



# Supply Chain

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# Supply Chain

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## Policy

### Our Basic Idea on Supply Chain

Our diverse global business operations are based on relationships with thousands of Marubeni Group business partners. The importance of building sustainable supply chains has increased in recent years. Both internally and in partnership with business partners, the Group is engaged in initiatives to conserve the global environment while promoting sustainable development of society throughout supply chains. We see such efforts contributing directly to the enhanced competitiveness and differentiation of the Marubeni Group.

Respect for human rights is an essential element of building sustainable supply chains. By building sustainable and resilient supply chains, the Group aims to foster stakeholder confidence in Marubeni and expand business opportunities.

➤ Please click here for “Sustainable & Resilient Value Chains”

➤ Please click here for our “Basic Policy on Human Rights”

### Basic Supply Chain Sustainability Policy

#### 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.

\* The term of "human rights" in the Basic Supply Chain Sustainability Policy as used herein shall include the fundamental human rights provided for by the Constitution, the Labor Standards Law and the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. In addition, the term shall include human rights with regard to equal employment, prohibition of forced labor and child labor, freedom of association and protection of collective bargaining rights, as prescribed by the International Labor Standards of International Labor Organization (ILO).

\* Conservation of the environment in Basic Supply Chain Sustainability Policy includes energy consumption, climate change, water consumption, impact on biodiversity, environmental issues, pollution, waste, and resource use.

Marubeni aims to have all its long-term business partners\*<sup>1</sup> understand and cooperate with the Basic Supply Chain Sustainability Policy, and we have been working to disseminate the policy to them.

Specifically, we are building a structure to deal with any revision to the Policy, by providing our existing and potential long-term business partners with a detailed explanation of each revision via a number of means, including briefing sessions, personal communications, and written communications to ensure our business partners have a full understanding of and are able to comply with our most updated Policy.

\*<sup>1</sup> "Long-term business partners" include Group companies, suppliers, service providers, contractors, third-party manufacturers, JV partners and outsourcing partners.

## Policies for Individual Commodities

Based on the "Basic Supply Chain Sustainability Policy", Marubeni has formulated individual procurement policies for certain commodities to be more specific.

### **Forest-derived Products**

➤ Procurement Policy (Forest-derived Products)

➤ Initiatives toward Forest-derived Products

## **Palm Oil**

[➤ Procurement Policy \(Palm Oil\) !\[\]\(23d9fc146e83b5c3013cfa32c784f8d5\_img.jpg\)](#)

[➤ Initiatives on Palm Oil !\[\]\(c694a3ff3b077d76910920a6a1593ab4\_img.jpg\)](#)

## **Beef**

[➤ Procurement Policy \(Beef\)](#)

[➤ Initiatives on Beef](#)

## **Marine Products**

[➤ Initiatives on Marine Products](#)

## 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.

## Group-wide Initiatives

### Measures to Counteract Noncompliance with Labor Standards under the Basic Supply Chain Sustainability Policy

Marubeni has formulated measures and procedures to counteract noncompliance with the labor standards set forth in the Basic Supply Chain Sustainability Policy, and effect improvements. The measures and procedures are as described below. There were no business partners that did not comply with the supply chain labor standards for the year ended March 31, 2021.

#### **Measures against Noncompliance with Labor Standards under the Basic Supply Chain Sustainability Policy**

Marubeni has formulated measures to prevent noncompliance with the labor standards set forth in the Basic Supply Chain Sustainability Policy, as described below.

1. In the case of identified noncompliance involving our suppliers as to any of the following three items: 1) observance of laws; 2) respect for human rights; and 5) safety and health, as stipulated in relation to labor standards under the Supply Chain Sustainability Guidelines, the noncompliant supplier will be required to take the following actions as necessary.
  - Conduct fact-finding investigations, and
  - If the noncompliant practice is confirmed to have occurred, report on analysis of the background information and on the measures that were developed and followed.

