



Our Views on Sustainability

Our Views on Sustainability	19
Organization	20
Assessment of Sustainability Risk	21
Engagement with Stakeholders	25
Participation in International Initiatives	26

Our Views on Sustainability

| [Our Views on Sustainability](#) ▾ | [Organization](#) ▾ | [Assessment of Sustainability Risk](#) ▾ |

[Engagement with Stakeholders](#) ▾ | [Participation in International Initiatives](#) ▾ |

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.

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 by conducting 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.

[▶ Click here for ESG Content Index](#)

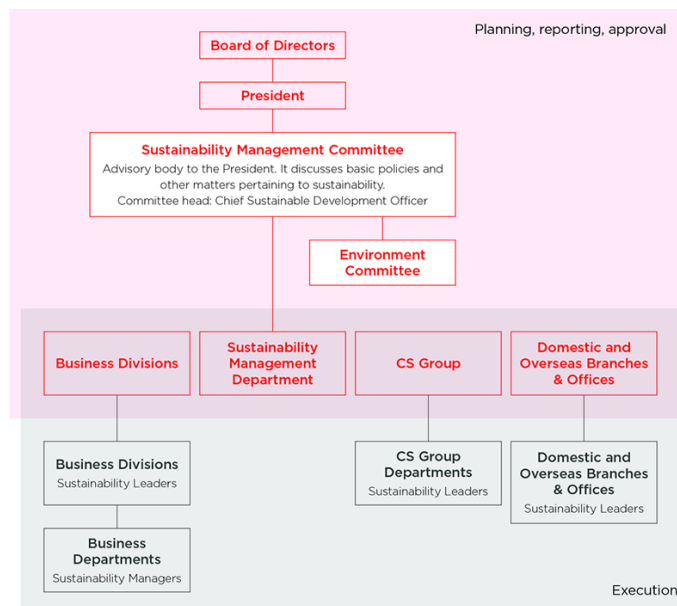
Organization

Our governance structure allows for adequate Board supervision of important sustainability-related issues. Specifically, the Sustainability Management Committee, an advisory body to the President, leads on the formulation of strategy, evaluation of progress and revision and monitoring of metrics and targets relating to sustainability, including climate change, water management, pollution prevention, sustainable forestry, biodiversity, circular economy, occupational health and safety, respect for human rights, contribution to local communities, supply chain management and responsibility to customers. The Committee reports to the Board of Directors once a year as a minimum, and important matters are deliberated and voted on by the Corporate Management Committee and the Board of Directors.

The Sustainability Management Committee is chaired by the CSDO (Chief Sustainable Development Officer) and counts external directors and Audit & Supervisory Board members among its advisory members to support the management and supervision of sustainability-related matters from an independent external perspective.

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

- A Chief Sustainable Development Officer serves as the head of the Sustainability Management Committee.
- A Sustainability Management Department is 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 is appointed in each business division, each department within the CS Group, and at each branch, office and overseas corporate subsidiary. A Sustainability Manager is also appointed in each business department.



Organization

Assessment of Sustainability Risk

ESG Risk Research/Analysis

As part of our efforts to strengthen ESG risk management, we have established the following framework for conducting research and analysis.

Risk Analysis of Existing Businesses

1. ESG Risk Analysis

Marubeni conducted research and analysis of all products and projects handled by the Company for potential ESG risks, through collaboration with an external consultant with objective perspectives and methods.

For the risk analysis, we referred to the ESG risk-related data published by international organizations, government organizations, research institutions, NGO organizations, etc., then narrowed down the focus to approximately 30 products and projects that are generally likely to have potential ESG risks, and carried out detailed risk analysis on them. For more information, please refer to the ESG Risk Research/Analysis Process below.

2. Sustainability of Consolidated Subsidiaries

In order to ensure sustainable business operations at the Marubeni Group's consolidated subsidiaries around the world, we conducted a sustainability survey of our consolidated subsidiaries from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2021. No problems requiring immediate action were identified as a result of this survey.

