

GLOBAL  
CROSSVALUE  
PLATFORM

**Marubeni**



# SUSTAINABLE DEVELOPMENT REPORT

**2022**

Marubeni Corporation

# CONTENTS

Contents	1
Editorial Policy	2

## Executive Summary

### Our Initiatives for Sustainability in the fiscal year ended March 31, 2022

Sustainability for the Marubeni Group	4
The Long-Term Vision on Climate Change	5
Contributions to Measures Addressing Climate Change	6
Initiatives for Coal-fired Power Generation Business	7
Initiatives to Expand the Volume of Carbon Stocks and Create Negative Emissions in Forestry Business	8
Medium-Term Management Strategy GC2024 “Green Strategy”	9
Initiatives for Respecting Human Rights	10
Initiatives for Supply Chain Management	11
Human Capital	13
Promotion of the Further Progression of the Marubeni HR Ecosystem	14
Corporate Governance	15

## 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

## 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

## Environment

Environmental Management	42
Climate Change	52
Sustainable Forestry	63
Conservation of Biodiversity and Habitats	70
Water Management	73
Environmental Data	80

## Social

Respect for Human Rights	90
Occupational Health and Safety	95
Health and Productivity Management	101
Responsibility to Customers	110
HR Management	114
Diversity Management	121
Social Data	130

## Supply Chain

Policy	137
Group-wide Initiatives	139
Sustainability Surveys to Suppliers	142
Initiatives for Individual Commodities	145

## Governance

### Appendix Corporate Governance Report

I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information	
II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management	
III Implementation of Measures for Shareholders and Other Stakeholders	
IV Matters Related to the Internal Control System	
V Other	

External Recognition	193
Green Bond	196
ESG Content Index	197

## List of Relevant Website Information

Provides contents of the Sustainable Development Report 2022 and relevant information to supplement the Sustainable Development Report.

### Sustainability

<https://marubeni.disclosure.site/en/>



#### Main Contents

- > Our Views on Sustainability
- > Environment
- > Social
- > Governance

### To Investors

<https://www.marubeni.com/en/ir/>

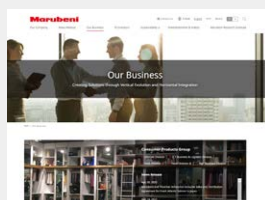


#### Main Contents

- > Earnings Releases & Financial Information
- > Stock Information
- > IR Library
  - > IR Meeting on Financial Results
  - > IR Meeting on Business Operation
- > Annual General Meeting of Shareholders

### Our Business

<https://www.marubeni.com/en/business/>



### Our Company

<https://www.marubeni.com/en/company/>



#### Main Contents

- > Marubeni Management Philosophy
- > Vision for the Marubeni of the Future
- > Medium-Term Management Strategy
- > Organization
- > Major Group Companies
- > Our History

## Editorial Policy

Sustainable Development Report 2022 summarizes information pertaining to each ESG item that we disclose on our Sustainability Website and in the Integrated Report, etc. Our views on sustainability and related policies and initiatives 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. We will continue to improve the report to serve as a tool for communicating with stakeholders and gaining the trust of greater society.

### Reporting Period

The information covered in this report is primarily from FYE 3/2021 (April 1, 2020 to March 31, 2021). Parts of the report also cover policies and initiatives from before and after the reporting period. Please refer to our website for the latest information.

### Reporting Scope

The scope of this report covers Marubeni Corporation and its consolidated subsidiaries.

### Guidelines Referenced

- SDGs (Sustainable Development Goals)
- GRI Sustainability Reporting Standards (GRI Standards)
- Value Reporting Foundation (VRF) International Integrated Reporting Framework
- Latest report from the Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

### Publication Date

July 2022 (English version)

### Disclaimer Regarding Forward-Looking Statements and Original Language

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 has 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.

# Executive Summary

## Our Initiatives for Sustainability in the fiscal year ended March 31, 2022

Sustainability for the Marubeni Group	4
The Long-Term Vision on Climate Change	5
Contributions to Measures Addressing Climate Change	6
Initiatives for Coal-fired Power Generation Business	7
Initiatives to Expand the Volume of Carbon Stocks and Create Negative Emissions in Forestry Business	8
Medium-Term Management Strategy GC2024 “Green Strategy”	9
Initiatives for Respecting Human Rights	10
Initiatives for Supply Chain Management	11
Human Capital	13
Promotion of the Further Progression of the Marubeni HR Ecosystem	14
Corporate Governance	15



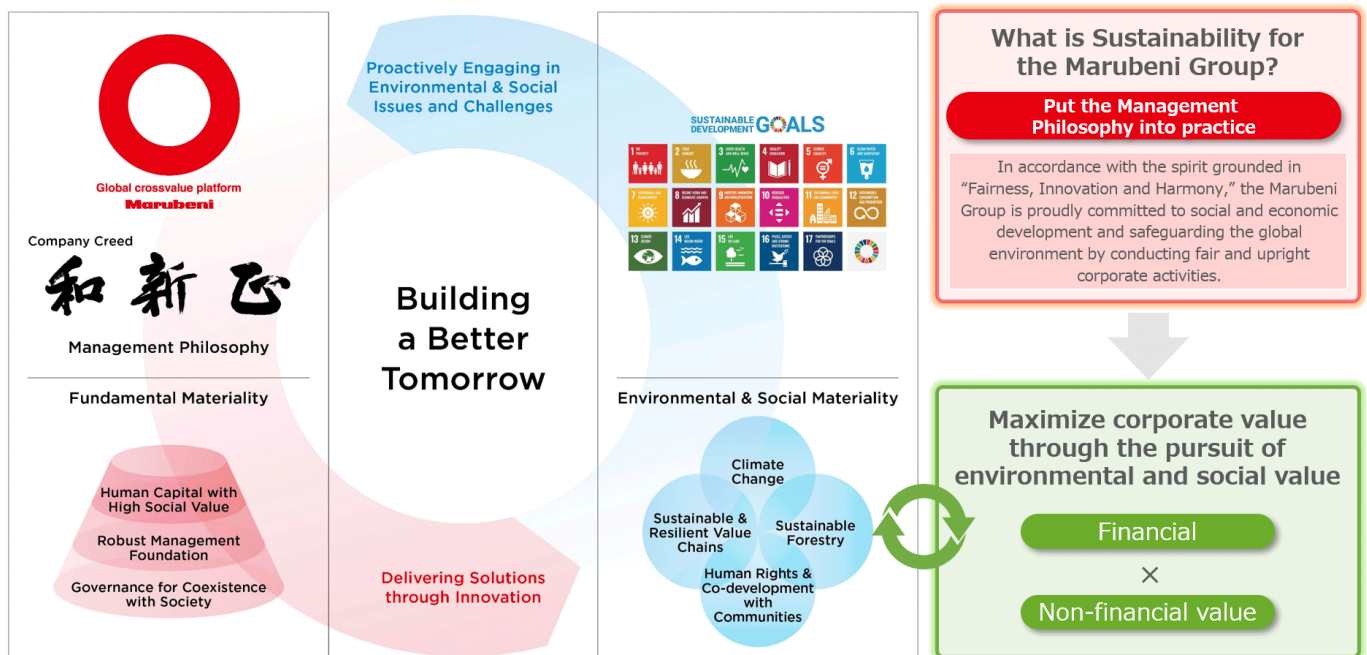
# Sustainability for the Marubeni Group

Our Company Creed is “Fairness, Innovation and Harmony.” We are proudly committed to being a corporate group that contributes to the development of the economy and society as well as the conservation of the global environment through fair and upright corporate activities in accordance with this Company Creed. This is the Management Philosophy of the Marubeni Group. Sustainability is then about putting this Management Philosophy into practice.

We have identified human capital, management foundation, and corporate governance as the three most important elements for implementing sustainability as our “Fundamental Materiality.” In addition, we have identified climate change, sustainable forestry, human rights and co-development with communities, and sustainable and resilient value chains as the four elements of the “Environmental and Social Materiality” that we must focus on to address environmental and social issues.

We will seek to maximize corporate value by creating environmental and social value based on activities that sincerely address Environmental and Social Materiality, raising not only financial but also non-financial value, and converting that non-financial value into financial value. We will also seek to further enhance the resilience of management by appropriately responding to changes in the environment with a focus on sustainability, the foundation of the Marubeni Group's value creation narrative.

- > [Click here to view more details on Our Views on Sustainability](#)
- > [Click here to view more details on Materiality for Marubeni Group](#)



Marubeni Group's Sustainability Conceptual Diagram

# The Long-Term Vision on Climate Change

## The ideals that Marubeni Group aims for

To generate a positive impact on the climate change and grow as a corporate group

① Achieve net-zero GHG emissions by 2050

② Contribute to low-carbon/decarbonization through our businesses

### Net ZERO Emissions

#### ● Action Plans towards 2030



Halve the CO<sub>2</sub> emissions of FYE 3/2020, about one million tons of CO<sub>2</sub>, emitted by Marubeni and its consolidated subsidiaries (Scope 1 and Scope 2)



Reduce by one-fifth the CO<sub>2</sub> emissions of FYE 3/2020, about 36 million tons of CO<sub>2</sub>, emitted by associate investees of the Marubeni Group (Scope 3, Category 15 (Investments))



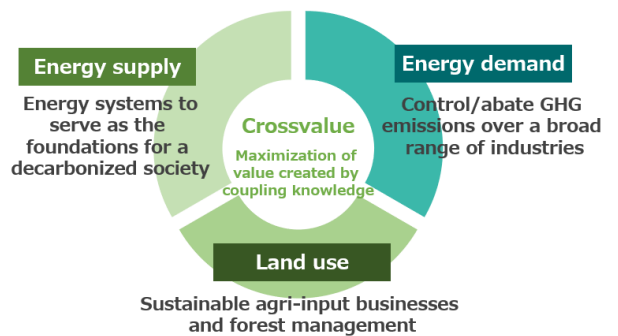
Accelerate our goal of cutting FYE 3/2019 coal-fired power net generation capacity in half by 2030 to 2025, aim for zero capacity by 2050.



Expand the volume of carbon stocks in our forests and expand the sequestered volume of carbon through the multi-purpose utilization of afforested assets

Try to abate our FYE 3/2020 emissions by one-fifth over the total scope covered by our net-zero GHG emissions goal

### Positive Impact



● Formulated our “Green Strategy” generating positive impact and improving corporate value in **Medium-Term Management Strategy GC2024(P9)**

We disclosed the Long-Term Vision on Climate Change in March 2021.

Our long-term vision envisages two pillars: first, to achieve net-zero GHG emissions by the Marubeni Group by 2050, we formulated Action Plans heading towards 2030 to abate our FYE 3/2020 emissions by one-fifth over the total scope covered by our net-zero GHG emissions goal; second, contribute to the transition to a low-carbon or decarbonized society through business activities. By proceeding with both at the same time, we aim to generate positive impact on climate change and grow as a corporate group.

“Positive Impact,” the second pillar, identified energy supply, energy demand, and land use as key opportunities for the Company. In our Medium-Term Management Strategy GC2024, announced in February 2022, we formulated a “Green Strategy” to further embody our positive impact. In Green Strategy, we contribute to various social issues, not only climate change, but also bio-diversity, water resources, circular economy, furthermore, human rights and supply chain, aiming to generate Positive Impact to our society.

➤ [Click here to view more details on Climate Change](#)

# Contributions to Measures Addressing Climate Change

## 1 Climate Change-Related Metrics and Targets

Metrics and Targets	Progress in FYE 3/2022		Reference in FYE 3/2021	
<b>Cut Group's coal-fired power net generation capacity</b> from FYE 3/2019 value of approx. 3GW in half by 2025, with further abatement to approx. 1.3GW by 2030, and aim for zero by 2050	Approx. <b>2.6GW</b> (as of March 31, 2022)		Approx. <b>2.6GW</b> (as of March 31, 2021)	
<b>Expand the ratio of power generated by renewable energy source</b> in Group's own net power supply to approx. 20% by 2023	Approx. <b>15%</b> (as of March 31, 2022)		Approx. <b>15%</b> (as of March 31, 2021)	
<b>Achieve net-zero GHG emissions</b> by 2050  By 2030: (1) <b>Reduction of 50% in Scope 1 &amp; 2 CO<sub>2</sub> emissions</b> from FYE 3/2020 level (about 1 million t-CO <sub>2</sub> ) (2) <b>Reduction of 20% in Scope 3 CO<sub>2</sub> emissions (Category 15:Investment)</b> from FYE 3/2020 level (estimated CO <sub>2</sub> emissions about 36 million t-CO <sub>2</sub> *)  * This emissions volume comprises the FYE 3/2020 performance of existing investees plus the estimated emissions from projects already contracted as of March 2021 (as for power generation projects, projects for which associate investees of the Marubeni Group have entered into power purchase agreements but have not yet achieved commercial operations.)	Scope 1 & 2 CO <sub>2</sub> emissions (FYE 3/2021)	Approx. <b>1.08 million t-CO<sub>2</sub></b> (Including non-energy related GHG emission)	Scope 1 & 2 CO <sub>2</sub> emissions (FYE 3/2020)	Approx. <b>1.08 million t-CO<sub>2</sub></b> (Excepting for non-energy related GHG emission)
		Approx. <b>0.97 million t-CO<sub>2</sub></b> (Excepting for non-energy related GHG emission)		
	Scope 3 CO <sub>2</sub> emissions (Category 15: Investment) (FYE 3/2021)	Approx. <b>25 million t-CO<sub>2</sub></b> [Breakdown] <u>Power generation</u> -Approx. 21 million t-CO <sub>2</sub> <u>Resource projects</u> -Approx. 3 million t-CO <sub>2</sub> <u>Other businesses</u> -Approx. 1 million t-CO <sub>2</sub>	Scope 3 CO <sub>2</sub> emissions (Category 15: Investment) (FYE 3/2020)	Approx. <b>26 million t-CO<sub>2</sub></b> [Breakdown] <u>Power generation</u> -Approx. 22 million t-CO <sub>2</sub> <u>Resource projects</u> -Approx. 3 million t-CO <sub>2</sub> <u>Other businesses</u> -Approx. 1 million t-CO <sub>2</sub>

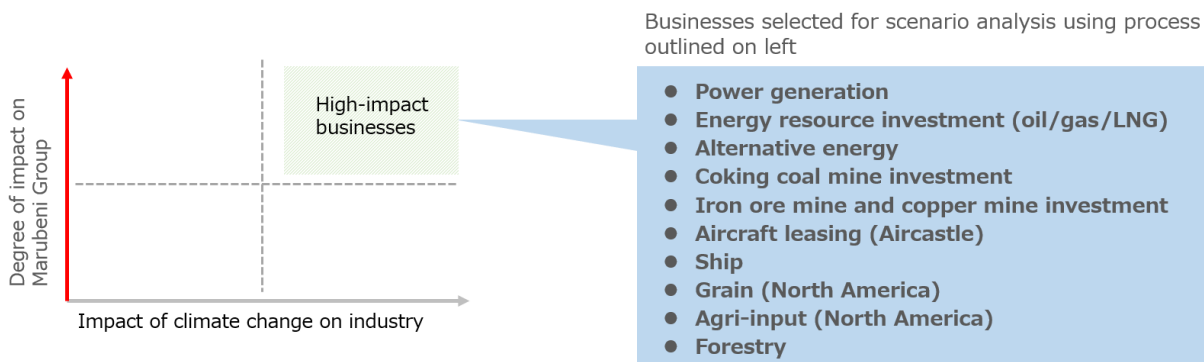
### Initiatives for abatement of GHG emissions

- Scope 1 · 2** **[Marubeni Corporation]** Starting with the supply of 100% renewable electricity to Marubeni's new head office building, we will make the electricity purchased at all domestic branches and offices virtually carbon-neutral from FYE 3/2022. (Assumed reduction: approximately 7,200 tons of CO<sub>2</sub>)  
**[Group Companies]** Promote the shift to renewable energy for purchased electricity. Plan to promote energy conversion of major facilities and decarbonize owned vehicle fleet (change to EVs).
- Scope 3** Closely monitor policy trends in countries/regions generating emissions. See P7 for reduction efforts in coal-fired power generation projects.

## 2 Disclosure in Line with the Recommendations of the TCFD

Recognizing the importance of climate-related financial disclosure, the Marubeni Group affirmed the TCFD\* recommendations in February 2019 and is working to comprehend "opportunities" and "risks" brought by climate change and enhance its information disclosures. In disclosure in FYE 3/2022, we perform scenario analysis to study 10 businesses that will be relatively more susceptible to the impacts of climate change and degree of impact on Marubeni Groups (scale of assets/earnings, etc.). We use this process to consider related business conditions, risks and opportunities under baseline and transition scenarios.

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



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

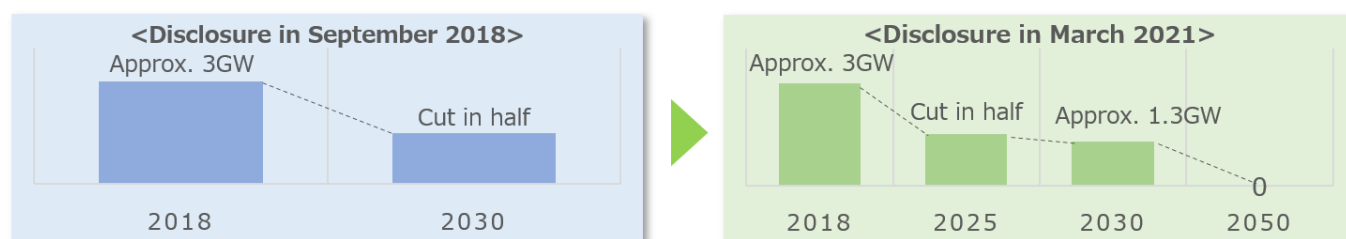
# Initiatives for Coal-fired Power Generation Business

- After release of our business policies\* in September 2018, taking into account the progress made so far in pulling out of coal-fired power generation business, in the Long-term Vision on Climate Change, we will accelerate our goal of cutting our FYE 3/2019 coal-fired power net generation capacity in half by 2030 to 2025, and aim for capacity of approximately 1.3 GW in 2030, and further, aim for zero capacity by 2050.

**\*Business policies in relation to our coal-fired power generation business and renewable energy generation business (Sept. 2018)**

- ① Marubeni has no longer entered into any new coal-fired power generation since Sept. 2018.  
 ② By 2030, Marubeni will cut its FYE 3/2019 coal-fired power net generation capacity of approximately 3GW in half.  
 ③ Strive to expand the ratio of power generated by renewable energy sources in its own net power supply to approximately 20% by 2023.

## Group's coal-fired power net generation capacity



- For already-contracted coal-fired power generation projects, consider management policies of power plants to fulfill our responsibilities to host countries/other stakeholders
- At the same time, accelerate the Marubeni Group's decarbonization process by contributing to energy policies of host countries aimed at achieving decarbonization

### Marubeni Group's Initiatives

The following will be considered while continuing to secure required power sources during the host country's transition period

Introduction of renewable energy power sources utilizing excess space on the sites of Group-owned power plants, contributing to reducing dependence on coal-fired power generation by increasing the ratio of renewable energy in each host country

Abate GHG emissions through biomass and ammonia co-combustion

Implement proactive decarbonization/low-carbonization measures at owned assets by making maximum use of private sector funds such as transition funds and programs that support coal-free transition in developing economies provided by OECD member countries, international financial institutions, etc.

In September 2018, Marubeni announced the business policies in relation to coal-fired power generation business. In this document, it was announced that: (1) the Company would no longer enter into any new coal-fired power business; (2) By 2030, Marubeni will cut its FYE 3/2019 coal-fired power net generation capacity in half.

Following this, in March 2021, the Company announced that the timetable of the halving of net generation capacity would be brought forward five years, from 2030 to 2025. We are currently on track to do achieve this. After 2025, the policy will remain unchanged as we advance as far as possible toward achieving approximately 1.3 GW by 2030 and aim for zero capacity by 2050.

Many nations made commitments to reach carbon neutrality in COP26 held in November 2021. In this context, the Company will continue to consider its management policies regarding coal-fired power generation projects that have already been contracted in order to fulfill its responsibilities to host countries and other stakeholders. At the same time, the Marubeni Group will accelerate its decarbonization process by contributing to energy policies of host countries aimed at achieving decarbonization.

While monitoring changes and trends in the market, we intend to aggressively promote these initiatives as we strive to make the greatest possible contribution to our own GHG abatements and to the decarbonization of the world.

# Initiatives to Expand the Volume of Carbon Stocks and Create Negative Emissions in Forestry Business

## ① Initiatives to expand the volume of carbon stocks in existing forestry resources

### ■ Conclusion of a strategic partnership agreement for an afforestation project in Indonesia, Nippon Paper Industries Co., Ltd. and our plantation company, PT. Musi Hutan Persada (PT. MHP)

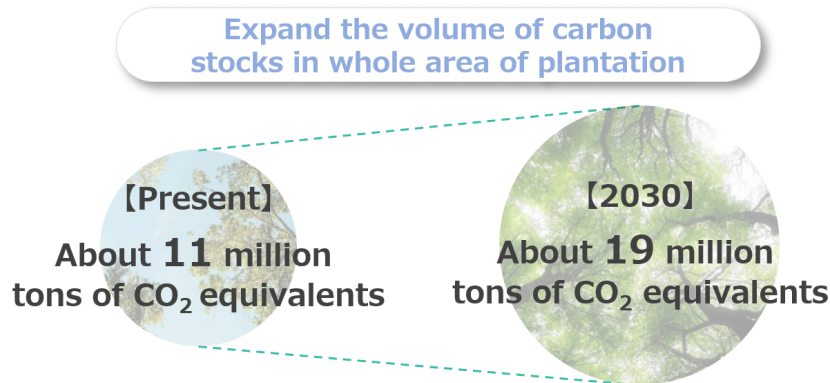
In March 2022, Marubeni Corporation and Nippon Paper Industries Co., Ltd. signed a strategic partnership agreement aimed at increasing forest growing stock through Nippon Paper Industries' technical guidance to PT. MHP, an Indonesian plantation company wholly owned by Marubeni Corporation.

