, etc.), in addition to the profitability of the relevant property.

Due to JRA's efforts to find environmental issues before acquisition and to improve environmental performance after acquisition, UUR has earned comprehensive environmental performance evaluations for its properties such as CASBEE (Comprehensive Assessment System for Built Environment Efficiency). Additionally, as of 2018, UUR has earned the Green Star for four consecutive years in the survey for the Global Real Estate Sustainability Benchmark (GRESB), the annual benchmark that assesses sustainability practices in the real estate sector.

For UUR, JRA will continue to keep eyes on ESG issues and make further efforts to conduct sustainable asset management.



United Urban Investment Corporation
<http://www.united-reit.co.jp/en/>



United Urban Investment Corporation
 Initiatives for External ESG Recognition
<http://www.united-reit.co.jp/en/feature/esg/environment.html>



Japan REIT Advisors Co., Ltd.
<http://www.j-reitad.co.jp/en/>

Handling of MSC/ASC Certified Products

Results in FYE 3/2018

We promoted environment-friendly products by selling MSC/ASC certified products. (Certified products accounted for 22.5% of total marine products handled in FYE 3/2018.)



For further information on MSC/ASC certified products, please refer to Marubeni's website:

https://www.marubeni.com/en/sustainability/group/action_plan/

Participation in Food Safety Initiatives and Associations, etc.

Marubeni aims to provide safe, reliable food products and ingredients, and to maintain and improve quality management functions. To achieve this, Marubeni Group companies participate in the activities of the following external organizations with the goals of gathering information and exchanging opinions.

Japan Food Additives Association

The Japan Food Additives Association (JAFA) is comprised of companies and organizations that are involved in the production, import, sale and use of food additives in Japan. The association is a successor to the Federation of Japan Food Additives Groups, established as a nationwide organization in October 1982 with the addition of new members.

JAFA works under the guidance of the Ministry of Health, Labour and Welfare and other related government agencies with the objectives of providing members with accurate knowledge pertaining to the production, sale, and use of food additives, and promoting consumer understanding of safety and utility. In addition, JAFA seeks to contribute to the sound development of food-related industries, and to better consumer dietary habits and public hygiene.

The Marubeni Group gathers information about the safety and functionality of food additives from JAFA, and conducts its businesses appropriately, receiving advice on matters such as labeling for food additives and interpretations of the relevant laws.



Japan Food Additives Association
<https://www.jafaa.or.jp/13English>

All Japan Coffee Fair Trade Conference

The All Japan Coffee Fair Trade Conference formulated the Fair Competition Code for Labeling of Regular Coffee and Instant Coffee Products, designed to aid consumers in the purchase of regular coffee and instant coffee products. The code was recognized by the Japan Fair Trade Commission on November 13, 1991, and a notification was published in the Kanpo (the official gazette of the Japanese Government) on November 27, with full enforcement starting from May 28, 1993.

On November 29, 1991, the conference was inaugurated as a discretionary body with membership consisting of coffee-related business operators who agree with the objectives of the conference. It is dedicated to ensuring the fair labeling of coffee products.

The Marubeni Group receives advice regarding coffee labeling and related matters from the All Japan Coffee Fair Trade Conference.



All Japan Coffee Fair Trade Conference
<http://www.ajcft.org/> (Japanese only)

Japan Soft Drink Association

The Japan Soft Drink Association is an industry organization that prioritizes shared benefit and public good. The association aims to ensure rigorous compliance with laws and regulations among soft drink manufacturers, sellers, and related businesses, and facilitates smooth coordination of activities between association members and the government. It also promotes, supports, and provides guidance on corporate social responsibility, encourages healthy consumption of soft drinks, and spreads awareness and knowledge relating to soft drinks.

Through the Japan Soft Drink Association, the Marubeni Group receives advice on matters such as beverage labeling and quality management.



Japan Soft Drink Association
<http://j-sda.or.jp/about-jsda/english.php>

Society of Soft Drink Technologists, Japan

The Society of Soft Drink Technologists, Japan was launched in 1992 with the objective of providing a forum for soft drink technologists and researchers to meet and exchange information, while furthering technological innovation and skill development. The society works to provide technical support so that the soft drink industry can continue to develop in harmony with the public interest.

Through the Society of Soft Drink Technologists, the Marubeni Group receives advice on matters such as beverage labeling and quality management.



Society of Soft Drink Technologists
<http://www.j-sda.or.jp/about-jsda/english.php>

Participation in Supply Chain Initiatives

The Marubeni Group is participating in Sedex through Group companies with the aim of strengthening risk management in the supply chain and building sustainable supply chains.