➤ [Click here for more information on the sustainability surveys for consolidated subsidiaries](#)

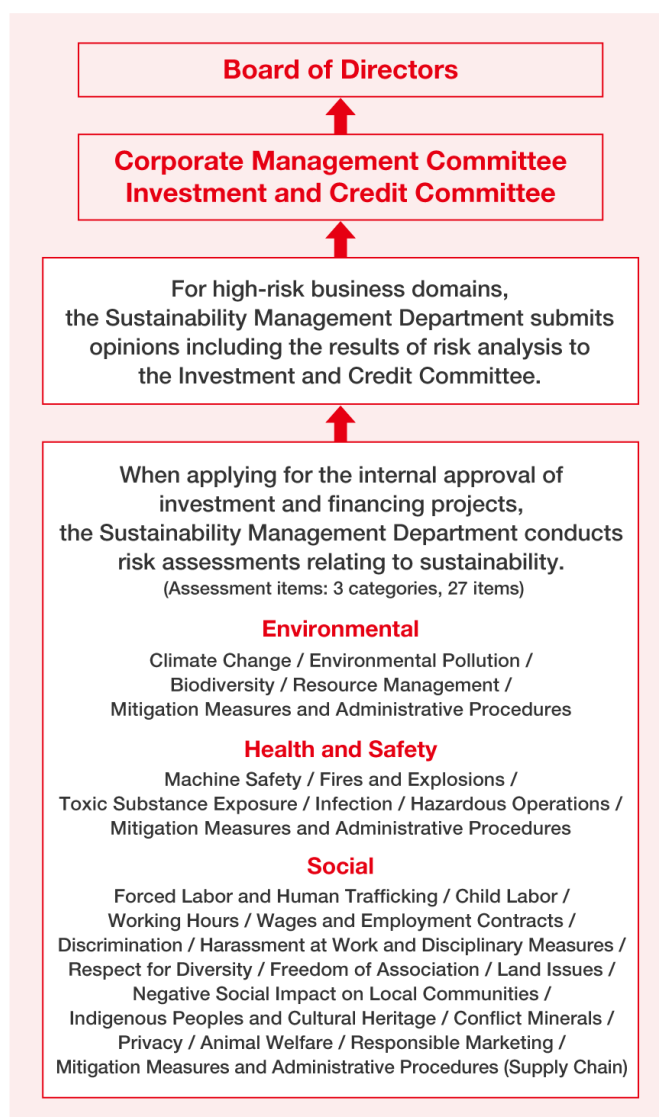
3. Researching Supply Chain Risks

Marubeni communicates its Basic Supply Chain Sustainability Policy (hereinafter "Basic Policy") to its suppliers, and requests their thorough understanding, as well as cooperation and compliance with the Basic Policy. We conduct due diligence analysis and risk assessment of all suppliers, new and existing, through questionnaires and on-site surveys. When a case of non-compliance is confirmed, we provide guidance or review our business with the supplier. By ensuring widespread and thorough understanding of the Basic Policy, we work to reduce social and environmental risk.

Sustainability Risk Assessment of Investment and Development Projects

In the fiscal year ended March 31, 2021, Marubeni adopted a "Sustainability Assessment Tool" based on international risk management standards such as the Global Slavery Index and Corruption Perceptions Index, in order to conduct prior assessments of sustainability risks involved in new investments and development projects – environmental and social, particularly occupational health and safety, and human rights – to inform the decision-making procedure and respond to the needs of society.

Previously, we had been using an environmental assessment tool for projects to identify environmental risks but in recent years ESG-based risk management with a broader scope and perspective is being called for reflecting the growing expectations and demands of the stakeholders. Consequently, we have adopted this tool as a way of assessing and identifying overarching sustainability risks. Projects which are deemed to pose risks as a result of these checks are followed up with further inquiries and this process is repeated until all concerns have been dispelled. The following table shows the number of assessments of risks identified through the application of this risk assessment tool to assess new projects in the fiscal year ended March 31, 2021.



Process of Managing Sustainability Risk in Investments and Loans

Number of Sustainability Risk Assessments in the Fiscal Year Ended March 31, 2021 by Risk Type

<Environmental>

Climate change	Water pollution	Air pollution	Soil pollution	Noise/Vibration/Offensive odor	Chemicals	Biodiversity	Water resource	Waste	Other environmental issues	Total
12	4	4	2	6	3	4	3	12	20	70

<Occupational Health and Safety>

Machine safety	Fires and explosions	Toxic substance exposure	Infection	Hazardous operations	Other safety issues	Total
11	20	3	0	9	20	63

<Social>

Forced labor and human trafficking	Child labor	Working hours	Wages and employment contracts	Discrimination	Harassment at work and disciplinary measures	Respect for Diversity	Freedom of association
18	9	20	20	20	0	9	7

Land issues	Negative social impact on local communities	Indigenous peoples and cultural heritage	Conflict minerals	Privacy	Animal welfare	Responsible marketing	Mitigation measures and administrative procedures (supply chain)	Total
0	1	18	0	20	0	1	14	157

We also monitor the environmental and social impact of business projects initiated by our consolidated subsidiaries through the annual Sustainability Information Survey and conduct risk assessments. In addition, we are working to further strengthen the governance of the Marubeni Group through communication of the Marubeni Group Governance Policy and sharing its aims with group companies, as well as strengthening their management by clarifying the roles of the Group companies and Marubeni as shareholder/owner.

