

Marubeni

Marubeni Corporation

7-1, Nihombashi 2-chome, Chuo-ku,

Tokyo 103-6060, Japan

Tel: 81-3-3282-2111

www.marubeni.com/en/

Marubeni



Building a Better Tomorrow

**SUSTAINABLE
DEVELOPMENT
REPORT 2019**

Marubeni Corporation

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Editorial Policy

The Sustainable Development Report is meant to serve as a tool for communicating with stakeholders and gaining the trust of greater society. This report summarizes information pertaining to each ESG item that we disclose in the Integrated Report and on our website. Our views on sustainability and related policies and activities that appear in this report were first considered and discussed by the Sustainability Management Committee and have been reported to and adopted with the approval of the Board of Directors. To provide a systematic explanation of the Marubeni Group's corporate value, the Integrated Report is compiled in an integrated form that describes our quest to create both corporate and social value.

Reporting Period

The information covered in this report is primarily from FYE 3/2018 (April 1, 2017 to March 31, 2018). Parts of the report also cover policies and activities from before April 1, 2017 or after April 1, 2018.

Reporting Scope

The scope of this report covers Marubeni Corporation and Marubeni Group companies (consolidated subsidiaries).

Guidelines Referenced

- United Nations Global Compact
- *GRI Sustainability Reporting Standards (GRI Standards)*
- *ISO 26000:2010*, International Organization for Standardization
- *Environmental Accounting Guidelines 2005*, Ministry of the Environment
- *Guidance for Collaborative Value Creation*, Ministry of Economy, Trade and Industry



Publication Date





March 2019 (English version)

Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements about the future performance, events or management plans of Marubeni Corporation and its Group companies (the Company) based on the available information, certain assumptions and expectations at the point of disclosure, of which many are beyond the Company's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to, economic and financial conditions, factors that may affect the level of demand and financial performance of the major industries and customers we serve, interest rates and currency fluctuations, availability and cost of funding, fluctuations in commodity and materials prices, political turmoil in certain countries and regions, litigation claims, changes in laws, regulations and tax rules, and other factors. Actual results, performances and achievements may differ materially from those described explicitly or implicitly in the relevant forward-looking statements.

The Company bears no responsibility for any possible damages arising from the use of information in this report, nor does the Company have any obligation to update these statements, information, future events or otherwise.

This report is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

Communication Framework	Financial Information	Linkage	Non-Financial Information
Stakeholder Engagement	<ul style="list-style-type: none"> • One-on-one meetings (for analysts, institutional investors) • Earnings briefings (for analysts, institutional investors) • Business briefings and tours (for analysts, institutional investors) • Briefings for individual investors • General meeting of shareholders 		<ul style="list-style-type: none"> • Lectures by experts • Public meetings • Stakeholder dialogue
Reports	<ul style="list-style-type: none"> • Financial Results • IR Materials • Consolidated Financial Statements with Independent Auditors' Report • Business Report 		<ul style="list-style-type: none"> • Integrated Report • Sustainable Development Report (Japanese) (English) • Corporate Governance Report 
Online Resources	 <ul style="list-style-type: none"> • Investor Relations https://www.marubeni.com/en/ir/ 		 <ul style="list-style-type: none"> • Sustainability https://www.marubeni.com/en/sustainability/ • Our Way to Sustainability • Global Environment & Climate Change • Respect for Human Rights • Supply Chain Management • Social Contribution • Human Resource Development & Utilization • Sustainability Initiatives through Our Business • Social Contribution Activities

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.

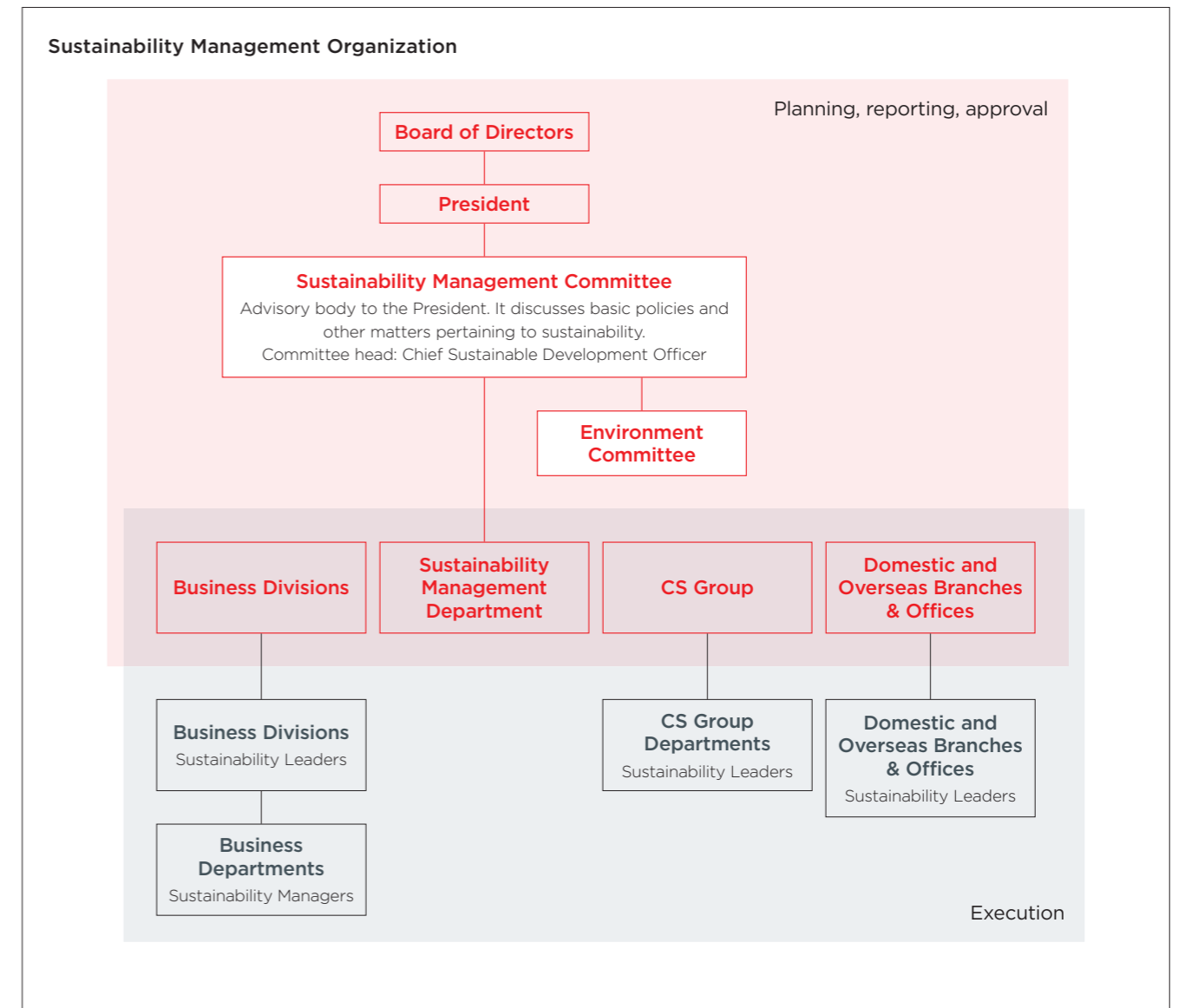
ORGANIZATION



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.



ENVIRONMENTAL

1. CLIMATE CHANGE

Policy

The Marubeni Group has identified climate change as one of its four categories of Environmental and Social Materiality, and will proactively contribute to climate change countermeasures through its businesses.



Climate Change, see page 8.

Action Plans and Targets

Energy Conservation, Natural Resource Conservation, and Waste Reduction Activities

In accordance with the policies of the Commitment to a Low Carbon Society proposed by the Japan Business Federation (“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.

Numerical targets and results for energy conservation, natural resource conservation and waste reduction efforts for FYE 3/2018 are shown below.

	Numerical Targets for FYE 3/2021	Results in FYE 3/2018
(1) Energy Consumption at Tokyo Head Office and Osaka Branch	Reduce energy usage (electricity and gas) by 10.5% compared to FYE 3/2010	72.5% decrease from FYE 3/2010
(2) Waste Generation at Tokyo Head Office	Reduce waste generation by 30% compared to FYE 3/2011	98.5% decrease from FYE 3/2011
(3) Waste Recycling Rate at Tokyo Head Office	Achieve a waste recycling rate of 90% or more	22.1%
(4) Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to FYE 3/2011	95.4% decrease from FYE 3/2011

Note: After setting target values, the Osaka Branch moved in July 2015, and the Tokyo Head Office moved to a temporary location in September 2016 (due to the reconstruction of the permanent headquarters). At the Tokyo Head Office (for FYE 3/2018 until reconstruction is completed in 2020), goals commensurate with management methods at its temporary location have been set for waste generation, recycling rate and energy consumption, and efforts are being made to reduce energy usage, recycle more, and waste less.



For further information on energy conservation, natural resource conservation and waste reduction activities, please refer to Marubeni's website: <https://www.marubeni.com/en/sustainability/environment/eco/>

Framework

Implementation System

The Sustainability Management Committee plays the main role in our approach related to climate change by making action plans and promoting various measures.

The Committee is chaired by the Chief Financial Officer (currently Senior Managing Executive Officer, Member of the Board). Committee members consist of advisors including External Directors and External Audit & Supervisory Board Members, in addition to representatives from the Corporate Staff Group and Business Divisions.

Committee meetings include extensive discussion of our company-wide commitment, outcomes, and how we approach businesses contributing to climate change countermeasures and activities contributing to local communities and residents through our businesses.

These initiatives are reported to the Board of Directors on a regular basis, and are ultimately managed under the supervision of the Board of Directors.

Cooperation with External Organizations

Cooperation and Collaboration with Various Organizations

Marubeni is committed to proactively and appropriately engaging in diverse climate change countermeasures through cooperation and collaboration with various stakeholders, regardless of the level of influence of the stakeholder or affiliated industry group.

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.

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

The Marubeni Group 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, 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.



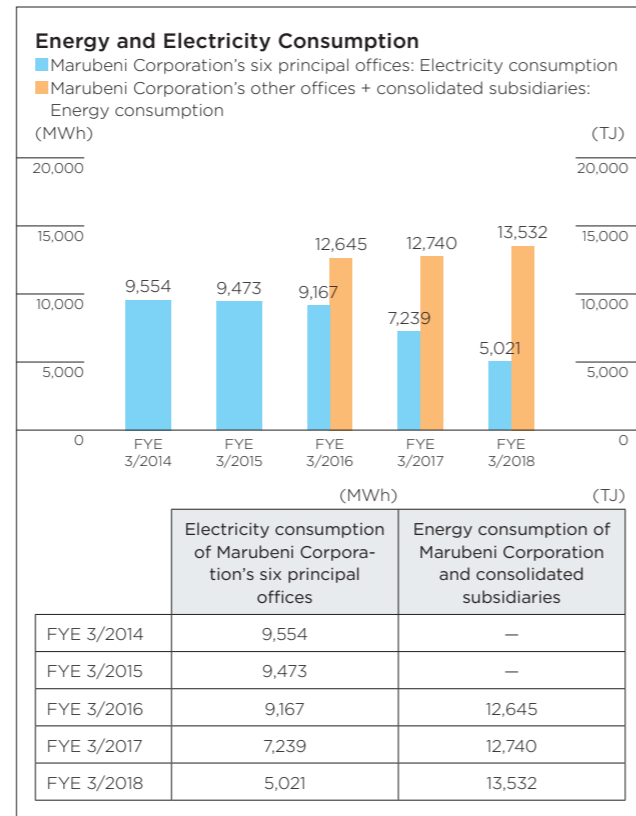
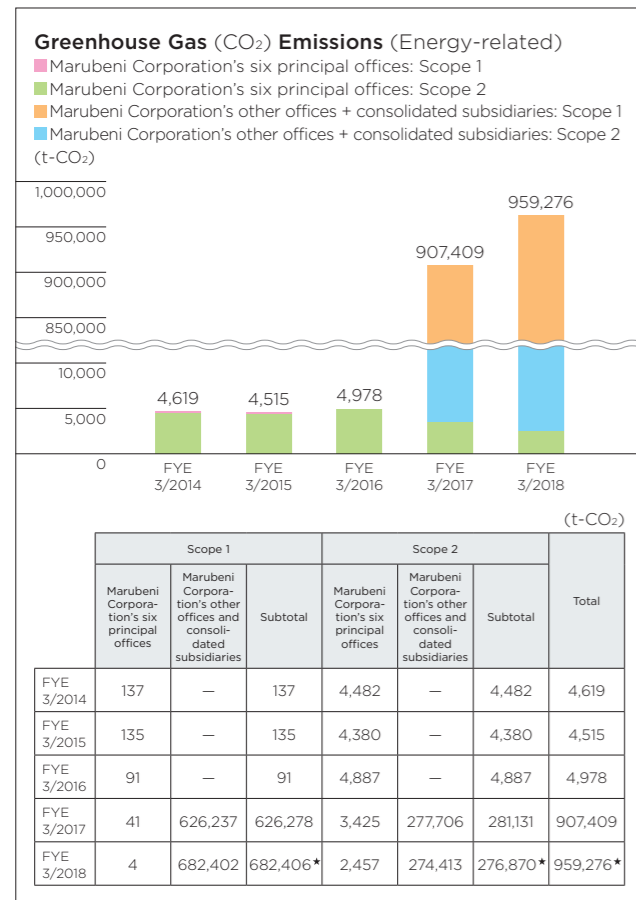
For further information on cooperation and collaboration with various organizations, please refer to Marubeni's website: <https://www.marubeni.com/en/sustainability/environment/approach/>

Related Data

The charts below show the results of our efforts over the past five years for energy conservation, natural resource conservation and waste reduction.

The environmental data marked with ★ are assured by KPMG AZSA Sustainability Co., Ltd., through an independent assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (revised December 2013), and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements" (June 2012).

For KPMG AZSA Sustainability's Independent Assurance Report, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/environment/env_data/pdf/KPMG2018_EN.pdf



Activities for Tracking and Managing the Supply Chain

In recent years, companies have been required to further disclose information related to climate change and resource issues, in the interest of building a sustainable society. In calculating greenhouse gas (GHG) emissions that have significant effects on climate change, in addition to Scope 1 (direct emissions) and Scope 2 (indirect emissions from the use of purchased energy), more and more companies are taking account of and reporting GHG emissions for their overall corporate activities (Scope 3) such as resource procurement, production, logistics, sales, and disposal, as well as capital goods, business travel, and commuting. The Marubeni Group is voluntarily disclosing a part of the data by categorizing its supply chain activities and calculating the GHG emissions in each category in line with the GHG Protocol guidelines, which are the international standard. The Scope 3 data is also submitted in the Carbon Disclosure Project (CDP) climate change questionnaire.

For further information on Scope 3, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/environment/env_data/pdf/Scope3_201803.pdf

Initiatives Related to TCFD Recommendations

Recognizing the importance of climate-related financial disclosure, the Marubeni Group has affirmed its commitment to the TCFD recommendations, and is working to understand and enhance disclosure of the financial impact of the risks and opportunities arising from climate change.

In addition, the Marubeni Group is conducting scenario analysis to analyze the impact that climate change is likely to have on its businesses and finances. The Marubeni Group will analyze the risks, opportunities and impacts on its businesses from climate change based on a Current Policies Scenario and the 2.0°C Scenario, and will use the results in considering business plans and strategies.

Initiatives

- In feed ingredients procurement in the Food Group, taking into account the possibility of increases in product prices and transportation costs due to a decrease in production volume in the agriculture and livestock industries resulting from climate change, the Marubeni Group is actively responding to the risks that accompany climate change by viewing them as opportunities. This response includes geographic diversification of suppliers and customers, cultivation of new production regions, research and development of alternative and new products, and acquisition of new partners.

- In the power generation business of the Power Business & Plant Group, in September 2018 Marubeni released the Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business) to promote reduction of GHG emissions from its power generation portfolio, based on transition risks such as changes in the energy mix of each country under the 2°C Scenario, tightening of regulations, changes in systems, and changes in stakeholder awareness. On the other hand, the increase in renewable energy projects, upgrades and efficiency improvements of existing power plants, the increase in energy storage and power system stabilization projects, and the increase in distributed power sources will present business opportunities, and we will therefore take a more active approach in the area of clean energy generation. Furthermore, Marubeni recognizes the financial impact from changes such as insurance premium increases as a transition risk based on the Current Policies Scenario, and will use it for reference when formulating medium- and long-term strategies.

Environmental Protection at the Tokyo Head Office and Tama Center

Marubeni is taking steps to address the Carbon Reduction Reporting Program based on the Tokyo Metropolitan Ordinance on Environmental Preservation.

Tokyo Head Office

Marubeni submits plans to the Tokyo Metropolitan Government describing its measures to reduce the CO₂ emissions volume of the Tokyo Head Office by approximately 17% from the reference value (average emissions from April 2002 to March 2005) during the five years from April 2015 to March 2020.

The emissions volume in FYE 3/2016 was 4,422 t-CO₂, a decrease of approximately 36% compared to the reference value.

Tokyo Head Office: Past Submissions of Carbon Reduction Reports

Covering FYE 3/2011-FYE 3/2015	Submitted in November 2011
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2012
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2013
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2014
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2015

The Tokyo Head Office was relocated in September 2016, and notification of the closure of a specified global warming countermeasure site was submitted to the Tokyo Metropolitan Government in October 2016.

Tokyo Head Office: Past Submissions of Carbon Reduction Reports of Specified Tenants, etc.

Covering FYE 3/2016-FYE 3/2020	Submitted in October 2017
Covering FYE 3/2016-FYE 3/2020	Submitted in October 2018

Tama Center

Marubeni submits plans to the Tokyo Metropolitan Government describing its measures to reduce the CO₂ emissions volume of the Tama Center, a training center managed by the Tokyo Head Office, by approximately 15% from the reference value (average emissions from April 2005 to March 2008) during the five years from April 2015 to March 2020.

The emissions volume in FYE 3/2016 was 6,818 t-CO₂, a decrease of approximately 47% compared to the reference value.

Tama Center: Past Submissions of Carbon Reduction Reports

Covering FYE 3/2011-FYE 3/2015	Submitted in November 2011
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2012
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2013
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2014
Covering FYE 3/2011-FYE 3/2015	Submitted in November 2015
Covering FYE 3/2016-FYE 3/2020	Submitted in November 2016
Covering FYE 3/2016-FYE 3/2020	Submitted in November 2017
Covering FYE 3/2016-FYE 3/2020	Submitted in November 2018

2. ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Policy

The Marubeni Group Environmental Policy, which was established in 1998, was updated in January 2019 under the leadership of the Environment Committee to strengthen environmental considerations in the Marubeni Group's business operations.

Marubeni Group Environmental Policy

Updated in January 2019

Basic Principles

As a global corporate entity that engages in diverse business activities across a broad range of sectors, the Marubeni Group will apply the Environmental Management System to all the activities, services and products of the Marubeni Group, and observe the following principles it has established for environmental conservation.

1. All business activities will be conducted in consideration of their possible impact on the environment. We will contribute in cooperation with stakeholders to the preservation of the environment and the reduction of potential environmental impacts, including efficient use of resources, prevention of pollution and taking appropriate steps to address climate change and protect biodiversity, focusing on the five themes below.
 - (1) Compliance with international and local applicable environmental guidelines, laws and regulations, and agreed requirements;
 - (2) Taking measures as necessary to reduce environmental impacts and prevent pollution, particularly in launching new projects and altering existing projects;
 - (3) Facilitating resource and energy conservation (mineral resources, food and water, etc.)^{*1}, waste reduction, green procurement, and increases in operational efficiency;^{*2}

- (4) Promoting business projects, offering products and services, technical development and building social systems that help protect and improve the environment;
- (5) Addressing climate change, striving to minimize greenhouse gas emissions.

2. In keeping with this Environmental Policy, the Marubeni Group's Environmental Management System will be regularly reviewed to improve our environmental performance, fully conscious of the importance to comply with its requirements.

3. This Environmental Policy will be shared with all Marubeni Group officers and employees, employees of the Group's business partners, and the public.

*1. "Energy conservation" in 1. (3) includes energy conservation in business facilities and logistics.
 *2. The Marubeni Group will conduct appropriate maintenance for "resource and energy conservation, waste reduction" and "increases in operational efficiency" in 1. (3).

Framework

Environmental Assessment of Development Projects and Financing/Investment

Before launching a development project or financing or investing in a business, Marubeni assesses the project's conformity with environmental laws and regulations and the levels of possible adverse impact on the environment in the event of an accident or other emergency using the Environmental Evaluation Sheet. The complete evaluation sheet is used in making the final decision on whether the project should proceed.

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 have been dispelled. In FYE 3/2018, we assessed 45 projects with environmental risks, including projects for natural resources and energy development, real estate development and others.

We also conduct assessments such as regular survey visits that take into account business details, location, and the status of facilities, not only for potential new operations or projects, but also for our existing operations and projects. We try to grasp the environmental impact, and share information for improvement.

Number of Environmental Assessments in FYE 3/2018 by Risk Type

Atmospheric pollution	16
Water pollution	21
Soil pollution	14
Noise/Vibration	17
Offensive odor	3
Waste increase	7
Natural resource depletion	5
Global warming	5
Biodiversity	2
Others	0
Total	90

Note: The total is not equal to the aggregate of 45 environmental assessments conducted as some assessments identified no applicable risks, while others detected more than one risk.

Action Plans and Targets

Energy Conservation, Natural Resource Conservation and Waste Reduction Activities

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.

Numerical targets and results for energy conservation, natural resource conservation and waste reduction efforts for FYE 3/2018 are shown below.