Marubeni may visit the offending supplier, depending on the circumstances.

2. If the measures taken for improvement are evaluated as not being sufficiently effective, implementation of additional measures will be requested.
3. In case of a continued inadequate response to the noncompliant situation despite following steps 1 and 2 above, termination of the trading relationship with the offending supplier will be considered.

## Supply Chain Management Education/Training

To implement supply chain management, Marubeni provides webinar programs for executives and employees in order to obtain a better understanding of respect for human rights and other important social issues.

Marubeni will continue to update the content every year and conduct the education and training programs.

### Capacity Building of the Suppliers

To ensure that our suppliers are informed of the Basic Supply Chain Sustainability Policy and deepen their understanding on environmental, social issues and occupational health and safety, where necessary, advice, requests, or instructions are given and good examples are shared by the Marubeni's sales personnel when visiting the suppliers, in our capacity building efforts with our suppliers.

## Development of Sustainability Assessment Methods

The Marubeni Group is developing methods for assessing the potential risks from a business sustainability perspective as part of managing the risks involved in building supply chains that are sustainable and resilient. Incorporating the advice of an external consultant with specialized knowledge in the field, the definition of risk evaluation criteria takes into consideration relevant laws and regulations, international standards, and case studies taken from similar businesses.

Specifically, the approach involves evaluating the degree of potential risk for each type of risk in the three categories of "Environmental," "Occupational Health and Safety," and "Social," taking into account (1) the sector and type of each business and (2) the country/region where each business has its operations. The degree of risk is judged based on the impact due to specific factors such as scale, range and irremediable character. We are introducing sustainability assessments in sustainability surveys sent to consolidated subsidiaries and suppliers, and as part of the risk analysis conducted for new investments.

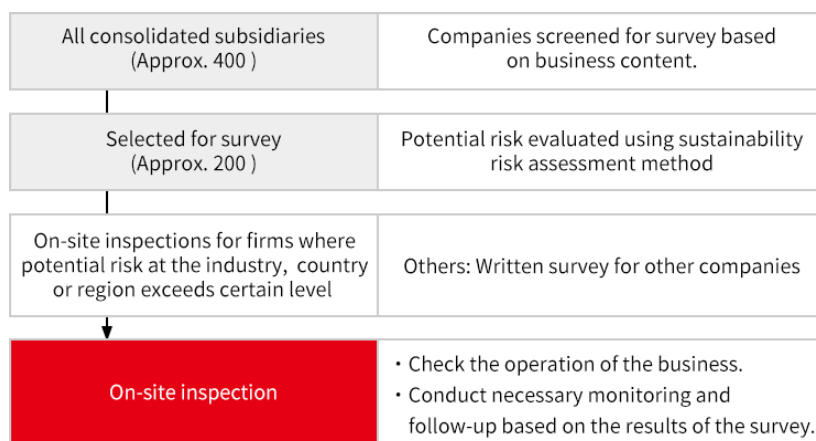
Risk Assessment Items by Category	
Environmental	Climate change / Environmental pollution / Biodiversity / Resource management / Mitigation measures and administrative procedures of environment
Occupational Health and Safety	Mechanical safety / Fires and explosions / Toxic substance exposure / Infection / Hazardous operations / Mitigation measures and administrative procedures of occupational health and safety
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 / Land issues / Negative societal impact on local communities / Indigenous peoples and cultural heritage / Conflict minerals / Privacy / Animal welfare / Responsible marketing / Mitigation measures and administrative procedures (supply chain)

➤ [Please click here for Human Rights Due Diligence and Respect for Human Rights.](#)

## Sustainability Surveys for Consolidated Subsidiaries

The Marubeni Group consolidated subsidiaries around the world are the starting point for the supply chains with which we provide products and services. We recognize that safeguarding the sustainability of these business operations is a first step and a critical element of building sustainable and resilient supply chains.