ESG Risk Research/Analysis Process

Marubeni shares the Basic Supply Chain Sustainability Policy (hereinafter “Basic Policy”) with the suppliers, and thoroughly requests them to comprehend, as well as cooperate and comply with the Basic Policy. We conduct due diligence analysis and risk assessment through questionnaires and on-site surveys, to all suppliers, new and existing. When a non-compliance case is confirmed, we provide guidance or reconsider doing business with the supplier. By ensuring widespread and thorough understanding of the Basic Policy, we work to reduce social and environmental risk.

1. Preparation for ESG Risk Evaluation

Review and organize all products/projects handled by the company

2. Conduct ESG Risk Primary Evaluation/Analysis

Step 1: Conduct ESG risk evaluation for all products/projects ⇒ Specify high-risk products/projects

Step 2: Conduct risk evaluation of high-risk products/projects by ESG issue ⇒ Narrow down to the final list of high-risk products/projects



3. Conduct ESG Risk Secondary Evaluation/Analysis

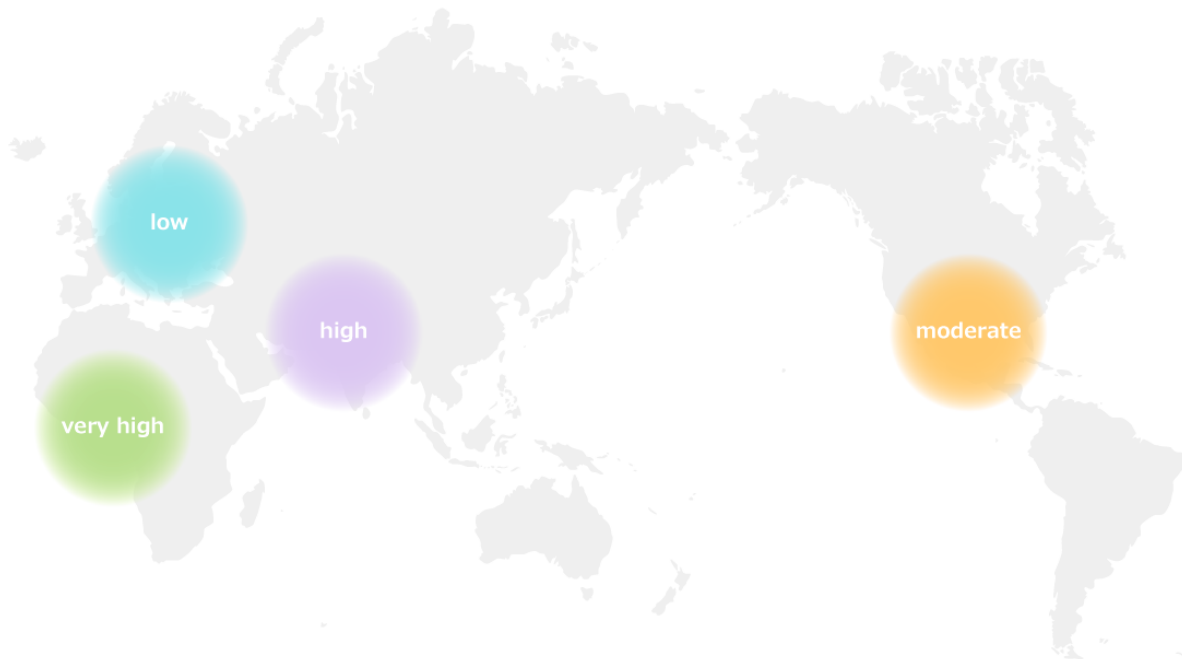
Step 1: Create risk profiles of the final high-risk products/projects

Step 2: Conduct general ESG country risk analysis for Marubeni’s supplier/project countries

General Environmental/Social Risk Evaluation in Supplier/Project Country (for image only)

General ESG country risk evaluation		Supplier/project country				
		Country A	Country B	Country C	Country D	Country E
Environment	Biodiversity	high	low	very high	high	low
	Water use	moderate	moderate	moderate	low	high
	Climate change	low	low	high	high	low
	Natural disaster/pollution	high	low	moderate	low	high
Social	Working hours	moderate	high	moderate	low	low
	Wages	low	low	low	low	high
	Forced labor	low	low	high	low	low
	Child labor	high	low	moderate	low	moderate
Governance	Corporate governance	moderate	high	moderate	very high	moderate

* The levels for each country in the chart are not representations of actual research results.



* The levels/areas are not representations of actual research results.