	Numerical Targets for FYE 3/2021	Results in FYE 3/2018
(1) Energy Consumption at Tokyo Head Office and Osaka Branch	Reduce energy usage (electricity and gas) by 10.5% compared to FYE 3/2010	72.5% decrease from FYE 3/2010
(2) Waste Generation at Tokyo Head Office	Reduce waste generation by 30% compared to FYE 3/2011	98.5% decrease from FYE 3/2011
(3) Waste Recycling Rate at Tokyo Head Office	Achieve a waste recycling rate of 90% or more	22.1%
(4) Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to FYE 3/2011	95.4% decrease from FYE 3/2011

Note: After setting target values, the Osaka Branch moved in July 2015, and the Tokyo Head Office moved to a temporary location in September 2016 (due to the reconstruction of the permanent headquarters). At the Tokyo Head Office (for FYE 3/2018 until reconstruction is completed in 2020), goals commensurate with management methods at its temporary location have been set for waste generation, recycling rate and energy consumption, and efforts are being made to reduce energy usage, recycle more, and waste less.



For further information on energy conservation, natural resource conservation and waste reduction activities, please refer to Marubeni's website: <https://www.marubeni.com/en/sustainability/environment/eco/>

Initiatives (Examples)

Marubeni Group's Environmental Initiatives

Establishment of Environmental Goals

At the beginning of each fiscal year, Marubeni identifies issues specific to each group regarding environmental risk management, Marubeni Group company administration, environmental business promotion, energy conservation, resource conservation, and other related matters using the Environmental Plan/Check Sheet. Marubeni then establishes environmental goals for each group and conducts related activities to achieve them.

Assessment of Environmental Performance Inspection

Each group at Marubeni formulates environmental action plans at the beginning of each fiscal year and self-checks its progress against the plan in September and February using the Environmental Plan/Check Sheet.

Auditing

Internal auditors perform annual environmental audits on Marubeni Corporation and subsidiaries with multi-site certification.

In addition, our environmental performance is subject to audits twice a year by Lloyd's Register Quality Assurance Ltd. (LRQA), an ISO 14001 certification and registration organization.

In FYE 3/2018, the LRQA assessment found no significant issues in our EMS.

Compliance with Environmental Laws and Regulations

Each department at Marubeni and subsidiaries list applicable environmental laws, regulations, standards, and rules, and perform periodic reviews to ensure compliance with the regulatory requirements.

During FYE 3/2018, Marubeni conducted an assessment to determine whether its 102 departments and 106 Marubeni Group companies were in compliance with Japan's Waste Management and Public Cleansing Act.

Marubeni also conducted an e-learning training program on issues related to the Waste Management and Public Cleansing Act for all executives and employees, including temporary employees. At the same time, external experts were invited to speak at seminars held on the same topic at the Tokyo Head Office and major domestic branches (Osaka, Nagoya, Hokkaido and Kyushu). In total, 579 Marubeni Group employees participated in the training program. We also conducted more practical and hands-on forms of training for respective groups.

As a result of these and other initiatives, there were no serious violations of environmental laws or regulations by the Marubeni Group in FYE 3/2018.

Promoting Environmental Consideration at Marubeni Group Companies

In an effort to reduce the environmental impact of our overall business operations, Marubeni Group companies are encouraged to support and join environmental conservation activities, which are conceived in accordance with the Marubeni Group Environmental Policy. We also monitor ISO 14001 certification status, emergency response measures, and environmental management systems of Marubeni Group companies.

In addition, Marubeni Group companies are asked to ensure compliance with environmental laws and regulatory requirements and develop contingency plans for emergencies.

Operating Companies' Environmental Performance Review

Aiming to reduce the environmental impact of its operations across the Group, the Marubeni Group conducts a survey-based annual review of Marubeni Group companies' environmental performance.

This detailed assessment includes identification and status confirmation of elements within our operations that impact the environment, applicable environmental laws and regulations, emergency response measures, and environmental problems.

Site Inspection at Marubeni Group Companies Yet to Acquire ISO 14001 Certification

Marubeni conducts on-site inspections of Marubeni Group companies in Japan that are engaged in activities that have a relatively high risk of significant environmental impact. By classifying Marubeni Group companies according to their potential environmental impact based on operational details and the condition of facilities, Marubeni determines which companies to inspect and how often. For these inspections, Marubeni personnel visit the plants and offices of the target companies together with auditors from LRQA, to inspect the sites, check systems designed to ensure compliance with environmental requirements, and confirm the companies' environmental risk control status. During FYE 3/2018, 25 sites at 21 domestic and overseas companies were inspected. The on-site inspections identified no significant issues at any of the companies. Going forward, Marubeni will continue working to enhance its environmental management system across the Marubeni Group.

Specially Controlled Industrial Waste Output

Marubeni Corporation monitors and reports its output of specially controlled industrial waste defined in the Waste Management and Public Cleansing Act. This includes polychlorinated biphenyl (PCB) waste, etc., such as PCB contaminated items, and processed PCB, which we dispose of in accordance with the legal disposal period.

FYE 3/2016	0
FYE 3/2017	8.6
FYE 3/2018	0

Each of our domestic subsidiaries appropriately monitors and reports amounts of specially controlled industrial waste in accordance with the Waste Management and Public Cleansing Act.

Environmental Management System

Marubeni has introduced an environmental management system (EMS) based on ISO 14001 as a tool to assist all employees in addressing environmental issues based on a common understanding.

Marubeni obtained ISO 14001 certification in 1998. Since then, one overseas subsidiary and other Marubeni Group companies have obtained certification as needed. As of March 31, 2018, 52 Marubeni Group companies (about 12%) have been certified.

The EMS utilizes a PDCA cycle to ensure ongoing improvement. The cycle includes planning, implementation and operation, inspection, management and review of environmental measures.

For further information on the environmental management system, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/management/>

Marubeni Group Subsidiaries with Multi-site Certification

The Marubeni Group in this Policy includes Marubeni Corporation and the subsidiaries with multi-site certification listed below:

Marubeni Group Subsidiaries with Multi-site Certification

- Marubeni Corporation
- Yamaboshiya Co., Ltd.
- Marubeni Information Systems Co., Ltd.
- Marubeni Chemix Corporation
- Marubeni Plax Corporation
- Marubeni Paper Recycle Co., Ltd.
- Marubeni Pulp & Paper Co., Ltd.
- Marubeni Power Systems Corporation
- Marubeni Service Corporation

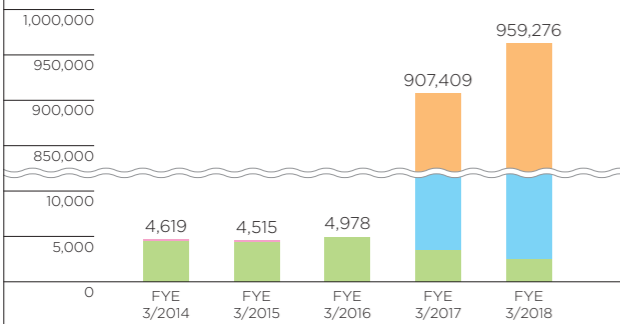
Note: We shall publish the list of Marubeni Group Subsidiaries with Multi-site Certification together with the Marubeni Group Environmental Policy at all times.

For the list of Marubeni Group Subsidiaries with Multi-site Certification, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/management/>

Related Data

Greenhouse Gas (CO₂) Emissions (Energy-related)

- Marubeni Corporation's six principal offices: Scope 1
- Marubeni Corporation's six principal offices: Scope 2
- Marubeni Corporation's other offices + consolidated subsidiaries: Scope 1
- Marubeni Corporation's other offices + consolidated subsidiaries: Scope 2 (t-CO₂)

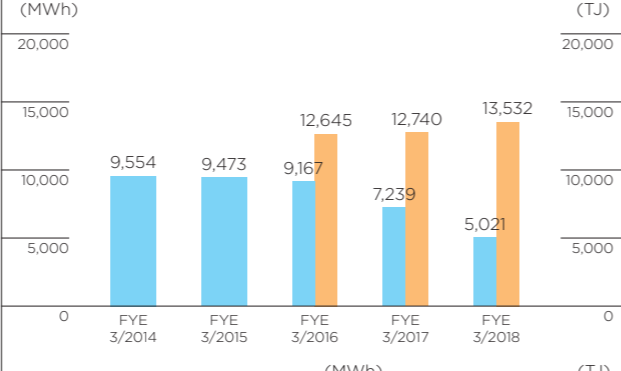


	Scope 1			Scope 2			Total
	Marubeni Corporation's six principal offices	Marubeni Corporation's other offices and consolidated subsidiaries	Subtotal	Marubeni Corporation's six principal offices	Marubeni Corporation's other offices and consolidated subsidiaries	Subtotal	
	FYE 3/2014	137	—	137	4,482	—	
FYE 3/2015	135	—	135	4,380	—	4,380	4,515
FYE 3/2016	91	—	91	4,887	—	4,887	4,978
FYE 3/2017	41	626,237	626,278	3,425	277,706	281,131	907,409
FYE 3/2018	4	682,402	682,406*	2,457	274,413	276,870*	959,276*

For further information on greenhouse gas (CO₂) emissions (energy-related), please refer to Marubeni's website: https://www.marubeni.com/en/sustainability/environment/env_data/

Energy and Electricity Consumption

- Marubeni Corporation's six principal offices: Electricity consumption (MWh)
- Marubeni Corporation's other offices + consolidated subsidiaries: Energy consumption (TJ)

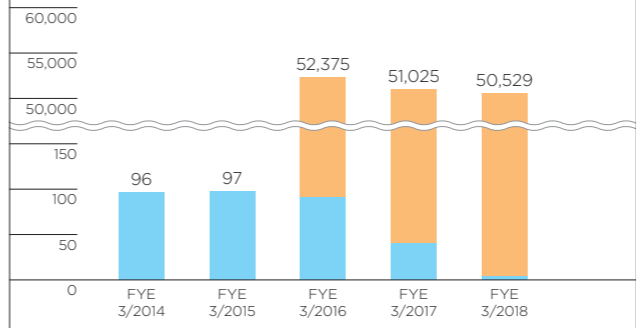


	Electricity consumption of Marubeni Corporation's six principal offices (MWh)	Energy consumption of Marubeni Corporation and consolidated subsidiaries (TJ)
FYE 3/2014	9,554	—
FYE 3/2015	9,473	—
FYE 3/2016	9,167	12,645
FYE 3/2017	7,239	12,740
FYE 3/2018	5,021	13,532

For further information on energy consumption, please refer to Marubeni's website: https://www.marubeni.com/en/sustainability/environment/env_data/

Water Consumption

- Marubeni Corporation's six principal offices (Thousand m³)
- Marubeni Corporation's other offices + consolidated subsidiaries (Thousand m³)

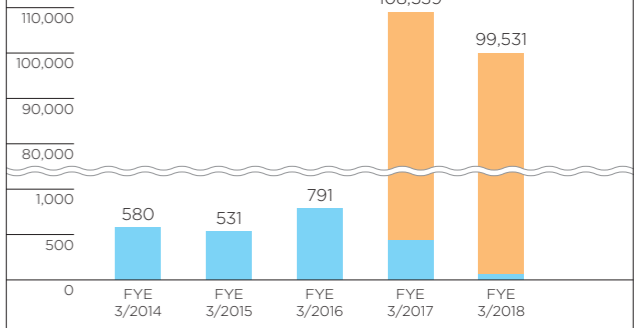


	Water consumption of Marubeni Corporation's six principal offices (Thousand m ³)	Water consumption of Marubeni Corporation's other offices and consolidated subsidiaries (Thousand m ³)	Total (Thousand m ³)
FYE 3/2014	96	—	—
FYE 3/2015	97	—	—
FYE 3/2016	91	52,283	52,375
FYE 3/2017	40	50,985	51,025
FYE 3/2018	4	50,525	50,529*

For further information on water consumption, please refer to Marubeni's website: https://www.marubeni.com/en/sustainability/environment/env_data/

Waste Generated

- Marubeni Corporation's six principal offices (Tons)
- Marubeni Corporation's other offices + consolidated subsidiaries (Tons)



	Waste generated by Marubeni Corporation's six principal offices (Tons)	Waste generated by Marubeni Corporation's other offices and consolidated subsidiaries (Tons)	Total (Tons)
FYE 3/2014	580	—	—
FYE 3/2015	531	—	—
FYE 3/2016	791	—	—
FYE 3/2017	432	108,107	108,539
FYE 3/2018	6	99,526	99,531

For further information on waste generated, please refer to Marubeni's website: https://www.marubeni.com/en/sustainability/environment/env_data/

Environmental Management System: Number of Reported Cases/Corrective Actions

We have an established system to report/correct cases related to administrative guidance and non-compliance with laws/ordinances in the operation of the Environment Management System. These cases are shared across the company, and measures are taken to prevent recurrence.

Number of Reported Cases/Corrective Actions	
	FYE 3/2018
Number of reported cases	3
Number of corrective actions	3 (of which 3 include fines/penalties)
Total fines	¥9 million*

* Converted to yen at the median rate for March 31, 2018

For further information on the number of reported cases/corrective actions, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/eco/>

Environmental Education and Training

Marubeni provides environmental education to its employees to help raise their awareness of relevant issues. In FYE 3/2018, the CSR/Global Environment e-learning Training Program was conducted for all executives and employees, including temporary employees. Approximately 3,000 executives and employees participated in the training program. Marubeni organizes a variety of programs, including environmental training designed for new employees. Other specific programs include: the Environmental Officers e-learning Training Program and the ISO 14001 Internal Environmental Auditors Training Program. In addition, personnel who perform a leading role in the implementation and operation of the EMS must receive ISO Environmental Auditors Training, which is conducted by external training organizations.

Environmental Training Programs and Seminars in FYE 3/2018	
Training Program/Seminar	Number of Participants
ISO 14001 Internal Environmental Auditors Training Program (Tokyo, Osaka)	75
Seminar on the Waste Management and Public Cleansing Act (Tokyo, Osaka, Nagoya, Hokkaido, Kyushu)	579
CSR/Global Environment Training Program (e-learning)	2,729
Training on the Waste Management and Public Cleansing Act (e-learning)	3,089
Group-Specific Training on the Waste Management and Public Cleansing Act	175

Environmental Protection Costs

Environmental protection costs for Marubeni's six principal offices (Tokyo Head Office and Hokkaido, Chubu, Osaka, Kyushu and Shizuoka branches) for FYE 3/2018 are shown below.

Environmental Accounting for FYE 3/2018* (Thousands of yen)	
Business area cost	9,500
Upstream/Downstream cost	14,413
Administration cost	195,941
R&D cost	0
Social activity cost	14,558
Environmental remediation cost	0
Total	234,411


* Aggregate data based on the Ministry of the Environment's *Environmental Accounting Guidelines 2005*


For further information on environmental protection costs, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/eco/>

3. BIODIVERSITY

Policy

As specified in the Marubeni Group Environmental Policy, the Marubeni Group always considers its impact on the environment, and will contribute in cooperation with stakeholders to the preservation of the environment and the reduction of potential environmental impacts, including efficient use of resources, prevention of pollution and taking appropriate steps to address climate change and protect biodiversity.

 Marubeni Group Environmental Policy, see page 23.

 Forest Management Policy, see page 10.

Initiatives (Examples)

Renewable Energy Generation

With the entry into force of the Paris Agreement in 2016, and the planning that is under way toward international frameworks for global warming in 2020 and beyond, there has been a rise in interest in diversification of energy sources and renewable energy.

Renewable energy sources, including wind, geothermal, solar and hydroelectric power, emit virtually no carbon dioxide, a cause of global warming, and do not deplete natural resources. For these reasons, renewable energy can play a significant role in preservation of the global environment.

Biodiversity-friendly Micro-scale Hydro-power Projects

The Marubeni Group considers micro-scale hydro-power generation as an important business area, and has been conducting operations in this area through Group company Mibugawa Electric Power Co., Ltd. since 2006. As this business utilizes natural energy sources, consideration for the environment is essential, and we are also actively working on reduction of waste materials, maintenance of water quality, conservation of energy and resources, and other environmental activities.

"Micro-scale hydro-power" is a term used to refer to small-scale hydropower generation operations with output of less than 1,000 kW. These operations do not require the use of dams or other facilities that entail large-scale construction projects, but rather generate power by utilizing streams or agricultural irrigation canals, thus minimizing the development footprint. The environmental impact on water quality and the water habitat is exceptionally low, and there is no impact on land features or scenic beauty. Once up and running, these operations emit almost no CO₂, thereby offering benefits in terms of minimal impact on biodiversity and environmental preservation. Moreover, micro-scale hydro-power generation can help regions develop more independently as these technologies enable them to generate their own power using their own water resources.

In addition to the Mibugawa Power Station, the Marubeni Group currently operates the following micro-scale hydro-power facilities.



Producing power locally: Mibugawa Electric Power



Micro-scale hydro-power station (Hokuto City, Yamanashi Prefecture)

Micro-scale Hydro-power Project Facilities (As of October 2018)

Facility	Location	Approved Output
Mibugawa Power Station No. 1	Ina City, Nagano Prefecture	23,100 kW
Mibugawa Power Station No. 2		10,800 kW
Mibugawa Power Station No. 3		260 kW
Mibugawa Power Station No. 4		480 kW
Tateshina Power Station	Chino City, Nagano Prefecture	260 kW
Tateshina Power Station No. 2		141 kW
Tateshina Power Station No. 3		93 kW
Tateshina Power Station No. 4		145 kW
Hokuto Nishizawa Power Station	Hokuto City, Yamanashi Prefecture	220 kW
Hokuto City Murayamarokkamuraseki Hydro-power Station		320 kW
Hokuto Kagoishi Power Station		230 kW
Hokuto Kurabara Power Station		200 kW
Shiroishi Power Station	Shiroishi City, Miyagi Prefecture	95 kW
Hananosato Power Station	Shimogo, Fukushima Prefecture	175 kW
Banyagawa Power Station		150 kW
Himenuma Power Station	Inawashiro, Fukushima Prefecture	160 kW
Minochigawa Power Station	Hiroshima City, Hiroshima Prefecture	180 kW
Sagotani Power Station		108 kW
Toyohira Power Station	Kitahiroshima, Hiroshima Prefecture	112 kW

Mibugawa Power Station has obtained Eco Action 21^{*1} certification, the first hydro-power facility to do so. Given that the intake of Power Station No. 2, which is located at the highest elevation, is next to a quasi-national park, and the facilities of the Mibugawa Power Station are in a region with high biodiversity value, we strive not only to avoid destruction of nature, but also to preserve it. As part of that effort, in addition to conducting river cleanup activities and facility maintenance and emergency response training to be prepared for possible oil spills, Mibugawa Power Station takes measures for protection of biodiversity by conducting water quality inspections twice a year, not only to determine whether pollutants are present, but also to check whether the water has the oxygen content required by living organisms. The facility also welcomes local elementary and middle school students and over 100 residents each year for tours of the power station, and presents exhibits of hybrid power generation systems (wind, solar and hydropower). These and other activities help educate people about renewable energy and pass on the region's traditional culture.

At the Hokuto City Murayamarokkamuraseki Waterfarm,^{*2} we use existing irrigation canals to supply renewable energy while making appropriate adjustments to the volume of water used to ensure adequate supplies of irrigation water for farmland and water for household use.

At the micro-scale hydro-power power station in Shiroishi City, Miyagi Prefecture, the elevation difference in water pipes of water supply facilities is used to generate electricity with minimal impact on the surrounding environment.

In addition, in selling power through Marubeni Power Retail Corporation, we are helping to improve biodiversity by allocating a portion of the electricity fees to forest maintenance and management.

The Marubeni Group aims to develop about 30 micro-scale hydro-power facilities in Japan by 2020. Across Japan, we are actively working on generation of renewable energy that contributes to preservation of the local environment and biodiversity.

*1. A system based on guidelines for environmental management systems and environmental reporting set by the Ministry of the Environment

*2. The four micro-scale hydro-power stations at Murayamarokkamuraseki in Hokuto City (Hokuto Nishizawa Power Station, Hokuto Murayamarokkamuraseki Hydropower Station, Hokuto Kagoishi Power Station and Hokuto Kurabara Power Station)

Initiatives in Solar and Wind Power Generation

Throughout Japan, in addition to the development of micro-scale hydro-power projects, the Marubeni Group is actively working on generation of renewable energy that contributes to preservation of the global environment and biodiversity.

Main Renewable Energy Projects in Japan (As of October 2018)

Facility	Location	Power Output (Marubeni's Share)	Type of Power Plant
Misaki Wind Power	Ikata Town, Ehime Prefecture	20 MW (49%)	Onshore wind power
Tokachi-Shimizu Power Plant	Shimizu Town, Hokkaido Prefecture	4 MW	Solar power
Tomakomai Mega-solar	Tomakomai City, Hokkaido Prefecture	7 MW	
Iwanuma-Rinku Mega-solar	Iwanuma City, Miyagi Prefecture	28 MW	
Sekikawa Village Mega-solar	Sekikawa Village, Niigata Prefecture	2 MW (50%)	
Iwaki Mega-solar	Iwaki City, Fukushima Prefecture	2 MW (50%)	
Tsuetsukitoge Mega-solar	Ina City, Nagano Prefecture	10 MW	
Inahiji Mega-solar	Ina City, Nagano Prefecture	1 MW	
Itako Solar Power Station	Itako City, Ibaraki Prefecture	2 MW (50%)	
Oyama Solar Power Station	Oyama Town, Shizuoka Prefecture	2 MW (50%)	
Kisosaki Mega-solar	Kisosaki Town, Kuwana City, Mie Prefecture, and Yatomi City, Aichi Prefecture	49 MW	

Sustainable Forest Management

Forest area throughout the world began to decline rapidly in the 20th century. Forests fulfill a variety of environmental functions, including biodiversity conservation, erosion control, and watershed conservation. The wood resources we obtain from forests also play important roles in our daily lives. Marubeni recognizes that sustainable forest management is of the utmost importance because of the social and economic value that forests provide.

The Marubeni Group^{*3} currently holds 140,000 hectares of tree plantations in Australia and Indonesia (total gross project area is 320,000 hectares). Focusing on eucalyptus, a fast-growing broadleaf tree that matures in six to ten years, and through a controlled cycle of planting, cultivation, management and harvesting, we provide a stable and sustainable supply of wood resources used for pulp and paper. Because we plant on sites that do not threaten the lives and livelihood of local inhabitants and do not harvest natural forests, our forest plantation business is sustainable and demonstrates consideration for the environment and regional communities.