With this recognition, the Marubeni Group has instituted sustainability surveys for our consolidated subsidiaries from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2021. All of the Group's consolidated subsidiaries, which are approximately 400, are included in the subject of the survey, and of these, approximately 200 subsidiaries, which are considered that they are necessary to have detailed confirmation of the potential risks, are surveyed. For these 200 subsidiaries, we first assessed the potential risk level of each company using the sustainability assessment method. After, taking into account the characteristics of subsidiaries' industries, we selected those consolidated subsidiaries with a certain level of potential risk or higher, as candidates for the on-site survey, while we conducted a written survey of the other consolidated subsidiaries. We visited five of our domestic consolidated subsidiaries together with external consultants with specialized knowledge to conduct on-site investigations to confirm that the business is operated appropriately in terms of environmental, occupational safety and health, and social aspects. As a result of the document and on-site investigations, we did not identify problems that require immediate action.



### 【On-site Inspection of Shinko Chemical Terminal Co., Ltd. (Headquarter and Kobe Office) in November 2020】

We conducted an on-site inspection of the Headquarter and Kobe Office of Shinko Chemical Terminal Co., Ltd., which has bases in Kobe, Nagoya, and Hakata, and which operates and manages liquid chemical tank bases. Together with outside consultants, we confirmed the status of business operations in terms of its environmental, occupational health and safety, and social aspects, by interviewing management and on-site personnel and observing on-site operational conditions. Through the three-day survey, we confirmed the excellent initiatives which should be continued regarding environmental management, occupational health and safety, and disaster preparedness by Shinko Chemical Terminal Co., Ltd. and also discussed opportunities for improvement and completed the follow-up items.



On-site inspection in progress



Kobe Office

# Sustainability Surveys to Suppliers

In accordance with the Sustainability Guidelines of the Basic Supply Chain Sustainability Policy, Marubeni conducts on-site surveys for suppliers at their manufacturing and production sites to see their initiatives in relation to our Basic Supply Chain Sustainability Policy.

Multifaceted surveys suitable for the business situation and regional characteristics are conducted on-site, covering areas such as respect for human rights, observance of law, conservation of environment, fair trade, health and safety, quality control, and disclosure of information. The issues of the survey and the survey methods are constantly being reviewed, including third-party opinions, in an effort to always be relevant to the current situations. Survey results are also reported back to the visited sites, so that the information can be shared and utilized for further improvement. If there are cases that do not meet our rules, are non-compliant, or are likely to have negative impact, we encourage the suppliers to report by their own initiative and take actions to lessen the effects, in our effort to reduce environmental and social impact throughout the entire supply chain.

When non-compliance is identified, we handle it through actions for improvement towards the supplier. We give training, enlightenment activities, support, and corrective instructions to the suppliers to promote environmental and social countermeasures. If no improvements are made after these activities, we warn the supplier that we may stop doing business with them.

In the year ended March 31, 2019 we conducted on-site inspections of supplier in two operation sites. From the year ended March 31, 2012 to the year ended March 31, 2018 we visited 16 companies in total and utilize survey results for further improvement.

In the years ended March 31, 2020 and March 31, 2021, we were not able to conduct on-site inspections due to the effects of COVID-19 but we plan to resume the inspections, depending on the situation going forward.

## Visit to Sugar Factories in Thailand in March 2019

In March 2019, a visit was made to the two sugar factories in Thailand that are common suppliers of Marubeni and Marubeni Europe, to inspect the situation on sustainability.

As a result of this survey, no serious breach of Marubeni's Basic Supply Chain Sustainability Policy was found.

### **NEW KRUNG THAI SUGAR FACTORY COMPANY LIMITED**

#### **General Observance of Laws**

- For observing factory operation-related laws, a devoted organization called Safety & Health, Environment Department is set up to grasp and specify applicable laws. Once a month, a dedicated staff checks the compliance status using a checklist.
- Details of the applicable laws are posted on the bulletin board, and also notified to employees through e-mails and postings on the intranet.