Engagement with Stakeholders

The Marubeni Group conducts business with the support of various stakeholders throughout the world. Marubeni recognizes the importance of diligently listening to the opinions of stakeholders, and working together to move forward, based on an understanding of stakeholder interests and concerns, as well as the impact of the Company activities on society and the environment.

Stakeholders	Approach	Engagement methods
Customers & Business Partners	Aiming to be a company that enjoys the trust and confidence of customers and business partners, we strive to develop and offer products and services that are useful to society as well as safe. Furthermore, we constantly strive to improve satisfaction and earn trust by responding sincerely to feedback from our customers and business partners.	<ul style="list-style-type: none"> • Integrated reports, official website • Responding sincerely based on the Marubeni Corporate Principles and Basic Supply Chain Sustainability Policy • Website inquiry and contact page • Supply Chain Sustainability Survey
Shareholders & Investors	Marubeni is dedicated to meeting shareholders' expectations. We strive thus to enhance our corporate value by responding to changes in the business environment and maintaining stable profitability. In addition, we work to boost corporate value from social and environmental perspectives, and also disclose pertinent information in a fair and timely manner.	<ul style="list-style-type: none"> • Integrated reports, official website and Shareholders' Reports • General Meeting of Shareholders • Briefings for retail investors • IR activities • Response to ESG investment Index survey organization
Local Community	<p>We aim to become a valued member of the local communities where we do business, and to contribute to the creation of robust local districts through improvement of living standards, creation of job opportunities for the local community, including youths, and offering employment with diversity and inclusion, being aware of gender and disabilities.</p> <p>Overseas, we respect local laws, cultures and customs, and strive to operate our businesses in a way that contributes to local development. Furthermore, we are firmly opposed to antisocial forces and groups that threaten the order and safety of society.</p>	<ul style="list-style-type: none"> • Social welfare funding by the Marubeni Foundation • Support through scholarships and donations overseas • Association with NGOs and NPOs • Stakeholder dialogues • Activities implemented through business and industry groups ^{*1} • Receiving company tours • Cultural contributions through the Marubeni Collection
Employees	We respect the individual values and life goals of each and every employee. We also work hard to eliminate all forms of discrimination and foster an atmosphere that is pleasant for all.	<ul style="list-style-type: none"> • Employee Awareness surveys • Compliance Access Point (Marubeni Hotline (formerly, "Door of Courage")) • Marubeni Group magazine, company intranet • Dialogue between management and employees • Discussions with the Marubeni Employee Union • Trainings

*1 In accordance with the view of Japan Business federation (Keidanren) that corporate political donations play an important role as part of the contribution to society, and its high evaluations on Liberal-democratic Party of Japan in terms of policy making, Marubeni makes political donation as follows.

Organization to donate: The People's Political Association (political fund organization of Liberal-Democratic Party of Japan)

Political donation: FY2016: 17 million yen / FY2017: 20 million yen / FY2018: 20 million yen / FY2019: 20 million yen. / FY2020: 20 million yen.

(The donation in each year is only to The People's Political Association)

We confirm that these donations are not in violation of our anti-corruption provision, "Prohibition on Bribes and Matters relating to the Exchange of Presents and Client Entertainment", stipulated in our Compliance Manual.

Additionally, the Group's overseas branches and offices and consolidated subsidiaries do not make political contributions, as stipulated by the Political Funds Control Act, and thus no such contributions were made in the fiscal year 2020.

Participation in International Initiatives

- [General](#) ▾ | [Climate Change](#) ▾ | [Sustainable Forestry](#) ▾ | [Conservation of Biodiversity and Habitats](#) ▾
- [Respect for Human Rights](#) ▾ | [Supply Chain](#) ▾ | [Responsibility to Customers](#) ▾

General

Participation in the UN Global Compact

Marubeni Group declares its support for the UN Global Compact. The compact was proposed in 1999 by then UN Secretary-General Kofi Annan, and formally launched in the following year. Participating corporations seek to support and practice 10 principles relating to the areas of human rights, labor, environment, and anti-corruption. Marubeni Group is working to realize the ideals of the UN Global Compact by supporting these 10 principles.

The UN Global Compact's 10 Principles



[Click here to view the UN Global Compact web site.](#)

Human Rights	Principle 1:Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2:make sure that they are not complicit in human rights abuses.
Labor	Principle 3:Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4:the elimination of all forms of forced and compulsory; Principle 5:the effective abolition of child labor; and Principle 6:the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7:Businesses should support a precautionary approach to environmental challenges; Principle 8:undertake initiatives to promote greater environmental responsibility; and Principle 9:encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10:Businesses should work against corruption in all its forms, including extortion and bribery.