Under the terms of the agreement, Marubeni will accept technical employees at PT. MHP starting in FYE 3/2023 to provide support and guidance on Nippon Paper Industries' proprietary afforestation technologies, including genetic analysis technology, breeding/propagation technology, pulp material evaluation technology, and plantation management know-how, in order to improve forest stock per unit area.

> [Click here to view more details on our initiatives](#) 

### ■ Organize the “Marubeni Forest Innovation Business Contest” in Western Australia

Starting in June 2021, we began working with WA Plantation Resources Pty., Ltd. (WAPRES), a subsidiary that operates a forest plantation business in Australia, to conduct the Marubeni Forest Innovation Business Contest. WAPRES invited the public to submit new ideas for solving social issues through the use of forest resources based on the company's plantation as a platform. 39 applications from 11 countries were received and one was selected after the selection process. The projects selected for this contest are scheduled to be demonstrated on site starting in FYE 3/2023.



## ② Consider projects for forest-derived negative emission

### ■ Indonesia/PT. TEL BECCS project

Marubeni signed a memorandum of understanding (MOU) in February 2022 with PT. Pertamina (Persero), an Indonesian state-owned oil company, for the joint development of decarbonization projects in Indonesia.

Through this MOU, we will work on the joint development of a wide range of decarbonization projects, including a biomass-derived carbon capture and storage business generated by PT. Tanjungenim Lestari Pulp and Paper (PT. TEL), our pulp manufacturing company in Indonesia, the so-called Bio-energy with Carbon Capture and Storage, or 'BECCS', project, the creation of carbon credits, and biomass fuel production business.

> [Click here to view more details on our initiatives](#)

### ■ Consider of forest management and afforestation projects aiming for carbon dioxide sequestration

We have begun to consider forest projects for the purpose of carbon dioxide sequestration, with an eye to expanding the market as a result of the development and spread of the forest-based carbon credit system, and we plan to explore the use of forest funds in the future.



# Medium-Term Management Strategy GC2024 “Green Strategy”

In our Medium-Term Management Strategy, GC2024, which we released in February 2022, we have raised our Green Strategy as one of our basic policies.

Sustainability initiatives such as decarbonization, the transition to a circular economy, protection of water resources and bio-diversity, promotion of human rights, and so on, are related to social issues that need to be solved and is an obligation for all companies to fulfill. By collaborating with customers, partners, and other stakeholders to solve such social challenges, we ultimately aim to enhance our corporate value.

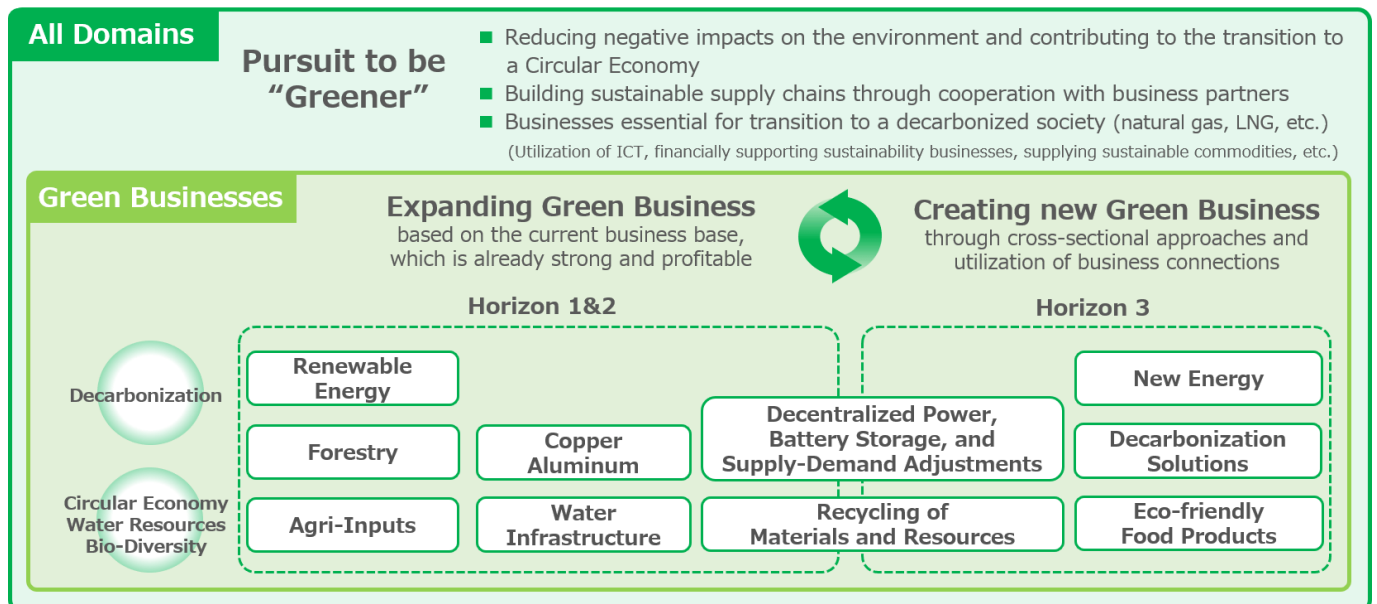
We aspire to become the forerunner in green business by “strengthening our green business” and “promoting the greening in all business domains.” Firstly, we will focus on “strengthening our green businesses,” including areas such as renewable energy, forestry, agri-input, copper/aluminum, and water infrastructure. We already have solid business foundations and high competitiveness and profitability in these areas, and we will continue to focus on allocating capital to expand and strengthen our business.

Furthermore, our advantage lies in our ability to leverage our existing business base and network, and by promoting Group-wide cross-sectional initiatives, and we aim to create new green businesses in areas such as new energy, decentralized power/battery storage and supply-demand adjustments, recycling of materials and resources, decarbonization solutions, and eco-friendly food products by utilizing our advantages.

➤ [Click here to view more details on Medium-Term Management Strategy GC2024](#)

By “strengthening our green business\*” and “promoting the greening in all business domains,” we aspire to become the

## Forerunner in Green business



\*Green Business : Sustainable businesses which have positive effects on the environment such as decarbonization and the circular economy, and adjacent businesses which supply those businesses with non-substitutable materials, etc.



# Initiatives for Respecting Human Rights

Human rights and the supply chain constitute categories of our Environmental and Social Materiality, and we will continue to strengthen this area as we consider it a prerequisite for the promotion of our Green Strategy (See P9.)

Our approach to human rights is putting into practice the three areas of (1) establishment of a human rights policy, (2) human rights due diligence, and (3) grievance mechanisms.




As part of this approach, from FYE 3/2021 to FYE 3/2022, we notified our basic policy on human rights to approximately 20,000 Tier 1 suppliers in order to inform and alert suppliers and contractors engaged by Marubeni Corporation and our consolidated subsidiaries to the policy. We intend to take steps to respond to this issue as part of our sustainability efforts in the supply chain.

As for human rights due diligence, we anticipate that the trend toward mandatory human rights due diligence will spread, particularly in Europe, and we are enhancing our responses in anticipation of this trend.

After identifying sectors, commercial stages, and regions with salient human rights risks, we intend to continue strengthening our efforts to implement risk mitigation measures and actions for redress, as well as to create mechanisms to support these.

➤ [Click here to view more details on Respect for Human Rights](#)

Ahead of **guidelines** to be developed by the Japanese government, as well as **human rights due diligence legislation** in Europe and other countries, we are enhancing our response as follows.

<p><b>1 Establish a human rights policy</b></p> 	<ul style="list-style-type: none"> <li>• FYE 3/2019: we formulated the “<b>Marubeni Group Basic Policy on Human Rights</b>” and revised the “<b>Basic Supply Chain Sustainability Policy</b>.”</li> <li>• FYE 3/2021- FYE 3/2022: communicate <b>and promote awareness to suppliers and contractors</b> of consolidated subsidiaries (notice a total of <b>approximately 20,000 suppliers and contractors</b> of “Marubeni Group Basic Policy on Human Rights” (see P12)</li> </ul>
<p><b>2 Establish and conduct human rights due diligence (human rights DD)</b></p> 	<ul style="list-style-type: none"> <li>• <b>Assessment of sustainability risk and mapping</b> to establish the process of human rights DD</li> <li>• Conduct human rights DD on <b>all new projects</b> (covers <b>100%</b> continuously)</li> <li>• <b>Conduct human rights DD on existing projects</b> through surveys for consolidated subsidiaries</li> <li>• <b>Expand human rights DD to the supply chain</b> through future surveys of <b>Tier 1 suppliers</b></li> </ul>
<p><b>3 Establish and operate a grievance mechanism</b></p> 	<ul style="list-style-type: none"> <li>• Establish an in-house system for handling human rights complaints as a grievance mechanism; system has been in operation since FYE 3/2022</li> </ul>

- **Identify sectors, commercial stages, and regions that pose salient human rights risks**
- **Implement risk mitigation measures/actions for redress and create mechanisms to support these**

# Initiatives for Supply Chain Management

## ① Expanded and deeper focus on supply chain management



From FYE 3/2020 we commenced engagement to reinforce the sustainability in supply chain. In FYE 3/2021 we conducted sustainability surveys of approximately 200 of our consolidated subsidiaries, which are the “starting point” of our supply chain. From FYE 3/2022, we expand the surveys to Tier 1 (direct) supplier, includes surveys on human rights.

## ② Sustainability Risk in Supply Chain

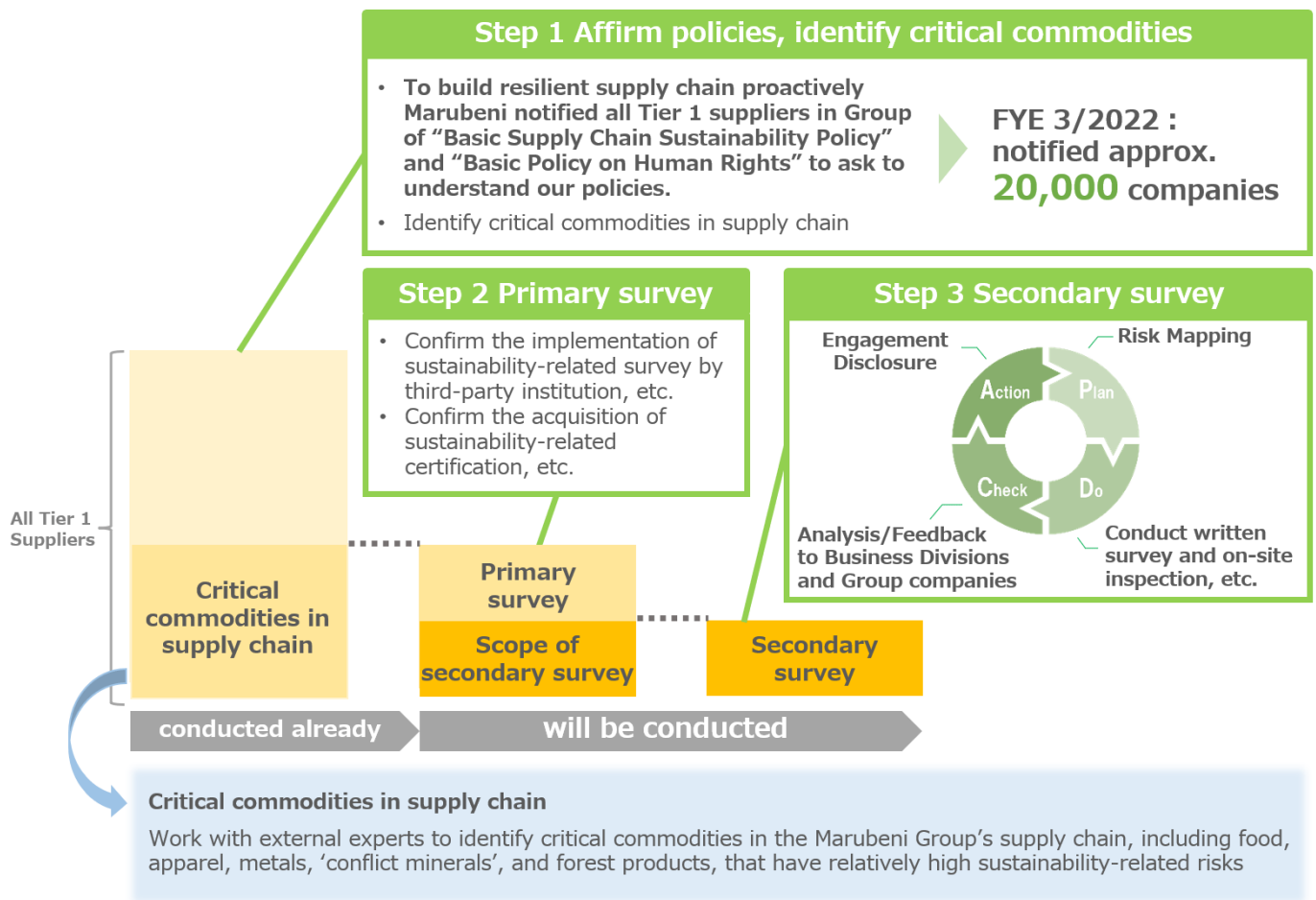
We have identified 27 risk items across the three categories of environmental, health and safety, and social that are relevant to sustainability in the supply chain. Based on these risk assessment items, we are conducting sustainability surveys of consolidated subsidiaries and suppliers, as well as conducting risk analysis for new investments.

### Risk assessment items in business (27 items across 3 categories)

Environmental	Health & Safety	Social
<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Environmental pollution</li> <li>• Bio-diversity</li> <li>• Resource management</li> <li>• Mitigation measures and administrative procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Machine safety</li> <li>• Fires and explosions</li> <li>• Toxic substance exposure</li> <li>• Infection</li> <li>• Hazardous operations</li> <li>• Mitigation measures and administrative procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Forced labor and human trafficking</li> <li>• Child labor</li> <li>• Working hours</li> <li>• Wages and employment contracts</li> <li>• Discrimination</li> <li>• Harassment at work and disciplinary measures</li> <li>• Respect for diversity</li> <li>• Freedom of association</li> <li>• Land issues</li> <li>• Negative social impact on local communities</li> <li>• Indigenous peoples and cultural heritage</li> <li>• Conflict minerals</li> <li>• Privacy</li> <li>• Animal welfare</li> <li>• Responsible marketing</li> <li>• Mitigation measures and administrative procedures (supply chain)</li> </ul>

> [Click here to view more details on Supply Chain](#)

### 3 Tier 1 Supplier Survey (Consolidated Basis)



We conduct Tier 1 supplier survey (consolidated basis) according to the following three processes in principle.

**Step 1:** We notified all Tier 1 suppliers, including our consolidated subsidiaries, of the "Basic Supply Chain Sustainability Policy" and "Marubeni Group Basic Policy on Human Rights." We also identified "critical commodities in supply chain" that have relatively high sustainability-related risks within the supply chain.

**Step 2:** We will conduct a primary survey of the companies of the selected critical commodities identified in the supply chain, including "confirmation of the implementation of sustainability-related surveys by third-party institutions, etc." and "confirmation of the acquisition of sustainability-related certifications, etc." From the results, we will consider proceeding to the next Step 3, the secondary survey, for those surveyed companies that could not be confirmed.

**Step 3:** For the secondary survey, we intend to implement a PDCA cycle that includes risk mapping to identify the location of risks, implementation of written survey and on-site inspection using methods specific to those risks, analysis and feedback of survey results, and consideration and disclosure of engagement methods.

### 4 Establish Policies for Individual Commodities

As part of our supply chain management, we have established policies for individual commodities, for high-risk commodities. In FYE 3/2022, we established new procurement policies for palm oil and beef. We will continue to formulate our procurement policy from time to time for higher risk commodities.

# Human Capital

Human capital is the Group's greatest asset and the driving force of value creation. In the Medium-Term Management Strategy GC2024, we will further evolve the "Marubeni HR Ecosystem" set forth in GC2021 with the aim of further strengthening it. The "Marubeni HR Ecosystem" is a concept that forms the basis of our human capital strategy in order to realize our vision of a global crossvalue platform, and it represents the direction in which we are striving for change.

The Marubeni Group provides a setting where human capital of high social value with diverse backgrounds can come together, work actively, and connect with each other beyond the boundaries of the company and the organization, where they can continue to take on the challenge of creating new value by combining their diverse values and expertise: this is the kind of attractive ecosystem that we hope to create.

The Talent Management Committee, a human capital strategy committee consisting of the President, CAO, and CSO as key members, discusses and promotes the human capital strategies to achieve this vision. The Talent Management Committee, which has been in place since FYE 3/2022, will align management strategy with HR strategy and continue to discuss key priorities such as the optimal human capital strategy for the Group, and specifically, human capital allocation, leader development, engagement, diversity, and HR system reform review, in order to promote the management-led changes with a sense of urgency.

> [Click here to view more details on HR Management](#)

## < Global crossvalue platform >



Global crossvalue platform  
**Marubeni**

## < Marubeni HR Ecosystem >

### Human Capital with High Social Value

- Human capital that creates new value
- Highly regarded and essential to society and our customers



### Diversity & Inclusion

- Respect for diverse values
- Utilizing the strength of diverse individuals/Increasing value-creation capabilities

### Culture of Active Participation and Connectivity

- Creating environments and workstyles for invigorating human capital
- Open innovation to bring together internal and external ideas

**Come together**

**Energize**

**Connect**

## < Vision for the Marubeni of the future > Global crossvalue platform

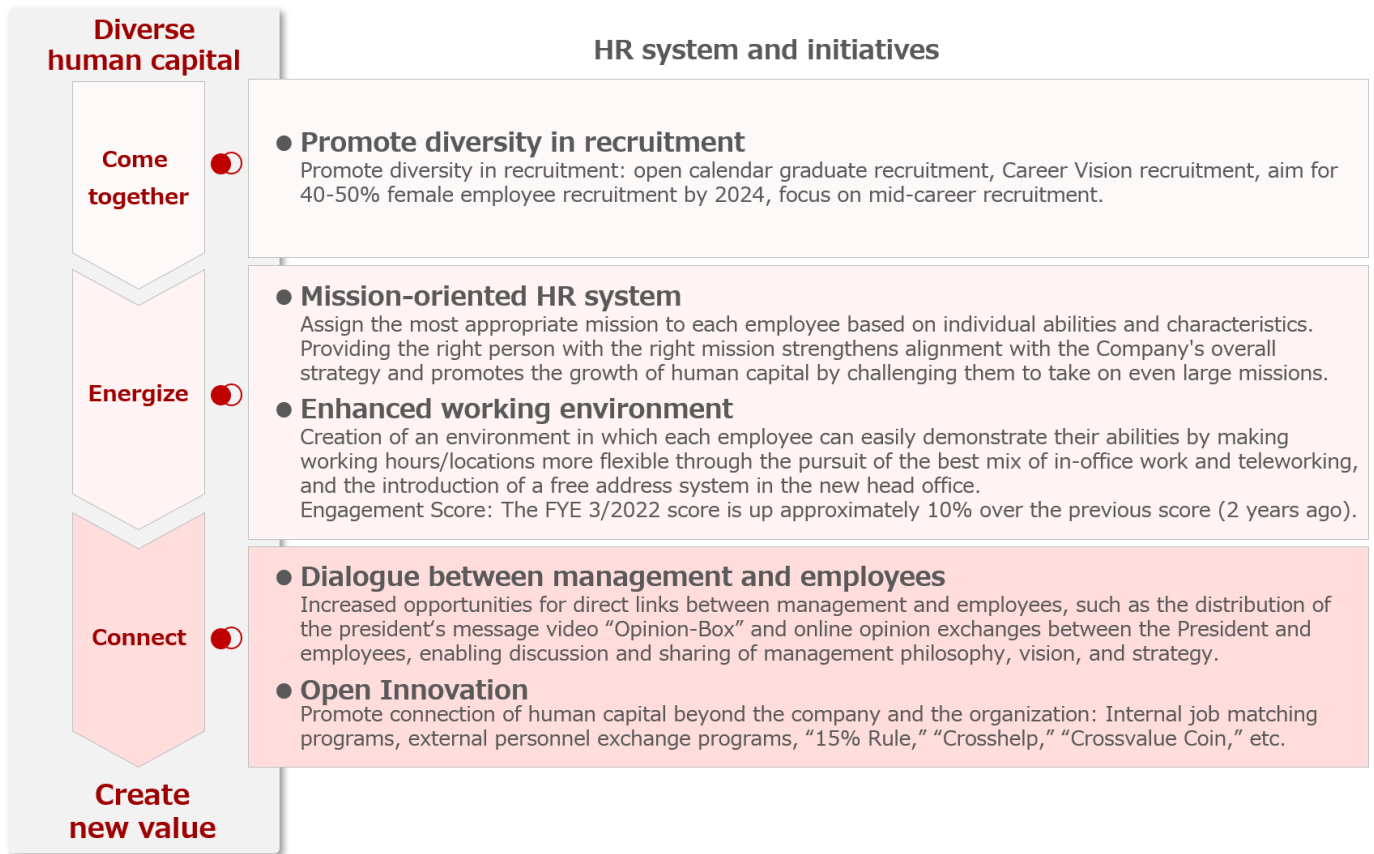
**We will generate new value by freely combining our Group's strengths, internal and external expertise, and individual dreams and visions, taking the Marubeni Group as one single platform.**

Every single Marubeni Group employee is involved in creating new value as part of the "Global crossvalue platform."

- **Promote the further progression of the Marubeni HR Ecosystem**
- **Talent Management Committee\* to promote specific management-led human capital strategies**

\*Human capital strategy meetings with the President, CAO, and CSO as key members

# Promotion of the Further Progression of the Marubeni HR Ecosystem



➤ [Click here to view more details on each initiative](#)

## Recruiting women

We have set a goal of increasing the ratio of new graduate recruitment for career-track positions to 40-50% by 2024, and already this ratio is close to 40% for new hires in FYE 3/2023.

## A new mission-oriented HR system

It was fully launched in FYE 3/2022. We believe that this system will promote the implementation of organizational strategies and the growth of human capital by assigning performance-oriented missions and encouraging employees to take on larger missions.