#### **Human Rights, Labor Conditions, Wages etc.**

- We confirmed that a Development Sustainability Policy including the treatment of employees is established.
- Age verification by an ID card is conducted at the time of employment to prevent labor of children under 18 years of age, as required by the law. We also checked the employee list and confirmed that there are no employees under the age of 18.
- Campaigns to stop child labor at sugar cane farms are held, and the person in charge of procurement checks the situation during farm visits.
- All employees have signed an employment agreement stating the employment conditions such as work hours, wages, overtime payment, and vacations.
- Management of work hours was implemented with the upper limit of eight hours a day, six days a week.
- We confirmed that in addition to paid leave and sick leave, the special leave system is in place.
- A system has been introduced for employees to file complaints to the company on issues such as human rights and labor conditions through an opinion box.

## Conservation of the Environment

- Noise from machinery, dust from bagasse (sugar cane waste) storage, and water pollution from waste water drainage are possible environmental impacts that can be caused by factory operation.
- We confirmed that the Development Sustainability Policy that includes consideration for the environment is stipulated.
- The Safety & Health, Environment Department oversees the overall environmental management of the factory including the compliance of the environmental laws.
- Through inspection records, we confirmed that regular checks on the water quality after wastewater treatment, noise, and emission to the atmosphere are conducted, and all legal emission standards have been cleared.
- Regarding wastes such as bagasse, all are reused as fertilizer, feed, or fuel, and none that required waste disposal were generated.
- No hazardous chemicals were handled.

## Fair Transactions

- An Anti-Corruption Policy has been devised, and notified through manager meetings, e-mails, and posting to the bulletin board.

## Occupational Health and Safety

- We confirmed that a Safety & Health, Environment Policy that includes the occupational safety and health of employees is stipulated.
- The Safety & Health, Environment Department oversees the overall management of occupational safety and health in the factory.
- As for the occupational safety of the employees in the factory, there is a possibility of injury etc. during truck loading, so all employees are supplied with protective equipment such as helmets and safety shoes when they join the company. We also confirmed through records that employee training on occupational safety is conducted.
- First aid kits are placed in each department of the factory. We also confirmed that there is a clinic set up with its own ambulance, ready for emergency transport to nearby hospitals.
- Fire hydrants and extinguishers are installed in several places around the factory, and we confirmed during the visit that periodic inspections are conducted for the fire extinguishers.

## Quality Control

- In March 2000, the factory acquired ISO 9001 certification, an international standard for quality management. An appropriate management system is established by the regular update of the certification.



Product storage warehouse



Truck loading



An inspected fire extinguisher

## **KAMPANG PETCH SUGAR COMPANY LIMITED**

### General Observance of Laws

- The factory manager acted as the overall controller for legal compliance, and appropriate measures were taken mainly on environment related laws and occupational safety related laws, such as regular audits and reporting to government authorities.



## Human Rights, Labor Conditions, Wages etc.

- Age verification by ID card or passport is conducted at the time of employment to prevent labor of children under 18 years of age, as required by the law.
- Management by time card is introduced to observe the regular working hours of eight hours a day.
- All employees have signed an employment agreement stating the employment conditions, based on the Staff Rules & Regulations.
- The employment conditions have been thoroughly notified through meetings with employees and posting on the bulletin board.
- We confirmed through the wage payment records that wages etc. that are above the legal minimum wage are delivered twice each month on a regular basis.
- We confirmed that in addition to paid leave, sick leave is available in the leave system.
- For issues on labor conditions etc., a system has been introduced for employees to file complaints to the company through the Welfare Committee.

## Conservation of the Environment

- Noise from machinery, dust from delivery trucks, and water pollution from waste water drainage are possible environmental impacts that can be caused by factory operation.
- We confirmed that the Safety & Health, Environment Policy that includes consideration for the environment is stipulated.
- The factory received third-party environmental audits twice a year on a regular basis.
- Through inspection records, we confirmed that regular checks on the wastewater quality, emission to the atmosphere, and noise were conducted, and efforts were made to comply with the legal standards.
- No hazardous chemicals were handled.