*3. The Marubeni Group's forest plantation business is conducted by two consolidated subsidiaries: WA Plantation Resources Pty. Ltd. (WAPRES) in Australia and PT Musi Hutan Persada (PT-MHP) in Indonesia.



The Marubeni Group's forest management is operated in accordance with standards established by forest certification systems. WAPRES, which operates the forest plantation and wood chip production business in Australia, has obtained Forest Management certification (FSC® C016260)^{*4} and Chain of Custody certification^{*5} from the Forest Stewardship Council^{*6} (FSC), and Sustainable Forest Management certification^{*4} from Responsible Wood.^{*7}

PT-MHP, which operates the forest plantation business in Indonesia, has obtained Forest Management certification from the Indonesian Forestry Certification Corporation.^{*8} Wood harvested from the plantations of both WAPRES and PT-MHP is supplied as 100% certified wood as of March 31, 2018.

The Marubeni Group will continue to manage the supply chain^{*9} for manufacturing pulp and paper in a sustainable manner.

*4. Forest Management certification/Sustainable Forest Management certification: Certification that a forest owner or management organization conducts sustainable forest management based on certain criteria established by an independent third party

*5. Chain of Custody certification: A certification of manufacturers, processors and distributors that manage wood and wood products from certified forests separately from other materials based on certain criteria established by an independent third party

*6. Forest Stewardship Council: An international organization that provides systems of forest certification

*7. Responsible Wood (Certification Scheme): A forest certification system in Australia endorsed and mutually recognized under the Programme for the Endorsement of Forest Certification (PEFC), an international forest certification system for the endorsement and mutual recognition of forest certification systems of various countries

*8. Indonesian Forestry Certification Corporation: A forest certification system in Indonesia endorsed and mutually recognized under the PEFC

*9. The Marubeni Group has businesses that span the pulp and paper supply chain, with a pulp mill at PT Tanjungem Lestari Pulp and Paper, a consolidated subsidiary in Indonesia, the two paper mills of consolidated subsidiaries Koa Kogyo Co., Ltd. and Fukuyama Paper Co., Ltd., and a paper recycling business at Marubeni Paper Recycle Co., Ltd.

Commencement of RSPO SCCS Certified Fatty Acids Inventory Business

Marubeni will begin an inventory business selling RSPO*10 SCCS certified (MB)*11 palm oil-based fatty acids (hereinafter, "RSPO certified fatty acids") in Japan, and build a stable supply chain capable of meeting demand for small amounts.

Environmental and social concerns have been raised over palm oil, a raw material used in fatty acids. These concerns include environmental degradation and biodiversity loss caused in the process of cultivation, as well as human rights violations of plantation workers and other adverse impacts on communities. Consequently, requests for the use of fatty acids produced from RSPO certified palm oil that is produced with due consideration for the environment are increasing worldwide, including Japan. Marubeni, which has been selling RSPO certified fatty acids directly to certain customers, will begin, for the first time in Japan, to maintain stocks of RSPO certified fatty acids to meet latent customer needs.

Marubeni launched its Sustainability Management Committee in April 2018 under the supervision of the president and CEO with the aim of strengthening the company's ESG initiatives. Through the promotion of RSPO certified products, we will contribute to a sustainable society.

*10. RSPO (Roundtable on Sustainable Palm Oil): The RSPO was established in 2004 by seven organizations, including the World Wildlife Federation (WWF), to meet the increasing need for environmental-friendly sustainable palm oil. It is a non-profit organization that promotes sustainable palm oil production and utilization, and is managed with the cooperation of stakeholders in the seven sectors of the palm oil industry: oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social NGOs. Marubeni joined the RSPO as a member on February 22, 2015.

*11. SCCS (Supply Chain Certificate System): The SCCS guarantees that palm oil products in the production and distribution process meet the specified conditions. The system has three certified supply chain models and one credit model. Marubeni achieved SG and MB certification on October 8, 2015.

SG (Segregation): The SG supply chain model assures that RSPO certified palm oil and its derivatives delivered to the end user come only from RSPO certified sources. It permits the mixing of RSPO certified palm oil from a variety of sources.

MB (Mass Balance): The MB supply chain model administratively monitors the trade of RSPO certified palm oil and its derivatives throughout the entire supply chain, as a driver for mainstream trade in sustainable palm oil.



2-0549-15-100-00 RSPO certification logo

RSPO (Roundtable on Sustainable Palm Oil): <https://www.rspo.org/>

Preservation of Biodiversity and Habitats Asian Waterbird Census

TeaM Energy Foundation, Inc. (TEFI) was established to handle the CSR activities of TeaM Energy Corporation (TeaM Energy), an independent power producer in the Philippines in which Marubeni owns a 50% stake. In cooperation with the Wild Bird Club of the Philippines and the Department of Environment and Natural Resources, TEFI has participated in the Asian Waterbird Census, an Asian aquatic bird population survey conducted by the international NGO Wetlands International, every year since 2010, and collects data on waterbirds within a 10-kilometer radius of the Pagbilao and Sual power plants, which are owned and operated by TeaM Energy. The survey has confirmed that the environmental impact on the neighborhoods around the power plants is low, and a healthy environment is being maintained.

The areas around the Pagbilao and Sual power plants are sanctuaries of the Philippine duck (*Anas luzonica*), an endemic species of the Philippines that is designated as "vulnerable" in the *IUCN Red List of Threatened Species 2014* issued by the International Union for Conservation of Nature. The sites of the power plants are resting spots for many other birds, including migratory birds.

TEFI takes steps to safeguard the habitat of these birds through noise reduction measures, limitations on development, and habitat relocation in the event of development. In the 2017 survey, a total of 460 Philippine ducks and five brahminy kites were confirmed at the power plant sites and within a 10-kilometer radius.



Habitat survey

Afforestation Program

TEFI is carrying out projects to plant acacia, eucalyptus and other tree varieties at its Pagbilao and Sual power plants in partnership with neighboring communities as well as NGOs such as Siosio East Environment. The average survival rate of the saplings planted is 95%. To date, approximately 100 hectares at Sual and 150 hectares at Pagbilao have been planted and are being maintained.



Afforested area

Engagement to Reduce Loss of Biodiversity Forest Preservation Activities and Providing Livelihoods to Indigenous People

Since 2010, TEFI has been implementing a Community Carbon Pools Program (C2P2) in the municipality of General Nakar in the province of Quezon, in cooperation with the Philippine Department of Environment and Natural Resources, local residents, and international and local NGOs.

TEFI conducts training and provides funding to a honey manufacturing facility powered by solar energy. In addition to honey, the communities of General Nakar produce resin, food and other non-timber products and also engage in textile dyeing and tea harvesting.

These activities provide livelihoods and improve living standards for 40 communities and over 2,000 local residents, and help to preserve the 144,000 hectares of forest and prevent deforestation. They also contribute to the reduction of GHG emissions caused by deforestation, the long-term conservation of forests, and the promotion of carbon storage with forests.



Forest conservation activities



Interaction with local residents



Various products are produced, including tea and honey.

Collaboration with External Organizations

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/

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/

4. POLLUTION AND RESOURCES

Policy

Policy on Mine Closures

The Marubeni Group understands the importance of reducing the impact on the environment and surrounding communities when closing down mines. We use a local business entity to communicate with local communities and other stakeholders from the project planning stage, formulate a mine closure plan, conduct an environmental impact assessment, obtain

environment-related authorizations from regulatory agencies, carry out various types of monitoring necessary for maintaining those authorizations, and strive to minimize the social and environmental impact when the mine is decommissioned. We also start the necessary rehabilitation before mine closure to lessen the environmental impact after the mine closes.

Action Plans and Targets



Energy Conservation, Natural Resource Conservation, and Waste Reduction Activities, see page 19.

Initiatives (Examples)

Initiatives for Reducing Environmental Impact (Koa Kogyo)

As a resource conservation measure, Marubeni's consolidated subsidiary Koa Kogyo Co., Ltd. is working to reduce the amount of water resources it uses in the production process.

Since large quantities of water are needed in papermaking operations, Koa Kogyo secures the necessary water from both industrial and well water sources and recycles water in the manufacturing process. In discharged water, strict water quality standards are met by using activated sludge tanks to reduce chemical oxygen demand (COD) and biochemical oxygen demand (BOD) and by purifying water.

Koa Kogyo is also working to reduce waste volume. By pulping waste paper using a high-consistency pulper, Koa Kogyo can recycle paper that was previously incinerated because it could not be processed. Furthermore, all combustible garbage is disposed of utilizing high-temperature incinerators, and the thermal energy is recovered and used for thermal recycling. Because it processes waste at high temperatures of 900-1,000°C, this incinerator emits virtually no toxic dioxins and meets environmental standards for NOx, SOx and CO₂ emissions.

In addition, Koa Kogyo collects waste paper and office waste to be recycled and reused as paperboard. By doing so, the company has established a closed recycling system with customers and is reducing the burden on the environment.



Koa Kogyo's environmental initiatives:
<http://www.koa-kogyo.co.jp/environment/> (Japanese only)

Life Cycle Assessment

Within the Marubeni Group, life cycle assessment (LCA) is utilized in the cattle fattening business of Rangers Valley Cattle Station Pty. Ltd. (Rangers Valley), a consolidated subsidiary in Australia, to quantitatively analyze and assess social and environmental impact. Rangers Valley is pursuing efficient operations through research of the optimal feed and feeding and fattening methods, and is working to reduce social and environmental impact in this business by reflecting LCA analysis results in its business plans.

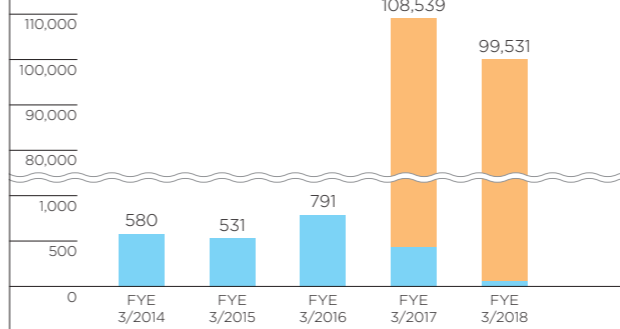


Rangers Valley's approach to the environment:
<https://www.rangersvalley.com.au/environment/>

Related Data

Waste Generated

■ Marubeni Corporation's six principal offices
■ Marubeni Corporation's other offices + consolidated subsidiaries
(Tons)



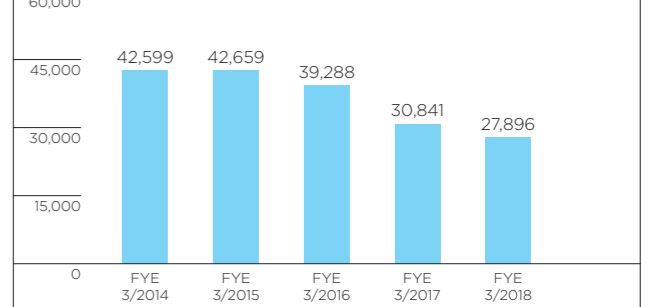
	Waste generated by Marubeni Corporation's six principal offices	Waste generated by Marubeni Corporation's other offices and consolidated subsidiaries	Total
FYE 3/2014	580	—	—
FYE 3/2015	531	—	—
FYE 3/2016	791	—	—
FYE 3/2017	432	108,107	108,539
FYE 3/2018	6	99,526	99,531



For further information on waste generated, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/environment/env_data/

Paper Consumption (A4 paper sheet equivalent)

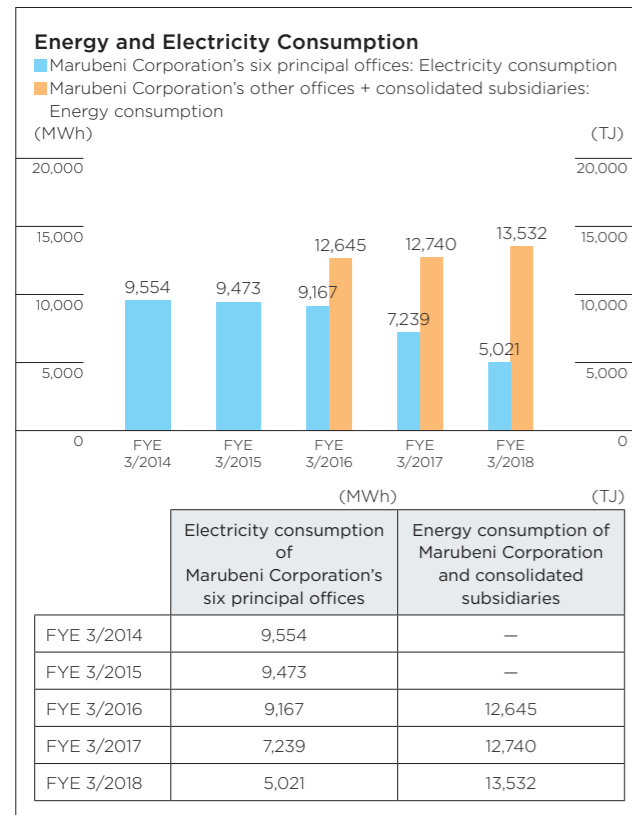
■ Paper Consumption (A4 paper sheet equivalent)
(Thousand sheets)



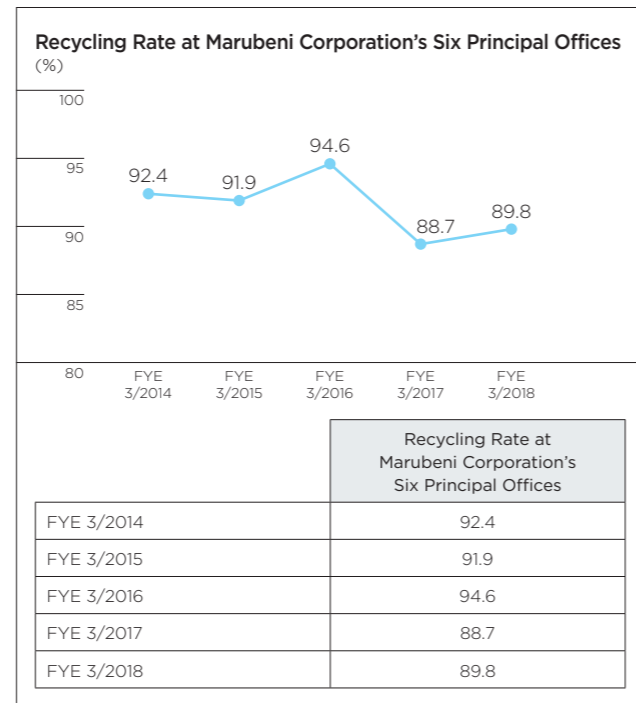
	Paper Consumption at Marubeni Corporation's Six Principal Offices (A4 paper sheet equivalent)
FYE 3/2014	42,599
FYE 3/2015	42,659
FYE 3/2016	39,288
FYE 3/2017	30,841
FYE 3/2018	27,896



For further information on paper consumption, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/environment/env_data/



For further information on energy consumption, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/environment/env_data/



Specially Controlled Industrial Waste Output

Marubeni Corporation monitors and reports its output of specially controlled industrial waste defined in the Waste Management and Public Cleansing Act. This includes polychlorinated biphenyl (PCB) waste, etc., such as PCB contaminated items, and processed PCB, which we dispose of in accordance with the legally prescribed disposal period.

Specially Controlled Industrial Waste Output (Tons)	
FYE 3/2016	0
FYE 3/2017	8.6
FYE 3/2018	0

Each of our domestic subsidiaries appropriately monitors and reports amounts of specially controlled industrial waste in accordance with the Waste Management and Public Cleansing Act.

For further information on specially controlled industrial waste output, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/eco/>

5. SUPPLY CHAIN: ENVIRONMENT

Policy

To build a better tomorrow, the Marubeni Group has identified Sustainable and Resilient Value Chains as an essential category of Environmental and Social Materiality, and formulated a Basic Supply Chain Sustainability Policy. In addition to managing the supply chain, we will also involve buyers of our products and enhance the strength and competitiveness of our entire supply chain, including our business partners.

- Basic Supply Chain Sustainability Policy, see page 16.
- Forest Management Policy, see page 10.
- Product Procurement Policy (Forest-derived Products), see page 12.

Initiatives (Examples)

ESG Risk Assessment/Analysis

In FYE 3/2018, as part of efforts to strengthen ESG risk management, the Marubeni Group conducted an assessment and analysis of all products and projects handled by the company to identify potential ESG risks. This assessment and analysis incorporated objective perspectives and methods in collaboration with an external consultant with specialized expertise. For the risk analysis, we referred to the ESG risk-related data and information published by international organizations, government organizations, research institutions, NGOs and other organizations, then narrowed the focus to approximately 30 products and projects likely to have ESG risks, and applied detailed risk analysis to them.

Supply Chain Risk Assessment

The Marubeni Group shares its Basic Supply Chain Sustainability Policy (the "Basic Policy") with suppliers, and requests that they thoroughly understand, cooperate and comply with it. We 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, the Marubeni Group reduces social and environmental risks.

Basic Supply Chain Sustainability Policy, see page 16.

Supply Chain Sustainability Survey and On-site Inspections

For compliance matters in the Basic Policy, a representative from the Marubeni Group conducts on-site inspections of suppliers who are based in countries that carry a high risk of

non-compliance, and who trade in sectors such as apparel and agriculture. A representative from the Marubeni Group directly visits the manufacturing or production sites of the suppliers to conduct such inspections. The inspections survey the supplier's efforts regarding the Marubeni Group's Basic Supply Chain Sustainability Policy.

Multifaceted surveys designed to fit the supplier's business situation and regional characteristics are conducted on-site, covering areas such as respect for human rights, legal and regulatory compliance, environmental preservation, fair trade, safety and health, quality control, and disclosure of information. Issues targeted by the survey and the survey methods are constantly reviewed, including through third-party opinions, in an effort to keep the survey relevant to the current circumstances. Survey results are reported back to the inspected sites, and information relevant to improvement of the relevant issues is shared. In addition, if there are cases of violation or of not meeting the Marubeni Group's regulations, or cases that are likely to have a negative impact, we encourage proactive reports and initiatives for impact mitigation from the supplier. By doing so, we are working to reduce environmental and social impacts throughout the supply chain.

If violations are found, we take steps to help suppliers improve. For example, we conduct training and awareness activities, provide support and make recommendations for improvement, and promote environmental and social response measures. If no improvement is seen even after these steps are implemented, we will give notice that we are reviewing our business with the supplier.

For further information on the supply chain sustainability survey, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/supply_chain/survey/

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/

Cooperation with External Organizations

Support for WWF Japan

Sustainable Production and Consumption

Taking into account the impact of the Marubeni Group's business activities on the natural environment, we cooperate with various stakeholders throughout the supply chain in efforts to preserve biodiversity and maintain sustainable production and consumption.

One such example is our support for WWF Japan, an international environmental organization. Furthermore, Marubeni participates in certification systems for forest products, marine products, vegetable oil, and other categories, and handles certified biodiversity-friendly products.

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/

6. WATER

Policy

Water Resources Policy

Based on the Marubeni Group Environmental Policy, the Marubeni Group recognizes that energy and resources, including water, are finite, and takes measures to ensure their effective and efficient use.

In the Marubeni Group Environmental Policy, we clearly state our commitment to using energy and resources, including water, efficiently. By reducing water usage through promotion of efficient use and recycling of water, and by providing stable supplies of water resources through effective water and sewerage operation and power and desalination projects, we will continue to contribute to the environment and communities and to resolving water-related social issues.

Risk Management System

Water Resources

In dealing with water problems in regions suffering from water shortages, the Marubeni Group conducts risk analysis and implements business risk assessments for new investments and existing businesses. We make decisions on whether to go ahead with projects after comprehensively analyzing and assessing not only local laws and regulations, but also the impact on the local environment and communities.

Action Plans and Targets

Water Consumption at Tokyo Head Office

	Numerical Target for FYE 3/2021	Results in FYE 3/2018
Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to FYE 3/2011	95.4% decrease from FYE 3/2011

For further information on water consumption at the Tokyo Head Office, please refer to Marubeni's website: <https://www.marubeni.com/en/sustainability/environment/eco/>

Initiatives (Examples)


Formulation of the Marubeni Group's Water Management Plan


As of March 31, 2018, 22 (5.1%) of the 430 Marubeni Group companies had established water management plans. These companies monitor and manage the amount of water intake, waste water, and recycled water, as well as quality and temperature of discharged water, and take measures to use water resources effectively and reduce their environmental burden. Koa Kogyo Co., Ltd., for example, uses water efficiently in production processes, and sets and manages standards for

the amount of fresh water used in each department, as part of its efforts to conserve resources.

Since large quantities of water are needed in papermaking operations, Koa Kogyo secures the necessary water from both industrial and well water sources and recycles water in the manufacturing process. In discharged water, strict water quality standards are met by using activated sludge tanks to reduce chemical oxygen demand (COD) and biochemical oxygen demand (BOD) and by purifying water.

Another example, The Nisshin Oillio Group, Ltd. has set the target of reducing water consumption (tap water and industrial water) intensity at its four production bases in Japan in FYE 3/2021 by 8% compared to FYE 3/2013, and is implementing reduction measures and progress management to meet that goal.

 Koa Kogyo's initiatives:
<http://www.koa-kogyo.co.jp/> (Japanese only)

 The Nisshin Oillio Group's initiatives:
<http://www.nisshin-oillio.com/english/csr/index.shtml>

Initiatives in Water-Stressed Regions

The Marubeni Group owns and operates four IWPP* projects in the arid region in the United Arab Emirates. In total, 440 million imperial gallons of desalinated water per day are produced by those desalination plants, helping to reduce stress on the region's water resources.

For example, the Taweelah B power and desalination complex, located 80 kilometers northeast of Abu Dhabi, which we built and operate, has generation capacity of 2,000 megawatts of electricity and 160 million imperial gallons of water per day. To meet increased water demand resulting from economic development and population growth, the Marubeni Group is selling electricity and water for 20-25 years to the Emirates Water & Electricity Company, a state-owned utility under the Abu Dhabi Department of Energy. Water from the plant is used for tap water (household and commercial), agriculture, industry and other applications, and helps to relieve stress on water resources. (To prevent exacerbation of the region's water stress, machinery cooling water and other water used in the Marubeni Group's business operations is produced at the desalination plant.)