## Employee engagement

The engagement survey conducted in 2021 showed a 10% increase in scores compared to the previous survey conducted in FYE 3/2020 before the COVID-19's pandemic, and we believe this, along with an enhanced working environment, is leading to more employee satisfaction and motivation.

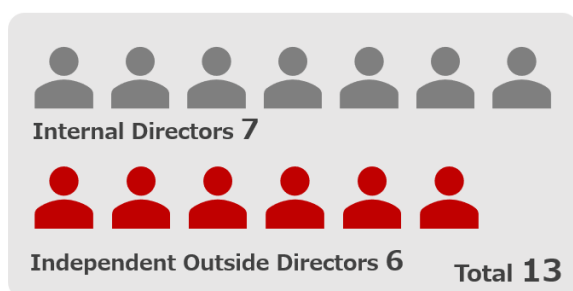
In this context, we are continually implementing various initiatives to enhance dialogue and communication between management and employees. In particular, the "Opinion Box" is an initiative in which the President himself sends out video messages on important topics and directly responds to questions and opinions from employees. We believe that this is extremely meaningful in terms of raising Group employees' understanding of and sense of involvement in important management policies and messages.

# Corporate Governance

## ① Composition of Board of Directors

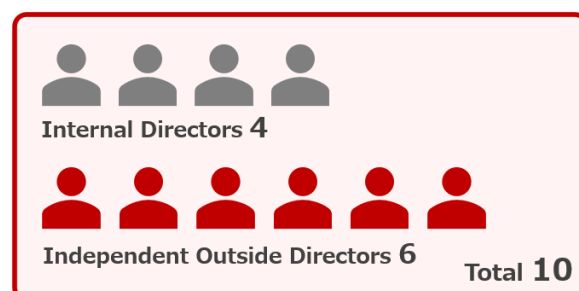
[FYE 3/2022]

Percentage of Independent  
Outside Directors 46%



[FYE 3/2023]

**60%** For the first time in any general trading  
company's history, the composition of  
the Board of Directors has a majority of  
Outside Directors



### Enhance the function of the Board of Directors

- To enhance the effectiveness of the Board of Directors, the Company appoints personnel who have diverse experience, knowledge, expertise, and insight, etc. and are well-versed in business activities as Directors. Furthermore, by appointing non-executive Directors and multiple Independent Outside Directors, **the Company seeks to introduce perspectives not bound by corporate culture and custom of the Corporation and to strengthen checks and supervisory functions.**
- **Further enhance monitoring functions of the Board of Directors and promote a greater sense of urgency on the executive side** by having a majority of Independent Outside Directors, and **further strengthen governance by clarifying the functions of the Board of Directors/Corporate Management Committee.**
- Continued from FYE 3/2022, to enhance monitoring functions of the Board of Directors, **the Board of Directors will discuss material management issues through clarifying the matters to be discussed and supervised.**

In order to realize medium- to long-term enhancement of corporate value, we are continuously improving and strengthening our corporate governance, which lies at the foundation of sustainable management.

As one of the measures to strengthen the Board of Directors, as announced in a press release on January 26, 2022, the composition of the Board of Directors was changed from 13 Directors, 6 of whom are Outside Directors, to 10 Directors, of whom 6 are Outside Directors, and this change was submitted to the Company's General Meeting of Shareholders in June 2022. For the first time in any general trading company's history, the composition of the Board of Directors now has a majority of Outside Directors.

By having a majority of Independent Outside Directors, we hope to further enhance the supervisory function of the Board of Directors, promote a greater sense of urgency on the executive side, and further strengthen governance by clarifying the functions of the Board of Directors and the Corporate Management Committee.

The results of assessment of the Board of Directors effectiveness in FYE 3/2022 and the policy for FYE 3/2023 are shown on the next page. For details, please refer to "Marubeni's Corporate Governance Code Initiatives (Supplementary Principles 4.11.3.)"

➤ [Click here to view more details on "Marubeni's Corporate Governance Code Initiatives"](#)



## ② Evaluation of the Effectiveness of the Board of Directors

### **Handling issues in effectiveness evaluations pertaining to the Board of Directors in FYE 3/2022**

#### 1) Enhancement of deliberation of key issues through board meetings and free discussions

##### ● Main Agenda Items of the Board of Directors in FYE 3/2022

##### • Medium-Term Management Strategy GC2024

(Green Strategy, improving profitability, Marubeni Group HR strategy, capital allocation policy, shareholder returns policy, etc.)

##### • Investment and financing projects

(development of a floating offshore wind farm in Scotland; share transfer of subsidiary, which owns oil and gas fields in the UK North Sea; and the reorganization of Gavilon and transfer of Gavilon's shares, etc.)

##### • Financial results and other finance related matters (share repurchase, etc.), remuneration for Directors/Audit & Supervisory Board Members

##### • Evaluation of the effectiveness of the Board of Directors, internal control related matters, how to enhance the corporate governance system (to respond to Japan's Corporate Governance Code, etc.)

#### 2) Discussions regarding expectations from stakeholders

(Promotion of sustainability, responses to expectations from shareholders and investors)

#### 3) Discussions regarding the diversity of Board members

### **Policy for initiatives in FYE 3/2023**

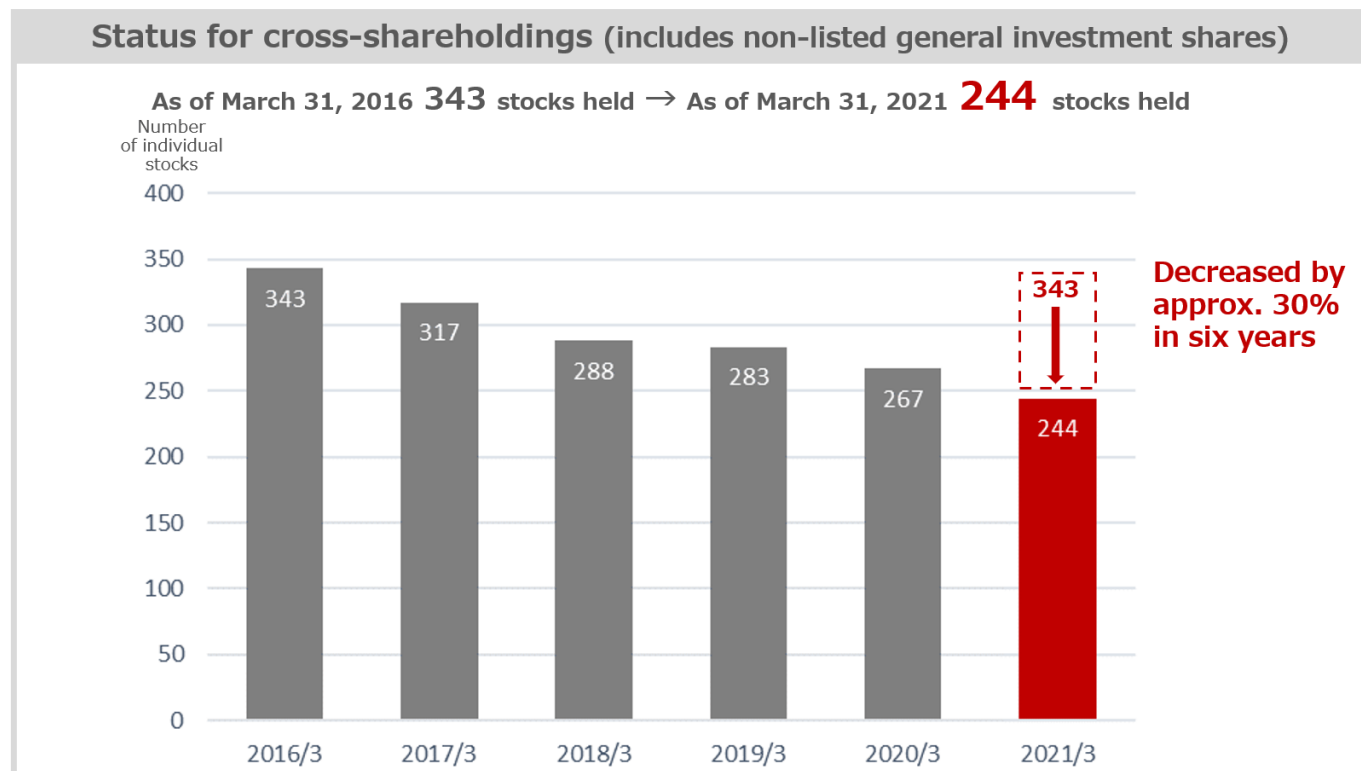
#### 1) Share awareness of changes related to the external environment and risks, etc., at Board of Directors meetings and enhance deliberations concerning critical management issues

#### 2) Discussions regarding HR strategy and allocation of management resources of human capital

#### 3) Supporting the Outside Directors to further utilize their expertise

### ③ Reduction of cross-shareholdings (includes non-listed general investment shares)

- Upon conducting a comprehensive examination of quantitative and qualitative aspects for each holding, the significance of the cross-shareholdings are assessed by the Board of Directors each year.
- If any of the cross-shareholdings is no longer significant, they are sold, and the number of individual stocks has been decreasing.





# Our Views on Sustainability

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

## 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](#)

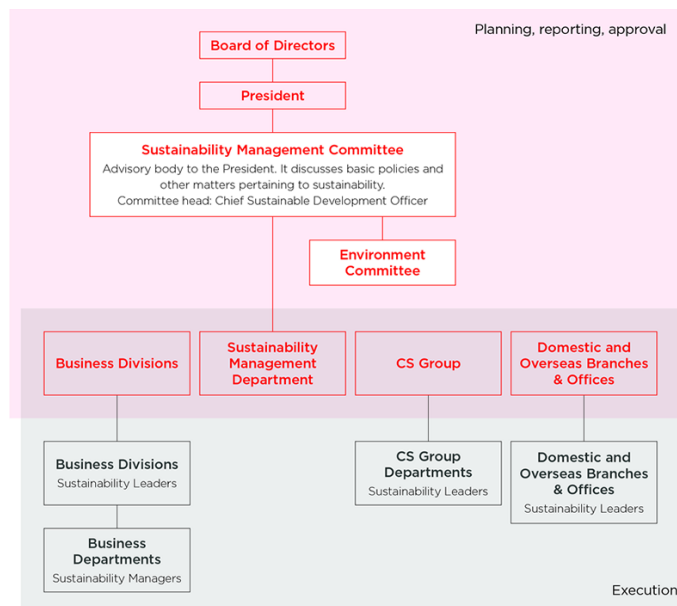
# Organization

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**

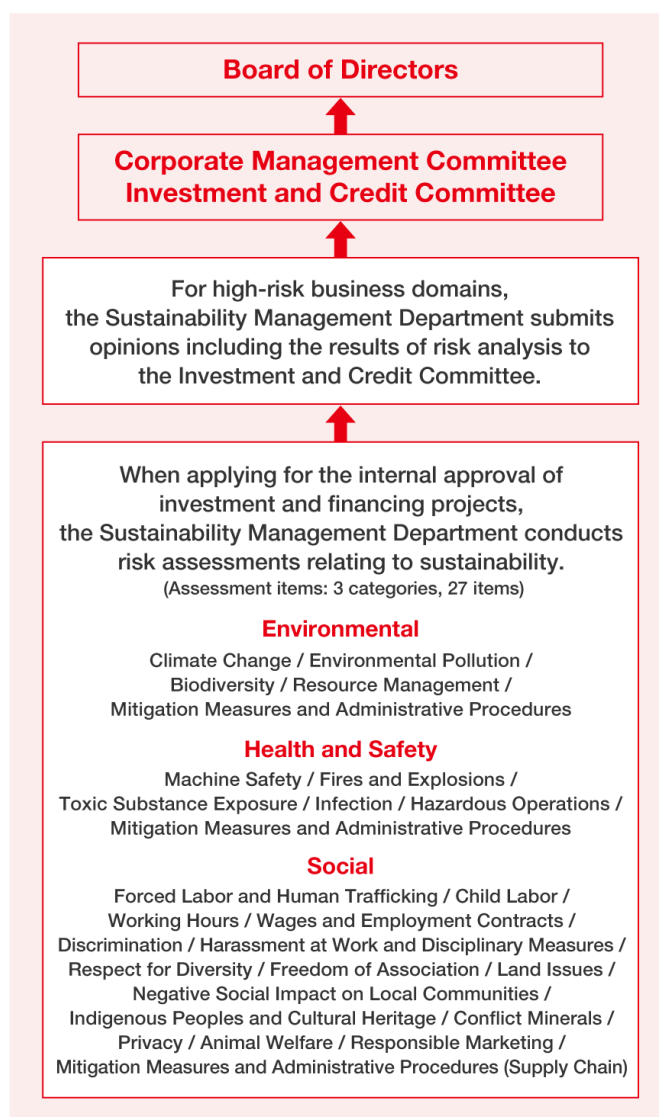
Marubeni communicates its Basic Supply Chain Sustainability Policy (hereinafter "Basic Policy") to its suppliers, and requests their thorough understanding, as well as cooperation and compliance with the Basic Policy. We conduct due diligence analysis and risk assessment of all suppliers, new and existing, 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.

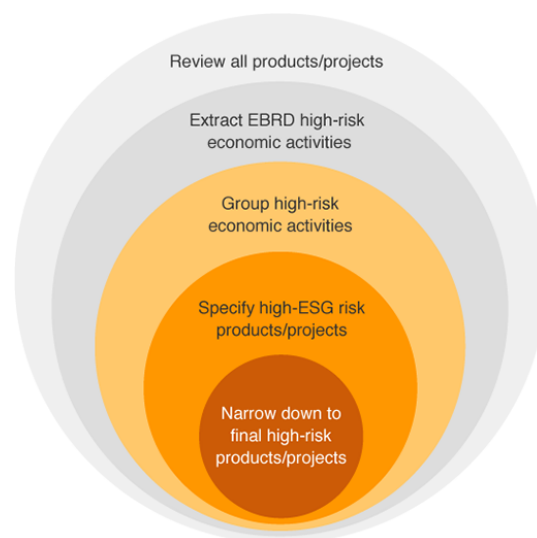
### 1. Preparation for ESG Risk Evaluation

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

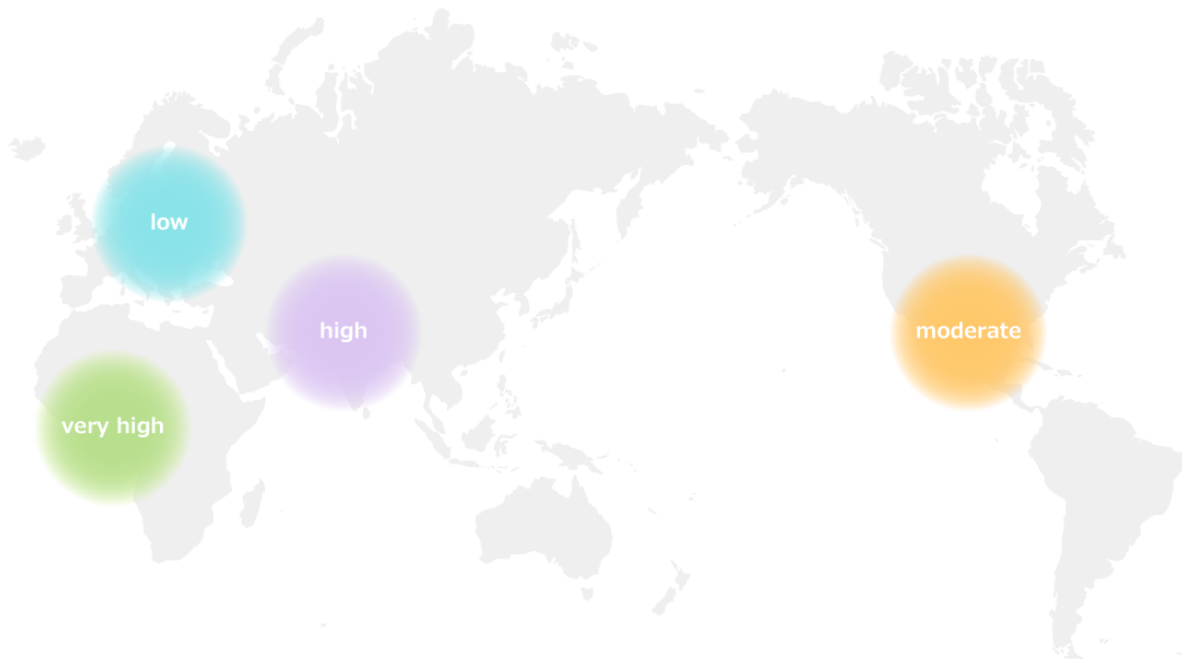
Step 1: Create risk profiles of the final high-risk products/projects

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"> <li>• Integrated reports, official website</li> <li>• Responding sincerely based on the Marubeni Corporate Principles and Basic Supply Chain Sustainability Policy</li> <li>• Website inquiry and contact page</li> <li>• Supply Chain Sustainability Survey</li> </ul>
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"> <li>• Integrated reports, official website and Shareholders' Reports</li> <li>• General Meeting of Shareholders</li> <li>• Briefings for retail investors</li> <li>• IR activities</li> <li>• Response to ESG investment Index survey organization</li> </ul>
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"> <li>• Social welfare funding by the Marubeni Foundation</li> <li>• Support through scholarships and donations overseas</li> <li>• Association with NGOs and NPOs</li> <li>• Stakeholder dialogues</li> <li>• Activities implemented through business and industry groups <sup>*1</sup></li> <li>• Receiving company tours</li> <li>• Cultural contributions through the Marubeni Collection</li> </ul>
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"> <li>• Employee Awareness surveys</li> <li>• Compliance Access Point (Marubeni Hotline (formerly, "Door of Courage"))</li> <li>• Marubeni Group magazine, company intranet</li> <li>• Dialogue between management and employees</li> <li>• Discussions with the Marubeni Employee Union</li> <li>• Trainings</li> </ul>

\*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\*<sup>2</sup> in February 2019.

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

\*<sup>2</sup> 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\*<sup>3</sup> (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.

\*<sup>3</sup> 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	<b>Indonesian Forestry Certification Cooperation<sup>*4</sup></b> · Sustainable Forest Management certification
WA Plantation Resources Pty., Ltd. (WAPRES)	Australia	Forest plantation/ wood chips production business	<b>FSC<sup>®</sup> certification<sup>*6</sup></b> · FM (Forest Management) certification · CoC (Chain of Custody, processing/distribution processes) certification
			<b>Responsible Wood<sup>*7</sup></b> · Sustainable Forest Management certification

\*4 Indonesian Forestry Certification Cooperation is a forest certification system in Indonesia endorsed and mutually recognized under the PEFC<sup>\*5</sup>.

\*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<sup>®</sup> (FSC<sup>®</sup>) 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<sup>®</sup> C016260)

\*7 Responsible Wood is an Australian forest certification scheme endorsed and mutually recognized under the PEFC<sup>\*5</sup>.

## 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)<sup>\*8</sup>, 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\*<sup>9</sup> 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.

\*<sup>9</sup> 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\*<sup>10</sup>. Marubeni will build sustainable supply chains, strengthen risk management, and expand ethical business practices.

\*<sup>10</sup> 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.



2-0549-15-100-00

## 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

<b>The Idea of Materiality for Marubeni Group</b>	<b>36</b>
<b>Fundamental Materiality</b>	<b>37</b>
<b>Environmental &amp; Social Materiality</b>	<b>38</b>
<b>Identification and Review Process of Materiality</b>	<b>40</b>

# 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<sup>\*1</sup>, 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\*<sup>2</sup> in 68 countries and regions and employs 40,000 people\*<sup>3</sup> 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.

\*<sup>2</sup> As of April 1, 2021

\*<sup>3</sup> As of March 31, 2021

➤ Respect for Human Rights

## 4. Sustainable & Resilient Value Chains

The Marubeni Group deals with thousands of suppliers\*<sup>4</sup> 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.

\*<sup>4</sup> Approximately 3,000 firms have direct dealings with Marubeni (as of March 31, 2021)

➤ Supply Chain

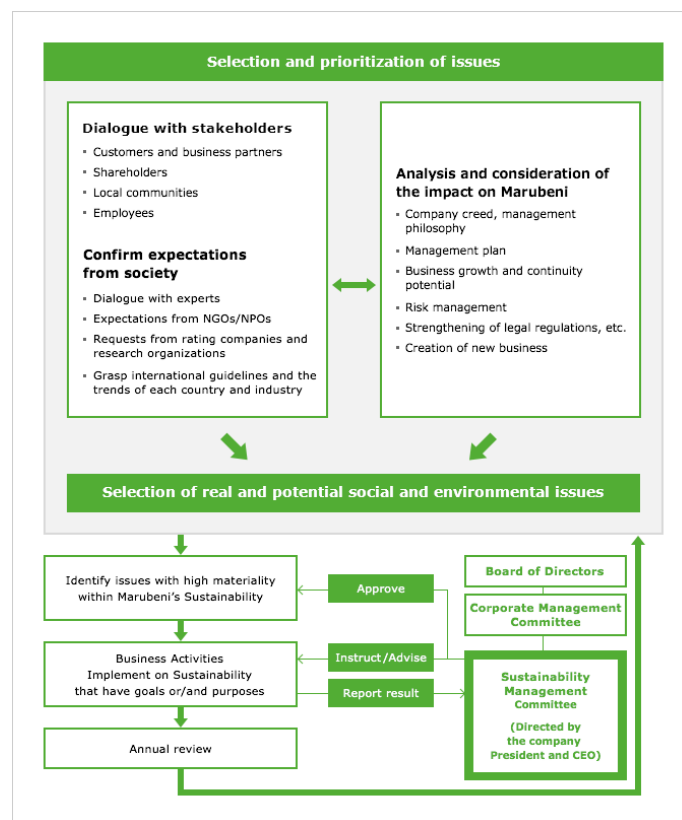
# Identification and Review Process of Materiality

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

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





# Environment

<b>Environmental Management</b>	<b>42</b>
<b>Climate Change</b>	<b>52</b>
<b>Sustainable Forestry</b>	<b>63</b>
<b>Conservation of Biodiversity and Habitats</b>	<b>70</b>
<b>Water Management</b>	<b>73</b>
<b>Environmental Data</b>	<b>80</b>

Environment

# Environmental Management

| Policy ▾ | Targets ▾ | Structures and Systems ▾ | Initiatives ▾ | Data ▾ |

## Policy

### Marubeni Group Environmental Policy (revised in January, 2019)

#### Basic Philosophy

In full awareness of its responsibilities as a good corporate citizen, recognizing the environmental problems as material issues, the Marubeni Group will make every effort to simultaneously pursue both a prosperous society and environmental conservation, while aiming to achieve the sustainable development of society.