## Occupational Health and Safety

- We confirmed that a Safety & Health, Environment Policy that includes the occupational safety and health of employees is stipulated.
- As for the occupational safety of the employees in the factory, there are possibilities such as falls during work at elevated locations, or injuries from falling sugar sacks, so all employees are supplied with protective equipment such as helmets, ear plugs, and safety shoes. Educational training is also conducted once a year to prevent accidents. Additionally, there is a clinic in the factory stationed full-time with medical personnel to provide first-aid procedures, while a hospital is located within 2 km of the factory with emergency transport available.
- We confirmed that water servers were installed around the factory for the employees.
- At the time of the factory visit, we found some occupational safety concerns related to partial exposure of machinery and the storage situation of vehicle lubricant oil, so Marubeni made requests for improvement. We confirmed through a report from the factory with pictures of the site, that improvement measures were immediately taken.

## Quality Control

- In May 2000, the factory acquired ISO 9001 certification, an international standard for quality management. An appropriate management system is established by the regular update of the certification.



Raw material loaded on a truck



Factory exterior (partial)



Notification on protective equipment

## Working with Our Supply-chain Partners

Starting in the fiscal year ended March 31, 2022, we plan to begin surveying our Tier 1 (direct) suppliers to identify sustainability risks in our supply chains. Initially, we plan to focus mainly on the supply chains for 25 products where we believe there are major potential risks relating to sustainability.

In the fiscal year ended March 31, 2021, we reaffirmed the Marubeni Group's policy on sustainability to 2,590 Tier 1 suppliers in writing, and requested their understanding and cooperation. Going forward, based on the use of surveys and monitoring, we will seek the cooperation of Tier 1 suppliers to define and address the sustainability risks in supply chains for 25 products where we see major potential risks relating to this issue. Where surveys identify specific issues, we aim to take steps to improve and enhance management systems in cooperation with suppliers.

## Initiatives for Individual Commodities

### Marubeni Group Meat (Beef) Supply Initiatives

The Marubeni Group is committed to procuring beef with an emphasis on ensuring food safety to meet the increasing demand for high quality beef in countries around the world.

For imported beef, we select suppliers from beef producing areas around the world, including North America, Australia, and South America, on the precondition that they handle beef that can be traced not only in terms of quality, production processes, and hygiene management, but also to the farms from which the live cattle are shipped.

The Group's two major beef-related businesses are Rangers Valley Cattle Station Pty, Ltd ("Rangers Valley"), a feedlot in Australia, and Creekstone Farms Premium Beef LLC ("Creekstone"), a beef processing business in the United States. The two companies produce, process, and sell premium beef with high quality considering sustainability.



Creekstone



Rangers Valley



Rangers Valley (Aerial photo)

### Our Policy

The Marubeni Group is committed to maintaining food safety, and to expanding the sale of high-quality, sustainable premium beef, as outlined in the policy below:

#### 1. Ensuring Traceability

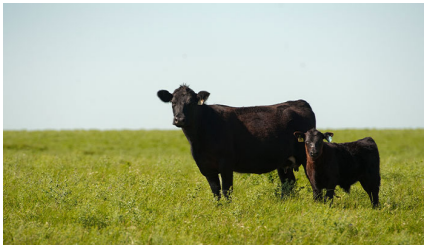
The Marubeni Group's beef-related businesses ensure traceability of beef to the herd at farms and/or feedlots. We also aim to secure traceability of imported beef to the herd at farms and/or feedlots.

**2. Initiatives to Reduce Environmental Impact**

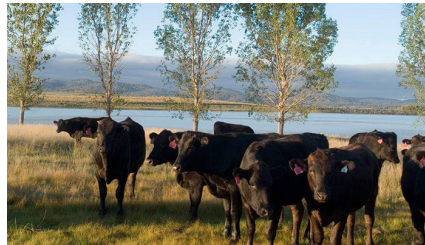
The Group's beef-related businesses regularly assess the impact of their operations on the environment and aim to reduce their environmental footprint.