* Independent Water and Power Producer



Taweelah B Power & Desalination Complex

Project	Gross Desalination Capacity (Million imperial gallons per day)
Taweelah A2	50
Taweelah B	160
Fujairah F2	130
Shuweihat S2	100


We are involved in a variety of projects in arid regions and regions with scarce water sources around the world. They include 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.

Specifically, the concession businesses and BOO project we operate in Chile, Brazil, the Philippines, Portugal and Peru, and our operation, maintenance and management of a wastewater treatment plant in Qatar, have a total water purification capacity of 3.5 million cubic meters per day and wastewater treatment capacity of 2.29 million cubic meters, and cover a service population totaling approximately 16 million people.

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, which has a population of 9.5 million people.

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.

Treatment Facilities	Treatment Capacity
Water treatment plant	2,550,000 m ³ /day
Wastewater treatment plant	271,925 m ³ /day
Sludge treatment plant	450 t/day

 Maynilad's initiatives:
<http://www.mayniladwater.com.ph/>

For further information on the long-term water sales agreement for the Shuqaiq 3 water project in Saudi Arabia, please refer to Marubeni's website:
<https://www.marubeni.com/en/news/2019/release/20190130E.pdf>

Cooperation with External Organizations

Participation in CDP's Water Security Program

The Marubeni Group shares information about its ESG initiatives with its stakeholders around the world. As part of that effort, the Marubeni Group has participated in the disclosure program of CDP, an international 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. CDP's database of environmental information on corporate climate change measures is one of the largest in the world.

The Marubeni Group has answered CDP's Water Security Program questionnaires, which evaluate corporate water management, since FYE 3/2014. This information is provided to stakeholders and is being used to improve the Marubeni Group's water management.

Note: Data on water management is collected from Marubeni Corporation and its domestic and international consolidated subsidiaries.

Related Data

Water Intake by Water Source

Water Intake by Source	Rivers, lakes and other surface water	Wells (groundwater)	Water pumped from quarries	Municipal water (tap water)	External drainage	Collected rainwater	Seawater and water extracted from the ocean	Total
FYE 3/2016	36,797	3,384	0	1,224	10,969	1	0	52,375
FYE 3/2017	35,206	6,127	0	803	8,721	1	167	51,025
FYE 3/2018	34,216	7,706	0	1,113	7,418	2	73	50,529

Amount of Wastewater by Destination

Amount of Wastewater by Destination	Ocean	Surface water	Under-ground/wells	Off-site water treatment	Others	Total
FYE 3/2016	12,091	31,981	3	924	0	44,999
FYE 3/2017	10,628	32,949	3	835	0	44,414
FYE 3/2018	10,983	33,070	3	884	0	44,940

Note: Water quality upon discharge is appropriately managed based on the laws and regulations of each country and region.

Recycling Rate

Water Recycling Rate

The total water consumption of the Marubeni Group's 297 locations in FYE 3/2018 was approximately 50,529 thousand cubic meters, of which the amount recycled as non-potable water was 16,120 thousand cubic meters, for a recycling rate of about 32%.

For further information on the water recycling rate, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/water/>

Cases of Legal or Regulatory Violations

Number of Legal or Regulatory Violations Related to Water Intake and Discharge

In FYE 3/2018, the Marubeni Group was found to have one violation related to the amount of wastewater in Queensland, Australia, and was fined 12,190 Australian dollars by the Department of Environment and Heritage Protection.

This infraction occurred when water in excess of the permissible amount was released into an adjacent river from a water storage dam on a site related to the Marubeni Group because of record downpours associated with a cyclone.

In addition to constructing a run-off channel and expanding the capacity of the dam, our response included completing changes to environmental approvals and permits related to increasing the amount of wastewater with the department. The results of a water quality test showed that there was no harm to the environment.

Water Risk Mitigation Measures and Investment Expenses Related to Water Risk Mitigation Measures

Marubeni spent a total of 128 million yen in FYE 3/2018 on water risk mitigation measures through its Group companies. These measures included maintenance and repair of water intake and drainage systems and recycling treatment facilities, installation of water-saving equipment, purchase of wastewater treatment chemicals, emergency response training for scenarios assuming the outflow of hazardous substances, and implementation of cleanup activities in the areas surrounding water sources.

We also spent 29 million yen in FYE 3/2018 as R&D expenses for maintaining water quality and securing water supplies in our business operations.

For further information on expenses related to water risk mitigation measures, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/water/>

Water Consumption Intensity in Food & Cement Production

Water Consumption Intensity

FYE 3/2016	24.1
FYE 3/2017	24.5
FYE 3/2018	28

FYE 3/2016	0
FYE 3/2017	0
FYE 3/2018	0

For further information on water consumption, please refer to Marubeni's website:
<https://www.marubeni.com/en/sustainability/environment/water/>




SOCIAL

1. SUPPLY CHAIN: SOCIETY

Policy

To build a better tomorrow, the Marubeni Group has identified Sustainable and Resilient Value Chains as an essential category of Environmental and Social Materiality, and formulated a Basic Supply Chain Sustainability Policy. In addition to managing the supply chain, we will also involve buyers of our products and enhance the strength and competitiveness of our entire supply chain, including our business partners.

Social data is updated periodically on our website.

-  Basic Supply Chain Sustainability Policy, see page 16.
-  Forest Management Policy, see page 10.
-  Product Procurement Policy (Forest-derived Products), see page 12.


Initiatives (Examples)

ESG Risk Assessment/Analysis

In FYE 3/2018, as part of efforts to strengthen ESG risk management, the Marubeni Group conducted an assessment and analysis of all products and projects handled by the company to identify potential ESG risks. This assessment and analysis incorporated objective perspectives and methods in collaboration with an external consultant with specialized expertise. For the risk analysis, we referred to the ESG risk-related data and information published by international organizations, government organizations, research institutions, NGOs and other organizations, then narrowed the focus to approximately 30 products and projects likely to have ESG risks, and applied detailed risk analysis to them.

Supply Chain Risk Assessment

The Marubeni Group shares its Basic Supply Chain Sustainability Policy (the “Basic Policy”) with suppliers, and requests that they thoroughly understand, cooperate and comply with it. We 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, the Marubeni Group reduces social and environmental risks.


-  Basic Supply Chain Sustainability Policy, see page 16.

Supply Chain Sustainability Survey and On-site Inspections

For compliance matters in the Basic Policy, a representative from the Marubeni Group conducts on-site inspections of suppliers who are based in countries that carry a high risk of non-compliance, and who trade in sectors such as apparel and agriculture. A representative from the Marubeni Group directly visits the manufacturing or production sites of the suppliers to conduct such inspections. The inspections survey the supplier’s efforts regarding the Marubeni Group’s Basic Supply Chain Sustainability Policy.


Multifaceted surveys designed to fit the supplier’s business situation and regional characteristics are conducted on-site, covering areas such as respect for human rights, legal and regulatory compliance, environmental preservation, fair trade, safety and health, quality control, and disclosure of information. Issues targeted by the survey and the survey methods are constantly reviewed, including through third-party opinions, in an effort to keep the survey relevant to the current circumstances. Survey results are reported back to the inspected sites, and information relevant to improvement of the relevant issues is shared. In addition, if there are cases of violation or of not meeting the Marubeni Group’s regulations, or cases that are likely to have a negative impact, we encourage proactive reports and initiatives for impact mitigation from the supplier. By doing so, we are working to reduce environmental and social impacts throughout the supply chain.

If violations are found, we take steps to help suppliers improve. For example, we conduct training and awareness activities, provide support and make recommendations for improvement, and promote environmental and social response measures. If no improvement is seen even after these steps are implemented, we will give notice that we are reviewing our business with the supplier.

-  For further information on the supply chain sustainability survey, please refer to Marubeni’s website:
https://www.marubeni.com/en/sustainability/supply_chain/survey/

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/>

Cooperation with External Organizations

Support for WWF Japan

Sustainable Production and Consumption

Taking into account the impact of the Marubeni Group's business activities on the natural environment, we cooperate with various stakeholders throughout the supply chain in efforts to preserve biodiversity and maintain sustainable production and consumption.

One such example is our support for WWF Japan, an international environmental organization. Furthermore, Marubeni participates in certification systems for forest products, marine products, vegetable oil, and other categories, and handles certified biodiversity-friendly products.

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/

2. LABOR PRACTICES

To build a better tomorrow, the Marubeni Group has identified "Human Capital with High Social Value" as an essential category of Fundamental Materiality.

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.

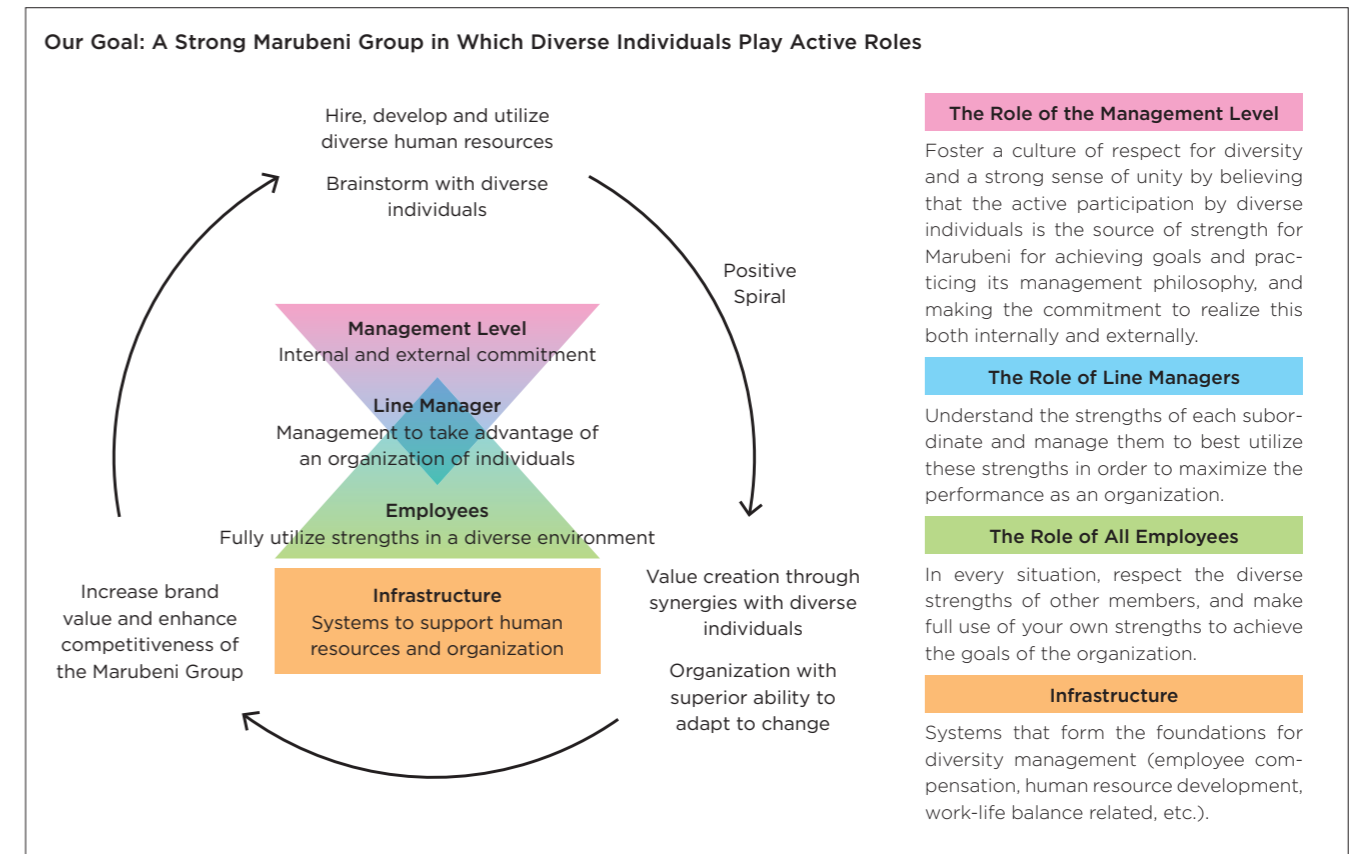
We have identified Robust Management Foundation as the second category of Fundamental Materiality, as we believe it is necessary both for maximizing the potential of our human capital and for maximizing corporate value. We must build a foundation that facilitates the activities of our human capital and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

2-1. Work Environment for Diverse Individuals – Promotion of Diversity Management

Policy

With the goal of being "a strong Marubeni Group in which diverse individuals play active roles," the Marubeni Group is further promoting diversity within the Group with a view to creating a corporate culture and workplaces where employees

with various characteristics, experience, capabilities, and values can leverage their "diverse individual strengths." Moreover, we promote work-life management as the infrastructure that will enable employees with various backgrounds to succeed.



Framework

Supervising Director	Yukihiko Matsumura (Senior Executive Vice President; CAO; CIO; Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Senior Operating Officer, New Office Building Project Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee)
Secretariat	Human Resources Department

Initiatives

Marubeni International Women's Day

In celebration of International Women's Day, Marubeni International Women's Day FYE 3/2018 was held on March 8 and 9, 2018. In order to create business that is not merely an extension of the past, people with diverse views, values, and ideas are required. The event was held to share this perspective not only within the Head Office but across the whole Marubeni Group, and to further promote diversity within the Group. Female Group executives and employees from more than 10 countries gathered and attended various programs including keynote speeches, panel discussions, and group discussions.

The keynote speeches and panel discussions were open to all Group employees regardless of gender, and many people including male employees attended. President Fumiya Kokubu offered encouragement in his opening video message, stating "We aim to be a Group where strong individuals with diverse values and ways of thinking can work even more effectively, regardless of characteristics like nationality, age, or gender. If there is any problem related to being in the minority, I hope that people will actively speak out." In the keynote speech, External Director Yuri Okina spoke about how she balanced work with pregnancy and parenting, and her career and management experiences. Her message to the female employees in the Group was "There are various events in your life, so take a long-term perspective, and don't give up working." In a panel discussion, President and CEO Yumiko Noda of Veolia in Japan (Japanese subsidiary of major global water management company Veolia Environnement S.A. of France), Ms. Okina, and Executive Officer Yutaka Shimazaki, talked about their diverse experiences and exchanged opinions on various topics, such as career turning points that had affected their way of living and thinking, and experiences of sharing workplaces with people of other cultures and different nationalities.

Additionally, everyone in the Marubeni Group helped set the mood for the event by exchanging Thank You cards and mimosa flowers (following the Italian custom of men giving mimosa flowers to the women around them as a sign of appreciation), expressing gratitude to those close-by, including bosses, colleagues, and subordinates of any gender.

Promoting Opportunities for Women

Since FYE 3/2007, Marubeni has had a strong focus on recruiting more women for management class. As of October 1, 2018, there are 323 women in management class (9.6% of all management class) playing an active role in operations in Japan and other countries around the world. Many of these women are in the early to mid-stage of their careers and are viewed as potential candidates for executive positions in the future. As such they are expected to play an even greater role in the years to come. Furthermore, in FYE 3/2015, Marubeni started new programs designed to increase opportunities for women in management class. The BENInnovation Program is one example. It focuses on opportunities for female employees and their immediate managers. In conjunction with other human capital policies for junior employees that emphasize the acquisition of overseas and frontline experience, such programs are contributing to the steady cultivation of female talent and the career progress of women in management class. Moreover, we have established an action plan in response to the promulgation of the Act on Promoting Women's Empowerment in the Workplace. Under this plan, we are continuing efforts to increase the ratio of women in management class to more than 10% and raise the ratio of women in managerial positions to above 7% by March 31, 2021. The plan also defines the period leading up to March 31, 2021, as a time for creating foundations for incorporating diversity into decision-making. Looking toward the future, Marubeni will enhance hiring, overseas dispatch, and education activities based on this plan.

BENInnovation Program

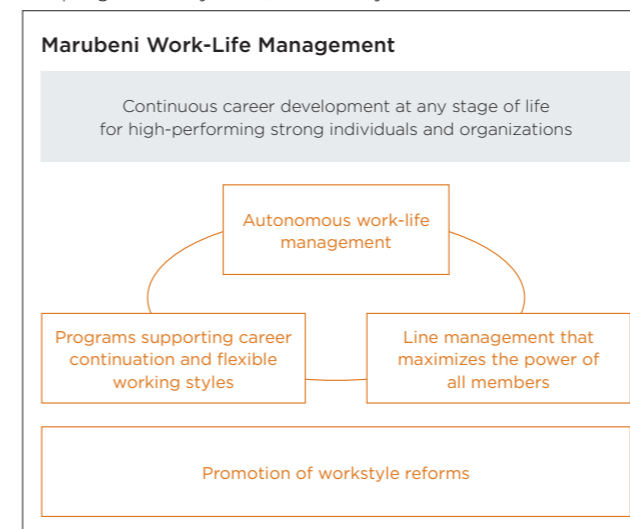
The BENInnovation Program is an initiative to further promote the activity and success of women in management class by focusing on those in the early to mid-stage of their careers and their immediate managers. In FYE 3/2018, the scope of the program was expanded to include new junior managers.

Trial Measures to Support Overseas Postings after Childbirth

Working styles and family circumstances are diversifying, and this includes an increasing number of families where both parents work. Marubeni is therefore taking steps to appropriately allocate and appoint human capital, and to promote continuous career and skills development. These steps include providing the necessary support and environment when employees posted overseas are accompanied by their children. Specifically, we provide support to ensure trouble-free overseas postings and help to prepare a suitable environment for the posting by providing a pre-posting visit, creating childcare check-sheets for posting destinations, and covering part of the cost of essential childcare services. We introduced these measures on a trial basis in April 2018, and will consider full-scale introduction after conducting reviews and revisions.

Promotion of Work-Life Management

Since 2005, Marubeni has gradually expanded support measures for maternity, childcare, and for nursing care, going beyond simply what is required by law. In January 2017, we shifted from a "support for balance" phase to "support for success," moving the focus from "work-life balance" to "work-life management" with the goal of being a company where it is fulfilling to work. With this shift in focus, we aim to achieve "continuous career development" and "continuous performance" for employees at any stage of life. We also carry out various follow-up measures that enable employees to utilize the programs they need, when they need them.



Main Measures Related to Work-Life Management Maternity and Childcare Support Measures

In addition to self-management by program users, we promote cooperative frameworks that build understanding of the available programs among supervisors and other employees and that encourage mutual respect, enabling workers to make effective use of these programs regardless of gender.

Improving Awareness of Programs

We provide information to broaden understanding of support programs. In addition to distributing a Pregnancy and Childcare Support Handbook, we hold three-way interviews between the employee going on maternity leave, their immediate manager, and a human resources representative (if the spouse of the employee is also a Marubeni employee, then the spouse and spouse's immediate manager are also included). Furthermore, we hold an interview three months prior to return to work, and provide a checklist to the immediate manager of the relevant department that covers items relating to before and after the employee's return.

Securing Places at Childcare Facilities

A current social issue in Japan is the increasing number of children on waiting lists for places at day-care centers. In FYE 3/2011, Marubeni introduced a childcare support allowance for returning employees, which covers part of the cost of childcare services so that employees can return to work when they want to. In FYE 3/2019, we began a trial of securing permanent places at a day-care center near our Tokyo Head Office.

Marubeni Family Day

Since FYE 3/2011, we have held Marubeni Kids Project - Visiting Mom and Dad at Work as an annual event mainly for children of elementary school age. In FYE 3/2019, we expanded this event at the Tokyo Head Office into Marubeni Family Day, featuring additional events for employees and their spouses and for junior high and high school students. Moreover, several of our overseas subsidiaries held similar events. These events are an opportunity for deepening understanding of the companies and work that employees are involved with, thereby cultivating Marubeni Group supporters, and for companies, employees, and their families to consider the balance between work and private life.

Maternity/Parenting			
	Pregnancy/Maternity	Childcare leave	Balancing work and childcare
System	Maternity leave (early stages of pregnancy)	Parental leave	Childcare support allowance for returning workers
	Maternity time (during pregnancy)	Childcare leave for first 8 weeks after birth (paternity leave)	Childcare work hours (shorter work hours)
	Maternity select time (during pregnancy)	Self-development/welfare program	Select time work (staggered hours) for childcare
	Maternity flex-time (during pregnancy)		Childcare flex-care leave
	Exemption from overtime/holiday/late night work		Exemption from overtime/holiday/late night work
	Maternity leave		Limitations on overtime
	Family support leave (to attend birth of a child)		Childcare leave
	Special leave for fertility treatment		Family support leave
		Special medical leave (childcare/nursing)	
Follow-up	Maternity and Childcare Support Handbook		
	Birth/Childcare support interview	Interview before return to work	Career consultation
	Career consultation	Support supervisor of returning worker	Mission-setting meeting
	Mission-setting meeting	Regular business contact from supervisor	
Services offered	Benefit Station (services related to childcare)		
	Employee Assistance Program Consulting by phone/mail/interview (mental health)		
	Return to work "Concierge"	Securing childcare facilities and support	
		Discounts for baby sitting services, etc.	

Nursing Care Support Programs

We live in a world characterized by declining birthrates, an aging population, fewer siblings, more people remaining single, and more working couples. This means that nursing care, which was traditionally taken care of mostly by stay-at-home family members, is now an issue that working family members must take the initiative in addressing. Marubeni has established support programs so that employees can balance work and care of relatives, while playing an active work role in the medium and long term.

Improving Awareness of Programs

Marubeni has created and distributes a Family Care Handbook and has also been holding nursing care seminars on various topics since FYE 3/2011, with a cumulative total of 1,200 participants. The handbook and seminars not only explain our

programs, but also strongly encourage employees to seek external professional help rather than trying to take on nursing care themselves, so that they can better manage their situation and balance work with nursing care.