#### 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.)<sup>\*1</sup>, waste reduction, green procurement, and increases in operational efficiency;<sup>\*2</sup>
  - (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).

## Five Environmental Objectives

---

The Marubeni Group pursues the five objectives below in accordance with the Marubeni Group Environmental Policy in order to help to protect the environment and to reduce the environmental impact caused by its business activities.

- Thoroughly implement environmental considerations when promoting projects
- Expand initiatives with business partners who consider environmental aspects
- Promote environmental consideration among Group companies
- Promote environmental businesses
- Conserve energy and natural resources, and reduce waste

## 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.

## Targets

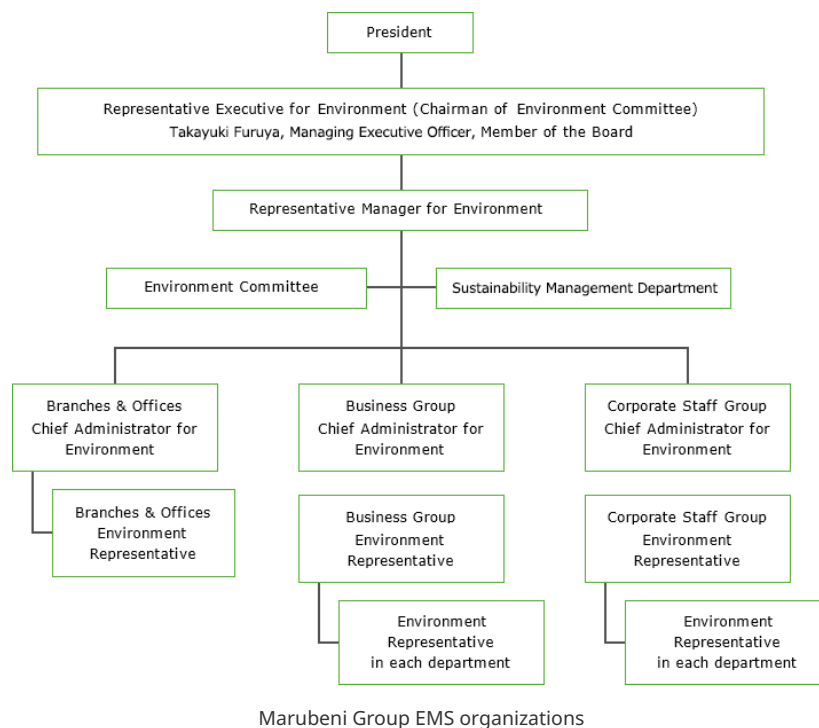
### Establishment of Environmental Targets

---

At the beginning of each fiscal year, Marubeni uses an Environmental Plan/Check Sheet to identify the issues specific to each business group with regard to environmental risk management, Group company administration, promotion of environmental business, conservation of energy and resource, prevention of pollution, and other such matters. Marubeni then establishes environmental targets for each business group and works towards achieving them.

## Structures and Systems

The Marubeni Group promotes environmental considerations in its own business operations under the leadership of the Environment Committee chaired by the Chief Sustainable Development Officer. The Marubeni Group Environmental Policy was established in 1998 as the embodiment of the Marubeni Group's firm commitment to environmental conservation.



## Environmental Management System (ISO 14001)

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.

As of March 31, 2021, the status of Marubeni Group's acquisition of ISO 14001 environmental management system is as follows:

In the Marubeni Group:

**- Number of companies that have acquired ISO 14001 certification (includes Marubeni Corporation)**

52 out of 457 companies (11.4% of the total number of Group companies)

**- Number of operations that have acquired ISO 14001 certification**

208 of 2,639 operations (7.9% of the total number of Group companies)

## The Marubeni Group Multi-site Certificated Subsidiaries

The Marubeni Group in this Policy includes Marubeni Corporation and the subsidiaries listed below :

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

\* We shall publish the Marubeni Group Multi-site Certificated Subsidiaries list together with the Marubeni Group Environmental Policy at all times.

# Initiatives

## 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.

### External Audits

Our performance for ISO 14001 is subject to audits every year by Lloyd's Register Quality Assurance Limited (LRQA). Marubeni has continuously been certified in the year ended March 31, 2021.

#### ■ Flow of LRQA external audits

ISO 14001 certification expires in three years. We undergo ISO certificate renewal once every three years to confirm that the management system has been maintained within the effective period.

### Internal Audits

Internal environmental audits are conducted every year based on ISO 14001. In the year ended March 31, 2021, audits were conducted on all Business Groups, Next Generation Business Development Division, General Affairs Dept., and four Branches (Osaka, Chubu, Hokkaido, Kyushu).

The Sustainability Management Department forms an internal audit team, and personnel who have a qualification of internal auditor verify whether the Company's environmental management system is properly operated through interviews and other appropriate means with personnel in each group, department, or branch. In addition to legal compliance with environment related laws and regulations, we strive to prevent environmental risks by multifaceted analysis on various aspects, such as the management at the point of change in each business.

## 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 the year which ended March 31, 2021, Marubeni conducted an assessment to determine whether its 98 departments and 130 Marubeni Group companies were in compliance with the Waste Management and Public Cleansing Act.

Marubeni also conducted an e-learning training program on the Waste Management and Public Cleansing Act for all employees, including temporary employees. At the same time, seminars were held on the same topic at the Tokyo Head Office and major domestic branches (Osaka, Chubu, Hokkaido and Kyushu), where outside experts provided pertinent guidelines and information. 294 Marubeni Group employees in total participated in the training program. Likewise, the corresponding groups conducted more practical and hands-on forms of training.

As a result of these and other initiatives, there were no serious violations of environmental laws or regulations by the Marubeni Group in the year ended March 31, 2021.

## Environmental Education and Training

Marubeni provides environmental education to its employees to help raise their awareness of relevant issues. In the year ended March 31, 2021, Marubeni not only distributed materials to relevant personnel under the name of “environmental training,” but also organized 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.

### Environmental Training Programs and Seminars in the Year Ended March 31, 2021

Training Program/Seminar	Number of Participants
ISO 14001 Internal Environmental Auditors Training Program (Tokyo, Osaka)	45
Seminar on the Waste Management and Public Cleansing Act (Tokyo, Osaka, Nagoya, Hokkaido, Kyushu)	294
Training on the Waste Management and Public Cleansing Act (e-learning)	2,973
Group-Specific Training on the Waste Management and Public Cleansing Act	302

## Environmental Assessment of Development Projects and Financing/Investment

From the fiscal year ended March 31, 2021, we introduced a sustainability assessment tool to identify and assess different kinds of sustainability risks, not only environmental risks but also social risks such as occupational health and safety and human rights.

➤ [Click here for more information on the introduction of our sustainability assessment tool.](#)

## 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 designed in line with the Marubeni Group Environmental Policy. We also monitor their ISO 14001 status, emergency response measures, and environmental management systems.

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

### Sustainability Data Survey

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.

➤ For "Environmental Data" please click here

## Energy Conservation, Natural Resource Conservation, and Waste Reduction Activities

Marubeni is working for climate change measures in accordance with the policies of Keidanren's Commitment to a Low Carbon Society. The Company set the numerical targets to reduce energy usage (electricity and gas) by 10% or more at Tokyo Head Office by the fiscal year ending March 31, 2026 compared to the year ended March 31, 2016. To achieve the numerical targets, the Company carries out initiatives such as introduction of energy-saving equipment, etc.

### Targets to Achieve by the Year Ended March 31, 2021

	Numerical Targets in the FYE 3/2021	Results in the FYE 3/2021
(1) Energy Consumption at Tokyo Head Office and Osaka Branch	Reduce energy usage (electricity and gas) by 10.5% compared to the year ended March 31, 2010	73.4% decrease from the year ended March 31, 2010
(2) Waste Generation at Tokyo Head Office	Reduce waste generation by 30% compared to the year ended March 31, 2011	98.1% decrease from the year ended March 31, 2011
(3) Waste Recycling Rate at Tokyo Head Office	Achieve a waste recycling rate of 90% or more	39.5%
(4) Water Consumption at Tokyo Head Office	Reduce water consumption by 3% compared to the year ended March 31, 2011	96.9% decrease from the year ended March 31, 2011

\* After setting target values, Marubeni Corporation, 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 the period beginning in the year ended March 31, 2018 until relocation in 2021), 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.

\* Water Consumption includes Tap Water only.

### Targets to Achieve by the Year Ending March 31, 2026

	Targets in the FYE 3/2026
(1) Energy Consumption at Tokyo Head Office	Yearly targets: reduce annual average by 1% or more Targets in the FYE 3/2026: Reduce energy usage by 10% or more compared to the year ended March 31, 2016
(2) Waste Generation at Tokyo Head Office	50% or more decrease from the year ended March 31, 2016
(3) Waste Recycling Rate at Tokyo Head Office	70% or more
(4) Water Consumption at Tokyo Head Office	50% decrease from the year ended March 31, 2016

\* Tokyo Head Office is relocated from Nihonbashi to Takebashi new building in May 2021.

\* Water Consumption includes Tap Water only.

### 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 had submitted plans to the Tokyo Metropolitan Government describing its measures to reduce CO<sub>2</sub> 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. However, from the year ended March 2017, Marubeni has not submitted Carbon Reduction Reports after moving the Tokyo Head Office to a temporary location in Nihonbashi in September 2016 (due to the reconstruction of its permanent headquarters) and has submitted Carbon Reduction Reports of Specified Tenants, etc. to the Tokyo Metropolitan Government through the building owner of its temporary location.



Due to the relocation of Tokyo Head Office submission of Carbon Reduction Report of Specified Tenants, etc. is not required for the year ended March 2021. The emissions volume in Nihonbashi for the year ended March 31, 2021 was 1,900t-CO<sub>2</sub>, a decrease of approximately 72% compared to the reference value.

In conjunction with the completion of the new Head Office in February 2021, Marubeni plans to submit the Carbon Reduction Reports starting from the year ending March 31, 2023 to the Tokyo Metropolitan Government.

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

Marubeni plans to submit the Carbon Reduction Reports starting from the year ending March 31, 2023 to the Tokyo Metropolitan Government.

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
Covering FYE 3/2016-FYE 3/2020	Submitted in October 2019
Covering FYE 3/2016-FYE 3/2020	Submitted in November 2020

**Tama Center**

Marubeni submits plans to the Tokyo Metropolitan Government describing its measures to reduce the CO<sub>2</sub> emissions volume of the Tama Center, a training center managed by the Tokyo Head Office, by approximately 27% from the reference value (average emissions from April 2005 to March 2008) during the five years from April 2020 to March 2025.

The emissions volume in the year ended March 31, 2021 was 3,902t-CO<sub>2</sub>, a decrease of approximately 70% 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
Covering FYE 3/2016-FYE 3/2020	Submitted in November 2019
Covering FYE 3/2016-FYE 3/2020	Submitted in September 2020
Covering FYE 3/2021-FYE 3/2025	Submitted in November 2021

## 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. The measures are taken to prevent recurrence.

#### Number of Reported Cases/Corrective Actions

	FYE 3/2021
Number of reported cases	4
Number of corrective actions	4 (of which 0 include fines/penalties)
Total fines	JPY 0 million

### Environmental Protection Costs

Environmental protection costs for Marubeni's five principal offices (Tokyo Head Office and Hokkaido, Chubu, Osaka and Kyushu branches) for FYE 3/2021 are shown below.

Environmental Accounting for FYE 3/2021* (thousands of yen)	
Business area cost	2,246
Upstream/Downstream cost	6,339
Administration cost	287,559
R&D cost	0
Social activity cost	7,314
Environmental remediation cost	8,800
Total	312,258

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

## Waste Generated

[<Click here to view Tokyo Head Office's target to be achieved by FYE 3/2021.>](#)

(Unit: metric ton)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Marubeni Corporation's principal offices	432	6	8	39	4
Marubeni Corporation's other offices + consolidated subsidiaries	108,107	99,526	115,759	148,154	119,015
Total	108,539	99,531	115,767	148,192	119,019

- Materials with resale or reuse value are not included.

## Specially Controlled Industrial Waste Output

As a single entity, Marubeni Corporation monitors and reports our output of specially controlled industrial waste defined in the Waste Management and Public Cleansing Act. This includes PCB waste etc., such as PCB contaminant and processed PCB, which we dispose in sequence within the legal disposal period.

### Specially Controlled Industrial Waste Output (unit: metric ton)

FYE 3/2021	0
FYE 3/2020	0
FYE 3/2019	0
FYE 3/2018	0
FYE 3/2017	8.6

Our domestic subsidiaries monitor and report the appropriate amount according to the Waste Management and Public Cleansing Act.

## Target and Results for Serious Environmental Incidents\* including Pollution

(Unit: case)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	Target
Serious Environmental Incidents	0	0	0	0

\* Includes Marubeni Corporation and its consolidated subsidiaries.

## Marubeni Corporation's Emission Volumes

(Unit: metric ton)

	FYE 3/2019	FYE 3/2020	FYE 3/2021
NOx	0	0	0
SOx	0	0	0
VOC	0	0	0

\* Data obtained on emission volumes of major consolidated subsidiaries is as follows: NOx: 901 metric tons, SOx: 955 metric tons, VOC: 30 metric tons

## Paper Consumption (A4 paper sheet equivalent)

(Unit: thousand sheets)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Paper Consumption (A4 paper sheet equivalent) of Marubeni Corporation's principal offices	30,841	27,896	25,215	22,210	10,344

## Recycling Rate

<Click here to view Tokyo Head Office's target to be achieved by FYE 3/2021.>

(Unit: %)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Recycling Rate of Marubeni Corporation's principal offices	88.7	89.8	83.6	41.8	61.7

• FYE 3/2020 includes an increase in waste due to large-scale layout work at the Osaka Branch.

## Green Product Procurement Rate

(Unit: %)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Green Product Procurement Rate of Marubeni Corporation's principal offices	87.6	86.8	90.6	91.2	83.1

[The boundary of the environmental data]

• Marubeni Corporation's principal offices

Until FYE 3/2019, we covered six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we covered five main Branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).

• Consolidated subsidiaries

The subsidiaries that are designated to be liquidated or sold are excluded.

From FYE 3/2019, grain collection and exporting company based in the northern United States is included.

From FYE 3/2020, GHG emissions, energy consumption, and water withdrawal figures and from FYE 3/2021, water discharge figures include agricultural material sales company based in the southeastern United States (waste generated does not include it).

Environment

# Climate Change

Policy ▾ | Disclosure in Line with the Recommendations of the TCFD ▾ | Initiatives ▾ | Data ▾ |

Collaborating with Stakeholders ▾ |

## Policy

The Marubeni Group recognizes climate change as a global and highly urgent social issue, and identifies it as one of its Environmental and Social Materiality. In our Medium-Term Management Strategy, GC2024, which we released in February 2022, we see “strengthening our green business\*<sup>1</sup>” and “promoting the greening in all our business domains” as core business for our growth. We aim to transform the total environmental impact of its business activities to a positive one by contributing to low-carbon and decarbonization through our business activities while ourselves achieving net-zero GHG emissions.

\*1 Green business: sustainable businesses which have positive effects on the environment such as decarbonization and the circular economy, and adjacent businesses which supply those businesses with non-substitutable materials, etc.

➤ Environmental & Social Materiality > Climate Change

### The Marubeni Long-Term Vision on Climate Change: Towards Net-Zero GHG Emissions (Formulated in March 2021)

Marubeni Corporation (hereinafter, “Marubeni”), based on the Paris Agreement, recognizes the importance and urgency of limiting the global average temperature increase by the end of this century to 1.5°C (hereinafter, the “1.5°C pathways”). For the purpose of medium- and long-term contributions to measures addressing climate change, Marubeni has formulated a long-term vision on climate change. In that vision Marubeni has set a goal to strive for net-zero GHG (greenhouse gas) emissions from the group by 2050. To make the goal of net-zero GHG emissions by 2050 an effective one, Marubeni has formulated action plans to be implemented heading towards 2030.

#### 1. Net-Zero GHG Emissions by 2050

Marubeni will abate GHG emissions at a level consistent with the said 1.5°C pathways. Any residual emissions that cannot be abated will be neutralized (GHG elimination) through internationally recognized nature-based solutions (e.g., forests, farmland, etc.), or through technological solutions, with the aim of achieving net-zero GHG emissions by 2050.\*<sup>1</sup>

\*1 Boundary of the net-zero GHG emissions:

Scope 1: Direct emissions from owned or controlled sources of Marubeni and its consolidated subsidiaries, such as through burning of fuel, industrial process, etc.

Scope 2: Indirect emissions from the generation of purchased energy consumed by Marubeni and its consolidated subsidiaries.

Scope 3, Category 15 (Investments): Among all other indirect emissions that occur in the Marubeni Group's value chain, Scope 1 and Scope 2 for associate investees account for using the equity method (hereinafter, “associate investees”).

#### Action Plans towards 2030

Marubeni has formulated the following action plans heading towards the year 2030 in order to make the goal of net-zero GHG emissions by 2050 effectively.

- 1) Halve the CO<sub>2</sub> emissions of FYE 3/2020, about one million tons of CO<sub>2</sub>, emitted by Marubeni and its consolidated subsidiaries (Scope 1 and Scope 2)

Marubeni has revised the targeted abatement figure released in September 2020 (a 25% abatement from FYE 3/2019 levels by 2030) to make it at a more consistent level to the 1.5°C pathways, and will halve its total volume of emissions, which was about one million tons of CO<sub>2</sub> in FYE 3/2020 by 2030.

- 2) Reduce by one fifth the CO<sub>2</sub> emissions of the FYE 3/2020, about 36 million tons of CO<sub>2</sub><sup>\*2</sup>, emitted by associate investees of the Marubeni Group (Scope 3, Category 15 (Investments))

\*2 This emissions volume comprises the FYE 3/2020 performance of existing investees plus the estimated emissions from projects already contracted at the current point in time (as for power generation projects, projects for which associate investees of the Marubeni Group has entered into power purchase agreements but has yet achieved commercial operations.)

Changes in the emissions volume associated with increased emissions from new investments and fluctuations in the emissions volume by plant load factors, as well as reductions in the emissions volume due to the utilization of new technologies (CCS<sup>\*3</sup>, co-combustion of hydrogen and ammonia, etc.), are not included in the assumptions for the above estimation. In the interest of meeting the needs of society as it makes the low-carbon transition, the development of new gas-related projects such as gas-fired power generation businesses will continue. For aspects which could affect the emissions volume by associate investees going forward, we will monitor the progress of abatement of GHG emissions and conduct reviews thereof. In addition, we will continually perform studies with the aim of establishing milestones towards net-zero GHG emissions by 2050 that are consistent with the 1.5°C pathways.

\*3 CCS: Carbon dioxide Capture and Storage

- 3) Move up the timetable to halve the net power generation capacity of our coal-fired power generation businesses  
Based on our Business Policies Pertaining to Sustainability (In Relation to Our Coal-Fired Power Generation Business and Renewable Energy Generation Business) that Marubeni released in September 2018, and taking into account the progress made so far in pulling out of coal-fired power generation, we will accelerate our goal of cutting our FYE 3/2019 coal-fired power net generation capacity in half by 2030 to 2025, and aim for approximately 1.3 GW as our coal-fired power net generation capacity in 2030 (included in the above reduction figure 2) for associate investees), and further, aim for zero by 2050.
- 4) Absorb and sequester CO<sub>2</sub> through our forests

Marubeni will strive to expand the volume of carbon stocks in our forests (currently about 11 million tons of CO<sub>2</sub> equivalents<sup>\*4</sup>) and, at the same time, expand the sequestered volume of carbon through the multi-purpose utilization of afforested assets.

\*4 By enlarging some of our plantation areas, improving stock volume per-unit area, and through the proper management of managed forests, estimated volume of carbon stocks in our forests will be about 19 million tons of CO<sub>2</sub> equivalents in 2030.

By executing these actions, by 2030 the Marubeni Group will try to abate its FYE 3/2020 emissions by one fifth over the total scope covered by our net-zero GHG emissions goal. This plan was formulated to apply to the Marubeni Group's business portfolio at the present time and is based on certain assumptions about current international recognition and foreseeable changes in system and technological innovations. Marubeni will revise them appropriately in light of any future changes to these premises.

## 2. Contributing to low-carbon/carbon-free goals through business activities

The Marubeni Group views the transition to low-carbon/carbon-free goals as a business opportunity, and will use its business activities to continue contributing to the abatement of GHG emissions that our society produces. In terms of contribution by energy supply, Marubeni strives to construct the energy systems that will serve as the foundations for a decarbonized society, and in terms of energy demand, Marubeni will help other emitters to control/abate GHG emissions over a broad range of industries. Moreover, in the realm of land use, Marubeni will promote initiatives towards sustainable agri-input businesses and forest management.

For further details, please see The Marubeni Long-Term Vision on Climate Change [📄](#).

The Marubeni Group aims to transform the total environmental impact of its business activities to a positive one by contributing to low-carbon and decarbonization through its business activities while itself achieving net-zero GHG emissions.

\* The following policy was initially announced in September 2018 and updated based on the latest status as of July 2021.

### **Business Policies Pertaining to Our Coal-Fired Power Generation Business and Renewable Energy Generation Business (Formulated in September 2018)**

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 to fight against 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 2025, Marubeni will cut its FY2018 coal-fired power net generation capacity of approximately 3GW in half, and aim for approximately 1.3GW as our coal-fired power net generation capacity in 2030, and further, aim for zero by 2050. \*1 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

Marubeni will no longer enter into any new coal-fired power generation business.

#### 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.\*2, 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 counter measures.

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.

\*1 The Process of Pulling Out of Coal-Fired Power Generation is updated in line with the Marubeni Long-Term Vision on Climate Change: Towards Net-Zero GHG Emissions (formulated in March 2021).