**3. Animal Welfare and Food Safety Initiatives**

During the production of our beef products, in addition to ensuring food safety, we engage in business operations that give consideration to animal welfare.



Black Angus cattle (Photo: Creekstone)



Black Angus cattle (Photo: Rangers Valley)

**Initiative Example**

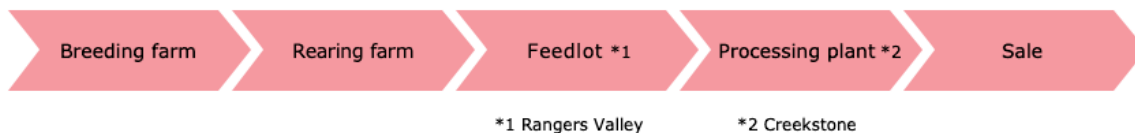
**1. Initiatives to Ensure Traceability**

In the procurement of Group's beef-related business, we have ensured traceability for each living cattle to the shipping farms at Rangers Valley, and to the feedlots at Creekstone, as detailed below. For imported beef that we purchase, we are also aiming to establish traceability to the shipping farms and/or feedlots. The number of cattle shipped and the traceability rate for each beef-related group's business are as follows:

Head of Cattle Shipped and Traceability

	2018	2019	2020
Rangers Valley	58,859	54,147	55,330
Creekstone	297,075	338,782	447,573
Traceability Rangers Valley: For each living cattle to the shipping farms Creekstone: To the feedlots	100%	100%	100%

Beef (grain-fed) Supply Chain



The Australian feedlot operator Rangers Valley ensures the traceability of its cattle based on the National Livestock Identification System\*2. All animals are given electronic radio frequency identification (RFID) tags for tracking birth dates and breeding history. In addition, the company has built a close relationship with more than 400 breeding and rearing farms, and procures live cattle after ascertaining genetic information and birth records. Rangers Valley ensures the supply of beef with a focus on food safety through individual controls and traceability.

\*2 Australia's system for identification and traceability of livestock.

## 2. Initiatives to Reduce Environmental Impact

<Initiatives at Rangers Valley>

Rangers Valley uses life cycle assessment to check the impact of their business on the environment. Additionally, the company aims to increase animal size efficiently by voluntarily reviewing feed formulation and feeding/fattening methods. Rangers Valley continually strives to reduce the environmental impact of its feedlot operations.

<Initiatives at Creekstone>

Creekstone is working to reduce the volume of water it consumes by, for example, reusing wastewater from its plant to use as cleaning water for live cattle holding pens.

Through both businesses, we will continue our efforts to reduce our environmental impact.

## 3. Other Initiatives Related to Animal Welfare and Food Safety

<Initiatives at Rangers Valley>

Rangers Valley is committed to raising healthy cattle to guarantee food safety. In particular, the company blends plant-derived feed ingredients that it procures in-house for each stage of fattening and fattens the cattle without the use of growth hormones. The company also places an emphasis on ensuring the safety of feed ingredients by requiring feed ingredient suppliers to submit a Commodity Vendor Declaration.

<Initiatives at Creekstone>

To meet market needs, Creekstone has established a USDA (United States Department of Agriculture) certification program to provide “Creekstone Farms Natural Black Angus Beef,” raised without the use of growth hormones, antibiotics, or animal-derived feed. The Creekstone Farms Natural Black Angus Beef program obtained the “Certified Humane” certification from the HFAC (Humane Farm Animal Care<sup>\*3</sup>) organization, a third-party certification body, since September 2015.