Provision of External Services Including Personal Consultations and Remote Nursing Care

We provide free consultation by telephone, email, or in person in collaboration with the NPO Umi wo Koeru Care no Te. We have also concluded contracts with various companies to make senior monitoring services available to employees. As part of such services, online security systems are installed at the homes of parents who live far away or are alone during the day, thereby enabling 24-hour monitoring and emergency call-outs.

Family Care				
	Preparation	Start of care	Balance between work and care	Family care leave
System	Family care leave		Family care work hours (shorter hours)	Nursing care leave
	Family support leave		Select-time work (staggered hours)	Self-development welfare program
	Special medical leave (for family care)		Nursery care flex-time	*Used to ensure a care system at the start of family care and prepare for a balanced work and care life
			Exemption from overtime/holiday/late night work	
			Limitations on overtime	
			Family care leave	
			Family support leave	
			Special medical leave (for family care)	
Follow-up	Family Care Support Handbook			
	Family care seminars			
	Individual interviews			
	Career consultation	Interview before return to work		
Services offered	Mission-setting meeting			Support supervisor of returning worker
		Regular business contact from supervisor		
		Information from HR department		
Services offered	NPO home care consultation (phone/mail/interview) Seacare program (individual support, fee-based)			
	Benefit Station (services related to family care/nursing care)			
	SECOM Co. Protective monitoring service (fee-based)			
	Employee Assistance Program Consulting by phone/mail/interview (mental health)			

Other Life Event Support Programs

Leave and Reemployment System for Employees Accompanying a Spouse on Overseas Posting

Marubeni has introduced a spouse relocation leave system that allows employees to take a leave of absence from their

jobs when accompanying a spouse on an overseas posting. In April 2018, we also introduced a system for reemploying people under certain conditions after accompanying their spouses, in response to requests from those wishing to continue working during their stay overseas.

Other	
System	Special leave for relocation of a spouse
	Rehire employees who temporarily left company in order to relocate with spouse

Fair Recruiting and Hiring

Marubeni's basic hiring policy is to select applicants solely according to their capability and competence based on a fair recruitment process in which no form of discrimination is tolerated.

For example, we use an "open entry" system that offers employment opportunities to applicants regardless of nationality, place of birth, gender, disability, or alma mater. Moreover, the job application form does not ask for details such as place of birth, religion, family circumstances, or any other information not required for us to determine an applicant's capability and competence. During interviews, we respect each applicant's basic human rights by avoiding inappropriate questions and selected employees based only on capability and competence.

To ensure that fair recruiting activities are conducted across the entire Marubeni Group, we have prepared the Marubeni Recruiting Manual, and strive to ensure that our policies are thoroughly understood across Marubeni Group companies.

Expanding Employment That Accommodates the Needs of Persons with Disabilities

Marubeni Office Support Corporation

Marubeni Office Support Corporation was established in 2008 as a special-purpose subsidiary of Marubeni designed to provide workplaces that accommodate the needs of persons with disabilities. Today, the Company has a combined staff of 53 persons with disabilities and 5 persons without disabilities in Tokyo and Osaka. They aim to create a company that grows through mutual assistance.

Employees with physical, mental, or intellectual disabilities engage in various office services, such as pay calculation, business card production, internal mail, and cleaning. In March 2016, Marubeni Office Support Corporation was certified by the Ministry of Health, Labour and Welfare as a Superior Company for employing persons with disabilities. This certification is granted to superior companies that actively employ individuals who have mental or other disabilities.

As of October 2018, the employment rate for persons with disabilities stood at 2.62% (up from 2.47% as of April 2018), higher than the legal minimum rate. Marubeni will continue striving to create workplaces where all people can work, regardless of disabilities.

Promoting Active Roles for People of All Nationalities

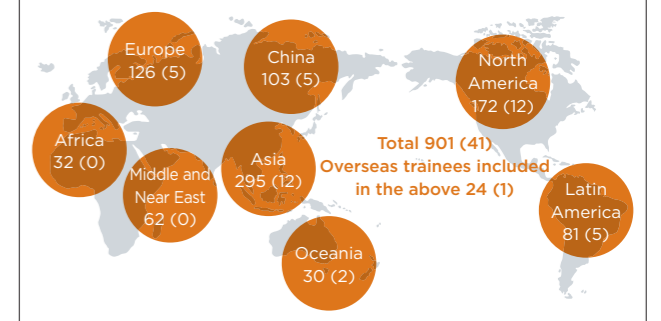
Under the Marubeni Global Mobility Program launched in April 2017, overseas Group employees who are management candidates are posted for a period to Group companies in other countries, including the Head Office. By providing opportunities to work in a broader range of roles at Head Office or Group companies in Japan or other countries, we enable diverse human capital within the Group to play an active role in different countries.

Related Data

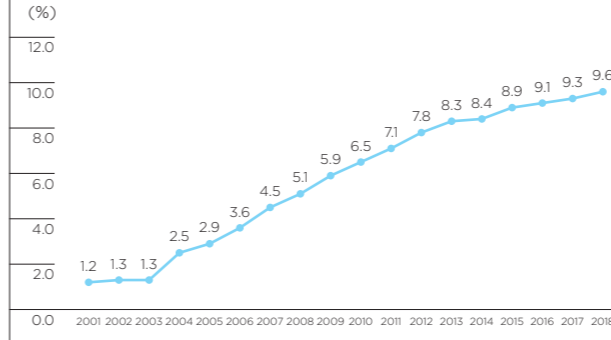
Composition of Corporate Officers (As of June 30, 2018)

	Male	Female
Directors	9	1
(External directors)	(3)	(1)
Audit & Supervisory Board members	5	0
(External Audit & Supervisory Board members)	(3)	(0)
Executive officers	29	0

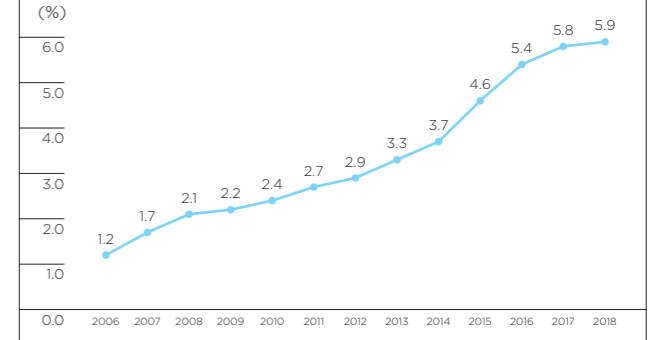
Employees Posted Overseas (As of April 1, 2018)
Numbers of female staff are shown in parentheses



Ratio of Women in Management Class (As of October 1)



Ratio of Women in Managerial Positions (As of October 1)



External Evaluation

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 capital" 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 capital 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 “Going beyond the boundaries of ‘Human Capital,’ ‘Mechanisms,’ and ‘Time’” 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.

2-2. Communication with Employees

Policy

Communication between Management and Employees, and Among Employees

With the aim of creating a greater sense of unity, we provide regular opportunities for direct dialogue between management and employees as well as interaction between employees. This dialogue energizes and deepens communication within the Company.

Relationship with Labor Union

The Company and the Marubeni Employees’ Union share common goals, namely to improve the prosperity of the Company and the socioeconomic status of employees. Both parties are committed to respecting each other’s positions and engaging in sincere dialogue to build orderly labor-management relations.

Employee Awareness Survey

Marubeni conducts employee awareness surveys to promote improvements in the organization, and to formulate and improve human resources systems and initiatives. Survey results are used to score employee engagement, defined as “a relationship in which individuals and the organization come together to contribute to each other’s growth,” and to identify issues to be addressed.

Framework

Supervising Director	Yukihiko Matsumura (Senior Executive Vice President; CAO; CIO; Senior Operating Officer, Audit Dept.; Senior Operating Officer, Executive Secretariat; Senior Operating Officer, New Office Building Project Dept.; Chairman of Compliance Committee; Chairman of Internal Control Committee; Chairman of IT Strategy Committee)
Secretariat	Executive Secretariat, Human Resources Department

Initiatives

Internal Exchange Meetings

Marubeni holds roundtable meetings between the President and small groups of employees to deepen mutual understanding between management and employees through forward-looking dialogue. Participants are drawn from a wide range of career stages, from managers to new recruits, and engage in lively conversation across generations and roles, facilitated by the President. In FYE 3/2019, we held 13 meetings.

Meetings between the Labor Union and Management

Each year, opportunities for dialogue between the labor union and management, including the President, are provided in the form of discussion meetings. Six meetings were held in FYE 3/2019. Furthermore, negotiations with various organizations and opinion exchange meetings with labor union subcommittees were held eight times. In this way, Marubeni proactively engages in communication with the labor union about the introduction of systems and measures related to the working environment, and their ongoing implementation.

Engagement Survey

Marubeni conducts an engagement survey to gather feedback from employees and identify management issues at each organization, with a view to making improvements.

Survey results are used to score engagement, defined as “a relationship in which individuals and the organization come together to contribute to each other’s growth.” Having identified issues for improvement, we organize lectures by external experts for line managers and intensive programs to transform the management of each organization. Based on the survey results, we implement measures that will improve the abilities of management, energize organizations, and promote performance enhancement.

The results of the survey are referenced in the formulation and improvement of human resources systems and initiatives.

The most recent survey was conducted in July 2018.

Related Data

About the Marubeni Employees’ Union

Established: 1949

Membership*: 2,645 members (60% of the organization)

*As of March 31, 2018


3. HUMAN RIGHTS AND LOCAL COMMUNITIES

Policy

Policy Regarding Human Rights

To build a better tomorrow, the Marubeni Group has identified Human Rights & Co-development with Communities as an essential category of Environmental and Social Materiality. In our Basic Policy on Human Rights, we have included the three basic principles of the UN's Guiding Principles on Business

and Human Rights: 1) respect for human rights, 2) due diligence on human rights, and 3) redress.

 Basic Policy on Human Rights, see page 13.

Basic Policy on Contribution to Local Communities

The Marubeni Group recognizes that contribution to local communities is vital for conducting and growing business. Our sales activities contribute to the establishment and expansion of economic and social infrastructure in each country and region, and social investment via business activities and various regional support activities contribute to the development of local communities. Specifically, we help to address wealth inequality and regional

unemployment by creating employment in the areas where we do business. We also help to stimulate local economies by procuring goods and services within the region as far as possible. Furthermore, we engage proactively with the community to promote regional development as we conduct business activities that promote mutual growth of the Marubeni Group and the region.

Policy on Environmental and Social Initiatives in the Real Estate Business


The Marubeni Group's business activities contribute to solving environmental and social issues with the aim of providing people with comfortable places to live.

For the environment, in design, construction and property management, we not only apply existing environmental measures, but also take steps to improve energy efficiency and energy-saving performance in materials procurement as well as our various facilities and systems. In this way, we are helping to realize a low-carbon society and curb global warming.

For society, in every aspect of design, construction, and property management, we build relationships with tenants, the region, and communities, working together with them to tackle social issues. In urban redevelopment projects, we cooperate with stakeholders to create neighborhoods that contribute to the local community as a whole, thereby contributing to sustainable regional development.

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.

Initiatives

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


 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/>

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.

Compliance Manual

The first matter highlighted in the Compliance Manual is "respect for human rights and prohibition of any form of discrimination, sexual harassment and workplace bullying." Here, the notion of human rights includes the fundamental human rights stipulated in the Constitution of Japan, the Labor

Standards Act, the UN's Universal Declaration of Human Rights and its Guiding Principles on Business and Human Rights, as well as the human rights prescribed in the ILO's International Labour Standards.*1

*1. The International Labour Standards prescribed by the International Labour Organization establish fundamental standards for labour. The standards are comprised of eight conventions in four categories, namely: (1) freedom of association, (2) prohibition of forced labor, (3) prohibition of discrimination in employment, and (4) prohibition of child labor.

For further information on the Compliance Manual, please refer to Marubeni's website:
<https://www.marubeni.com/en/company/governance/measure/compliance/>

Marubeni Hotline (formerly, "Door of Courage")

To facilitate counseling and reporting outside the regular channels, the Marubeni Group has established the Marubeni Hotline.

Respect for Employees' Right to Unionize and Bargain Collectively

Marubeni has declared its commitment to the 10 principles of the UN Global Compact, which calls for the support and practice of universal principles concerning human rights, labor, and other areas. Accordingly, Marubeni respects the right of employees to unionize and bargain collectively in conducting negotiations between labor and management on working conditions, wage levels, and other matters.

Contribution to Local Communities

Initiatives for Global Health Issues

At our operating company in the Philippines, Maynilad Water Services, Inc. (Maynilad), we run programs related to health issues and prevention of infectious diseases for our employees and local residents.

For employees, we provide an annual health check and monitor individual results.

Since 2009, we have provided low-priced access to vaccinations, including for influenza, pneumonia, hepatitis A and B, meningitis, chicken pox, rabies, tetanus and cervical cancer. In 2017, 1,703 employees received vaccinations. We also provide free vaccinations against rabies and tetanus for employees working at wastewater treatment facilities.

In 2012 and again in 2015, in order to prevent dengue fever, we distributed mosquito trap kits to residents of our service area, which covers the cities of Quezon, Paranaque, and Muntinlupa, and we are looking into continuing this initiative. Maynilad aims to reduce dengue fever infection rates in its concession service area by raising disease awareness and implementing anti-mosquito measures.

Elsewhere, from December 2018, at Myanmar Japan Thilawa Development Ltd., which has been developing an industrial park project in Myanmar, we began providing tuberculosis testing for every employee at tenant companies (2,463 people

Human Rights and Discrimination Issues Committee

This committee (established in 1981) is chaired by the CAO,*2 and its members comprise the senior managers of the Corporate Staff Group and Business Division planning and strategy departments, as well as the general managers and deputy general managers of branches.

*2. CAO: Chief Administrative Officer

Selection of Officers for the Promotion of Fair Recruitment and Human Rights Awareness

Officers for the Promotion of Fair Recruitment and Human Rights Awareness are appointed at the Tokyo Head Office and three branches. This process contributes to the Company's fair recruitment system.

Awareness Raising and Training on Human Rights

Marubeni conducts in-house training that includes "Training for new executive officer," "Training for new GM for Dept.," "Training for new GM for Sec.," "Corporate examination (Promotion to "M" grade)," "Basic business knowledge," "Package program for new employee," and "Training for Administrative Class."

Marubeni also works continuously to raise awareness of human rights issues by updating the Company intranet with training materials and information that includes the Company's Basic Policy on Human Rights, and by holding regular awareness campaigns, for example by soliciting human rights slogans from employees and publicizing them.

as of December 2018). We will continue to conduct testing at the start of each month and take measures to prevent the spread of tuberculosis.

The Marubeni Group will continue taking measures to address health issues among employees and local residents, and to prevent infectious diseases.

Information about our initiatives to contribute to local communities is updated periodically on our website.



Lecture for neighboring communities held by Maynilad

Maynilad's initiatives:
<http://www.mayniladwater.com.ph/company-csr.php>

4. HEALTH AND SAFETY

Policy

Marubeni Group Basic Policy on Occupational Health and Safety

The Marubeni Group recognizes that ensuring healthy, safe working environments for all Group employees and executives, as well as contractors working at labor sites, business partners, and other related parties, is fundamental to the viability of our business. We conduct our business based on this policy, aiming to realize zero occupational accidents and illnesses. Furthermore in cases directly connected to Marubeni Group business activities where our affiliates, business partners, or other related parties are not taking steps to ensure occupational health and safety, we ask them to take appropriate measures in line with this policy.

1. Continuous Improvement of Occupational Health and Safety Management System

We build and continuously improve our occupational health and safety management system under the leadership of top management.

2. Compliance with Applicable Laws and Regulations

We comply with laws and regulations, rules, and agreements related to occupational health and safety in each country and region where we conduct business activities. We also develop relevant internal regulations in accordance with the level of risk.

3. Fostering Safety Awareness through Training

We foster safety awareness by continuously providing adequate training necessary for ensuring health and safety.

4. Risk Reduction and Continuous Improvement of Work Environment

We identify and specify hazards and sources of harm related to our business activities, and eliminate or reduce them. We also maintain and continuously improve the workplace environment by ensuring smooth communication within our organization.

5. Support for Maintaining and Promoting Health

We continuously support the maintenance and promotion of health for all Group employees and executives.

6. Information Disclosure

The Marubeni Group discloses accurate and highly transparent information regarding this policy and related initiatives through the Group's official website and other avenues.

The Marubeni Group has established the Marubeni Group Basic Policy on Occupational Health and Safety, and conducts occupational health and safety risk assessments for new and existing projects.

Health, Safety, Environmental and Quality Policy Initiatives of the Power Business Division

Marubeni's Power Business Division conducts diverse power businesses and is a global leading player as an Independent Power Producer (IPP) in terms of power generation assets. The Division has established a standard code of conducts on health, safety, environment and quality that includes prioritizing safety in all operations, making ceaseless efforts to achieve zero occupational accidents, and creating a culture that puts safety first. We establish and implement appropriate health, safety, environment, and quality management systems in coordination with our operating companies and other relevant parties. We have also established the Integrity Management Application (IMA) as concrete guidelines for the execution of the standard code of conducts. Through education and other means we are working to ensure that the IMA is understood

and implementation is enforced by all relevant personnel within and outside the Power Business Division.

In the Power Business Division, we work to ensure project safety by emphasizing a risk-based approach with a target of zero occupational accidents. This entails continuous improvement via a PDCA cycle that identifies, evaluates, manages and monitors risk. Specifically, we work together with people on the project side to achieve targets by identifying project safety risks through visits by safety management experts at sites where we manage power generation assets, through audits conducted by the Power Business Division, among other means, by promoting risk reduction from the project side, and managing the progress of improvement plans. We audit new and existing projects in terms of both systematic and implementation aspects, making reference to our Health, Safety, Environment, and Quality Management Systems to evaluate appropriate response to risk in accordance with business scale and operations. The audits look at items such as initiatives to reduce occupational accidents, operation risk assessments, appropriate investigation of accidents and implementation of prevention measures, and emergency response drills.

In addition to site visits and audits, we strive to inculcate a culture of prioritizing safety throughout the Group. These efforts include holding forums for sharing safety initiatives, distributing safety-related study materials about accidents to relevant personnel at operating companies, and presenting safety awards to projects that implement outstanding safety measures.

The Power Business Division will continue striving to achieve zero accidents by steadily implementing and continuously improving its management systems based on the standard code of conducts on health, safety, environment, and quality. Through these efforts we will meet the expectations and demands of customers and society, and contribute to the economic growth of countries throughout the world, as well as development of local communities.

Framework

Marubeni Health Promotion Structure

Marubeni has established the Marubeni Health Promotion Structure, under the responsibility of the director in charge of the Human Resources Department. The system promotes health and productivity management through the coordination of four groups: occupational physicians (Internal Medical Clinics), the Health Insurance Association, the Human Resources Department, and health and productivity management promotion officers selected from among the Company's employees. Representatives of these groups meet at a Health Management Promotion Meeting to review health management measures and discuss future initiatives. The Health Management Promotion Committee, which is made up of representatives from the Internal Medical Clinics (occupational physicians), the Health Insurance Association, and the Human Resources Department, meets twice a year to discuss health projects of the Health Insurance Association and various health management initiatives, and other matters relating to occupational health and safety.

In addition, a legally mandated Health Committee is chaired by the Chief Health and Safety Supervisor (General Manager of the Human Resources Department) and comprises members including health and productivity management promotion officers in each Business Division and the Corporate Staff Group; the Internal Medical Clinics (occupational physicians);

Marubeni Group Health Declaration

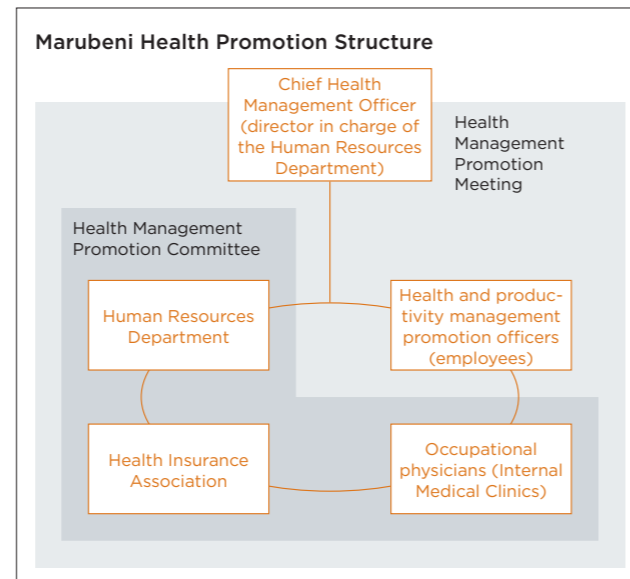
The Marubeni Group has established the Marubeni Group Health Declaration based on the Marubeni Group Basic Policy on Occupational Health and Safety, as follows.

Marubeni Group Health Declaration

Employees are a vital asset for the Marubeni Group, and their health is of paramount importance. The Group has therefore positioned maintaining and promoting employee health as a top management priority.

The Marubeni Group supports employees' success by working to create an environment where each individual can autonomously and proactively take steps to maintain and promote his or her health. These efforts will lead to the growth of the Marubeni Group.

and representatives of the labor union and the Health Insurance Association. The committee meets once a month to discuss various issues including health management and health and productivity management initiatives, improving the working environment, measures to tackle long working hours, and countermeasures for occupational accidents.



Initiatives

Marubeni Health Project

Under the Marubeni Health Project, we will continuously roll out various initiatives based on four key themes: 1) Improving health literacy, 2) Strengthening countermeasures against

cancer and lifestyle diseases, 3) Strengthening mental health measures, 4) Strengthening initiatives for maintaining and promoting women's health.

1) Improving health literacy

In cooperation with the Health Insurance Association and occupational physicians, Marubeni conducts initiatives to improve employees' health literacy.