\*2 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/>




# Disclosure in Line with the Recommendations of the 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).

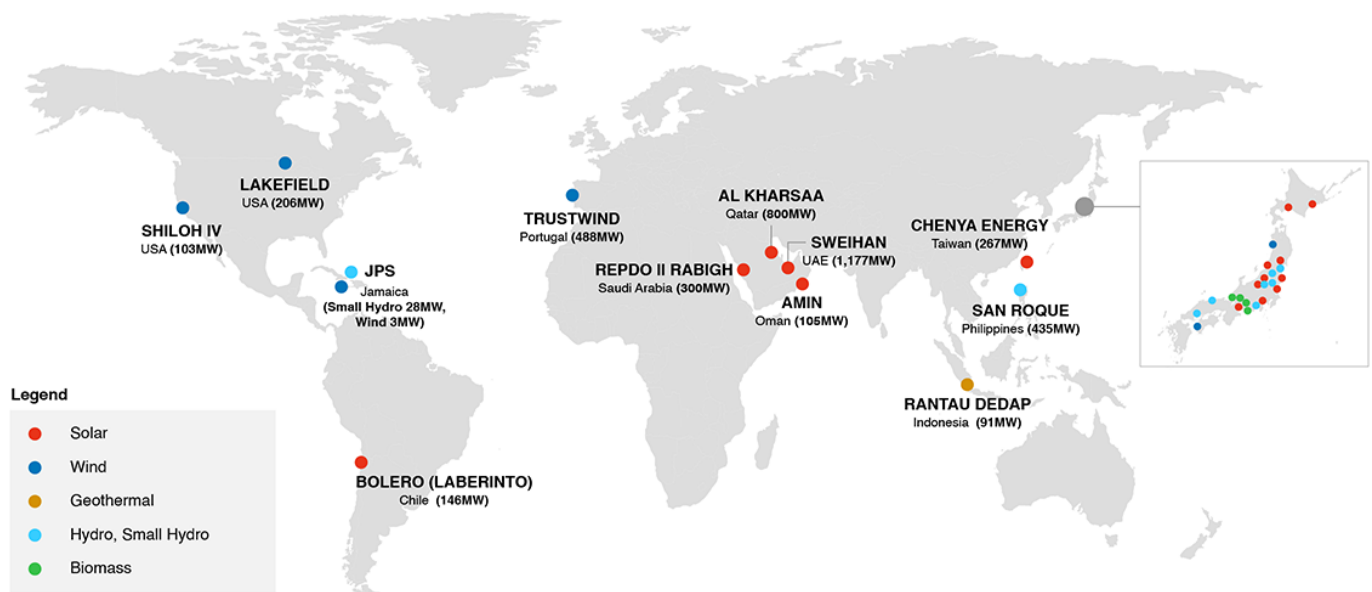
[Click here to view the latest version \(September 2021 \(Revised December 2021\)\)](#) 

## Initiatives

### Initiatives for Renewable Energy Power Projects

In order to work toward a low-carbon society that mitigates the effects of climate change as part of sustainable development goals, Marubeni is actively pursuing and expanding renewable energy power projects.\*3

\*3 Renewable energy power generation currently accounts for approximately 15% of our net generation capacity as of March 2021. We will increase this to approximately 20% by 2023.



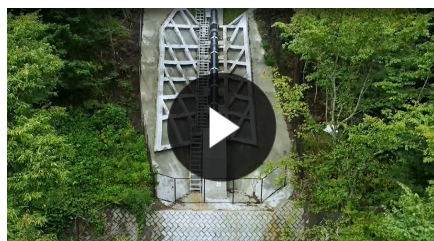
\* For detailed information on renewable energy business in Japan, click here.

## Initiatives for Micro-Scale Hydro-Power Generation Business

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 Power Company 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 generation” 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 CO<sub>2</sub>, thereby offering benefits in terms of minimal impact on biodiversity and environmental conservation. Since it utilizes local water resources, it has the potential to be an effective technology to realize the production and consumption of local energy, which will be beneficial for the independent development of the region. Moreover, to develop a power plant that coexists with the local community, we are trying to realize the project with the understanding and cooperation of local organization and people concerned through holding events on the theme of environment for residents, inviting lecturers, and deepening understanding of the history of the planned site.

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



Producing power locally: Mibugawa Power Company



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

### Micro-Scale Hydro-Power Generation Facilities (as of March 2021)

Facility	Location	Approved Output
Mibugawa Power Station No. 1	Ina City, Nagano Prefecture	23,100kW
Mibugawa Power Station No. 2		10,800kW
Mibugawa Power Station No. 3		260kW
Mibugawa Power Station No. 4		480kW
Tateshina Power Station	Chino City, Nagano Prefecture	260kW
Tateshina Power Station No. 2		141kW
Tateshina Power Station No. 3		93kW
Tateshina Power Station No. 4		145kW
Shinmiyagawa Power Station	Komagane City, Nagano Prefecture	195kW
Hokuto Nishizawa Power Station	Hokuto City, Yamanashi Prefecture	220kW
Hokuto Kagoishi Power Station		230kW
Hokuto Kurabara Power Station		200kW
Honmonji Power Station No.1	Fujinomiya City, Shizuoka Prefecture	120kW
Honmonji Power Station No.2		140kW

Facility	Location	Approved Output
Shiroishi Power Station	Shiroishi City, Miyagi Prefecture	95kW
Hananosato Power Station	Shimogo, Fukushima Prefecture	175kW
Banyagawa Power Station		150kW
Himenuma Power Station	Inawashiro, Fukushima Prefecture	160kW
Minochigawa Power Station	Hiroshima City, Hiroshima Prefecture	180kW
Sagotani Power Station		108kW
Toyohira Power Station	Kitahiroshima, Hiroshima Prefecture	112kW
Tsukuyone Power Station	Wakasa Town, Tottori Prefecture	7,890kW
Oshika Power Station No.1	Misasa Town, Tottori Prefecture	3,700kW
Oshika Power Station No.2	Misasa Town, Tottori Prefecture	4,990kW
Hinogawa Power Station No.1	Hino Town, Tottori Prefecture	4,300kW

Mibugawa Power Station has obtained Eco Action 21<sup>\*4</sup> 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 hydro-power). These and other activities help educate people about renewable energy and pass on the region's traditional culture.

At the Hokuto City Murayamarokkamuraseki-Waterfarm<sup>\*5</sup>, 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 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 40 micro-scale hydro-power generation facilities in Japan by 2025. Across Japan, we are actively working on generation of renewable energy that contributes to conservation of the local environment and biodiversity.

M&C Tottori Hydroelectric Power Co., Ltd. (hereafter, M&C Tottori Hydroelectric Power) believes that building a trusting relationship through communication with local residents is essential for the safe and secure operation of hydroelectric power generation projects. To this end, M&C Tottori Hydroelectric Power has appointed a "staff member in charge of community coexistence" and has made efforts to reflect residents' opinions of its operations on its website. In addition, the company regularly communicates with local stakeholders, including six local municipalities (Wakasa, Yazu, Kurayoshi, Misasa, Nichinan and Hino Town) and various councils on important issues related to the environmental impacts, e.g. on rivers and a stable water supply, that may arise from construction, inspections, etc. Thanks to these initiatives, M&C Tottori Hydroelectric Power understands each municipality's needs (including complaints) and business risks and incorporates them into its management strategy.

In addition, M&C Tottori Hydroelectric Power plans to offer on-site classes and work experience for elementary and junior high schools on the theme of hydroelectric power generation projects. M&C Tottori Hydroelectric Power contributes to the economic development of the region by improving the knowledge of local residents and linking it to the development of the next generation of human resources.

Marubeni Clean Power Corporation (hereafter, "Marubeni Clean Power") is "committed to solving local social issues and coexisting with local communities and the natural environment." Therefore, Marubeni Clean Power is developing renewable energies, mainly biomass, with the aim of realizing a "stable energy supply closely linked to the community." As part of its business activities, Marubeni Clean Power is actively involved in interactions with local stakeholders, such as local environmental fairs and beautification campaigns, conducting power plant tours and distributing solar kits to local elementary school children, and participating in study sessions of the Chamber of Commerce and Industry.

Marubeni Clean Power participates in Biomass Power Association (hereafter, the Association) as a regular member (Director Company) and serves as its representative director. The Association, which was primarily established by power generation companies, promotes the biomass power generation business and the sound development of the biomass industry, working to help build a sustainable, recycling-oriented society and foster global environmental conservation.

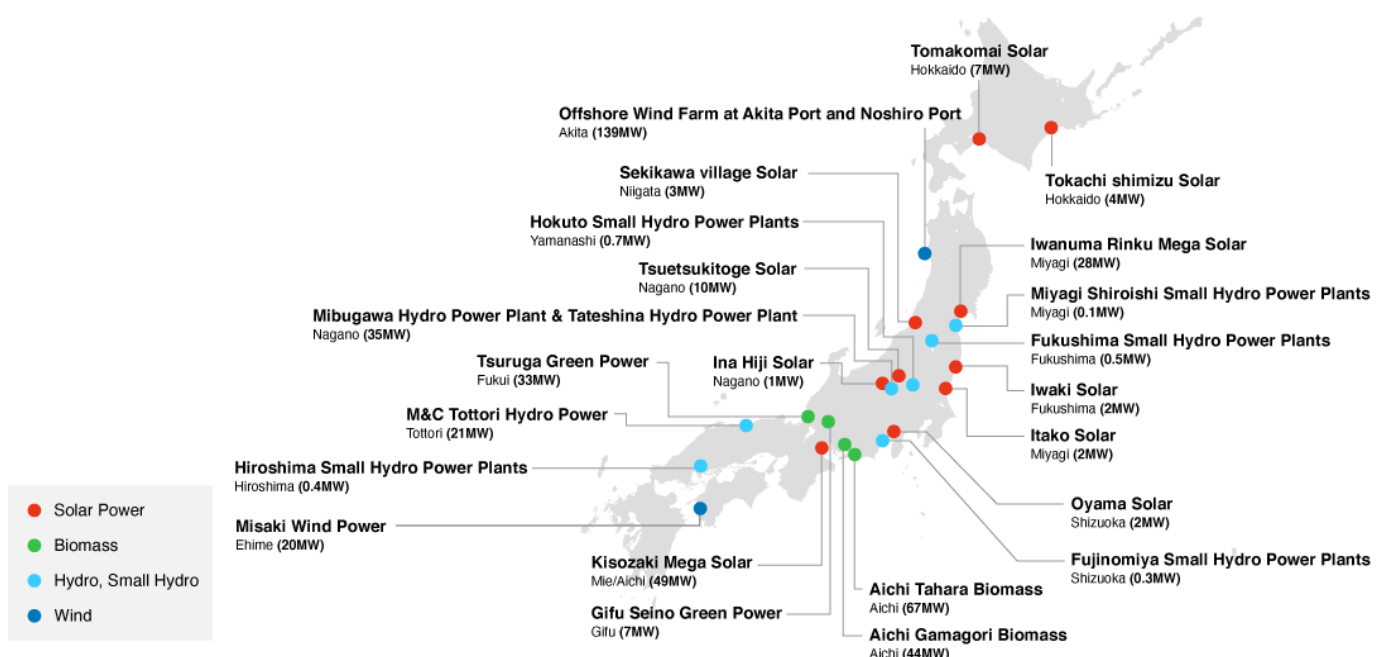
Marubeni Ina Mirai Denki Corporation\*6 provides electric power retail and energy-related services in and around Ina City, Nagano Prefecture, with the aim of offering services that address the challenges of daily life in the community. As part of its investment in the community, the company has installed "quick chargers for cars," which contribute to the local production and consumption of electricity. The company is a member of the Sustainable Environment Subcommittee of the New Industrial Technology Promotion Council under the jurisdiction of Ina City, and it is taking the initiative to work together to build a sustainable environment, including a focus on issues such as climate change and biodiversity.

The Marubeni Group's Mibugawa Power Company also operates a hydroelectric power generation business in the area. As a group, the company will contribute to sustainable regional development by building a business portfolio that helps build a society in harmony with the local community.

\*4 A system based on guidelines for environmental management systems and environmental reporting set by the Ministry of the Environment  
 \*5 The four micro-scale hydro-power stations at Murayamarokkamuraseki in Hokuto City (Hokuto Nishizawa Power Station, Hokuto Murayamarokkamuraseki Hydro-power Station (municipally-owned), Hokuto Kagoishi Power Station and Hokuto Kurabara Power Station)  
 \*6 The company's shareholders are Marubeni Corporation (56%), Chubu Electric Power Miraiz Co., Inc. (34%), and Ina City (10%). The company has established a system of monitoring against goals, deadlines, and results related to regional development through consultations among shareholders.

## Initiatives for Solar and Wind and Biomass Power Generation

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



## Data

## Greenhouse Gas Emissions

[<Click here to view greenhouse gas emissions metrics and targets>](#)

### <Scope 1 & 2 Greenhouse Gas Emissions>

(Unit: metric ton CO<sub>2</sub>e)

		FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Scope 1	Marubeni Corporation's principal offices	41	4	4	4	12
	Marubeni Corporation's other offices + consolidated subsidiaries	626,237	682,402	726,704	773,194	797,963
	Sub Total	626,278	682,406	726,708	773,198	797,975 (Including non-energy related GHG emission <sup>*7</sup> ) (683,025 (Excepting for non-energy related GHG emission <sup>*7</sup> ))
Scope 2	Marubeni Corporation's principal offices	3,425	2,457	2,439	2,307	2,146
	Marubeni Corporation's other offices + consolidated subsidiaries	277,706	274,413	305,776	308,193	280,025
	Sub Total	281,131	276,870	308,215	310,500	282,171
Grand Total	907,409	959,276	1,034,922	1,083,698	1,080,146 (Including non-energy related GHG emission <sup>*7</sup> ) (965,196 (Excepting for non-energy related GHG emission <sup>*7</sup> ))	

- CO<sub>2</sub> emission factors for fuels and steam  
CO<sub>2</sub> emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- CO<sub>2</sub> emission factors for electricity  
Emission factors for each electric power provider released by the Ministry of the Environment are used for Marubeni Corporation. Until FYE 3/2019, fundamental emission factors (actual emission factors) are used, from FYE 3/2020, adjusted emission factors are used. Alternative emission factor stipulated by Act on Promotion of Global Warming Countermeasures was replaced by Emission factors (adjusted emission factors) for each electric power provider for the domestic consolidated subsidiaries from FYE 3/2021. The impact on emissions due to the change in emission factors is a decrease of 7,627 metric ton CO<sub>2</sub>.  
Country-specific emission factors (CO<sub>2</sub> emissions per kWh from electricity generation) published by International Energy Agency are used for the international consolidated subsidiaries. Electricity derived from renewable energy is excluded from calculation of Scope 2 greenhouse gas emissions since FYE 3/2021.
- Emission factors of non-energy related GHG  
Emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- Non-energy related GHG emission before FYE 3/2020 is not included in GHG emissions.  
For FYE 3/2021, non-energy related GHG emission is included in GHG emissions, but the GHG emissions other than non-energy related GHG emission are disclosed in the sub total of Scope 1 and grand total values.

## 〈Scope 1 Greenhouse Gas Emissions (Components of non-energy related GHG emission)〉

(Unit: metric ton CO<sub>2</sub>e)

		FYE 3/2021
Total amount		114,950
Components	Carbon dioxide (CO <sub>2</sub> )	5,203
	Methane (CH <sub>4</sub> )	72,081
	Dinitrogen monoxide (N <sub>2</sub> O)	36,602
	Hydrofluorocarbons (HFCs)	1,064
	Perfluorocarbons (PFCs)	0
	Sulphur hexafluoride (SF <sub>6</sub> )	0
	Nitrogen trifluoride (NF <sub>3</sub> )	0

\*7 Non-energy related GHG emission cover carbon dioxide from the use of dry ice, fuel use in facilities and machinery used for fuel combustion, livestock feeding (fermentation in the digestive tract of livestock), livestock waste management, waste incineration or use in the manufacture of products, methane and dinitrogen monoxide from the use of waste fuels, hydrofluorocarbons in the recovery and encapsulation of HFCs in the maintenance of commercial refrigeration and air conditioning equipment, and sulfur hexafluoride in the use of electrical machinery and equipment such as transformers. There are no emissions of perfluorocarbons and nitrogen trifluoride. For sulfur hexafluoride, there are no companies obliged to report based on Act on Promotion of Global Warming Countermeasures.

## 〈Scope 3 Greenhouse Gas Emissions〉

In recent years, companies are required to further disclose information related to climate change and resource issues, toward creating 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 (energy-originated indirect emission), more and more companies are calculating and reporting GHG emissions for the overall corporate activities (Scope 3) such as resource procurement, production, logistics, sales, and disposal, as well as capital goods, business travel, and commuting. Marubeni 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. The Scope 3 data is also submitted to the Carbon Disclosure Project (CDP) climate change questionnaire.

[▶ Corporate Value Chain \(Scope 3\) for FYE 3/2021 !\[\]\(d5d7044e5caf6907399af2dced8d6ff8\_img.jpg\) \[158KB\]](#)

(Unit: metric ton CO<sub>2</sub>)

		FYE 3/2020	FYE 3/2021
Scope 3 CO <sub>2</sub> emissions (Category 15: Investment)		approx. 26 million	approx. 25 million
Breakdown	Power generation	approx. 22 million	approx. 21 million
	Resource projects	approx. 3 million	approx. 3 million
	Other businesses	approx. 1 million	approx. 1 million

## Energy and Electricity Consumption

<Click here to view Tokyo Head Office and Osaka Branch's target to be achieved by FYE 3/2021.>

<Click here to view carbon neutral at all Marubeni Corporation's domestic business locations.>

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Electricity consumption of Marubeni Corporation's principal offices (Unit: MWh)	7,239	5,021	5,180	5,227	4,629
Energy consumption of Marubeni Corporation and consolidated subsidiaries (Unit: TJ)	12,740	13,532	14,384	15,303	13,771

- 3.6 GJ/MWh is used for heat value per unit for electricity.
- For fuels, the heat values stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- Biomass energy is not included.

## Environmental Impact of Transport

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Amount transported (Thousand ton-km)	565,792	472,290	508,498	484,678	364,538
CO <sub>2</sub> emissions (metric ton CO <sub>2</sub> )	27,938	21,445	22,705	22,617	17,516
Intensity (kl crude oil eq per thousand ton-km)	0.0183	0.0168	0.0165	0.0173	0.0178

- From FYE 3/2017 to FYE 3/2021  
This table shows the impacts associated with the outsourced shipment of goods consigned by Marubeni Corporation.

## Costs Associated with Climate Change

(Unit: thousands of yen)

Data	Contents	FYE 3/2022*8
Cost of climate change risk aversion	Emergency power generation and flood countermeasures due to extreme weather conditions	5,732
Research and development expenses for climate change risk aversion	Research and development expenses related to forest conservation, etc.	2,830

\*8 Actual results as of March 11, 2022



[The boundary of the environmental data]

- Marubeni Corporation's principal offices  
Until FYE 3/2019, we covered six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we covered five main Branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).
- Consolidated subsidiaries  
The subsidiaries that are designated to be liquidated or sold are excluded.  
From FYE 3/2019, grain collection and exporting company based in the northern United States is included.  
From FYE 3/2020, GHG emissions, energy consumption, and water withdrawal figures and from FYE 3/2021, water discharge figures include agricultural material sales company based in the southeastern United States (waste generated does not include it).

Note: From FYE 3/2018, kerosene, diesel oil and gasoline are included. In FYE 3/2018, CO<sub>2</sub> emissions associated with consumption of kerosene, diesel and gasoline was 25 thousand metric tons of CO<sub>2</sub>.

## Collaborating with Stakeholders

### Initiatives for the Sequestration, Capture, and Storage of Carbon Dioxide

Marubeni is an investor in Japan CCS Co., Ltd., which was established in May 2008, in response to the Japanese government's call for the development of CCS<sup>\*9</sup> technologies as a countermeasure to global warming. It was founded by major private-sector firms with expertise in CCS-related fields joining forces to meet the new demands. As a private-sector corporation that brings together and integrates CCS technologies, the company conducts surveys on how to commercialize technologies for the separation, capture, transport, and geological storage of CO<sub>2</sub>, as well as R&D and testing in these fields.

\*9 CCS is an acronym for Carbon dioxide Capture and Storage and refers to the capture and storage of carbon dioxide (CO<sub>2</sub>). Specifically, it involves technologies for capturing CO<sub>2</sub> emitted by factories, power plants and the like before it is released into the atmosphere, transporting it to underground geological strata suited to storing it, and storing it in a stable manner over long periods of time.

#### Large-Scale CCS Demonstration Project

Marubeni is working on a project to verify the establishment of an international supply chain to liquify hydrogen produced with unused lignite (i.e. "brown coal") from Victoria, Australia, and transport it to Japan. For the future commercialization of liquified hydrogen made with this technology, it will be necessary to use CCS technologies to capture, and store the CO<sub>2</sub> generated in the hydrogen production process. In part because of this, Marubeni regularly visits the Tomakomai CCS Demonstration Project Center, which is a facility in the city of Tomakomai, Hokkaido, operated by Japan CCS Co., Ltd., to observe the work done there. The demonstration project has been running from FY2012 to FY2019, and is slated to store a cumulative total of 300,000 tons of carbon dioxide underground.

➤ [Japan CCS Co., Ltd.](#) 

➤ [Shareholders](#) 

Environment

# Sustainable Forestry

| Policy ▾ | Initiatives ▾ | Data ▾ |

## Policy

### 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\*1) 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 of Application

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.

\*1 HCV forests are forests that have a High Conservation Value in social, cultural and or environmental terms.

## 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 logs, 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.

# Initiatives

## Initiatives toward Forest-derived Products

### Due Diligence

To ensure the procurement of products in accordance with the Procurement Policy (Forest-derived Products), Marubeni conducts due diligence (hereinafter "DD") on the suppliers' status of compliance with laws, respect for human rights, preservation of the environment, fair trade, health and safety, etc. Results of the DD in FYE 3/2021 showed that of the 726 suppliers of timber and related products, the 77 major suppliers (with an annual turnover of JPY 300 million or more) exhibited no significant problems within the scope of the DD. This survey covered 84% of Marubeni's annual turnover of forest-derived products. We intend to gradually expand the scope of the DD and strive for more sustainable utilization of forest resources.