Creekstone's live cattle holding facility is an indoor facility—a rarity in the U.S.—that was designed to reduce stress on live cattle based on the opinions of Dr. Temple Grandin, a leading expert on animal welfare in the U.S. The facility is designed to avoid cattle being exposed to direct sunlight and maintains a constant temperature inside the facility, its exterior walls helping to maintain an environment with less external stress on the animals.

Creekstone conducts a series of animal welfare e-learning training courses designed specifically for animal handlers by Intertek Alchemy and the North American Meat Institute, for all employees who may handle live cattle to raise awareness of the importance of animal welfare.

\*3 Humane Farm Animal Care: A non-profit organization established to promote and administer the “Certified Humane® Raised & Handled” certification and labeling program for meat, dairy, eggs and poultry raised in accordance with U.S. animal welfare standards.

To see more initiatives of Creekstone and Rangers Valley, please click the link below.

➤ [Creekstone](#) 

➤ [Rangers Valley](#) 

## Environmentally Conscious Marine Product Procurement Initiatives

The Marubeni Group is committed to procuring marine products that have received MSC certification<sup>\*4</sup>, which certifies that the products are wild-caught in consideration of marine resources and the environment, and ASC certification<sup>\*5</sup> and BAP certification<sup>\*6</sup>, which certify that the products are produced through responsible aquaculture.

The status of the certified marine products handled by the operating companies is as follows:

### Seafood Procurement Performance Data

Danish Salmon A/S – Landed quantity of inshore farmed salmon and percentage of landings that are ASC certified

	FY2018	FY2019	FY2020
Landings (tons)	1,010	1,170	1,100
ASC certification acquisition rate	100%	100%	100%

Eastern Fish Company – Percentage of MSC, ASC, and BAP certifications in terms of purchase volume

	FY2018	FY2019	FY2020
Purchase (tons)	36,078	40,277	37,853
Certified quantity (tons)	24,577	28,021	28,596
Certification acquisition rate	68%	70%	76%

\*4 MSC: A certification system for sustainable fisheries to protect the world's marine resources, administered by the Marine Stewardship Council.

\*5 ASC: An international certification program for environmentally and socially responsible aquaculture products, administered by the Aquaculture Stewardship Council.

\*6 BAP (Best Aquaculture Practices): An international certification system for environmentally and socially responsible farmed seafood, administered by the Global Seafood Alliance.

## Textiles-related Business: Initiatives to Procure Textile Raw Materials in Consideration of the Environment

### Enhancing the Handling of Environmentally Friendly Fiber Materials

In recent years, sustainability has become a trend in the global fashion market, and awareness of this trend, in both producers and consumers, has been increasing.

As such, Marubeni is expanding and enhancing its handling of environmentally friendly textile raw materials as one of its initiatives to contribute to sustainability.

Marubeni will continue to stably procure and supply GOTS-certified organic cotton from India and will also encourage its suppliers to switch to organic cotton in order to grow our business further.

In addition, Marubeni is planning to start supplying polyester raw materials and cellulose fiber raw materials recycled from cotton and polyester products by utilizing the textile recycling technology of Circ LLC, a United States-based company in which Marubeni invested in 2019. By combining this initiative with Marubeni's global network, Marubeni will not only supply recycled fiber raw materials, but also aim to establish a global circular supply chain in the Americas, Europe, and Asia—a market with great future potential.

➤ [Please click here for more details on the initiatives of Circ LLC.](#)

## Procurement of Organic Cotton

Marubeni has partnered with an Indian textile company to supply organic cotton yarn to domestic and foreign weaving and knitting factories.

This textile company selects farms with organic certification and purchase raw cotton which is certified by GOTS from the ginning (the post-harvest process for separating the cotton seeds from the fibers) factories.

The company itself also has GOTS certification, the organic cotton Marubeni handles is 100% traceable.

### Performance data

	FY2018	FY2019	FY2020
Organic cotton handling volume (metric tons)	1,150	2,787	1,162
Proportion to overall cotton traded	3.7%	11%	10%
Traceability	100%	100%	100%
GOTS certification	100%	100%	100%