Measures (Initial fiscal year)	Overview
Setting and announcement of KPIs for health (FYE 3/2020)	Set and announced focus health indicators as Company KPIs. Used indicators for discussing integrated measures based on regular reviews.
Introduction of health management app and distribution of app-linked body composition monitor on voluntary basis (FYE 3/2020)	Distributed health management app and app-linked body composition monitor to improve health literacy of employees and their families.
Walking events (FYE 3/2019)	Held walking events in conjunction with health management app. Held in-house award presentation.
Strengthening of efforts to achieve 100% participation in regular health examinations (FYE 3/2019)	Focused efforts on ensuring participation in legally mandated regular health examinations, which play a significant role in early discovery and treatment of disease. Recommended participation to every employee yet to have a health examination to achieve 100% participation every year.
Strengthening of initiatives to provide healthy menu options at staff cafeterias (FYE 3/2019)	Held a health promotion campaign, provided special menu options in support of blood donors, and labeled nutritional information, among other measures.

2) Strengthening countermeasures against cancer and lifestyle diseases

Among our measures to maintain and promote health, we focus intensively on countermeasures against cancer and lifestyle diseases, which include the following.

Measures (Initial fiscal year)	Overview
Expansion of cancer screening subsidy (FYE 3/2020)	Expanded screening subsidies for prostate cancer, cervical cancer, and breast cancer to support early detection.
Strengthening of smoking cessation measures (FYE 3/2019)	Expanded subsidies for smoking cessation therapy, began smoking cessation therapy program at our Internal Medical Clinics, and ran smoking cessation campaign.
Strengthening of measures for employees eligible for specific health guidance (FYE 3/2019)	Provided health and nutrition guidance from occupational physicians, public health nurses, and registered dietitians at our Internal Medical Clinics, not only for employees aged 40 and above, who qualify for specific health guidance, but also for younger employees. Increased guidance participation rate by sending health examination recommendations from the Human Resources Department to eligible employees.
Participation in trial program using IoT for type 2 diabetes (Ministry of Economy, Trade and Industry; PRISM-J) (FYE 3/2019)	Provided information to target individuals about participation in a clinical study using IoT on preventing the exacerbation of diabetes.
Sleep apnea syndrome treatment program at Internal Medical Clinics (FYE 3/2018)	Started sleep apnea syndrome screening and treatment at our Internal Medical Clinics.
Practical Health Seminars; Three-month Intensive Program (FYE 3/2018)	Ran a program aimed at improving lifestyle and exercise habits. The three-month intensive program involves eight lectures and workshops, and aims to eliminate metabolic syndrome through guidance on daily meals and exercise.
Introduced fully subsidized brain checkups (FYE 3/2016) and full-panel medical checkups (FYE 3/2015)	Fully subsidized full-panel medical checkups for employees in the fiscal year in which they reach ages 35, 40, 45, 50, and 55, as well as brain checkups for employees in the fiscal year in which they reach ages 45, 50, and 55. (Implemented ongoing partial subsidy for full-panel medical checkups for employees aged 35 and over, other than at the ages specified above.) Also began offering fully subsidized full-panel medical checkups and brain checkups for employees who have retired at the mandatory retirement age.
Enhancement of health guidance from registered dietitians (FYE 3/2011)	Established a system for registered dietitians to provide specialist diet management and guidance, etc., at our Internal Medical Clinics.
Enhancement of health guidance from public health nurses (FYE 3/2009)	Established a system for public health nurses to provide individual health guidance and consultations, etc., at our Internal Medical Clinics.
Introduction of <i>H. pylori</i> testing (FYE 3/2009)	Added <i>H. pylori</i> test to health examination to enhance early detection of and treatment for diseases such as stomach cancer.
Introduction of Hepatitis B and Hepatitis C testing (late 1990s)	Added viral hepatitis testing to health examination to enhance prevention and early detection of cirrhosis and liver cancer.
Smoking cessation measures (late 1990s)	Implemented full indoor smoking ban at Tokyo Head Office and Osaka Branch, and introduced designated smoking areas at other branch offices. Implemented smoking bans or designated smoking areas at overseas offices, in accordance with local laws and regulations.

3) Strengthening mental health measures

Marubeni has recognized mental health as an important issue for improving occupational health and safety, and is taking the following measures for employees and their families.

Measures (Initial fiscal year)	Overview
Introduction of support services to assist people who have had mental health issues returning to work (FYE 3/2019)	Provided support for the return to work of people who have had mental health issues through counseling before and after returning.
Expansion of employee assistance program (EAP) services; promotion of service use; trial counseling (FYE 3/2019)	Offered counseling sessions on a trial basis to all new employees and newly appointed junior managers in order to raise awareness of EAP services and strengthen self-care and line care. Also, provided self-check and mental health study programs and articles on the intranet to promote accurate knowledge and awareness regarding mental health care and to assist employees in monitoring their own mental condition.
Stress checks (FYE 3/2017)	Conducted stress checks for employees at all offices in Japan and overseas (including employees on assignment), also covering offices where there is no legal requirement.
Introduction of EAP services (FYE 3/2007)	Established consultation desk at our Internal Medical Clinics and in the Human Resources Department. Established external counselor consultation desk, available to employees and their families on a 24-hour, year-round basis.
Expansion of examination times for mental health outpatients at Internal Medical Clinics (FYE 3/2007)	Increased number of examination times for mental-health related outpatients from one to two a week.
Mental health care-related training (FYE 3/2007)	Conducted training related to mental health care for new employees, line managers, employees posted overseas and their families. Created and distributed a manual with information about mental health care and consultation desks.

4) Strengthening initiatives for maintaining and promoting women's health

Marubeni recognizes maintaining and promoting women's health as an issue to be addressed, and will strengthen the following initiatives going forward.

Measures (Initial fiscal year)	Overview
Expansion of subsidies for cervical and breast cancer screening (FYE 3/2020)	Expanded subsidies for cervical and breast cancer screening.
Women's health maintenance and promotion literacy seminars (FYE 3/2019)	Held seminars by external experts to increase awareness of all employees with regard to maintaining and promoting women's health.
Establishment of dedicated health consultation desk for women (FYE 3/2019)	Established a consultation desk for women's health issues.
Dissemination of articles on "Women's Health Maintenance and Promotion" to all employees (FYE 3/2019)	Used Company-wide notification system to spread knowledge about maintaining and promoting women's health to all employees.

Establishment of Internal Medical Clinics

The Internal Medical Clinics at the Tokyo Head Office and Osaka Branch play an important role in promoting health management. At the Tokyo Head Office Internal Medical Clinic, specialist departments for internal medicine, dermatology, radiology, neuropsychiatric, and dental services are available for employee consultations at any time. Regular annual and specified health examinations are conducted by the Internal Medical Clinics, and based on the results, employees can receive follow-up services including re-testing and other treatment for lifestyle diseases, as well as health guidance from an occupational physician, public health nurse or registered dietician.

Initiatives on Global Health Issues

Marubeni is expanding its business globally, with business sites in 66 countries/regions around the world.

HIV/AIDS, tuberculosis, and malaria are serious problems in some of these countries/regions.

Marubeni adopts a proactive approach to these and other global health issues. We take appropriate and timely measures against infectious diseases such as HIV/AIDS, tuberculosis, and malaria, overseas and in Japan.

Overseas, we strive to collect information and understand the situation regarding the outbreak and spread of infectious diseases in collaboration with occupational physicians, based on information provided by the WHO and local authorities, and on-site surveys. Employees and their families receive health

examinations prior to travel overseas, as well as vaccinations against infectious diseases that pose a risk at overseas postings. Furthermore, when employees based in Japan travel to areas where there is a high risk of infection, they are given appropriate cautions and business trips are restricted if necessary.

In Japan, we offer vaccinations against influenza to all employees, and our Internal Medical Clinics offer vaccinations against infectious diseases such as measles, rubella, and mumps. Furthermore, the Health Insurance Association subsidizes employee vaccinations at external medical institutions.

Initiatives on Crisis Management

We recognize that people at every business site of the Marubeni Group in Japan and overseas are exposed to various risks, including acts of terrorism, natural disasters, civil unrest, robbery, traffic accidents, aviation accidents, injury, and disease. In particular, we have positioned crisis management at overseas locations as a highly important Company measure. When an incident occurs, we make the safety of employees and their families our primary concern. As such, we strive to foster everyday awareness of crises, and we have established a permanent Overseas Crisis Management Headquarters that is able to respond immediately should a crisis occur.

Specifically, the Overseas Crisis Management Headquarters has prepared a manual summarizing crisis management measures, such as initial actions to be taken in the event of a crisis, and conducts crisis management training for employees who are

assigned overseas and their accompanying family members. We have a system in place for gathering and analyzing the latest public security information from areas around the world and share it with the relevant people. When an incident occurs, the Headquarters solely controls related information about the incident coordinating with overseas offices to make and implement appropriate judgments and countermeasures.

Support for Overseas Assignees and Their Families

Currently, there are approximately 900 Marubeni employees and around 900 of their family members living overseas on assignment from Japan. Ensuring the health of employees and their families is essential for enabling overseas assignees to perform at their best.

Before and during overseas assignments, we conduct health examinations and training for employees and their families to get an accurate appraisal of their health status and raise their awareness about disease prevention and health maintenance. We place particular emphasis on health examinations in order to achieve prevention and early treatment of diseases, and in addition to the legally mandated examination for employees assigned overseas, we require each employee to undertake annual health examinations during their assignments. We aim to achieve 100% participation by following up on employees who have not had their examinations. We also offer annual health examinations and examinations after repatriation to accompanying family members. If health examination services are not available at the assignment location, our system for subsidizing travel to a nearby area with advanced medical facilities or to Japan ensures employees' peace of mind. We encourage both employees and their families to consult with occupational physicians regarding examination results and their daily health status.

We have systems in place to transport people to a nearby area with advanced medical facilities or Japan in the case of an emergency so that they can receive the necessary treatment. We also partner with specialist organizations to provide nursing care support for employees' family members living apart from them in Japan.

Management of Working Hours and Encouraging Use of Vacation Time

The Marubeni Group has established guidelines for the management of working hours to enable working styles that ensure the health and safety of employees, as well as the Company's sustainable growth through improved productivity. The guidelines specifically call for working hours to be properly ascertained from the perspectives of observing labor-management agreements under Article 36 of the Labor Standards Act, eliminating long working hours, and properly managing working hours. The guidelines also call on those in management and supervisory roles outside the scope of working hour management to track working hours to ensure occupational safety (i.e. health management). In addition, Marubeni holds individual interviews with departments that consistently register long working hours and takes steps to reduce chronic long working hours.

In addition to compliance with all laws and regulations, Marubeni conducts the Marubeni Cool & Smart (MaCS) Work

Project. The aim of the project is to strengthen competitiveness by making all companies, organizations, and employees fully aware that time is a finite resource, and encouraging them to pursue higher levels of efficiency and productivity. The project designates times for which overtime is prohibited and promotes a shift toward morning-oriented working times. Work after 8 p.m. is not permitted in principle, and prohibited after 10 p.m. Measures to encourage morning-oriented working times include providing breakfast at Company cafeterias, and paying overtime rates for early morning work at the same rate as late-night overtime.

With regard to the use of vacation time, Marubeni encourages employees to maintain and promote their health, and seeks to ensure employees have the mental health and good physical condition to efficiently produce high-quality results. To this end, in addition to annual paid holidays, the Company also offers its own unique special leave systems, such as all-season special leave, family support leave, and recharge leave. Every employee is encouraged to concentrate fully on work during work hours, and to take the time to fully relax during vacation periods.

Occupational Accidents

Marubeni strives to prevent the incidence of occupational accidents. In the event that an accident does occur, we ensure that it is promptly reported to the Human Resources Department in every case. Accidents are also reported to the Health Committee, and every effort is made to prevent recurrence. Accidents and incidents at Marubeni Corporation or any of its Group companies are reported as appropriate through the compliance incident reporting channel. Depending on the nature of the incident, we carry out follow-up investigations and checks and implement measures to prevent recurrence.

Targets

- Zero fatal accidents
- Zero lost-time injuries
- 100% participation in health examinations by employees assigned overseas

OHSAS 18001 Occupational Health and Safety Management System Certification Status

A number of Marubeni Group companies have acquired OHSAS 18001 certification. OHSAS 18001 Occupational Health and Safety Assessment Series, a management system for managing occupational health and safety risks, stipulates requirements for continuously improving performance. The system prescribes a series of processes: setting an occupational health and safety policy, establishing targets and action plans, evaluating initiatives taken to achieve the targets, and improving on them. As of March 31, 2018, 14 of 430 Marubeni Group companies, or 3.3%, had acquired certification. By continuing to encourage acquisition of the certification within the Group, and thereby ensuring due consideration for occupational health and safety, we are working toward creating an organization where each employee can achieve their full potential with a view to increasing corporate value.

Related Data

Occupational Health and Safety Data

	FYE 3/2018	FYE 3/2017	FYE 3/2016
Lost-time injuries frequency rate*1	0.36	0	0
Occupational illness frequency rate*2	0	0	0
No. of occupational accidents or incidents leading to injuries or fatalities*1	5	4	0
No. of fatal occupational accidents*3	0	0	0

All the indicators for FYE 3/2018 are assured by an external assurance provider based on the international standard ISAE 3000.

*1. Figures for Marubeni Corporation. The lost-time injuries frequency rate is the frequency rate of occupational injury cases that result in one or more days of employee absence. Lost-time injuries frequency rate = Lost-time injuries / Total working hours × 1 million. As for occupational injuries, there were no cases that required revisions in the labor safety and health system or improvement in the work environment. There were other cases of falling accidents in stairways or corridors, but none which required corporate measures.

*2. Figures for Marubeni Corporation. Occupational illness frequency rate = No. of occupational illnesses / Total working hours × 1 million

*3. Figures for Marubeni Corporation.

Usage of Internal Medical Clinics

Number of users in FYE 3/2018 (cumulative users)	For the year: Approx. 26,000 (Medical examination: 3,700; General treatment: 18,000; Specific health guidance: 700; Consultation and other: 3,600)
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Stress Checks

	FYE 3/2018	FYE 3/2017
Number of subjects	4,369	4,497
Number of respondents (response rate)	3,906 (89.4%)	4,027 (89.5%)

Regular Health Examinations

	FYE 3/2018	FYE 3/2017
Participation in health examinations in Japan (legally mandated)	97.6%	97.6%
Participation in health examinations overseas	95.3%	74.3%

Legally Defined Overtime and Use of Paid Vacation Time (Company-wide Average)

	FYE 3/2018
Number of hours legally defined overtime (monthly)	19.2 hours/month
Days of paid vacation time used (annual)	12.3 days

Training and Education

Program	Outline	Target	Number of participants (FYE 3/2018)	Number of participants (FYE 3/2017)
Package program for new graduates	Lecture by head of the medical clinic on "safety and health management"	New graduates	135	164
Mental health	Lecture by head of the medical clinic on "working hour management, health management, and mental health care" from the perspective of developing subordinates	Employees prior to becoming GM for Sec.	228	102
Training for new GM for Dept.	Lecture on "working hour management, health management, and mental health care"	New GM for Dept.	26	27
Promoted training for Administrative Class (upper tier)	Lecture on "working hour management, health management, and mental health care"	Employees promoted in Administrative Class (upper tier)	11	14
4th-year training for Junior Professional Grade	Lecture on "working hour management, health management, and mental health care"	Junior Professional Grade in their fourth year	104	117
4th-year training for Administrative Class	Lecture on "working hour management, health management, and mental health care"	Administrative Class in their fourth year	34	46
Career development	Lecture on "health management"	Employees aged 49-55	116	128

External Evaluation

Inclusion in Health & Productivity Stock Selection

In 2015, Marubeni was selected in the Health & Productivity Stock Selection Program by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE). Launched in FYE 3/2015, this program recognizes TSE-listed companies that exhibit excellence in strategically practicing "health and productivity management," thereby making employee health a management issue. Marubeni has been developing more sophisticated healthcare management systems in order to help employees improve their health, while also supporting employees so that they can have more fulfilling social and private lives. Going forward, we will continue to invest in employee health to further boost our global competitiveness.



Marubeni Certified as a Health and Productivity Management Organization (White 500)

As an organization with an excellent track record of health and productivity management, Marubeni was certified as a Health and Productivity Management Organization (White 500) for 2019, by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi on February 21, 2019.

The Certified Health and Productivity Management Organization Recognition Program highlights outstanding enterprises

engaged in efforts to advance health and productivity management based on initiatives that align with regional health issues and health promotion endeavors supported by the Nippon Kenko Kaigi. Marubeni has been selected for a second consecutive year.

The Marubeni Group has formulated the Marubeni Group Health Declaration, and Marubeni has established the Marubeni Health Promotion Structure. Under the Marubeni Health Project, we are working to improve employees' health literacy, strengthen countermeasures against cancer and lifestyle diseases, strengthen mental health measures, and strengthen initiatives for maintaining and promoting women's health. The Marubeni Group supports employees' success by working to create an environment where each individual can autonomously and proactively take steps to maintain and promote his or her health. These efforts will lead to the growth of the Marubeni Group.



Ministry of Economy, Trade and Industry press release
https://www.meti.go.jp/english/press/2019/0221_002.html

For details about health and productivity management at Marubeni, please refer to Marubeni's website:
https://www.marubeni.com/en/sustainability/human_resources/health/

5. RESPONSIBILITY TO CUSTOMERS

Policy

Policy on Initiatives for Food Safety and Reliability

In the Food Business, the Marubeni Group supplies a wide range of products to meet the increasingly diverse needs of the times. In a number of our businesses, through our ownership of manufacturing and processing facilities, we have built an extensive value chain stretching from raw

material procurement to delivery of products and services to consumers. In this way, we are contributing to food safety and reliability, while addressing nutrition issues by providing food products with outstanding functionality.

As an example of our initiatives on food safety and reliability, at Group company Toyo Sugar Refining Co., Ltd. we produce and sell various types of sugar, as well as functional ingredients such as Rutin and Hesperidin that can be used in food products, beverages, supplements, and cosmetics.

We will proceed to develop new products, making full use of our proprietary enzyme processing technologies and

accumulated expertise, while addressing nutrition issues through the sale of these functional ingredients.

 Overview of Rutin
<http://www.toyosugar.co.jp/en/item/agrutin.html>

 Overview of Hesperidin
<http://www.toyosugar.co.jp/en/item/hesperidin.html>

Initiatives

Compliance System for Ensuring Safety and Reliability of Processed Food Products and Beverages

Marubeni strives to keep up with industry trends, including through membership of the Association for the Safety of Imported Food, Japan and the Japan Food Hygiene Association. At the same time, to improve our technology, we have been working in partnership with an external specialist organization since 2004, accumulating expertise on food safety and hygiene management. In particular, to ensure the safety of imported agricultural, livestock, and marine produce, as well as processed food products, we gather information and check safety ourselves. Furthermore, depending on product characteristics and risks, we may have external specialists perform plant inspections of local suppliers.

If a food safety-related incident does occur, we have systems in place to implement immediate response measures in communication with relevant government agencies and suppliers. These initiatives help to build awareness of food safety among overseas suppliers, leading to improvement of safety measures throughout our supply chain.

We ensure that employees receive appropriate training and that relevant information is shared. We hold internal Group training for all newly assigned employees twice annually, and quarterly Group compliance liaison meetings with Group companies.

Twice annually we hold seminars on selected topics and issues related to food safety, such as ensuring safety of food product imports. In FYE 3/2019, we invited an external expert to hold a seminar on the revised Food Sanitation Act in Japan. Group companies and suppliers were invited to participate in the seminar as part of our efforts to raise awareness of food safety.

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.

GOVERNANCE

To build a better tomorrow, the Marubeni Group has identified Governance for Coexistence with Society as an essential category of Fundamental Materiality.

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.

1. CORPORATE GOVERNANCE

1-1. Corporate Governance

Basic Policy on Corporate Governance

The Company believes in responding to the expectations of its stakeholders—shareholders, customers, local community and employees—by increasing its corporate value to become a proud corporate group committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities in accordance with the spirit of the Company Creed of “Fairness, Innovation, and Harmony.” To realize this, we have been making efforts to

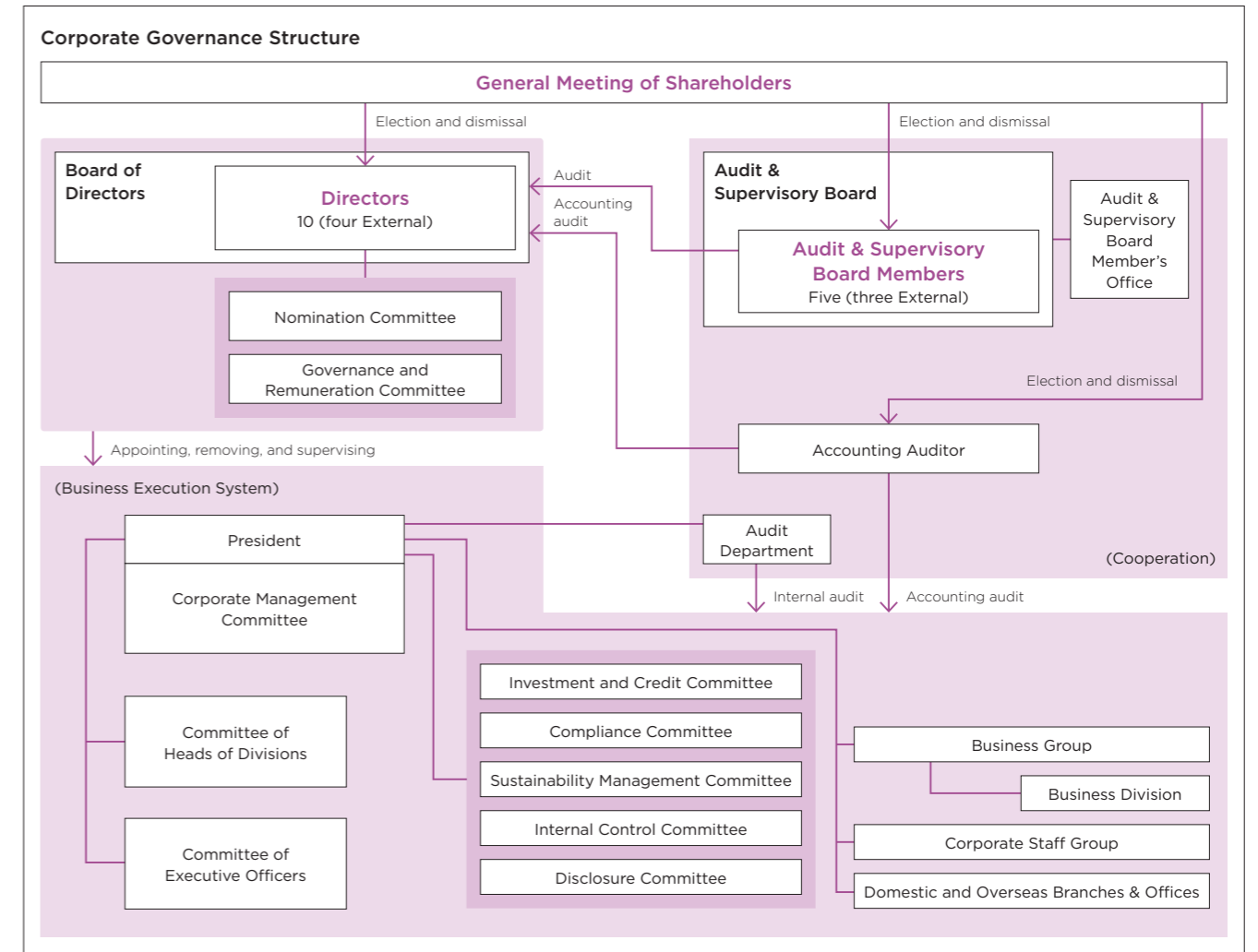
enhance corporate governance as the platform for ensuring soundness, transparency and efficiency of management. To coexist with society based on social expectations and demands, we will deepen our engagement with stakeholders, enhance the effectiveness of the Board of Directors' oversight function, and bring greater transparency to management in order to strengthen our governance system - in other words, to practice Governance for Coexistence with Society.