Sedex is a collaborative information-sharing platform run by Sedex Information Exchange Ltd., an NPO based in London. Sedex enables the carrying out of internationally recognized supplier questionnaires on environmental, social and human rights issues. Responses and audit results are then shared among members via an online system, reducing the burden on both suppliers and prime contractors. Sedex enables ethical and responsible business practices in the supply chain on a global scale, and is one of the world's largest supply chain management systems for issues in the supply chain, encompassing processes from reporting issues to administration.

The Marubeni Group uses this management system to monitor supply chain issues, thereby expanding ethical business practices.



For further information on participation in supply chain initiatives, please refer to Marubeni's website:

https://www.marubeni.com/en/sustainability/supply_chain/

Supplier Capacity Building

The Marubeni Group offers regular training to suppliers to ensure that they correctly understand our Basic Policy on Supply Chain Sustainability and to deepen their understanding of environmental and social problems. We provide broad guidance to suppliers and facilitate the expansion of supplier capacity through a number of initiatives. These initiatives include sharing of best practices from the Marubeni Group and suppliers, including initiatives that address environmental and social issues, and secondment of employees from suppliers to Marubeni Group companies.



For further information on supplier capacity building, please refer to Marubeni's website:

https://www.marubeni.com/en/sustainability/supply_chain/

Contribution to Sustainable Fisheries

The Pacific bluefin tuna, which plays a key role as one of the top predators in the Pacific Ocean marine ecosystem, is an important fishery resource for Japan and other Pacific coastal countries. However, as a result of overfishing, Pacific bluefin tuna stocks have dropped to record-low levels, and the sustainability of the stocks is a concern.

Responding to this situation, the Marubeni Group, along with five Japanese companies involved in the distribution of marine products, released a joint statement in November 2016 pledging to support the conservation and sustainable use of Pacific bluefin tuna. This pledge was declared on a voluntary basis by the companies that make up the marine product supply chain under the leadership of WWF Japan.

The Marubeni Group has sought to contribute to sustainable fishing in ways such as promoting sales of products from certified fisheries, starting with MSC certified products. In honoring this pledge, the Marubeni Group will maintain its commitment to managing fish stocks in a sustainable manner.



For further information on our contribution to sustainable fisheries, please refer to Marubeni's website:

https://www.marubeni.com/en/sustainability/supply_chain/social/

Participation in CDP

The Marubeni Group shares information about its ESG initiatives with its stakeholders around the world. As part of that effort, Marubeni has participated in the initiatives of CDP, an NGO, since 2007. CDP is a project that calls on companies in various countries to disclose environmental information, including climate change measures. CDP analyzes and assesses the collected information, and makes it available to investors. Its database of environmental information on corporate climate change measures is one of the largest in the world.

Marubeni Selected as a Nadeshiko Brand

The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly selected Marubeni as a Nadeshiko Brand in 2015 and 2017. Marubeni was one of 47 companies selected in 2017. The Nadeshiko Brand began in FYE 3/2013, with METI and TSE jointly selecting and announcing listed companies that showed excellence in promoting women's empowerment in the workplace. Evaluations are made based on the two criteria of "promoting women's career development" and "support in balancing work and family life," and companies are selected after additional consideration of financial performance. The selected companies have "management capabilities for utilizing diversified human resources" and "the ability to adapt to environmental changes," and therefore can be considered to be "companies with strong growth potential."



Marubeni Certified as an "Eruboshi" Company

Marubeni has been certified as an "Eruboshi" company by the Ministry of Health, Labour and Welfare for its efforts in promoting women's participation in the workplace. The "Eruboshi" certification is granted to companies that apply for it based on the Act on Promoting Women's Empowerment in the Workplace, which entered into force on April 1, 2016. Marubeni received the second highest rank out of the three ranks.

With the Act having entered into force, Marubeni has stipulated action plans for promoting women's participation, and is working to strengthen the recruitment and human resource development of female employees.



Marubeni Receives “Platinum Kurumin” Certification

Marubeni has received “Platinum Kurumin” certification from the Minister of Health, Labour and Welfare as an exemplary company that offers a higher standard of support for childrearing. Through our efforts to promote “work-life management,” we will help individual employees at all life stages to grow through continuous career development, and provide an even better environment for continuing to perform at a high level.



Received Award for Excellence at the HR Award 2018 Held by Nihon no Jinjibu

Marubeni’s strategy for a “Human Capital” × ‘Mechanisms’ × ‘Time’ workstyle surpassing traditional frameworks” received the Award for Excellence in the Corporate HR Category at the HR Award 2018 held by the HR portal website, Nihon no Jinjibu, which has 120,000 registered members.

Participation and Cooperation in Human Rights Initiatives

The Marubeni Group has declared its support for the UN Global Compact, the principles of which include support and respect for human rights.