### Our Target and Aim

Through the due diligence on suppliers of forest-derived products, the Marubeni Group will consider the protection of natural forests and the sustainable use of forest resources and will promote initiatives aimed at ensuring that new and existing suppliers are aware of and comply with the Group's Procurement Policy (Forest-derived products) and that traceability of procured products is ensured.

### Overview of the FYE 3/2021 Survey

#### ■ Applicable items and transactions of related products

The survey covered the four items based on the Procurement Policy (Forest-derived Products), i.e. logs, woodchips (including fuel woodchips), pulp, and paper / paperboard products, which correspond to the timber and related products handled by the Group.

#### ■ Selection of applicable suppliers and implementation method

A 3-step process has been set up in consideration of the impact on Marubeni's business and sustainability-related risks.

#### ① First stage of DD: Internal preliminary survey

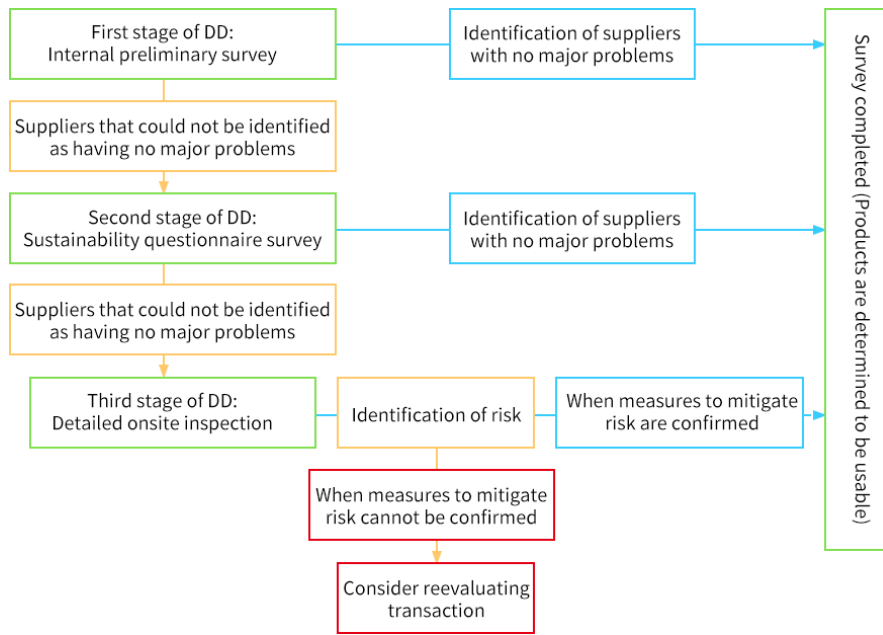
We first selected the 77 major suppliers (with an annual turnover of JPY 300 million or more) out of our 726 suppliers of timber and related products. Of these 77 suppliers, 11 companies handling products other than certified wood from an entity which has acquired forest certification (FSC\*<sup>1</sup> certification, PEFC\*<sup>2</sup> certification, and certified wood under a mutual certification agreement with PEFC) and controlled wood based on a forest certification system (FSC controlled wood\*<sup>3</sup>, PEFC controlled wood\*<sup>4</sup>, and controlled wood based on a certification system under a mutual certification agreement with PEFC), which were found to be in need of undergoing a sustainability questionnaire survey by Marubeni, were identified as subjects for the second stage of DD. In FYE 3/2020 and FYE 3/2021, 25 companies were identified as the subjects for the second stage of DD (equivalent to 43% of Marubeni's turnover of forest-derived products).

#### ② Second stage of DD: Sustainability questionnaire survey

A sustainability questionnaire survey was conducted on the 11 companies identified in the first stage of DD. As a result, no significant problems were confirmed with these 11 companies.

#### ③ Third stage of DD: Detailed onsite inspection

Suppliers whose status of compliance with laws, respect for human rights, preservation of the environment, fair trade, health and safety, etc. could not be sufficiently confirmed are subject to a detailed onsite inspection. If these suppliers do not undertake measures to mitigate the risks identified in the survey, Marubeni would consider reevaluating these transactions. In FYE 3/2021, no suppliers were identified as requiring the third stage of DD.



- \*1 Certification by the FSC® (Forest Stewardship Council®) (FSC® C016260): An NPO established to promote responsible forestry around the world and operates systems of international forest certification.
- \*2 Certification by PEFC (The Programme for the Endorsement of Forest Certification): An international forest certification system, which endorses mutual recognition of forest certification systems of various countries.
- \*3 FSC controlled wood: While not FSC certified wood, FSC controlled wood is timber, which may be combined with FSC certified wood to manufacture FSC certified wood. Compliance of FSC controlled wood must be confirmed based on the criteria for FSC controlled wood.
- \*4 PEFC controlled sources: While not PEFC certified wood, PEFC controlled sources are timber, which may be combined with PEFC certified wood to manufacture FSC certified wood. Compliance of PEFC controlled sources must be confirmed based on the criteria for PEFC controlled sources.

## 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.



WA Plantation Resources Pty., Ltd.(WAPRES)

The Marubeni Group\*1 currently holds some 130,000 hectares of tree plantations in Australia and Indonesia (total gross project area is about 300,000 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.

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)\*2 and Chain of Custody certification\*3 from the Forest Stewardship Council\*4 (FSC), and Sustainable Forest Management certification from Responsible Wood\*5.

MHP, which operates the forest plantation business in Indonesia, has obtained Forest Management certification from the Indonesian Forestry Certification Cooperation\*6. Wood harvested from the plantation managed by MHP is supplied as 100% certified wood as of March 31, 2021.

The Marubeni Group will continue to manage the supply chain\*7 for manufacturing pulp and paper in a sustainable manner.

- \*1 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 (MHP) in Indonesia.
- \*2 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.
- \*3 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.
- \*4 Certification by the FSC® (Forest Stewardship Council®) (FSC® C016260): An NPO established to promote responsible forestry around the world and operates systems of international forest certification.
- \*5 Responsible Wood (Certification Scheme): A forest certification system in Australia endorsed and mutually recognized under the Programme for the Endorsement of Forest Certification (PEFC<sup>\*8</sup>), an international forest certification system for the endorsement and mutual recognition of forest certification systems of various countries.
- \*6 Indonesian Forestry Certification Cooperation: A forest certification system in Indonesia endorsed and mutually recognized under the PEFC<sup>\*8</sup>.
- \*7 The Marubeni Group has businesses that span the pulp and paper supply chain, with a pulp mill at PT. Tanjungenim 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.
- \*8 Certification by PEFC (The Programme for the Endorsement of Forest Certification): An international forest certification system, which endorses mutual recognition of forest certification systems of various countries.

(As of April 2021)

## Forestry-related Business

### Initiatives for Cellulose Nanofiber (CNF)

In 2017, Marubeni established a CNF Business Incubation Section to cultivate markets, to develop and sell products using CNF materials together with our partner, Chuetsu Pulp & Paper Co., Ltd.\*1

CNF is a processed wood fiber (pulp) that is micro-refined to a nanometer (a nanometer is one billionth of a meter) in size, which has more than five times the strength of steel while weighing only one-fifth as much as steel. Although the material is made from plants, a renewable resource, CNF has a variety of potential to be used in such as automobiles, home electric appliances, cosmetics, and we have already supplied it for audio devices and sports equipment like table tennis rackets.

In August 2020, we have begun to sell a composite resin with enhanced strength impact using CNF. It is expected that the product will be put to practical use in the automotive industry and various other industrial fields.

We will continue to develop and supply new eco-friendly materials to the market.

\*1 Chuetsu Pulp & Paper Co., Ltd <http://www.chuetsu-pulp.co.jp/> (Japanese Only) 

### 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 waste 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.

> [Click here to view Koa Kogyo's environmental initiatives \(Japanese only\)](#) 

### Initiatives for Environmentally Friendly Pulp Manufacturing

To reduce its impact on the environment, the pulp mill of our subsidiary in Indonesia employs elemental chlorine-free (ECF) bleaching pulp manufacturing process.

➤ See here to learn more about our ECF initiatives [🔗](#)

## Data

### Performance Data of Forest Certification Acquisition

The Marubeni Group (hereinafter referred to as “we”) has been promoting the use of certified materials in consideration of sustainability. We will continue our efforts to increase the percentage of certified products that we handle.

Ratio of certified forest products to consolidated net sales of the Forest Products Division

Item	2018	2019	2020
Total of FSC <sup>*1</sup> , PEFC <sup>*2</sup>	33%	39%	39%

\*1 Certification by the FSC® (Forest Stewardship Council®) (FSC® C016260): An NPO established to promote responsible forestry around the world and operates systems of international forest certification.

\*2 Certification by PEFC (The Programme for the Endorsement of Forest Certification): An international forest certification system, which endorses mutual recognition of forest certification systems of various countries.



Environment

# Conservation of Biodiversity and Habitats

| Policy ▾ | Initiatives ▾ |

## Policy

### Our Views on Biodiversity

The Marubeni Group is expanding its business on a global level in a wide range of fields. We recognize that each of our business streams have some degree of impact on the natural environment and biodiversity, and that all businesses benefit from nature. As stated in the Marubeni Group Environmental Policy, the Marubeni Group will endeavor to protect biodiversity and ecosystems, and contribute to conservation of biodiversity, which is an urgent issue in the world along with climate change.

➤ [Click here to view Marubeni Group Environmental Policy](#)

## Initiatives

### Conservation 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 (WBCP) ☐ 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 “Wetland 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.



Habitat survey

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 2020 survey, a total of 313 Philippine ducks and 10 brahminy kites were confirmed at the power plant sites and within a 10-kilometer radius.

**Afforestation Program**

TEFI is carrying out projects to plant acacia, eucalyptus and other tree varieties at its Pagbilao and Sual power plants since 2001 in partnership with neighboring communities as well as NGOs such as Sioasio East Forest Developers Association. The average survival rate of the saplings planted in Sioasio is 95%. To date, approximately 100 hectares at Sual and 328 hectares at Pagbilao have been planted and are being maintained.



Afforested area

For approximately four years, until the Pagbilao and Sual power plants are transferred to the state-run power company from 2024 through 2025, Marubeni will continue to protect and maintain a total of 144,400 hectares of forests where TEFI has been carrying out conservation and afforestation, as well as at other activity areas, with the goal to protect biodiversity and to foster forest preservation.

**Engagement to Reduce Loss of Biodiversity**

**Forest Conservation Activities and Providing Livelihoods to Indigenous People**

Since 2010, TEFI has had various activities in 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.



Forest conservation activities

TEFI conducted training and provided 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 provided livelihood intended to improve living standards for 34 tribal communities and over 2,000 local residents, and to help 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.



Interaction with local residents



Products and honey produced

**Entry into the Salmon Farming Business via Recirculating Aquaculture System**

**Responding to the Rising Global Demand for Marine Products**

The improvement of living standards in the developing countries and growing health consciousness in the developed countries have resulted in the yearly increase in the global demand for marine products. Nevertheless, as the fish catch from fisheries has remained stable for the past 30 years, aquaculture has taken on an increasing significance. Within this field, in the sub-industry of salmon farming, which has been geographically limited due to the scarcity of coastal regions that are suited to seawater culture, expectations are especially high for the growth of land-based salmon farming through the use of a Recirculating Aquaculture System (hereinafter "RAS"<sup>\*1</sup>), which is not limited by geographical conditions.

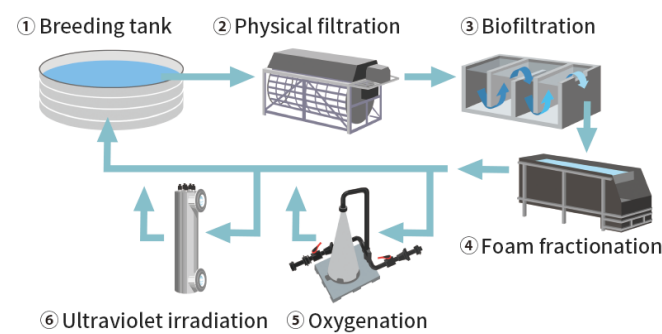
\*1 A Recirculating Aquaculture System (RAS) is a farming method that filters and circulates 90% or more of the water used in an enclosed, land-based facility. Given that water temperature, water quality, and other conditions are controlled within the facility, it is minimally impacted by outside factors.

In April 2020, Marubeni, jointly with Nippon Suisan (Europe) B.V., acquired shares of Danish Salmon A/S (hereinafter “DS”), a globally top-ranked company with a track record in RAS production. Marubeni will meet the growing global demand for marine products through DS, one of the few companies to have established manufacturing expertise and technology in this field.

### Contribution to Sustainability

RAS has minimal impact on the surrounding environment and the ecosystem, as it uses and recirculates water within an enclosed facility, thereby reducing water pollution and the risk of escaping farmed fish. RAS also has an established control framework and is thus capable of retaining records, making it a farming method that supports traceability. It is also being regarded as a viable method of effectively resolving future shortages in protein supply which may occur in conjunction with the growing global population.

Marubeni is ready to contribute to the resolution of social problems by not only meeting the growing global demand for marine products but also providing a stable supply of environmentally-friendly marine products.



The mechanism of RAS farming

## The Handling of RSPO/ISCC Certified Products

Roughly 30% of the palm oil and palm oil derivative products handled by our subsidiary Pasternak, Baum & Co., Inc. (USA) are RSPO/ISCC certified products.

We are doing our part to promote such certified products by responding to the needs of our environmentally conscious customers.

Environment

# Water Management

[Policy](#) ▾[Initiatives](#) ▾[Data](#) ▾

## Policy

### Recognition of Water Resources

---

The earth's water resources are said to be 97.5% seawater, with only 2.5% fresh water that can be used for farming and drinking. And 99% of that fresh water is contained in ice in places like the Antarctic, so there is very little fresh water available for direct use.

Through its businesses across the world, Marubeni recognizes that developed countries are able to fully enjoy these finite water resources, while other countries do not even have adequate wells, and this regional imbalance is a major problem. Future water shortages are also anticipated, accompanying increases in world population and economic growth in the developing countries. The effective use of water resources is a global issue, and the international society is starting to take actions.

➤ [Click here to view the Water Action Decade](#) 

### Water Resources Policy

---

Based on the Marubeni Group Environmental Policy, the Marubeni Group recognizes that energy and resources, including water, are finite, and take 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.

➤ [Click here to view Marubeni Group Environmental Policy](#)

# Initiatives

## Formulation of the Marubeni Group’s Water Management Plan

As of March 31, 2021, 41 (20%) of the 202 Marubeni Group companies had established water management plans. (Of the 2,240 operation sites covered by the “Sustainability survey”, 169 operation sites that account for 8%, had established water management plans.) These companies monitor and manage the amount of water withdrawal, waste water, and recycled water, as well as quality and temperature of waste water, and take measures to use water resources effectively and reduce their environmental impact.

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 waste 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.

➤ [Click here to view Koa Kogyo’s initiatives \(Japanese only\)](#) 

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 the year ending March 31, 2031 by 16% compared to the year ended March 31, 2017, and is implementing reduction measures and progress management to meet that goal.

➤ [Click here to view Nisshin OilliO’s initiatives \(Japanese only\)](#) 

## Initiatives in Water-Stressed Regions

The Marubeni Group owns and operates four IWPP\*1 projects in the arid region Abu Dhabi in the United Arab Emirates. In total, 440 million imperial gallons of desalination 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 state-owned utility, Emirates Water & Electricity Company. 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.)



Taweelah B Power & Desalination Complex

### IWPP Projects in the United Arab Emirates (as of March 31, 2021)

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 sewerage 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 have a total water purification capacity of 3.7 million cubic meters per day and wastewater treatment capacity of 1.9 million cubic meters per day, and cover a service population totaling approximately 14.3 million people.

\*1 IWPP: Independent Water and Power Producer

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 serving the West Zone of Metro Manila in the Philippines, which has a population of 10.2 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 1.5 million households in the concession area by promoting more efficient use of water resources with measures to prevent water pipe 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 service area.



Maynilad water purification plant



Water supply in Maynilad

**Outline of Maynilad's Business** (as of March 31, 2021)

Treatment Facilities	Treatment Capacity
Water purification plant	2,700,000m <sup>3</sup> /day
Sewage treatment plant	663,000m <sup>3</sup> /day
Sludge treatment plant	1,100t/day

> [Click here to view Maynilad's initiatives](#)

Marubeni has participated from the construction stage at the Doha West, Doha North, and Lusail Sewage Treatment Plants, which are the major sewage treatment plants in Doha, the capital of Qatar with approximately 2.7 million people. At the Doha West and Lusail Plants Marubeni had conducted the operation and maintenance for approx. 10 years after the construction. The greywater (treated water made by sterilizing sewage water, for industrial and consumer use) which is generated during the sewage treatment process is delivered daily to roadside vegetation, parks, and farms across Doha through the greywater pipe network. It plays an important role by supporting the social infrastructure in Doha, the land of desert, and Marubeni engaged in a sustainable contribution activity in regions with insufficient water supplies through recycling of the valuable water resources.



Doha West sewage treatment plant



Lusail sewage treatment plant

The amount of water treated daily at each plant is shown below. 385,000m<sup>3</sup> of greywater was supplied across Doha per day. (as of March 31, 2021)

Sewage Treatment Plant in Qatar	Sewage Treatment Plant Capacity
Doha West sewage treatment plant	340 thousand m <sup>3</sup> /day
Doha North sewage treatment plant	439 thousand m <sup>3</sup> /day
Lusail sewage treatment plant	60 thousand m <sup>3</sup> /day
Treatment Capacity	839 thousand m <sup>3</sup> /day



Lusail sewage treatment plant

## Water-Related Risk Quantification and Financial Impact Measurement

At Maynilad Water Services, Inc., a Marubeni Group company, the effects of operational shutdown caused by physical damage etc. to the facility due to disasters or extreme weather is quantified.

Specifically, several of Maynilad's important business locations such as the purification plant, pumping station, and water distribution network are chosen as samples, and the economic impact of operational shutdown is calculated by period, to be used for developing the business continuity plan.

### Data

#### Water Withdrawal

<Click here to view Tokyo Head Office's target to be achieved by FYE 3/2021.>

(Unit: thousand m<sup>3</sup>)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Marubeni Corporation	40	4	4	5	396
Marubeni Corporation's consolidated subsidiaries	50,985	50,525	55,251	54,892	80,690
Total	51,025	50,529	55,256	54,897	81,086
Mibugawa Power Company	—	—	—	210,252	217,254
Grand total				265,149	298,340

#### <Water Withdrawal by Source>

(Unit: thousand m<sup>3</sup>)

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Surface water from rivers, lakes, natural ponds	34,216	34,395	240,094	281,997
Underground/wells	7,706	6,917	9,471	10,459
Used quarry water collected in the quarry	0	0	0	0
Municipal potable water	1,113	5,683	5,767	5,073
External water discharge	7,418	8,070	9,566	237
Harvested rainwater	2	0	0	0
Sea water, water extracted from the Sea or the Ocean	73	193	231	575
Total	50,529	55,256	265,130	298,340

- From FYE 3/2020, the river water withdrawn by Mibugawa Power Company for hydroelectric power generation business is included in the figure.
- Mibugawa Power Company's business is small and medium-sized hydroelectric power project, mainly using flow-in water (self-flowing water). [Click here to view detail of the company.](#)
- From FYE 3/2021, raw water withdrawn by companies engaged in water supply and sewerage services, as well as industrial water supply and wastewater treatment as part of their business, is included in the figure of water withdrawn. The amount of water withdrawn by the companies was 23,957 thousand m<sup>3</sup>.



## Water Withdrawal from Water-Stressed Regions

By referring to Aqueduct tools and databases developed by WRI (World Resources Institute), the Marubeni Group identifies regions of which water stress level is “high” or more (“relevant areas”), and through internal reviews such as “Sustainability Data Survey,” we survey the amount of water withdrawal from the relevant areas.

19 operation sites that have been identified by the “Sustainability Data Survey” with aggregated data as of the end of March 2021, operate in the watershed areas of Gulf Coast of the United States, Mississippi - Missouri, R o Grande - Bravo, R o Lerma, Saskatchewan - Nelson, Columbia and Northwestern United States with relatively high water stress. There is a total water withdrawal of 68 thousand m<sup>3</sup> in these regions, and we are aware that this is equivalent to 0.1% of 81,086 thousand m<sup>3</sup>, the amount of water withdrawal for the whole Marubeni Group excluding the portion used for hydroelectric power. (Furthermore, we have confirmed that no operation sites face comprehensively high water risk, such as the amount of physical water resources, pollution by waste water, regulations, or assessment of nearby regions.)

## Water Discharge

(Unit: thousand m<sup>3</sup>)

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Marubeni Corporation	4	4	5	396
Marubeni Corporation's consolidated subsidiaries	44,936	38,818	47,883	68,043
Total	44,940	38,822	47,888	68,439
Mibugawa Power Company	—	—	210,252	217,254
Grand total	44,940	38,822	258,140	285,693

### 〈Water Discharge by Destination〉

(Unit: thousand m<sup>3</sup>)

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Ocean	10,983	13,445	12,643	11,321
Surface water	33,070	24,590	240,738	268,138
Underground/wells	3	4	3,790	3,838
Off-site water treatment	884	783	969	1,967
Others	0	0	0	430
Total	44,940	38,822	258,140	285,693

- The quality of discharged water is appropriately managed based on the laws and regulations of each country and region.
- From FYE 3/2020, the river water used by Mibugawa Power Company for hydroelectric power generation business is included in the figures.
- Mibugawa Power Company's business is small and medium-sized hydroelectric power project, mainly using flow-in water (self-flowing water). [Click here to view detail of the company.](#)
- In FYE 3/2021, the amount of water discharge includes 26,077 thousand m<sup>3</sup> of wastewater from sewage treatment projects.