Framework

The Company conducts a diverse range of business globally. Accordingly, the Company has established a corporate audit governance model of a company with auditors in which the Board of Directors consisting of Internal Directors and External Directors has been established (to appoint External Directors and liaise with the Audit & Supervisory Board) in order to ensure rapid and efficient decision-making and appropriate supervisory functions in management. The Company has determined that this governance model is functioning effectively as set forth in items (a) and (b) below. Therefore, the Company will retain the current governance structure.

(a) Ensuring rapid and efficient decision-making
The Company ensures rapid and efficient decision-making by appointing Directors who serve concurrently as Executive Officers and are well-versed in the Company's diverse business activities.

(b) Ensuring appropriate supervisory functions
The Company ensures appropriate supervisory functions by implementing various measures, including appointing External Directors that account for a third or more of the members of the Board of Directors; establishing the Audit & Supervisory Board Member's Office; fostering collaboration among the Audit & Supervisory Board Members, the Audit Department and the Accounting Auditor; and carrying out advance briefings, on the same occasion, on matters referred to the Board of Directors for both External Directors and External Audit & Supervisory Board Members.



Board of Directors

The Board of Directors comprises 10 Directors (including four External Directors; nine males and one female. The percentage of female directors on the Board is 10.0%), and makes decisions regarding management policy and other important matters and supervises the execution of duties by Directors.

To clearly segregate management and execution, the Chairman of the Board without representative rights and the authority for business execution, in principle, chairs the Board of Directors meetings.

The term of Board of Directors is one year to clarify management responsibility and flexibly build optimum management structure in response to changing management environment.

For information on attendance at meetings of the Board of Directors, please see pages 6-13 of the Reference Materials for the General Meeting of Shareholders.

Audit & Supervisory Board

The Audit & Supervisory Board comprises five Audit & Supervisory Board Members (including three External Audit & Supervisory Board Members). The Company adopts a

corporate audit governance system and each Audit & Supervisory Board Member is responsible for overseeing Directors in the execution of their duties by attending important meetings, such as the Board of Directors meetings, and by monitoring business activities and financial conditions in accordance with the auditing policies and plans set by the Audit & Supervisory Board.

The Audit & Supervisory Board Members and the Accounting Auditor are striving to grasp the audit status of each other through measures such as exchanging information at monthly meetings. The Company's Accounting Auditor for FYE 3/2019 is Ernst & Young ShinNihon LLC. The Audit & Supervisory Board Members and the Audit Department, the department that performs internal audits, exchange opinions at monthly meetings and implement audit operations through close cooperation.

The President holds meetings with the Audit & Supervisory Board Members on a regular basis, reports on execution of duties and exchanges opinions. Other Directors, Group CEOs, COOs and Corporate Staff Group General Managers report their duty execution status to the Audit & Supervisory Board Members every year.

Corporate Management Committee

The Corporate Management Committee is an advisory committee for the President and consists of five Representative Directors including the President, two Senior Managing Executive Officers and three Managing Executive Officers. It deliberates important matters related to management.

Committee of Heads of Divisions

The members of the Committee of Heads of Divisions are the President, the representative directors, the Division COOs and Regional CEOs and COOs appointed by the President. They discuss matters pertaining to budgeting, account settlement and financial planning as well as other issues related to the execution of business.

Committee of Executive Officers

The Committee of Executive Officers consists of 34 Executive Officers (five of whom also serve as Director) and its purpose is to communicate management policies issued by the President and other information and discuss matters that affect business execution such as financial performance and results of internal audits.

Nomination Committee

The Nomination Committee is an advisory body to the Board of Directors and the majority of its members are External Directors/Audit & Supervisory Board Members. The Nomination Committee deliberates on nomination of candidates for the positions of Director, Audit & Supervisory Board Member and President, as well as succession plans formulated and implemented by the President (including necessary qualifications and conditions, successor candidate pool and career development plans), and reports to the Board of Directors.

- Committee's Members: one Internal Director, two External Directors, one External Audit & Supervisory Board Member
- Chairperson: External Director

Governance and Remuneration Committee

The Governance and Remuneration Committee is an advisory body to the Board of Directors and the majority of its members are External Directors/Audit & Supervisory Board Members. The Governance and Remuneration Committee deliberates on the policy for determining remuneration for Directors and Executive Officers as well as appropriateness of the level of remuneration, and reports to the Board of Directors. The committee also conducts evaluation and review concerning the overall Board of Directors, including its composition and operation, and reports to the Board of Directors.

- Committee's Members: two Internal Directors, two External Directors, two External Audit & Supervisory Board Members
- Chairperson: External Director

Overview of Corporate Governance Systems

Organization Form	Company with auditors
Chairperson of the Board	Chairman
Number of Directors	10 (including 4 External Directors*)
Number of Audit & Supervisory Board Members	5 (including 3 External Members of Audit & Supervisory Board*)

* All External Directors and Audit & Supervisory Board Members are independent officers as defined by the Tokyo Stock Exchange.

Board of Directors	18 times
Audit & Supervisory Board	10 times
Corporate Management Committee	30 times
Committee of Heads of Divisions	3 times
Committee of Executive Officers	4 times

Committees

The Company has established various committees for strengthening corporate governance. Main committees and their roles are as follows:

Committee	Role	Chairman	Meeting Frequency
Investment and Credit Committee	Projects pending approval, such as investments, are discussed and approved by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda.	Managing Executive Officer, Member of the Board (Nobuhiro Yabe)	Held three times a month in principle
Compliance Committee	The Compliance Committee provides support and guidance with regard to practicing compliance and as such develops, maintains, and manages the Marubeni Group's compliance structure.	Senior Executive Vice President, Member of the Board (Yukihiko Matsumura)	Held four times a year and whenever else necessary
Sustainability Management Committee	The Sustainability Management Committee defines/redefines materiality inclusive of ESG (environmental, social and governance) considerations across all business domains and deals with sustainability-related matters, including ESG compliance.	Managing Executive Officer, Member of the Board (Nobuhiro Yabe)	Held once a year in principle and whenever else necessary
Internal Control Committee	The Internal Control Committee is responsible for developing and monitoring the enforcement of internal control policies based on the Companies Act as well as drafting revisions when necessary. It also establishes, operates, and verifies the effectiveness of internal control systems for financial reports in accordance with the Financial Instruments and Exchange Act, while also drafting internal control reports.	Senior Executive Vice President, Member of the Board (Yukihiko Matsumura)	Held when necessary
Disclosure Committee	The Disclosure Committee creates disclosure policies, ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for legally mandated or timely disclosure.	Managing Executive Officer, Member of the Board (Nobuhiro Yabe)	Held when necessary

Roles and Functions of External Directors and External Audit & Supervisory Board Members

Roles and Functions of External Directors

External Directors offer opinions on business management drawn from their broad experience and high-level perspective, and give advice to better implement corporate governance.

External Directors attend the meetings of the Board of Directors and the Committee of Executive Officers, making active contributions from the perspective of internal control. Prior to meetings, External Directors are provided with agendas and fully briefed on management issues and project execution status. Two of the External Directors are members of the Governance and Remuneration Committee (one is the chairman) and two are members of the Nomination Committee (one is the chairman).

For reasons of appointment, please refer to Marubeni's website: https://www.marubeni.com/en/company/governance/data/20181221cg_en.pdf#page=6

External Audit & Supervisory Board Members attend meetings of the Audit & Supervisory Board and also the Board of Directors and Committee of Executive Officers. In addition, the External Audit & Supervisory Board Members meet with the President on a regular basis, as well as with members of the Audit Department, Corporate Accounting Department, and external auditors, for an exchange of opinions. They receive audit-related information from Full-time Audit & Supervisory Board Members, which they use in the execution of their auditing duties. Two of the External Audit & Supervisory Board Members are also members of the Governance and Remuneration Committee and one is a member of the Nomination Committee.

For reasons of appointment, please refer to Marubeni's website: https://www.marubeni.com/en/company/governance/data/20181221cg_en.pdf#page=10

Roles and Functions of External Audit & Supervisory Board Members

External Audit & Supervisory Board Members monitor the Directors' execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance the Audit & Supervisory Board.

Executive Compensation

Amounts of executive compensation, details of policies regarding calculation methods used to decide compensation, and methods for making compensation decisions are as follows.

Compensation for Directors and Audit & Supervisory Board Members is decided based on limits to the amount of total compensation for Directors and Audit & Supervisory Board

Members determined by the General Meeting of Shareholders. Compensation for Directors is decided through a process involving discussion and formulation of proposals by the Governance and Remuneration Committee, a body whose membership consists of a majority of External Directors and Audit & Supervisory Board Members, with the proposals then being approved by the Board of Directors. Compensation for individual Audit & Supervisory Board Members is decided through deliberation by the Audit & Supervisory Board Members.

Remuneration for Directors other than External Directors consists of basic compensation, which is a fixed amount corresponding to each Director's position, and variable compensation, which is linked to business performance in the previous business year. Instead of cash, 20% of the aggregation of basic compensation and variable compensation is granted as compensatory stock options, in order to share the benefits and risks of stock price fluctuations with shareholders and further boost motivation to improve the Company's stock price and corporate value. Compensation for Audit & Supervisory Board Members, all of whom are completely independent from business execution, consists entirely of basic compensation.

Total remuneration and other payments for Directors and Audit & Supervisory Board Members in FYE 3/2018

- Directors (other than External Directors): six; Total remuneration, etc.: ¥512 million
- Audit & Supervisory Board Members (other than External Audit & Supervisory Board Members): three; Total remuneration, etc.: ¥76 million
- External Directors/Audit & Supervisory Board Members: ten; Total remuneration, etc.: ¥84 million

Notes:

- 1) The amounts less than 1 million yen are rounded off.
- 2) The maximum annual amount of remuneration for Directors was set at ¥1,100 million (including ¥60 million for External Directors; by a resolution of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016), the maximum monthly remuneration for Audit & Supervisory Board Members was set at ¥12 million (by a resolution of the 88th Ordinary General Meeting of Shareholders held on June 22, 2012) and the maximum annual amount of compensatory stock options for Directors (excluding External Directors) is ¥220 million (by a resolution of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016).
- 3) The Company abolished the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, which also resolved on making a final payment of retirement remuneration. In accordance with the resolution, the Company decided to pay retirement remuneration to each Director who is eligible to receive the final payment either at the time of retirement as Director or at the time of retirement as Executive Officer, whichever is later, and to each Audit & Supervisory Board Member who is eligible to receive the final payment at the time of retirement as Audit & Supervisory Board Member. In FYE 3/2018, retirement remuneration was not paid to Directors/Audit & Supervisory Board Members who are eligible to receive a final payment in relation to the abolition of the Retirement Remuneration plan.

Individuals to whom the total amount of compensation paid exceeded ¥100 million in FYE 3/2018

- Teruo Asada (Director): ¥104 million (cash compensation of ¥83 million and compensatory stock options worth ¥21 million)
- Fumiya Kokubu (Director): ¥128 million (cash compensation of ¥103 million and compensatory stock options worth ¥25 million)

Evaluation of Effectiveness of the Board of Directors

The evaluation of effectiveness of the Board of Directors in FYE 3/2018 was conducted as described below:

I. Framework and Method of Evaluation

1. Target

- All Directors (10 people) and Audit & Supervisory Board Members (five people)
(As of December 2017)

2. Implementation Method

- A questionnaire survey was conducted. (Anonymous responses.) The Company utilized an external specialized institution for its implementation.

3. Evaluation Items

- (1) Roles and responsibilities of the Board of Directors
- (2) Relationship between the Board of Directors and senior executives

- (3) Organizational design and composition of the Board of Directors and other bodies
- (4) Quality and expertise of Directors and of the Board of Directors
- (5) Deliberation by the Board of Directors
- (6) Relationship and dialogue with shareholders
- (7) Engagement with stakeholders other than shareholders

4. Evaluation Process

The Board of Directors deliberated in view of the results of the evaluation and review by the Governance and Remuneration Committee concerning the overall Board of Directors, including its composition and operation, based on the responses to the questionnaire.

II. Overview of the Evaluation Results

The Board of Directors deliberated in view of the results of the evaluation and review by the Governance and Remuneration

Committee and confirmed that, on the whole, the Board of Directors is being operated effectively. The Company will continue to work to maintain and improve the effectiveness of the Board of Directors, reflecting the results of the evaluation and review.

Response to the Corporate Governance Code

Marubeni issued the Corporate Governance Report and Marubeni's Corporate Governance Code Initiatives in response to the revised Corporate Governance Code announced by the Tokyo Stock Exchange on June 1, 2018.

Corporate Governance Report
https://www.marubeni.com/en/company/governance/data/20181221cg_en.pdf

Marubeni's Corporate Governance Code Initiatives
https://www.marubeni.com/en/company/governance/data/20181221cgcord_en.pdf

For further information on the corporate governance structure, please refer to Marubeni's website:
<https://www.marubeni.com/en/company/governance/measure/structure/>

Marubeni will continue to enhance corporate governance in pursuit of improved medium-to-long-term corporate value.

1-2. Internal Controls

Basic Internal Control Policy

Marubeni seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed^{*1} and Management Philosophy,^{*2} and to build a stable and sustainable group business foundation. To this end, the Company, in accordance with the Companies Act and its implementation guidelines, establishes the policy described below (hereinafter referred to as the "Basic Internal Control Policy") to ensure that all business activities of Marubeni and the business group (hereinafter referred to as the "Marubeni Group") made up of Marubeni and all Marubeni Group companies (Marubeni's consolidated subsidiaries and companies deemed as equivalent to subsidiaries; the same

shall apply hereinafter) are conducted appropriately. Marubeni regularly reviews the Basic Internal Control Policy in response to changes in social conditions so as to realize a system that is more appropriate and efficient.

- *1. 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.
- *2. Marubeni Management Philosophy
In accordance with the spirit grounded in "Fairness, Innovation and Harmony," the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities."

1-2-1. System for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

(1) Corporate Governance

i. Directors and Board of Directors

The Board of Directors, in accordance with laws and regulations and the Articles of Incorporation, sets the important matters related to management and supervises the execution of duties by Directors. To clearly segregate execution and supervision, the Chairman of the Board without representative rights or authority for business execution, as a rule, chairs the Board of Directors meetings.

Directors execute business operations and report the situation of their duty execution to the Board of Directors once every three months or more often based on operations in charge decided by the Board of Directors in accordance with the laws, regulations and Articles of Incorporation. The term of office of Directors is one year to clarify management responsibility and flexibly build optimum management structure in response to changing business environment.

Marubeni appoints External Directors to ensure the effectiveness of corporate governance.

Marubeni adopts the executive officer system to improve efficiency of business execution, and a system where its Group CEOs participate in the Company's overall management and supervise overall operation of the respective business groups in charge by complying with the Company's management policy.

ii. Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members audit execution of duties by the Directors in accordance with the Rules of the Audit & Supervisory Board and the Standards for Audit by the Audit & Supervisory Board Members by exercising their statutory authority in collaboration with the Audit Department and Accounting Auditor.

(2) Compliance

i. Compliance system

Marubeni sets forth a code of conduct common for the Marubeni Group such as the Marubeni Corporate Principles and Compliance Manual for its Directors and Executive Officers (hereinafter referred to as the “officers”) and employees to practice corporate activities in accordance with compliance. To achieve the goal, it establishes various committees including the Compliance Committee and takes various measures.

ii. Internal whistleblowing system

To provide for a situation in which a person learns of a questionable act from the perspective of compliance and the organizational reporting line does not function for some reason, Marubeni has established the following compliance reporting and consulting points for the entire Marubeni Group.

(a) Marubeni Hotline (Compliance Committee line and external legal counsel line)

The Compliance Access Point for general compliance matters for the Marubeni Group

(b) Marubeni Anti-Corruption Hotline

The Compliance Access Point for concerns relating to bribery and other serious crimes involving the Marubeni Group and its business partners

iii. Blocking relationships with anti-social forces

Marubeni will stand firm against anti-social activities and forces that are threats to social order and public security, and will never form or foster relationships with any organization that poses such threats.

(3) Internal audit

Marubeni has established the Audit Department directly under the President to study the appropriateness of duty execution by executing persons and compliance status and implements internal audits by the Audit Department and self-inspection of Marubeni company-wide under instructions from the Audit Department. The results of internal audits are reported to the Board of Directors on a regular basis.

(4) Disciplinary actions

When the execution of duties by an officer or employee results in violation of law or regulation, Marubeni shall seek judgement of the Governance and Remuneration Committee, an advisory committee to the Board of Directors with the majority of members being External Directors/Audit & Supervisory Board Members, in the case of an officer, and the Award and Disciplinary Committee in the case of an employee, and take strict actions in accordance with relevant regulations.

Marubeni implements management of qualitative risks including reputation risks and information security risks, which are difficult to quantify, through enhancement of compliance structure.

(4) Emergency management

In preparation for occurrence of serious issues such as a natural disaster, Marubeni formulates Business Continuity Plans. When a serious situation actually occurs, Marubeni establishes an emergency task force with the President as the head based on the said plan and makes decisions on and implements concrete measures to limit the damage and loss to a minimum.

1-2-2. Systems to preserve and manage information related to the execution of duties by Directors

(1) Preservation and management of information and prevention of information leakage

Based on the Regulation for Management of Information Assets, Marubeni sets forth the assets subject to storage, storage period and employees in charge of managing the information regarding information related to execution of duties by officers and employees to develop a system to store and manage information and prevent information leakage.

(2) Browsing information

The officers and Audit & Supervisory Board Members may browse such information assets at any time.

1-2-3. Internal regulations for the risk management of losses and other related systems

(1) Principle of authority and duties

Officers and employees with titles are given necessary authority for executing their duties based on resolutions of the Board of Directors and the Regulations of Authority and Duties and manage risks associated with execution of duties within the given scope and take responsibility for the results.

Board of Directors depending on laws and regulations, Articles of Incorporation and the importance of the project. The progress of important projects such as a new business is required to be reported on a regular basis to the Corporate Management Committee to strengthen individual risk management.

(2) Approval system

Individual projects such as important investment are deliberated by the Investment and Credit Committee, submitted to the Corporate Management Committee and approved by the President based on the Regulations of Job Authority Ringi Approval Procedure. They become subject to approval by the

(3) Risk evaluation

From the perspective of dispersing company-wide risks, Marubeni implements integrated risk management to grasp risks that can be quantified, such as credit and investment risks regarding countries and regions, industries, markets and customers.

1-2-4. Systems necessary to ensure the efficient execution of duties by Directors

(1) Management policy, management strategy and management plan

To ensure efficient execution of duties by Directors, Marubeni sets forth goals shared by all officers and employees at the Marubeni Group, such as management policy, management strategy and management plan and instill them, while establishing concrete targets that individual officers and employees should implement for achieving the goals.

(3) Business Groups and Corporate Staff Group

Marubeni has introduced the Business Group system and delegates authority to Group CEOs to enable a structure that facilitates swift decision-making regarding products they are in charge of in Japan and abroad. Further, the Corporate Staff Group manages, checks and supports the Business Groups in each specialized field to enable efficient execution of duties.

(2) Corporate Management Committee

To ensure efficient execution of duties, Marubeni establishes the Corporate Management Committee and deliberates on highest-order policy regarding management and important company-wide matters.

(4) Clarification of authority, duties and responsibilities

The Board of Directors decides Directors in charge and clearly stipulates each officer’s and employee’s roles, authority, responsibilities and rules for decision-making in various regulations.

1-2-5. Systems necessary to ensure the appropriateness of operations by the Group

(1) Marubeni Group operation structure

Marubeni shall stipulate necessary systems including a system for appropriate reporting to Marubeni regarding managers in charge of grasping business status of Marubeni Group companies, giving instructions and supervising, guidelines regarding the management system of Marubeni Group companies and execution of duties by Directors etc. of each Marubeni Group company, a system regarding appropriate management of risk of losses at Marubeni Group companies, a system for ensuring efficient execution of duties by Directors, etc. of Marubeni Group companies and a system for ensuring Marubeni Group companies’ compliance with laws and regulations in order to enhance internal control of the entire Marubeni Group, improve business performance and progress management.