We also participate in the annual UN Forum on Business and Human Rights, and strive to share our experience and grasp the latest trends for promoting respect for human rights among corporations, based on the UN’s Guiding Principles on Business and Human Rights.

Furthermore, we participate in the theme-based working groups of the Global Compact Network Japan. Through the Human Rights Due Diligence Working Group, we study due diligence best practices for preventing human rights violations and apply these in initiatives for ensuring respect for human rights within the Company and throughout our supply chain.



Dialogue with External Stakeholders regarding Human Rights Risk and Impact

The Marubeni Group conducts dialogues with external stakeholders about the risks and impacts of human rights violations in the Group’s business through organizations such as the NGO Business & Human Rights Resource Centre. The results of these dialogues are reflected in the spirit of the Marubeni Group’s Basic Policy on Human Rights.

Risks to Human Rights in the Supply Chain

Marubeni has established a Basic Supply Chain Sustainability Policy, which includes respect for human rights in its guidelines, and continues to work diligently to obtain the understanding and cooperation of business partners. In line with the provisions of the Modern Slavery Act in the U.K. that entered into force in October 2015, Marubeni Europe plc, some Group companies in England, and the Marubeni Head Office, which has a certain level of control over the business of these companies, had each issued a statement by the end of September 2018.

-  For our FY2017 Slavery and Human Trafficking Statement, please refer to Marubeni’s website.
<https://www.marubeni.com/en/news/2018/release/00024.html>
-  For our FY2016 Slavery and Human Trafficking Statement, please refer to Marubeni’s website.
<https://www.marubeni.com/en/news/2017/release/00013.html>
-  For our FY2015 Slavery and Human Trafficking Statement, please refer to Marubeni’s website.
<https://www.marubeni.com/en/news/2016/release/00046.html>

The U.K. Modern Slavery Act applies to companies that operate within the U.K. with annual worldwide turnover of 36 million GBP or more. Companies are required to implement step-by-step measures, and to issue a statement by the following fiscal year, in order to confirm that there are no abuses of human rights, such as instances of slavery or human trafficking, within the companies themselves or their supply chain.

In addition, the Marubeni Group uses supply chain sustainability surveys to investigate the status of supplier efforts related to risks to human rights, such as forced labor and child labor. We are taking measures to prevent the manifestation and impact of risks, including identifying risks involving human rights. Since February 2011, supply chain sustainability surveys also cover the status of human rights risks at our suppliers based on the results of questionnaires and on-site assessment. No cases of violation of human rights or labor standards have been found in these surveys.

LIST OF SUSTAINABILITY POLICIES

Category	Policy	URL
E (Environmental)	Marubeni Group Environmental Policy	https://www.marubeni.com/en/sustainability/environment/management/
	In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business	https://www.marubeni.com/en/sustainability/environment/approach/
	Water Resources Policy	https://www.marubeni.com/en/sustainability/environment/water/
S (Social)	Basic Policy on Human Rights	https://www.marubeni.com/en/sustainability/human_rights/
	Basic Policy on Human Resource Development	https://www.marubeni.com/en/sustainability/human_resources/fostering/
	Basic Policy on Social Contribution Activities	https://www.marubeni.com/en/sustainability/contribution/?id=anc01
	Basic Policy on Occupational Health and Safety	https://www.marubeni.com/en/sustainability/human_rights/safety/
G (Governance)	Basic Policy on Contribution to Local Communities	https://www.marubeni.com/en/sustainability/contribution/?id=anc05
	Marubeni’s Corporate Governance Code Initiatives	https://www.marubeni.com/en/company/governance/data/20181221cgcord_en.pdf
	Compliance Manual	https://www.marubeni.com/en/company/governance/measure/compliance/manual/pdf/compliance_manual_201810_en.pdf
	Basic Internal Control Policy	https://www.marubeni.com/en/company/governance/measure/internal_control/
ESG in general	Basic Policy of Disclosure	https://www.marubeni.com/en/company/governance/disclosure/
	IR Policy	https://www.marubeni.com/en/company/governance/disclosure/
	Basic Supply Chain Sustainability Policy	https://www.marubeni.com/en/sustainability/supply_chain/
	Policy on Activities for Food Safety	https://www.marubeni.com/en/sustainability/environment/social/
	Forest Management Policy	https://www.marubeni.com/en/sustainability/environment/forest/
	Product Procurement Policy (Forest-derived Products)	https://www.marubeni.com/en/sustainability/environment/forest/
Policy on Environmental and Social Initiatives in the Real Estate Business	https://www.marubeni.com/en/sustainability/environment/social/	
Policy on Mine Closures	https://www.marubeni.com/en/sustainability/environment/social/	