Marubeni Corporation engages in activities as a Corporate Member of the Global Compact Network Japan (GCNJ), the local network of United Nations Global Compact in Japan.

Working Groups, which are organized by theme, are held mainly by the network members of Global Compact Network Japan (GCNJ).

Marubeni takes part in the following Working Groups.

In the FYE 3/2021	Committee of Supply Chain
	Committee of Environmental Management
	Committee of Study for Disseminating Global Compact
	Committee of Human Rights Due Diligence
	Committee of Human Rights Education
	Committee of Disaster Risk Reduction
	Committee of SDGs
	Committee of ESG
	Committee of Corporate Reporting

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.

Sustainable Development Goals (SDGs)

SDGs are shared goals of the international community, with the aim of achieving sustainable development socially, economically and environmentally.

In 2015 the UN adopted an agenda of 17 goals, with 169 targets to be achieved by 2030. SDGs are goals shared by governments, the private sector and civil society for achieving sustainability and leaving the world a better place for future generations. We have identified four categories of Environmental and Social Materiality in which the Marubeni Group can make a valuable contribution.


SUSTAINABLE DEVELOPMENT GOALS



➤ [Click here to view the SDG website](#)

World Economic Forum

Marubeni participates in the project team of World Economic Forum to discuss the ESG issues. And we support the activities of the international environmental protection group, World Wide Fund for Nature Japan.

➤ [Click here to view the WEF website](#) 

Climate Change

TCFD

Recognizing the importance of climate-related financial disclosures, the Marubeni Group affirmed the recommendations of the TCFD*² in February 2019.

We are endeavoring to evaluate risks and opportunities engendered by climate change and to enhance related disclosure.

*² The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB).

➤ [Click here to view Disclosure in Line with the Recommendations of the TCFD](#)

CDP

CDP*³ (an international environmental non-profit organization) analyzes and assesses the collected information, and makes it available to investors. Marubeni has participated in the initiative of CDP since 2007. In 2021 Marubeni received A- grades in the areas of climate change and forest protection by CDP. And the Company was selected as an A-list company in their water security program.

*³ CDP (an international environmental non-profit organization formerly known as the Carbon Disclosure Project) Founded in the United Kingdom in 2000, CDP has worked with approximately 590 investors representing over US\$110 trillion in assets to pioneer environmental disclosure, greenhouse gas emissions reduction, water conservation, and forest protection for companies through capital markets and corporate procurement activities. In 2021, some 14,000 organizations worldwide, including some 13,000 companies representing more than 64% of global market capitalization and 1,100 municipalities, disclosed environmental information through CDP. CDP has the world's largest fully TCFD-compliant environmental database, and CDP scores are widely used to drive investment and procurement decisions to achieve a zero-carbon, sustainable and resilient economy. CDP is a partner in the Investor Agenda and a founding member of the Net Zero Asset Managers Initiative.

➤ [This year's CDP A-List and other published scores can be found at here](#) 

A Working-group Member of Study Group on TCFD

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 the year ended March 31, 2019, we became a working-group member of the METI Study Group on Implementing TCFD Recommendations for Mobilizing Green Finance through Proactive Corporate Disclosure (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.

Endorsement of "GX League Basic Concept" to Address Climate Change

The Company has announced its support for the basic concept of the "Green Transformation League" (tentative name, hereafter "GX League"), which the Ministry of Economy, Trade and Industry (METI) plans to establish. It has also announced its participation in a secretariat for the preparation towards establishing the GX League.

The GX League aims to transform the economic and social system by engaging a group of companies working to decarbonize their operations, as well as governmental, academic, and financial institutions, discuss the creation of sustainable markets and rule-making, as well as emissions trading. By taking an active role in the establishment of this league, the Company will contribute to efforts to address climate change.

Plan for achieving the Low-Carbon Society

As a member of the Japan Foreign Trade Council (JFTC), Marubeni agrees with the Low-Carbon Society Plan (for achieving the post-Kyoto Protocol Targets) proposed by Japan Business Foundation (“Keidanren”), and takes part in the working groups and public meetings on climate change held by Keidanren and JFTC.

Marubeni takes climate change countermeasures in accordance with the policies of Keidanren’s Commitment to a Low-Carbon Society. We have set the goal of reducing the energy use (electricity and gas) at the Tokyo Head Office by 10% or more in the fiscal year ended March 31, 2026 relative to the fiscal year ended March 31, 2016, by introducing energy-saving facilities etc.

The Global Environment Committee

Marubeni also takes part in discussions related to environmental initiatives of trading companies, as a member of the Global Environment Committee of the Japan Foreign Trade Council (JFTC).