## Water Recycling Rate

(Unit: thousand m<sup>3</sup>)

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Water withdrawal	50,529	54,878	81,086
Recycled amount	16,120	18,008	42,028
Recycling Rate	32%	33%	52%

- The scope of the water recycling rate includes Tokyo Head Office, domestic branches and Marubeni Corporation's consolidated subsidiaries.
- The portion used for hydroelectric power are excluded from water withdrawal.

## Number of Legal or Regulatory Violations Related to Water Withdrawal and Water Discharge

In the year ended March 31, 2018, the Marubeni Group was found to have one violation related to the amount of water discharge 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 water discharge with the department. The results of a water quality test showed that there was no harm to the environment.

In the period from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021, there were no violations of laws or regulations concerning water withdrawal and water discharge.

## Water Consumption Intensity in Pulp and Paper Production

(Unit: m<sup>3</sup>/ton)

	Total of Koa Kogyo Co., Ltd., Fukuyama Paper Co., Ltd. and PT. Tanjungenim Lestari Pulp and Paper
FYE 3/2019	35.8
FYE 3/2020	37.9
FYE 3/2021	37.0

\* Koa Kogyo Co., Ltd., Fukuyama Paper Co., Ltd. and PT. Tanjungenim Lestari Pulp and Paper are Marubeni's subsidiaries.

## Water Consumption Intensity in Processed Seafood Products

(Unit: m<sup>3</sup>/ton)

	Maruichi Suisan Co., Ltd.
FYE 3/2019	35.6
FYE 3/2020	34.6
FYE 3/2021	34.9

\* Maruichi Suisan Co., Ltd. is Marubeni's subsidiary.

## Costs related to Water Management

Costs for water management in FYE 3/2021 are as follows:

- Costs associated with water-related risks: 4,018 million yen.

(These include maintenance and repair of water withdrawal and drainage systems and recycling treatment facilities, installation of water-saving equipment, purchase of water discharge treatment chemicals, emergency response training for scenarios assuming the outflow of hazardous substances, and implementation of cleanup activities in the areas surrounding water sources.)

- Investments in R&D to mitigate water-related risks: 2.8 million yen.

(These are R&D expenses for water risk aversion to maintain water quality, to ensure water quantity and to investigate the surrounding environment.)

[The boundary of the environmental data]

- Marubeni Corporation's principal offices

Until FYE 3/2019, we covered six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we covered five main Branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).

- Consolidated subsidiaries

The subsidiaries that are designated to be liquidated or sold are excluded.

From FYE 3/2019, grain collection and exporting company based in the northern United States is included.

From FYE 3/2020, GHG emissions, energy consumption, and water withdrawal figures and from FYE 3/2021, water discharge figures include agricultural material sales company based in the southeastern United States (waste generated does not include it).

Environment

# Environmental Data

Climate Change ▾ | Sustainable Forestry ▾ | Water Management ▾ | Environmental Management ▾ |

## Climate Change

### Greenhouse Gas Emissions

[<Click here to view greenhouse gas emissions metrics and targets>](#)

#### <Scope 1 & 2 Greenhouse Gas Emissions>

(Unit: metric ton CO<sub>2</sub>e)

		FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Scope 1	Marubeni Corporation's principal offices	41	4	4	4	12
	Marubeni Corporation's other offices + consolidated subsidiaries	626,237	682,402	726,704	773,194	797,963
	Sub Total	626,278	682,406	726,708	773,198	797,975 (Including non-energy related GHG emission*1) (683,025 (Excepting for non-energy related GHG emission*1))
Scope 2	Marubeni Corporation's principal offices	3,425	2,457	2,439	2,307	2,146
	Marubeni Corporation's other offices + consolidated subsidiaries	277,706	274,413	305,776	308,193	280,025
	Sub Total	281,131	276,870	308,215	310,500	282,171
Grand Total		907,409	959,276	1,034,922	1,083,698	1,080,146 (Including non-energy related GHG emission*1) (965,196 (Excepting for non-energy related GHG emission*1))

- CO<sub>2</sub> emission factors for fuels and steam  
CO<sub>2</sub> emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- CO<sub>2</sub> emission factors for electricity  
Emission factors for each electric power provider released by the Ministry of the Environment are used for Marubeni Corporation. Until FYE 3/2019, fundamental emission factors (actual emission factors) are used, from FYE 3/2020, adjusted emission factors are used. Alternative emission factor stipulated by Act on Promotion of Global Warming Countermeasures was replaced by Emission factors (adjusted emission factors) for each electric power provider for the domestic consolidated subsidiaries from FYE 3/2021. The impact on emissions due to the change in emission factors is a decrease of 7,627 metric ton CO<sub>2</sub>.  
Country-specific emission factors (CO<sub>2</sub> emissions per kWh from electricity generation) published by International Energy Agency are used for the international consolidated subsidiaries. Electricity derived from renewable energy is excluded from calculation of Scope 2 greenhouse gas emissions since FYE 3/2021.
- Emission factors of non-energy related GHG  
Emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- Non-energy related GHG emission before FYE 3/2020 is not included in GHG emissions.  
For FYE 3/2021, non-energy related GHG emission is included in GHG emissions, but the GHG emissions other than non-energy related GHG emission are disclosed in the sub total of Scope 1 and grand total values.

## 〈Scope 1 Greenhouse Gas Emissions (Components of non-energy related GHG emission)〉

(Unit: metric ton CO<sub>2</sub>e)

		FYE 3/2021
Total amount		114,950
Components	Carbon dioxide (CO <sub>2</sub> )	5,203
	Methane (CH <sub>4</sub> )	72,081
	Dinitrogen monoxide (N <sub>2</sub> O)	36,602
	Hydrofluorocarbons (HFCs)	1,064
	Perfluorocarbons (PFCs)	0
	Sulphur hexafluoride (SF <sub>6</sub> )	0
	Nitrogen trifluoride (NF <sub>3</sub> )	0

\*1 Non-energy related GHG emission cover carbon dioxide from the use of dry ice, fuel use in facilities and machinery used for fuel combustion, livestock feeding (fermentation in the digestive tract of livestock), livestock waste management, waste incineration or use in the manufacture of products, methane and dinitrogen monoxide from the use of waste fuels, hydrofluorocarbons in the recovery and encapsulation of HFCs in the maintenance of commercial refrigeration and air conditioning equipment, and sulfur hexafluoride in the use of electrical machinery and equipment such as transformers. There are no emissions of perfluorocarbons and nitrogen trifluoride. For sulfur hexafluoride, there are no companies obliged to report based on Act on Promotion of Global Warming Countermeasures.

## 〈Scope 3 Greenhouse Gas Emissions〉

In recent years, companies are required to further disclose information related to climate change and resource issues, toward creating 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 (energy-originated indirect emission), more and more companies are calculating and reporting GHG emissions for the overall corporate activities (Scope 3) such as resource procurement, production, logistics, sales, and disposal, as well as capital goods, business travel, and commuting. Marubeni 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. The Scope 3 data is also submitted to the Carbon Disclosure Project (CDP) climate change questionnaire.

[Corporate Value Chain \(Scope 3\) for FYE 3/2021](#)  [158KB]

(Unit: metric ton CO<sub>2</sub>)

		FYE 3/2020	FYE 3/2021
Scope 3 CO <sub>2</sub> emissions (Category 15: Investment)		approx. 26 million	approx. 25 million
Breakdown	Power generation	approx. 22 million	approx. 21 million
	Resource projects	approx. 3 million	approx. 3 million
	Other businesses	approx. 1 million	approx. 1 million

## Energy and Electricity Consumption

[Click here to view Tokyo Head Office and Osaka Branch's target to be achieved by FYE 3/2021.](#)

[Click here to view carbon neutral at all Marubeni Corporation's domestic business locations.](#)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Electricity consumption of Marubeni Corporation's principal offices (Unit: MWh)	7,239	5,021	5,180	5,227	4,629
Energy consumption of Marubeni Corporation and consolidated subsidiaries (Unit: TJ)	12,740	13,532	14,384	15,303	13,771

- 3.6 GJ/MWh is used for heat value per unit for electricity.
- For fuels, the heat values stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- Biomass energy is not included.

## Environmental Impact of Transport

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Amount transported (Thousand ton-km)	565,792	472,290	508,498	484,678	364,538
CO <sub>2</sub> emissions (metric ton CO <sub>2</sub> )	27,938	21,445	22,705	22,617	17,516
Intensity (kl crude oil eq per thousand ton-km)	0.0183	0.0168	0.0165	0.0173	0.0178

• From FYE 3/2017 to FYE 3/2021

This table shows the impacts associated with the outsourced shipment of goods consigned by Marubeni Corporation.

## Costs Associated with Climate Change

Data	Contents	FYE 3/2022* <sup>2</sup>
Cost of climate change risk aversion	Emergency power generation and flood countermeasures due to extreme weather conditions	5,732
Research and development expenses for climate change risk aversion	Research and development expenses related to forest conservation, etc.	2,830

(Unit: thousands of yen)

\*<sup>2</sup> Actual results as of March 11, 2022

## Sustainable Forestry

### Performance Data of Forest Certification Acquisition

The Marubeni Group (hereinafter referred to as “we”) has been promoting the use of certified materials in consideration of sustainability. We will continue our efforts to increase the percentage of certified products that we handle.

Ratio of certified forest products to consolidated net sales of the Forest Products Division

Item	2018	2019	2020
Total of FSC* <sup>3</sup> , PEFC* <sup>4</sup>	33%	39%	39%

\*<sup>3</sup> Certification by the FSC® (Forest Stewardship Council®) (FSC® C016260): An NPO established to promote responsible forestry around the world and operates systems of international forest certification.

\*<sup>4</sup> Certification by PEFC (The Programme for the Endorsement of Forest Certification): An international forest certification system, which endorses mutual recognition of forest certification systems of various countries.

# Water Management

## Water Withdrawal

[<Click here to view Water Management.>](#)

[<Click here to view Tokyo Head Office's target to be achieved by FYE 3/2021.>](#)

(Unit: thousand m<sup>3</sup>)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Marubeni Corporation	40	4	4	5	396
Marubeni Corporation's consolidated subsidiaries	50,985	50,525	55,251	54,892	80,690
Total	51,025	50,529	55,256	54,897	81,086
Mibugawa Power Company	—	—	—	210,252	217,254
Grand total				265,149	298,340

### <Water Withdrawal by Source>

(Unit: thousand m<sup>3</sup>)

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Surface water from rivers, lakes, natural ponds	34,216	34,395	240,094	281,997
Underground/wells	7,706	6,917	9,471	10,459
Used quarry water collected in the quarry	0	0	0	0
Municipal potable water	1,113	5,683	5,767	5,073
External water discharge	7,418	8,070	9,566	237
Harvested rainwater	2	0	0	0
Sea water, water extracted from the Sea or the Ocean	73	193	231	575
Total	50,529	55,256	265,130	298,340

- From FYE 3/2020, the river water withdrawn by Mibugawa Power Company for hydroelectric power generation business is included in the figure.
- Mibugawa Power Company's business is small and medium-sized hydroelectric power project, mainly using flow-in water (self-flowing water). [Click here to view detail of the company.](#)
- From FYE 3/2021, raw water withdrawn by companies engaged in water supply and sewerage services, as well as industrial water supply and wastewater treatment as part of their business, is included in the figure of water withdrawn. The amount of water withdrawn by the companies was 23,957 thousand m<sup>3</sup>.

## Water Withdrawal from Water-Stressed Regions

By referring to Aqueduct tools and databases developed by WRI (World Resources Institute), the Marubeni Group identifies regions of which water stress level is "high" or more ("relevant areas"), and through internal reviews such as "Sustainability Data Survey," we survey the amount of water withdrawal from the relevant areas.

19 operation sites that have been identified by the "Sustainability Data Survey" with aggregated data as of the end of March 2021, operate in the watershed areas of Gulf Coast of the United States, Mississippi - Missouri, R o Grande - Bravo, R o Lerma, Saskatchewan - Nelson, Columbia and Northwestern United States with relatively high water stress. There is a total water withdrawal of 68 thousand m<sup>3</sup> in these regions, and we are aware that this is equivalent to 0.1% of 81,086 thousand m<sup>3</sup>, the amount of water withdrawal for the whole Marubeni Group excluding the portion used for hydroelectric power. (Furthermore, we have confirmed that no operation sites face comprehensively high water risk, such as the amount of physical water resources, pollution by waste water, regulations, or assessment of nearby regions.)

## Water Discharge

(Unit: thousand m<sup>3</sup>)

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Marubeni Corporation	4	4	5	396
Marubeni Corporation's consolidated subsidiaries	44,936	38,818	47,883	68,043
Total	44,940	38,822	47,888	68,439
Mibugawa Power Company	—	—	210,252	217,254
Grand total	44,940	38,822	258,140	285,693

### 〈Water Discharge by Destination〉

(Unit: thousand m<sup>3</sup>)

	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Ocean	10,983	13,445	12,643	11,321
Surface water	33,070	24,590	240,738	268,138
Underground/wells	3	4	3,790	3,838
Off-site water treatment	884	783	969	1,967
Others	0	0	0	430
Total	44,940	38,822	258,140	285,693

- The quality of discharged water is appropriately managed based on the laws and regulations of each country and region.
- From FYE 3/2020, the river water used by Mibugawa Power Company for hydroelectric power generation business is included in the figures.
- Mibugawa Power Company's business is small and medium-sized hydroelectric power project, mainly using flow-in water (self-flowing water). [Click here to view detail of the company.](#)
- In FYE 3/2021, the amount of water discharge includes 26,077 thousand m<sup>3</sup> of wastewater from sewage treatment projects.

## Water Recycling Rate

(Unit: thousand m<sup>3</sup>)

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Water withdrawal	50,529	54,878	81,086
Recycled amount	16,120	18,008	42,028
Recycling Rate	32%	33%	52%

- The scope of the water recycling rate includes Tokyo Head Office, domestic branches and Marubeni Corporation's consolidated subsidiaries.
- The portion used for hydroelectric power are excluded from water withdrawal.

## Number of Legal or Regulatory Violations Related to Water Withdrawal and Water Discharge

In the year ended March 31, 2018, the Marubeni Group was found to have one violation related to the amount of water discharge 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 water discharge with the department. The results of a water quality test showed that there was no harm to the environment.

In the period from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021, there were no violations of laws or regulations concerning water withdrawal and water discharge.

## Water Consumption Intensity in Pulp and Paper Production

(Unit: m<sup>3</sup>/ton)

	Total of Koa Kogyo Co., Ltd., Fukuyama Paper Co., Ltd. and PT. Tanjungenim Lestari Pulp and Paper
FYE 3/2019	35.8
FYE 3/2020	37.9
FYE 3/2021	37.0

\* Koa Kogyo Co., Ltd., Fukuyama Paper Co., Ltd. and PT. Tanjungenim Lestari Pulp and Paper are Marubeni's subsidiaries.

## Water Consumption Intensity in Processed Seafood Products

(Unit: m<sup>3</sup>/ton)

	Maruichi Suisan Co., Ltd.
FYE 3/2019	35.6
FYE 3/2020	34.6
FYE 3/2021	34.9

\* Maruichi Suisan Co., Ltd. is Marubeni's subsidiary.

## Costs related to Water Management

Costs for water management in FYE 3/2021 are as follows:

- Costs associated with water-related risks: 4,018 million yen.

(These include maintenance and repair of water withdrawal and drainage systems and recycling treatment facilities, installation of water-saving equipment, purchase of water discharge treatment chemicals, emergency response training for scenarios assuming the outflow of hazardous substances, and implementation of cleanup activities in the areas surrounding water sources.)

- Investments in R&D to mitigate water-related risks: 2.8 million yen.

(These are R&D expenses for water risk aversion to maintain water quality, to ensure water quantity and to investigate the surrounding environment.)



## Environmental Management

### 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. The measures are taken to prevent recurrence.

#### Number of Reported Cases/Corrective Actions

	FYE 3/2021
Number of reported cases	4
Number of corrective actions	4 (of which 0 include fines/penalties)
Total fines	JPY 0 million

### Environmental Protection Costs

Environmental protection costs for Marubeni's five principal offices (Tokyo Head Office and Hokkaido, Chubu, Osaka and Kyushu branches) for FYE 3/2021 are shown below.

Environmental Accounting for FYE 3/2021*5 (thousands of yen)	
Business area cost	2,246
Upstream/Downstream cost	6,339
Administration cost	287,559
R&D cost	0
Social activity cost	7,314
Environmental remediation cost	8,800
Total	312,258

\*5 Aggregate data based on the Ministry of the Environment's *Environmental Accounting Guidelines 2005*

### Waste Generated

<Click here to view Tokyo Head Office's target to be achieved by FYE 3/2021.>

(Unit: metric ton)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Marubeni Corporation's principal offices	432	6	8	39	4
Marubeni Corporation's other offices + consolidated subsidiaries	108,107	99,526	115,759	148,154	119,015
Total	108,539	99,531	115,767	148,192	119,019

• Materials with resale or reuse value are not included.

## Specially Controlled Industrial Waste Output

As a single entity, Marubeni Corporation monitors and reports our output of specially controlled industrial waste defined in the Waste Management and Public Cleansing Act. This includes PCB waste etc., such as PCB contaminant and processed PCB, which we dispose in sequence within the legal disposal period.

### Specially Controlled Industrial Waste Output (unit: metric ton)

FYE 3/2021	0
FYE 3/2020	0
FYE 3/2019	0
FYE 3/2018	0
FYE 3/2017	8.6

Our domestic subsidiaries monitor and report the appropriate amount according to the Waste Management and Public Cleansing Act.

## Target and Results for Serious Environmental Incidents\* including Pollution

(Unit: case)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	Target
Serious Environmental Incidents	0	0	0	0

\* Includes Marubeni Corporation and its consolidated subsidiaries.

## Marubeni Corporation's Emission Volumes

(Unit: metric ton)

	FYE 3/2019	FYE 3/2020	FYE 3/2021
NOx	0	0	0
SOx	0	0	0
VOC	0	0	0

\* Data obtained on emission volumes of major consolidated subsidiaries is as follows: NOx: 901 metric tons, SOx: 955 metric tons, VOC: 30 metric tons

## Paper Consumption (A4 paper sheet equivalent)

(Unit: thousand sheets)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Paper Consumption (A4 paper sheet equivalent) of Marubeni Corporation's principal offices	30,841	27,896	25,215	22,210	10,344

## Recycling Rate

[<Click here to view Tokyo Head Office's target to be achieved by FYE 3/2021.>](#)

(Unit: %)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Recycling Rate of Marubeni Corporation's principal offices	88.7	89.8	83.6	41.8	61.7

- FYE 3/2020 includes an increase in waste due to large-scale layout work at the Osaka Branch.

## Green Product Procurement Rate

(Unit: %)

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Green Product Procurement Rate of Marubeni Corporation's principal offices	87.6	86.8	90.6	91.2	83.1

【The boundary of the environmental data】

- Marubeni Corporation's principal offices

Until FYE 3/2019, we covered six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we covered five main Branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).

- Consolidated subsidiaries

The subsidiaries that are designated to be liquidated or sold are excluded.

From FYE 3/2019, grain collection and exporting company based in the northern United States is included.

From FYE 3/2020, GHG emissions, energy consumption, and water withdrawal figures and from FYE 3/2021, water discharge figures include agricultural material sales company based in the southeastern United States (waste generated does not include it).

Note: From FYE 3/2018, kerosene, diesel oil and gasoline are included. In FYE 3/2018, CO<sub>2</sub> emissions associated with consumption of kerosene, diesel and gasoline was 25 thousand metric tons of CO<sub>2</sub>.

Click here for more details on environmental data for FYE 3/2021 that we have disclosed on our sustainability website, of which are assured by a third party.



# Social

<b>Respect for Human Rights</b>	<b>90</b>
<b>Occupational Health and Safety</b>	<b>95</b>
<b>Health and Productivity Management</b>	<b>101</b>
<b>Responsibility to Customers</b>	<b>110</b>
<b>HR Management</b>	<b>114</b>
<b>Diversity Management</b>	<b>121</b>
<b>Social Data</b>	<b>130</b>

Social

# Respect for Human Rights

[Policy](#) | [Structures and Systems](#) | [Initiatives](#)

## Policy

### Our Views on Respect for Human Rights

The Marubeni Group conducts business from 133 locations<sup>\*1</sup> across 68 countries and regions, employing over 40,000 people<sup>\*2</sup> from a diverse range of nationalities and ethnicities. Moreover, our multi-faceted and global business activities span a wide range of sectors. With a view to contributing to achieving the goals set out in the SDGs and building a sustainable society, we are fully committed to respecting the human rights of stakeholders<sup>\*3</sup> who are related to the Marubeni Group's business and to closely monitoring relevant circumstances. We view it as an important social responsibility for the Marubeni Group to institute corrective measures to provide redress in cases where our business activities have been involved with adverse impacts in human rights terms. By fulfilling this social obligation, we see respect for human rights through our business activities as part of the sustained creation of value.

\*1 As of April 1, 2021

\*2 As of March 31, 2021

\*3 Stakeholders include: business partners, including customers and suppliers, whether direct or indirect; employees of Marubeni Group and our business partners; residents and members of local communities.

➤ [Please click here for Human Rights & Co-Development with Communities](#)

### 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<sup>\*4</sup>, 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.

\*4 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.

## Structures and Systems

Based on the Marubeni Group Basic Policy on Human Rights, the Marubeni Group is working to ensure that the human rights of all Group employees and executives, contractors, business partners and other related parties are respected. Under the leadership of the Sustainability Management Committee and its head (CSDO, Chief Sustainable Development Officer, who is also a Director and Managing Executive Officer), the Sustainability Management Department works to promote the consideration and the continuous improvement of human rights throughout the Marubeni Group, in close cooperation with the Sustainability Leaders and Sustainability Managers appointed by each division and department. The Sustainability Management Committee submits reports on important matters related to human rights to the Corporate Management Committee and the Board of Directors in accordance with prescribed procedures.