(3) Establishment of system for ensuring appropriateness of financial reporting and safeguarding of assets

Marubeni Group shall develop, through activities, etc. of the Internal Control Committee, necessary systems for ensuring reliability and continuous monitoring of financial reporting such as consolidated financial statements as well as a system for ensuring appropriate acquisition, storage and disposal of assets held by Marubeni Group companies. It shall also establish the Disclosure Committee and develop the necessary system for information disclosure in an appropriate and timely manner.

Marubeni Group companies shall ask for advice from Marubeni regarding important management-related matters and report to Marubeni.

(2) Compliance

The Compliance Committee and other committees shall support and give guidance regarding compliance activities by Marubeni Group companies. Marubeni Hotline and Marubeni Anti-Corruption Hotline shall be available for officers and employees of all Marubeni Group companies.

(4) Audits

The Audit Department carries out visiting audits at Marubeni Group companies and reports the result to the Board of Directors. The Audit & Supervisory Board Members and Accounting Auditor independently carry out audits or accounting audits at Marubeni Group companies.

1-2-6. Matters concerning employees assisting the duties of Audit & Supervisory Board Members, and matters concerning the independence of these employees from Directors

(1) The Audit & Supervisory Board Members attending important meetings

Marubeni establishes the Audit & Supervisory Board Members' Office and appoints dedicated staff members to assist in the duties of the Audit & Supervisory Board Members.

(2) Personnel affairs of the Audit & Supervisory Board Members' Office staff

The Director in charge of human resources shall implement personnel affairs of the Audit & Supervisory Board Members' Office (personnel changes, evaluation, disciplinary actions, etc.) by hearing the opinions of the Audit & Supervisory Board Members in advance and upon receiving their consent.

1-2-7. Systems for Directors and employees to report to Audit & Supervisory Board Members and other systems for reports to Audit & Supervisory Board Members

(1) The Audit & Supervisory Board Members attending important meetings

The Audit & Supervisory Board Members shall attend Board of Directors meetings and receive reports from Directors on execution of duties and other important matters. They shall also attend the Corporate Management Committee and other important meetings.

their duty execution status to the Audit & Supervisory Board Members every year.

Marubeni develops a system for Directors, Audit & Supervisory Board Members and employees of Marubeni Group companies, or those who received a report from them, to report directly or indirectly to the Audit & Supervisory Board Members.

Notwithstanding the above, the Audit & Supervisory Board Members may seek reports from officers and employees whenever necessary.

Marubeni has in place a system to ensure that the person who makes a report to the Audit & Supervisory Board Members would not be treated unfairly at Marubeni or Marubeni Group companies because of the concerned report.

(2) Reporting by officers and employees to the Audit & Supervisory Board Members

The President holds meetings with the Audit & Supervisory Board Members on a regular basis, reports on execution of duties and exchanges opinions. Other Directors, Group CEOs, COOs and Corporate Staff Group General Managers report

1-2-8. Other systems necessary to ensure effective audits by Audit & Supervisory Board Members

(1) Collaboration with the Audit Department, Accounting Auditor and Audit & Supervisory Board Members of Marubeni Group companies

The Audit & Supervisory Board Members receive respective audit plans in advance from the Audit Department and Accounting Auditor, and hold regular meetings to exchange opinions regarding audit policy and audit result reports. The Audit & Supervisory Board Members cooperate with Audit & Supervisory Board Members of Marubeni Group companies through the Group Auditor Liaison Meeting and exchange information regarding the development of internal controls at each company and their operation.

(2) Appointment of external experts

The Audit & Supervisory Board independently has a contract with a corporate lawyer, and if the Audit & Supervisory Board Members deem it necessary, they can appoint external advisors such as lawyers and certified public accountants.

(3) Audit-related expenses

Marubeni shall allocate a budget and pay expenses arising from the execution of duties by the Audit & Supervisory Board Members, including the cost of appointing external experts described above in response to requests from the Audit & Supervisory Board Members, through a prescribed procedure.

2. COMPLIANCE

Policy

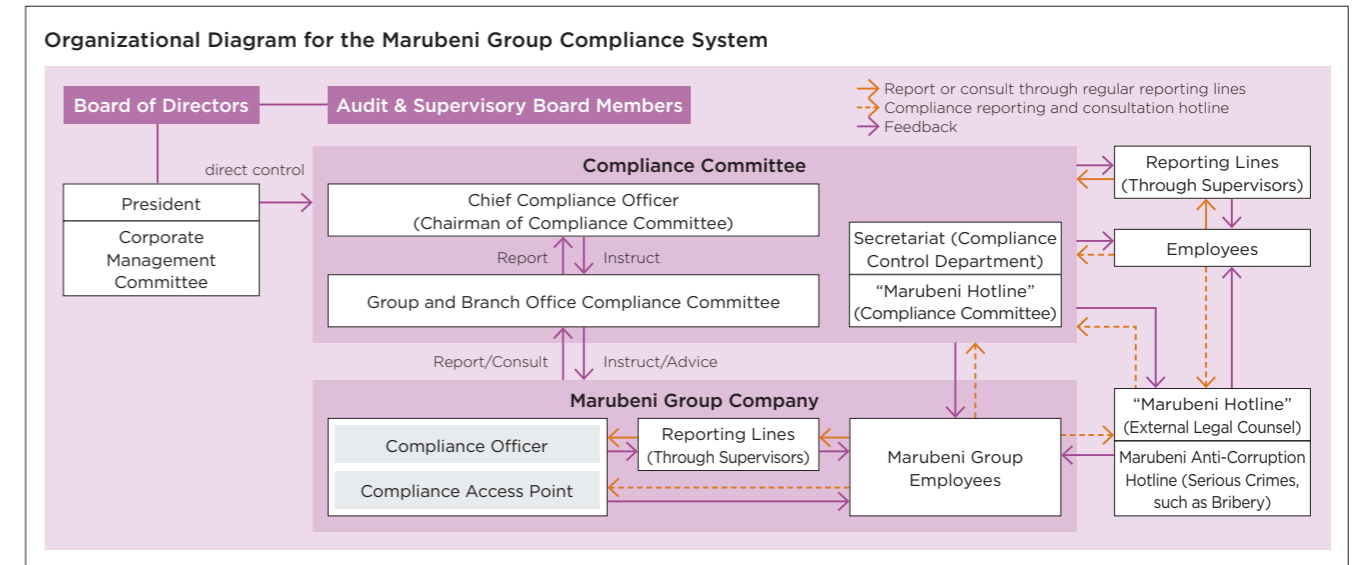
As it advances its global operations, Marubeni acts in accordance with the belief that compliance goes beyond merely following the letter of the law. In its truest sense, compliance means corporations—as good members of society—practicing high levels of ethics, living up to the expectations of stakeholders, and fulfilling their social responsibilities.

To achieve this type of compliance, Marubeni is reinforcing and regularly improving its compliance systems under the guidance of the Compliance Committee, which is overseen by the President and CEO. The Compliance Committee oversees the Marubeni Group Compliance Manual and regularly reviews its effectiveness and validity in light of changes in laws, regulations, and society.

Framework

Each company within the Marubeni Group has been developing its own compliance system customized to its own business activities. Overseas offices and subsidiaries have also been creating compliance systems customized to suit the laws,

regulations, and business practices of their respective countries. Overseas offices and subsidiaries formulate their compliance action plans and review their plans.



Initiatives

Stringent Application of Compliance Manual

Part of the Marubeni Group's Company Creed is "Fairness." This symbolizes our pledge to always conduct ourselves in a fair and upright manner. We have defined Marubeni's stance on compliance as: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Based on this stance, Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group officers and employees are expected to follow in all their daily work activities. Every year, the Company's executives and employees, as well as the presidents of all domestic Marubeni Group companies, make a written statement to adhere to the code expressed in this manual. As of October 2018, the Compliance Manual, now in its 15th edition, is available in English as well as Japanese, and can be viewed on the Company's website.

For further information on the Compliance Manual, please refer to Marubeni's website:
<https://www.marubeni.com/en/company/governance/measure/compliance/>

Anti-Corruption Measures

Overview of the Marubeni Group's Measures

We believe that transactions that involve unlawful conduct are not only unnecessary, but also harmful to the Marubeni Group's interests. In recent years, an increasing number of companies in both developed countries and emerging countries are refusing to tolerate bribery. Marubeni Group, as a global enterprise, also has a strong interest in actively working towards the prevention of bribery.

As a part of this effort, we have the "Anti-Corruption Handbook". This handbook requires all executives and employees of the Marubeni Group worldwide to adopt and follow robust anti-bribery practice.

In addition, Marubeni has established a strict anti-bribery system. This includes setting rules for managing the appointment of agents, consultants, subcontractors, and joint venture partners (hereinafter, "business partners"), and rules for managing entertainment of and gifts to public officials, and requiring Group companies to set similar rules.

Initiatives for Managing Appointment of Business Partners

Marubeni has set the following rules to prevent bribery not only by officers and employees, but also by business partners. These rules mandate that we appoint only business partners who agree with the Marubeni Group's anti-bribery initiatives. Appointments are made only after having obtained the consent of the Group Compliance Officer and the general manager of the Compliance Control Department.

- When appointing a business partner, carry out prior due diligence to ascertain that the business partner has a compliance system in place, or plans to introduce such a system in the future, to ensure compliance with anti-bribery laws, and that Marubeni will not be exposed to bribery and corruption risks by the business partner.
- Exchange contracts that include the anti-bribery provisions necessary to reduce or eliminate the risk of improper payments being made between Marubeni and business partners.

Internal Whistleblowing System

Marubeni operates the Marubeni Hotline (formerly the "Door of Courage") for general compliance matters. In addition to officers and employees of Marubeni Corporation, the hotline is available to officers and employees of Marubeni Group companies, who may consult with or make reports either to Marubeni's Compliance Committee or to an external lawyer. The name changed in FYE 3/2018 to Marubeni Hotline (the name written in Japanese is a play on words that also carries the meaning of "feeling relieved" or "at ease") to make it feel more familiar to users and provide reassurance to those who are hesitant to use it.

In addition to the Marubeni Hotline, Marubeni has also set up a compliance hotline called the Marubeni Anti-Corruption Hotline for reporting serious crimes such as bribery, money laundering, illegal accounting practices, or violations of the Anti-Monopoly Act (competition law). This is available to the Marubeni Group's business partners as well as to the Group's officers and employees.

If consultations or reports are made to these hotlines, we undertake investigations and preventive measures as necessary, and provide feedback to the person who made the report. In responding to reports, we maintain strict confidentiality, and guarantee that those making the report or consultation will not be treated unfavorably.

In FYE 3/2018, there were 25 matters reported at Marubeni. None of these were compliance violations that would have a serious impact on the operations of Marubeni or its consolidated subsidiaries.

Response When a Problem Occurs

When compliance problems arise, the following procedure shall be followed.

1. When a Group or Branch Office Compliance Officer identifies a problem, he/she shall report it immediately to the Compliance Committee.
2. Upon receipt of a report, the Compliance Committee shall instruct the relevant department(s) to investigate the problem and determine an appropriate remedy.
3. If the Chairman of the Committee considers the problem to be serious, he/she shall report the problem promptly to the President and Audit & Supervisory Board Members.
4. When the problem affects the whole company, the Compliance Committee shall investigate the problem by forming an Investigation Sub-committee and shall propose appropriate remedies including measures to prevent recurrence.

Compliance Education and Training

The Marubeni Group conducts education and training programs throughout its organization in accordance with the Marubeni Group Compliance Manual.

Specifically, we conduct e-Learning programs and group training sessions featuring roleplay and case studies to teach employees about general compliance topics, anti-bribery precautions, and cartel countermeasures. In addition, the Chairman of the Compliance Committee and representatives from the Compliance Control Department make periodic visits to Group companies and overseas offices to provide training and raise awareness of compliance. As a company that conducts business globally, Marubeni shares information on current trends in laws and regulations with the relevant officers and employees in order to comply with the anti-corruption and bribery laws and competition laws of each country, particularly in cross-border transactions.

Cartel Prevention

Marubeni treats the fact that Marubeni and its subsidiaries have been involved in a number of cartel-related cases as a very serious problem, and is taking steps to prevent recurrence.

Specifically, we conducted internal investigations in cooperation with an external law firm, revised our internal regulations, and are educating employees with in-house training and e-Learning, and strengthening our competition law (including the Japanese Antimonopoly Act) compliance system by preparing and distributing an in-house manual.

Management Regulations Related to Competition Law

Marubeni has established Management Regulations Related to Competition Law in order to prevent acts that violate competition law (including the Japanese Antimonopoly Act), such as acts that constitute or give the appearance of cartels or bid-rigging. These regulations include items such as those listed below.

- Prohibition of exchanging sensitive information with competitors, such as pricing, transaction terms, strategies, and sales volume related to specific products or services, except in certain cases such as when acting as transaction partners with competitors
- Prohibition of involvement in competition law violations by customers or other transaction partners
- System for notification and reporting in the event of contact with competitors
- Reporting obligations on member organizations
- Reporting obligations and response if a violation is suspected
- Measures to be taken in the event of a violation

Adequacy and Transparency of Tax Payments Policy

In addition to maintaining a system for proper filing of tax returns, as an enterprise that does business globally, Marubeni will maintain and strengthen its internal organization to enable it to respond appropriately as countries update their legal systems to reflect the content of the Base Erosion and Profit Shifting (BEPS) Action Plan.

Status of Initiatives

"Proper filing of tax returns" is included in the matters to be observed in the Marubeni Group Compliance Manual. In practice, we also use external experts when conducting business transactions and filing of tax returns, which helps to ensure proper filing. Additionally, since the announcement of the BEPS Action Plan, various countries are enacting related legislation. We are responding in ways such as systematizing country-by-country reporting and cooperating with local subsidiaries and operating companies in submission of country-by-country reports and master files, and in contemporaneous transfer pricing documentation.

3. RISK MANAGEMENT

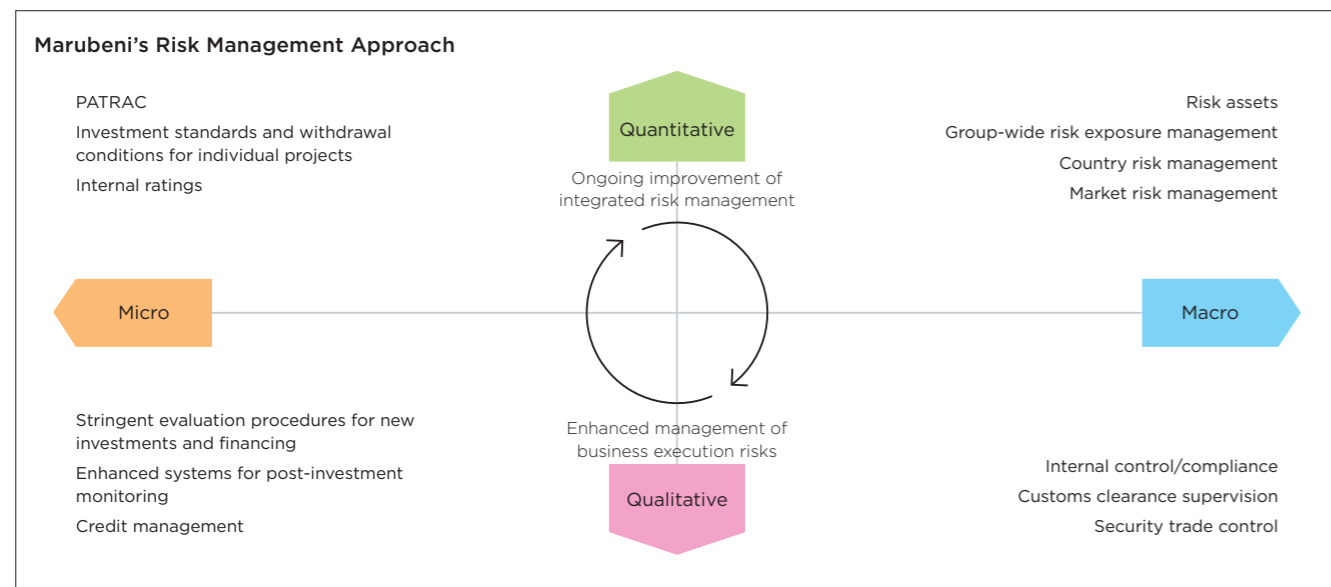
Structure

In the course of its diversified business activities, Marubeni conducts risk management activities which address risk from a variety of perspectives: macro and micro, as well as qualitative and quantitative. Increased volatility in exchange rates, natural resource prices, and other parameters has continued unabated. Under these conditions, the Company is promoting integrated risk management, measuring the maximum level of risk on a consolidated basis and limiting it to within the scope of total equity. By conducting thorough screening and follow-up for individual projects and further enhancing internal control systems, the Company has established a structure that minimizes losses due to unforeseen events.

Individual projects such as important investment are deliberated by the Investment and Credit Committee, submitted to

the Corporate Management Committee and approved by the President based on the Regulations of Job Authority Ringi Approval Procedure. They become subject to approval by the Board of Directors depending on the importance of the project. Following implementation, each business department manages its own risk exposure and, for important cases, periodic status reports are made to the Investment and Credit Committee, Corporate Management Committee, and the Board of Directors.

In addition, a corporate planning and strategy department was placed under direct control of the Group CEO, the highest authority with regard to all business groups, thereby establishing a risk management system that has been optimized to the business models of each business group.



Initiatives

Integrated Risk Management

Marubeni operates in a diverse range of industries and regions. Therefore, the Company has established an integrated risk management system that not only focuses on individual risk factors at a micro level, but also takes a macro view of the various factors that affect the entire Marubeni Group. Integrated risk management takes a broad overview of the assets for the entire Group, gauging risk based on the exposure of these assets to each specific risk factor—country risk, industry risk, credit risk for each client, and so on. These risks form the basis for calculating Value at Risk (VaR), which takes into

account dispersion effects and correlations to calculate maximum risk. VaR is used as a primary benchmark for our portfolio management.

Integrated risk management looks at various risk factors in a comprehensive way to enable managers to understand risk as a single monetary value. By using computer simulations that reflect the latest information, Marubeni has made it possible to grasp the degree of risk. We calculate PATRAC*1 based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC indicates profit after tax following adjustment for risk.

Marubeni has adopted PATRAC as an important management indicator, using it as a method of screening proposals requiring approval. Each Portfolio Unit*2 constantly takes steps to adjust its portfolio in a flexible manner, seeking to improve PATRAC in order to achieve maximum returns for a given level of risk, enabling the Marubeni Group to achieve steady and balanced earnings growth.

*1. PATRAC (Profit After Tax less Risk Asset Cost): Marubeni's proprietary management index for measuring the degree to which the return on a risk exceeds a minimum target

*2. Portfolio Unit: Unit of business management linking business departments and Group companies by business domain

Business Continuity Plans (for business continuity in the event of a major disaster)

Marubeni has formulated Business Continuity Plans (BCPs) to prepare for natural disasters, including large-scale earthquakes and flooding, epidemics of new strains of infectious diseases, and situations in which the Tokyo Head Office loses its ability to function. In addition to BCPs for the Tokyo Head Office, Marubeni has also prepared individual BCPs for offices both in and outside Japan that are essential to the continuation of corporate activities. These plans are updated regularly. For earthquakes in particular, the whole company is working to enhance resilience through regular evacuation drills and enhancement of BCPs, based on simulations of earthquake scale and the extent of damage.

When a massive earthquake hit Japan in March 2011, an emergency headquarters under the direction of the President was established in accordance with the initial response guidelines stipulated in the BCPs. Information on the safety of employees, the status of our infrastructure, and damage to facilities was quickly collected and necessary measures were taken in a timely manner.

Information and Data Security

To protect information assets and ensure the safe conduct of business activities, Marubeni has established IT security regulations and other internal rules for information security management that all officers and employees are expected to comply with. These regulations are emphasized throughout the company so that all employees are well informed.

In addition to rules, we also implement system measures to increase the confidentiality, integrity and availability of information security based on our recognition of risks such as unauthorized access to and loss, falsification and leakage of information.

In April 2017, we reorganized our Document Management Regulations into Information Asset Management Regulations, and created an environment in which information assets can be stored and used safely according to their degree of confidentiality. The reason for these changes was to enhance business efficiency by incorporating new rules for handling and management of information, including production, storage, preservation and disposal of information assets.

For Group companies, we created the Marubeni Group IT Governance Rules in April 2013 based on the above IT security regulations and other internal rules. The unification of information security rules within the Group will contribute to stronger security. We also call on Group companies to establish rules equivalent to the Information Asset Management Regulations.

The Marubeni Group is creating a secure and convenient IT environment in accordance with the Group IT Governance Rules, and is promoting the introduction of that environment at Group companies.

Measures to Address Climate Change

The Marubeni Group is incorporating climate change perspectives into its risk management process to respond to risks and opportunities related to climate change.

Specifically, we are including climate change as an evaluation item in the integrated risk management process mentioned above, and are analyzing and making judgments on its potential impact on our businesses.

As a risk management measure for climate change, the Marubeni Group is analyzing the risks, opportunities and impacts on its businesses from climate change based on a Current Policies Scenario and a 2.0°C Scenario. We will use the results in formulating business plans and strategies.

For further information on our climate change scenario analysis, please refer to Marubeni's website: https://www.marubeni.com/en/sustainability/environment/approach/?id=anc_04

Protection of Water Resources

In dealing with water problems in regions suffering from water shortages, the Marubeni Group conducts risk analysis and implements business risk assessments for new investments and existing businesses. We make decisions on whether to go ahead with projects after comprehensively analyzing and assessing not only local laws and regulations, but also the impact on the local environment and communities.

For further information on water management, please refer to Marubeni's website: <https://www.marubeni.com/en/sustainability/environment/water/>

Risk Assessments of Human Rights Issues, Labor Problems and Corrupt Practices

The Marubeni Group conducts risk assessments on social issues such as human rights issues, labor problems (including child labor, forced labor and illegal employment) and corrupt practices. We make business decisions after conducting risk analysis and assessments for new loans and investments as well as existing businesses.

For further information on ESG risk surveys and analyses, please refer to Marubeni's website: <https://www.marubeni.com/en/sustainability/group/esg/>

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/	