At the Committee, we make plans for the Voluntary Action on the Environment (Commitment to a Low Carbon Society and a Recycling-Based Society) for the trading company industry, grasp energy consumption, promote the 3R (reduce, reuse, recycle) activity, and incorporate new energy through our business activities.

➤ [Click here to view “Energy Conservation, Natural Resource Conservation, and Waste Reduction Activities”](#)

Japan Climate Initiative

The Marubeni subsidiary Mibugawa Power Company 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.

Eco Action 21

Since 2005, Mibugawa Power Company has been participating in “Eco Action 21,” a program of the Ministry of the Environment. In registering for certification under this system, the company continues to “establish and operate effective and efficient methods for environmental initiatives, set environmental goals, take action, summarize, evaluate, and report results.” In 2015, the Eco Action 21 Central Secretariat presented the company with a letter of appreciation and a commemorative gift in recognition of these efforts. The company will continue to take positive action to protect the global environment by reducing waste, maintaining water quality, conserving energy and resources, and conducting local environmental activities.

➤ Please see the Mibugawa Power Company’s website for details of initiatives other than those mentioned above. (Japanese Only) [□](#)

Japan Sustainable Fashion Alliance (JSFA)

We have a full membership of the Japan Sustainable Fashion Alliance (hereinafter “JSFA”), a platform for corporate collaboration that aims to jointly find solutions to sustainable fashion issues. With the goals of achieving “zero fashion loss through proper quantity of production and purchasing, recycling” and “carbon neutral of the fashion and textile industries in 2050,” we collaborate to identify solutions to the common issues that arise in the fashion and textile industries, and promote the transition to a sustainable fashion industry. As a company that identifies “Climate Change” as one of our Environmental & Social Materialities, we participate within a leading role in the JSFA as a full member and will contribute to the transition to a sustainable fashion industry through the activities of the alliance.

Sustainable Forestry

Forest Management and Forestry Certification at Marubeni Group

The Marubeni Group currently owns forest plantation businesses in the two countries of Indonesia and Australia. Using a controlled cycle of planting, cultivation and management and harvesting focused on eucalyptus hardwoods that mature quickly in 6-10 years, we provide a stable and sustainable supply of wood resources for pulp and paper production. Based on the principle of No Deforestation, our sustainable forestry management practices prioritize natural and social capital by not harvesting natural forests. We also undertake proactive programs jointly with local communities.

Group company	Location	Nature of business	Forestry certification
PT. Musi Hutan Persada (MHP)	Indonesia	Forest plantation business	Indonesian Forestry Certification Cooperation^{*4} · Sustainable Forest Management certification
WA Plantation Resources Pty., Ltd. (WAPRES)	Australia	Forest plantation/ wood chips production business	FSC® certification^{*6} · FM (Forest Management) certification · CoC (Chain of Custody, processing/distribution processes) certification
			Responsible Wood^{*7} · Sustainable Forest Management certification

*4 Indonesian Forestry Certification Cooperation is a forest certification system in Indonesia endorsed and mutually recognized under the PEFC^{*5}.

*5 The Programme for the Endorsement of Forest Certification (PEFC) is an international system for forest certification that is based on a framework for mutual recognition of national forestry certification schemes.

*6 The Forest Stewardship Council® (FSC®) is a non-profit organization that operates an international forest certification scheme with the aim of promoting the worldwide adoption of responsible forest management practices. (FSC® C016260)

*7 Responsible Wood is an Australian forest certification scheme endorsed and mutually recognized under the PEFC^{*5}.

Conservation of Biodiversity and Habitats

Participation in the TNFD Forum

TNFD Forum is an organization which shares the vision and mission of Taskforce on Nature-related Financial Disclosures (TNFD)^{*8}, an international organization that builds a risk management and disclosure framework related to nature capital and biodiversity. Marubeni participated in the TNFD Forum in March 2022.

By participating in the TNFD Forum, Marubeni will continue to contribute to the conservation of biodiversity, which is an urgent issue in the world along with climate change, through supporting the development of TNFD's framework.

*8 TNFD is an organization to build a risk management and disclosure framework related to nature capital and biodiversity, inspired by the 2019 World Economic Forum (Davos Conference). The mission of TNFD is to develop a disclosure framework for organizations to report, which aims to support a shift in global financial flows toward nature-positive outcomes.

➤ [Click here to view the TNFD Website](#) 

Support of the Declaration of Biodiversity by Keidanren

In January 2020, the Company announced its agreement with and support of the Revision to “Declaration of Biodiversity by Keidanren and Action Policy” of October 2018 put out by the Keidanren Committee on Nature Conservation.

➤ [Click here to view the “Declaration of Biodiversity by Keidanren and Action Policy” \(Revised Edition\)](#) 

Marine Eco-Label Japan (MEL)

Marubeni is a full member of Marine Eco-Label Japan (MEL), and promotes initiatives of fisheries, aquaculture, and chain of custody that considers environment, biodiversity, and sustainable use of fishery resources.

Marubeni will continue to contribute to sustainable fishery that is environmentally and ecologically friendly within our business as well as in our supply chain.

➤ [Click here to view the “Marine Eco-Label Japan Council \(MEL\)” web site](#) 

Sustainable Seafood Week 2021

With increasing concern that seafood is being depleted from seas around the world, efforts are being made to shift toward sustainable use of marine resources. The Marine Stewardship Council (MSC) Japan and, Aquaculture Stewardship Council (ASC) Japan held the Sustainable Seafood Week (SSW) 2021 to further spread the awareness of sustainable seafood across Japan in October. The annual campaign started in 2014 and this time was the eighth year.

Sustainable Seafood refers to food made from fish caught by methods that prevent depletion of marine resources or farmed responsibly, and do not have adverse effects on the biological system, to preserve the valuable marine resources into the future. Marubeni has been promoting the handling of MSC certified products, which are guaranteed as natural marine products caught with consideration of marine resources and the environment, and ASC certified seafood, which are guaranteed as seafood products through environmentally and socially responsible aquaculture. Marubeni, through our Group company, supports the activities of the Sustainable Seafood Week that aim to spread the practice of sustainable seafood.

➤ [Click here for more information on Sustainable Seafood \(Japanese only\)](#) 

Respect for Human Rights

Forum on Business and Human Rights

Marubeni participates 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.

Industrial Federation for Human Rights

Marubeni participates in the Industrial Federation for Human Rights, Tokyo and continue to raise awareness of human rights of the Directors, the Executive Officers and the employees by sharing issues and holding dialogues with its member companies.

Supply Chain

Sedex

Cia. Iguaçu de Café Solúvel and Marubeni Foods, Marubeni's subsidiary companies, take part in the platform of Sedex*⁹ for coffee and other beverage raw materials, and collaborates with suppliers on respect for human rights, occupational health and safety, reduction of environmental impact, and quality assurance in the supply chain.

*⁹ Sedex: A global ethical trading service provider dedicated to improving working conditions in global supply chains.

EcoVadis

Marubeni America Corporation, Marubeni International (Europe) GmbH, a subsidiary company of Marubeni Europe plc, and operating companies (Marubeni Intex Co., Ltd. and Marubeni Techno Rubber Corporation) are subscribed to EcoVadis*¹⁰. Marubeni will build sustainable supply chains, strengthen risk management, and expand ethical business practices.

*¹⁰ EcoVadis: A global cloud-based SaaS platform that provides comprehensive corporate social responsibility (CSR) assessment services.

RSPO

Marubeni Corporation joined RSPO in 2015 to procure certified palm oil sustainably.



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Responsibility to Customers

Principles for Responsible Investment (PRI) Signed by Asset Management Company




Japan REIT Advisors Co., Ltd. (JRA), a Marubeni Group company in the real estate asset management business, has been conducting the investment management for United Urban Investment Corporation (UUR). In November 2018, JRA signed the Principles for Responsible Investment (PRI), and became a PRI signatory.

[Click here for details on PRI](#)

➤ [News Release: Japan REIT Advisors Co., Ltd. Recognized as a Principles for Responsible Investment \(PRI\) Signatory](#)

As a comprehensive J-REIT, UUR aims to reduce various risks and secure medium- to long-term stable earnings by making real estate investments spanning diverse uses and locations that are not limited by purpose or area. UUR is also working to improve sustainability through environmental, social and governance (ESG) considerations for sound management that can coexist with society and the natural environment. When considering real estate investments, JRA carefully examines the impact on the environment (asbestos, soil contamination, etc.), tenants (antisocial forces, work environment, etc.), and neighborhood (relationship with the community, traffic volume as a result of the relevant properties, etc.), in addition to the profitability. JRA has earned third-party environmental performance evaluations such as CASBEE (Comprehensive Assessment System for Built Environment Efficiency) through analyses not just at the time of acquisition, but also for efforts to improve the environmental performance after acquisition as well. As a result of these initiatives, as of 2020, JRA has earned the Green Star (the highest award) for six 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.

UUR and JRA will continue to make further efforts to achieve asset management that considers ESG in the future.

- [Click here to view the "United Urban Investment Corporation" web site.](#) 
- [Click here to view the initiatives for ESG.](#) 
- [Click here to view the "Japan REIT Advisors Co., Ltd." web site.](#) 

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 was established in October 1982 as a nation-wide consolidated body 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](#) 

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 \(Japanese only\)](#) 

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](#) 

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

➤ [Society of Soft Drink Technologists, Japan \(Japanese only\)](#) 



Materiality for Marubeni Group

The Idea of Materiality for Marubeni Group	36
Fundamental Materiality	37
Environmental & Social Materiality	38
Identification and Review Process of Materiality	40

Materiality for Marubeni Group

- The Idea of Materiality for Marubeni Group ▾
- Fundamental Materiality ▾
- Environmental & Social Materiality ▾
- Identification and Review Process of Materiality ▾

The Idea of Materiality for Marubeni Group



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
2. Robust Management Foundation
3. Governance for Coexistence with Society

1. Human Capital with High Social Value

We regard human resources 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 resources 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) 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.

1. Climate Change
2. Sustainable Forestry
3. Human Rights & Co-development with Communities
4. Sustainable & Resilient Value Chains

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.

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 March 31, 2019) 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.

- 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^{*1}, 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.

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

2. Sustainable Forestry

Forests are a precious resource and enrich life on Earth in many ways. The Marubeni Group currently holds some 130,000 hectares of tree plantations across the world (total gross project area is about 300,000 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.

➤ Sustainable Forestry

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 133 locations*² in 68 countries and regions and employs 40,000 people*³ 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.

*² As of April 1, 2021

*³ As of March 31, 2021

➤ Respect for Human Rights

4. Sustainable & Resilient Value Chains

The Marubeni Group deals with thousands of suppliers*⁴ 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.

*⁴ Approximately 3,000 firms have direct dealings with Marubeni (as of March 31, 2021)

➤ Supply Chain

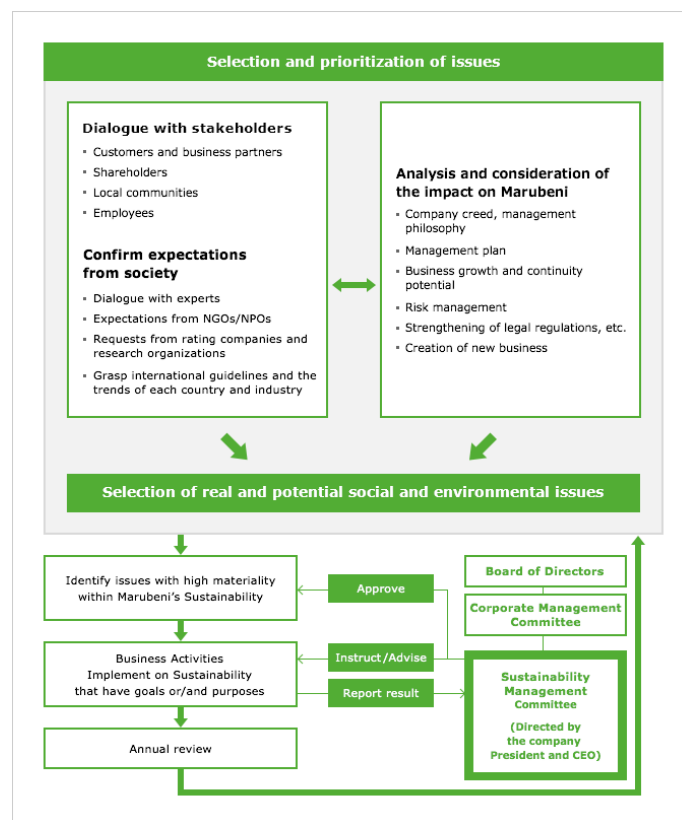
Identification and Review Process of Materiality

We believe that the material issues for sustainability must be constantly reviewed as the society and environment surrounding the company continue to change.

Specifically, we perform regular reviews through dialogs with stakeholders and confirmations of the expectations from society, as well as constantly analyzing the impact on the company.

<ul style="list-style-type: none"> • Extract existing/potential environmental and social issues
<ul style="list-style-type: none"> • Dialogue and engagement with stakeholders and external advisers/confirm expectations from society
<ul style="list-style-type: none"> • Identify material issues for sustainability (materiality) for the Marubeni Group, based on the following criteria: <ul style="list-style-type: none"> — Importance to stakeholders — Impact and scope of our business activities on the environment and society — Impact on our earnings
<ul style="list-style-type: none"> • Reflect in operational goals/targets, implement and review periodically

The Sustainability Management Committee under the supervision of the President reports to the Board of Directors at least once a year on the important matters that it deliberates. These periodic reviews form the basis for the supervision of sustainability-related matters by directors.



Identification and Review Process