## Initiatives

### Due Diligence on Human Rights

---

The Marubeni Group is developing methods for assessing the potential risks from a business sustainability perspective as part of risk management to build resilient supply chains that are sustainable (Sustainability Assessment). The "Social" category of risks that we use in our sustainability assessments, we take a comprehensive stance to include items that relate to social, human rights or labor-related aspects of international standards associated with corporate social responsibility. We also include supply chain risk management items to reflect the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct that are based on the OECD Guidelines for Multinational Enterprises and other guidelines. The Marubeni Group will continue to conduct human rights due diligence based on these types of risk evaluation going forward.

➤ For more details, please click here to see Development of Sustainability Assessment Methods.

### Development of Grievance Mechanism (Redress)

---

In the fiscal year ended March 31, 2021, in line with our Basic Policy on Human Rights, we instituted an internal process that serves as a grievance mechanism for complaints relating to human rights (redress). This is a formal mechanism that guarantees confidentiality and anonymity, and is available to and covers complaints about human rights violations from any stakeholders.

(A dedicated contact point for submission of complaints about human rights violations has also been in place on this website.)

### Risks to Human Rights in the Supply Chain

---

Marubeni has established a Basic Supply Chain Sustainability Policy, which includes respect for human rights in the guidelines, and continues to work diligently to obtain the understanding and cooperation of business partners.

➤ Basic Supply Chain Sustainability Policy

Following the enforcement of the Modern Slavery Act in the U.K. 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, each issued a statement by the end of September 2021.

- FY2020 Slavery and Human Trafficking Statement
- FY2019 Slavery and Human Trafficking Statement
- FY2018 Slavery and Human Trafficking Statement
- FY2017 Slavery and Human Trafficking Statement
- FY2016 Slavery and Human Trafficking Statement
- FY2015 Slavery and Human Trafficking Statement

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

In addition to this, in the supply chain sustainability surveys, Marubeni is investigating the status of supplier efforts related to risks to human rights, such as forced labor and child labor. While promoting the discovery of risks to human rights, we are also working on measures to prevent the spread and expansion of such risks. In the supply chain sustainability surveys conducted since February 2011, we survey the status of human rights risks at our suppliers through questionnaires and on-site assessment. No serious problems requiring immediate attention have been found in these surveys.

## Dialogue with External Stakeholders regarding Human Rights Risk and Impact

---

Marubeni holds dialogues with external stakeholders on the risk and impact of potential human rights violations occurring in the Group's business, through organizations such as the international human rights NGO, Business & Human Rights Resource Centre (BHRRC). Based on the results of these dialogues, we are working to improve our risk management.

### Initiatives in FYE 3/2021

We held dialogues on two matters with external stakeholders through BHRRC.

## Compliance Manual

---

The first matter highlighted in 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, and by the Universal Declaration of Human Rights, and also includes human rights prescribed in the International Labor Standards (ILO)<sup>\*5</sup> and the UN Guiding Principles on Business and Human Rights.

\*5 The International Labor Standards establish fundamental standards for labor. The standards are comprised of 8 conventions in 4 categories, namely: (1) freedom of association, (2) prohibition of forced labor, (3) prohibition of discrimination in employment, and (4) prohibition of child labor.

- Compliance Manual



## Marubeni Hotline (formerly, “Door of Courage”)

---

For cases where circumstances warrant counseling and reporting to be carried out outside the regular reporting channels, the Marubeni Group has established the Marubeni Hotline (formerly, “Door of Courage”) reporting and consultation hotline.

➤ Compliance

## Respect for Employee’s Right to Unionize and Bargain Collectively

---

Marubeni has declared its support for 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 for the purpose of conducting negotiations between labor and management on working conditions, wage levels, and other matters.

➤ Relationship with the Labor Union

## Initiatives to Address Human Rights Issues

---

### Human Rights and Discrimination Issues Committee

This committee (established in 1981) is chaired by the Chief Administrative Officer (CAO), and its members comprise the general managers of the corporate staff group and business groups, as well as the general managers of the domestic branches.

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

At the Tokyo Head Office and the Osaka branch, Officers for the Promotion of Fair Recruitment and Human Rights Awareness are nominated and notification of their appointment is made. In this way, the company has established fair recruitment systems.

### Promotion and Training on Human Rights

To establish a corporate culture of respect for human rights, Marubeni holds training seminars for the Company’s executives and employees throughout its organization.

Also, Marubeni continuously engages in awareness activities by updating the intranet with the company’s basic policy on human rights, training materials, etc. Marubeni also regularly holds campaigns to raise awareness of human rights.

To promote understanding of respect for human rights, 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.

Social

# Occupational Health and Safety

[Policy](#) | [Targets](#) | [Structures and Systems](#) | [Initiatives](#) | [Data](#)

## Policy

### Marubeni Group Basic Policy on Occupational Health and Safety

The Marubeni Group recognizes that ensuring the occupational health and safety of all Group employees and executives, contractors working at labor sites, business partners, and other related parties is vital to our corporate activities. Accordingly, we aim to achieve zero occupational accidents and illnesses by conducting business in accordance with this policy. 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 will establish and strive to continuously improve upon our occupational health and safety management system under the leadership of top management.

#### 2. Compliance with Applicable Laws and Regulations

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

#### 3. Fostering Safety Awareness through Education

We continue to provide necessary and sufficient education to ensure health and safety and foster safety awareness.

#### 4. Risk Reduction and Continuous Improvement of the Work Environment

We recognize and identify hazards and harmful factors related to our business activities and work to eliminate or reduce them. We also work to maintain and improve the workplace environment on an ongoing basis through smooth communication within the 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 its official website and other avenues.

# Targets

## Occupational Health and Safety Targets

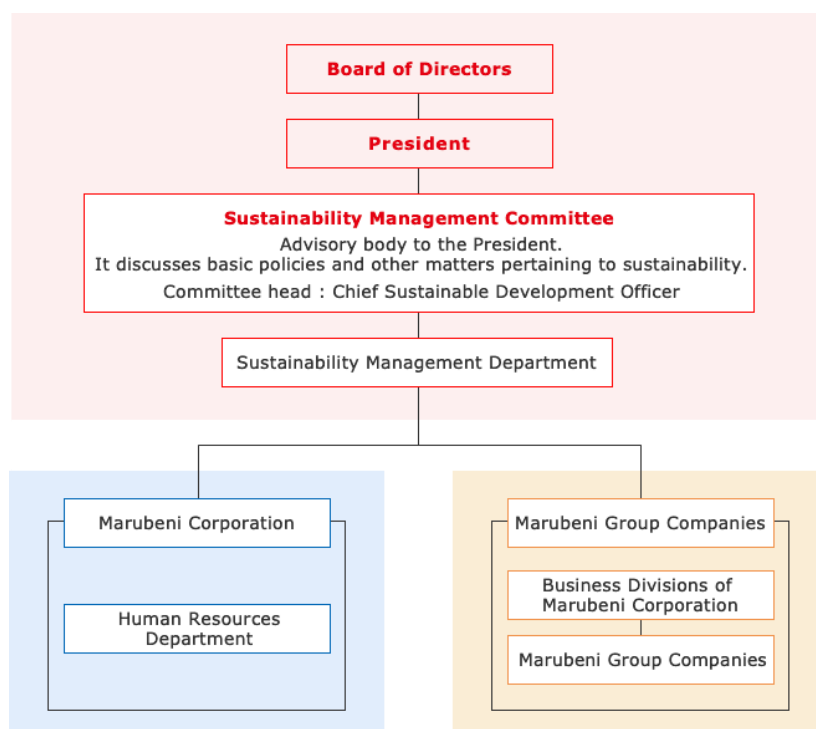
Under the Marubeni Group Basic Policy on Occupational Health and Safety, Marubeni manages occupational health and safety for all employees and contractors associated with the Group.

- Zero occupational accidents (including fatalities)
- Zero occupational illnesses

# Structures and Systems

## Marubeni Group Occupational Health and Safety Management System

Based on the Marubeni Group Basic Policy on Occupational Health and Safety, the Marubeni Group is working to ensure the occupational health and safety of all Group employees and executives, contractors working at labor sites, business partners and other related parties. Under the leadership of the Sustainability Management Committee and its head (CSDO, Chief Sustainable Development Officer, who is also a Director and Managing Executive Officer), the Sustainability Management Department works to promote and continuously improve occupational health and safety management throughout the Marubeni Group, in close cooperation with the Sustainability Leaders and Sustainability Managers appointed by each division and department. The Sustainability Management Committee submits reports on important matters related to occupational health and safety to the Corporate Management Committee and the Board of Directors in accordance with prescribed procedures.



## ISO 45001 Occupational Health and Safety Management System Certification Status

---

A number of Marubeni Group companies have acquired ISO 45001\*<sup>1</sup> certification. ISO 45001 is an international standard for occupational health and safety management systems, and 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 February 2022, 45 operation sites, equivalent to 1.7% of the 2,607 operation sites, monitored by the Sustainability Survey, had obtained the certification (8 companies, equivalent to 1.8% of the 456 Marubeni Group companies, had obtained the certification).

By continuing to encourage acquisition of this 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 and enhance corporate value.

\*1 OHSAS 18001 (Occupational Health and Safety Assessment Series), an occupational health and safety management system, was discontinued on March 11, 2021, and replaced by ISO 45001.

## Initiatives

### Occupational Accident Initiatives

---

Marubeni strives to prevent the occurrence of occupational accidents. In the event of an accident, we ensure that it is promptly reported to the Human Resources Department. 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 in a timely and appropriate manner through the compliance incident reporting channel. Depending on the nature of the incident, we carry out follow-up investigations and checks and promptly implement measures to prevent recurrence.

### Risk Assessment of Occupational Health and Safety

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.

#### **Occupational Health and Safety Initiatives of the Power Business Division**

As a global energy solution provider, the Power Business Division (hereafter "the Division") endeavors to broaden and deepen its power generation, service and retail businesses, and boasts one of the largest power generation assets in the industry as an independent power producer. The Division has established a "Health, Safety, Environment and Quality Policy" which guarantees the primary importance of health and safety across all operations. This policy is part of the Division's continuous efforts to achieve zero occupational accidents and create a safety-centered culture that places the highest priority on health and safety. As reflected in the policy, the Division is committed to establishing and implementing appropriate safety, environmental and quality management systems in cooperation with Group companies and others. To ensure that the policy is widely understood by all, its objectives are communicated to new employees and transferees at the technical training sessions held annually to seek their understanding and cooperation in the Division's health and safety activities.

Additionally, the Division has established the “Integrity Management Application (IMA)” as safety, environment and quality management guidelines to realize the “Health, Safety, Environment and Quality Policy” and is developing activities to evaluate project safety management systems and operations in light of these guidelines. Specifically, through on-site visits by safety management specialists at overseas power generation asset management bases and project audits by the Division, we are working to achieve zero occupational accidents by identifying areas for improvement in safety management and monitoring the progress of improvement plans. Since the start of 2014, 51 project audits have been conducted across 38 major project sites worldwide all of which have involved the participation of the Division. The audits include the following: projects’ efforts to reduce occupational accidents such as safety induction training, management safety patrol and encouragement of near-miss reporting; risk assessment of site works, risk-based work planning and implementation; incident reporting/investigation process and corrective actions; emergency response plans including communication protocols, drill/desk-top training results for emergency cases such as fire, chemical spills.

In addition to site visits and audits, to instill a culture of prioritizing health and safety throughout the Group, we also distribute lessons learned from occupational accidents to Group company personnel and present safety awards to projects in recognition of their outstanding safety activities based on safety statistics (Leading/Lagging KPIs\*<sup>2</sup>).

The Power Business Division will strive to achieve zero occupational accidents and continue to contribute to the economic growth and development of communities around the world by meeting and exceeding the expectations and demands of customers and society through the reliable implementation and continuous improvement of the management system based on the “Health, Safety, Environment and Quality Policy”.

\*<sup>2</sup> Lagging KPIs: fatalities, lost time injuries, medical treatment injuries, near misses, etc.  
Leading KPIs: safety training hours, number of safety patrols, site inspections and observations, etc.

## Supply Chain Occupational Health and Safety Initiatives

The Marubeni Group recognizes the importance of promoting awareness of occupational health and safety in the supply chain in order to ensure its sustainability and is actively working to disseminate the Basic Supply Chain Sustainability Policy to all suppliers. In FYE 3/2021, we are notifying a total of approximately 3,000 suppliers of this policy and requesting their compliance. When commencing business with new suppliers, we ensure that they are notified in advance of our Basic Supply Chain Sustainability Policy. We will continue to strengthen communications about our occupational health and safety efforts with the goal of achieving a 100% notification rate.

## Initiatives for Improving the Marubeni Group Occupational Health and Safety Management System

Based on the Marubeni Group Basic Policy on Occupational Health and Safety, Marubeni is taking various measures to continuously improve the occupational health and safety management system throughout the Marubeni Group.

### 1. Seminars for Marubeni Group HR Managers

Seminars are held for HR managers of Marubeni Group companies to share information and updates on human resources and labor management in general, including occupational health and safety.

First meeting (August 2020): Information sharing on COVID-19 responses in the workplace, mental healthcare for employees under COVID-19, and remote working (approximately 100 participants from 50 Group Companies).

Second meeting (November 2020): Topics regarding labor management, including work-related accidents, health and safety, etc., and other issues related to working styles post pandemic (approximately 140 participants from 53 Group companies).

## 2. HR Support Desk

We have established a consultation service for Marubeni Group companies on general human resources and labor management issues, including occupational health and safety; provide advice; and share Marubeni's HR-related rules, regulations, and operational know-how (approximately 200 consultations per year).

We also provide information and alert personnel in charge of human resources matters at Marubeni Group companies in Japan regarding changes to laws related to human resources and labor affairs, including occupational health and safety.

## 3. Sharing Know-how on Occupational Health and Safety and HR/Labor Management

We share information with HR managers at Marubeni Group companies to improve their expertise in occupational health and safety and HR management, including the latest information on occupational health and safety, occupational physicians, and external providers of stress checks.

## 4. Periodic Assessments of Compliance with Laws and Regulations Related to Occupational Health and Safety at Marubeni Group Companies

We check the status of compliance at Marubeni Group companies with labor laws and regulations, as well as confirming health checkup reports relating to occupational health and safety, and reports in the event of accidents.

# Data

## Occupational Health and Safety Data

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Lost-time injuries frequency rate <sup>*3</sup>	0	0	0
Occupational illness frequency rate <sup>*4</sup>	0	0	0
No. of occupational accident or incidents leading to injuries or fatalities <sup>*5</sup>	2	2	0
No. of fatal occupational accidents <sup>*6</sup>	0	0	0
No. of fatal occupational accidents of contractors <sup>*7</sup>	0	0	0

\*3 : Figures for Marubeni Corporation. The LTIFR 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.

\*4 : Figures for Marubeni Corporation. Occupational illness frequency rate=No. of occupational illness/Total working hours×1 million.

\*5 : Figures include the occupational accidents without lost workdays.

\*6 : Figures for Marubeni Corporation.

\*7 : Figures for Marubeni Group.

## Performance Management of Occupational Health and Safety<sup>\*8</sup>

	Targets	FYE 3/2019	FYE 3/2020	FYE 3/2021	Industry benchmark
Lost-time injuries frequency rate <sup>*9</sup>	0	0	0	0	2.27
Lost-time injuries severity rate <sup>*10</sup>	0	0	0	0	0.11
Average annual working days lost per case <sup>*11</sup>	0	0	0	0	50.0
Occupational illness frequency rate <sup>*12</sup>	0	0	0	0	—
No. of occupational accident or incidents leading to injuries or fatalities <sup>*5</sup>	0	2	2	0	—
No. of fatal occupational accidents	0	0	0	0	—

\*8 : Figures for Marubeni Corporation. We use a survey on occupational accident, executed in 2020 by the Ministry of Health, Labour and Welfare, as a benchmark.

\*9 : Lost-time injuries frequency rate=Lost-time injuries/Total working hours×1 million. The LTIFR is the frequency rate of occupational injury cases that result in one or more days of employee absence, or lost of a part of body or functions.

\*10 : Lost-time injuries severity rate=The number of total work loss days/Total working hours×1 thousand.

\*11 : The number of annual working days lost/The number of employees with an occupational accident.

\*12 : Occupational illness frequency rate=No. of occupational illness/Total working hours×1 million.

Social

# Health and Productivity Management

[Policy](#) ▾ | [Structures and Systems](#) ▾ | [Initiatives](#) ▾ | [Data](#) ▾ |

## Policy

### Marubeni Group Health Declaration

---

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

➤ [Marubeni Group Basic Policy on Occupational Health and Safety](#)

#### **Marubeni Group Health Declaration**

Employees are a vital asset for the Marubeni Group, and their health is of paramount importance. Therefore, the Marubeni Group considers the maintenance and improvement of the health of its employees to be 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.

### Map of Health and Productivity Management Strategy

---

From health issues that could lead to solutions to management issues, we will ascertain how concrete initiatives connect with regard to the benefits and health maintenance and promotion that are expected, and promote health and productivity management.

➤ For map of health and productivity management strategy, click here. 



# Structures and Systems

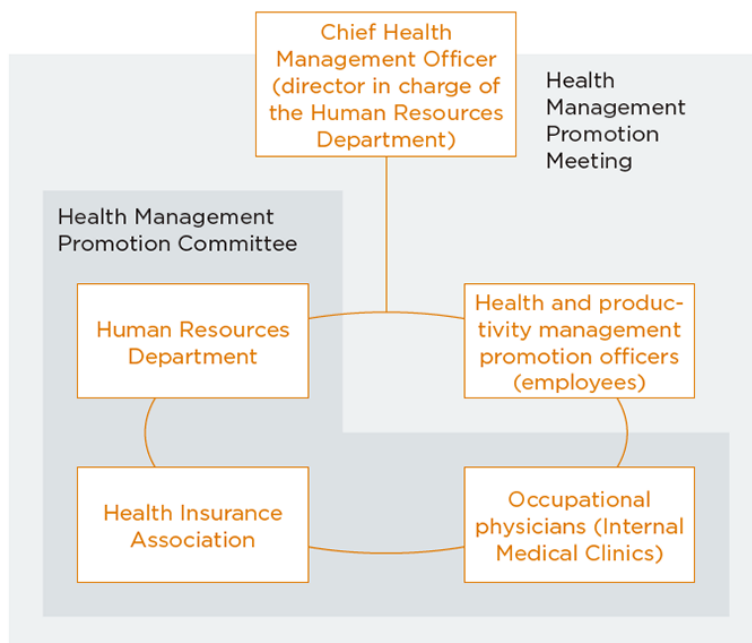
## Marubeni Health Promotion Structure

Marubeni has established the “Marubeni Health Promotion Structure,” under the responsibility of the director in charge of the Human Resources Department. This 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 occupational physicians (Internal Medical Clinics), the Health Insurance Association, and the Human Resources Department, meets twice a year to discuss health programs of the Health Insurance Association, various health management initiatives, and other matters relating to occupational health and safety in general.

\* The term “health and productivity management” is a registered trademark of the Workshop for the Management of Health on Company and Employee.

Director in Charge	Mutsumi Ishizuki (Senior Managing Executive Officer, CAO; Chief Operating Officer, Human Resources Dept., Chief Health Management Officer)
Committee in Charge	The Health Management Promotion Committee, Health Management Promotion Meeting
Department in Charge	Human Resources Dept.

**Marubeni Health Promotion Structure**



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), 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.

## Marubeni Health Project Indicators

By establishing metrics and implementing various measures, we will aim for solutions to health issues. To check whether this series of initiatives is leading ultimately to improved employee work engagement, and further to solutions to management issues, we will conduct engagement surveys regularly.

Item	Target
Health checkup rate (Employees working in Japan)	100% each year
Rate of medical checkups (Employees working overseas)	100% each year
Implementation rate of Specific Health Guidance	Year-on-year increase
Rate of employees undergoing Specific Health Guidance	Year-on-year decrease
Smoking rate	Year-on-year decrease
Rate of employees undergoing stress check tests	90% or more each year

\* The implementation rate of Specific Health Guidance and the rate of employees undergoing Specific Health Guidance apply to employees who are 40 years old or older.

\* Employees to undergo Specific Health Guidance are determined by the abdominal size (85cm or higher for men, 90cm or higher for women or by BMI (Weight kg/(Height m)<sup>2</sup>) (25 or higher), in addition to other measurements such as blood sugar, lipids, and blood pressure.

## Initiatives

### Marubeni Health Improvement Project

Under the Marubeni Health Improvement Project, Marubeni continues to implement various initiatives based on four key themes:

1. Improving Health Literacy
2. Strengthening countermeasures against cancer and lifestyle-related 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 implements initiatives to improve employees' health literacy.

Measures (Initial fiscal year)	Overview
Establishment and announcement of health-related index (FYE 3/2020)	Set and announced health indicators that the company values as "Marubeni Health Improvement Project Indicators." Utilize the indicators for consistent consideration of measures based on fixed-point reviews.
Participated in corporate actions promoting measures against cancer (FYE 3/2020)	Encouraged cancer screening by distributing pamphlets and displaying posters.
Utilizing health management app (FYE 3/2020)	Improved health literacy of employees and their families using health management app.
Introduced an app for health consultation and doctor/hospital referrals (FYE 3/2020)	Conducted consultations on disease symptoms and health in chat-format and referrals to doctors and hospitals according to the individual's preferences.
Implementing walking events (FYE 3/2019)	Held walking events in conjunction with the health management app. Held in-house award presentation.
Participation rate of regular health checkups (FYE 3/2019)	Strengthening of efforts to achieve 100% participation in regular health checkups. 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 checkup to achieve 100% participation every year.
Strengthening initiatives to provide healthy menu options at company cafeteria (FYE 3/2019)	Held a health promotion campaign, provided special menu options to support blood donation, and labeled nutritional information.
Conducted health seminars (FYE 3/2018)	Conducted seminars on various topics including sleep, oral healthcare, diet, etc., by outside experts to raise employees' health awareness.

## 2. Strengthening Countermeasures Against Cancer and Lifestyle-related Diseases

Among our measures to maintain and promote health, we focus on countermeasures against cancer and lifestyle-related diseases and are implementing the following initiatives.

Measures (Initial fiscal year)	Overview
Introduction of tumor marker tests (FYE 3/2021)	Added tumor marker tests to the regular health checkups for employees who are 35 years old or older to support the early detection of cancer.
Expansion of cancer screening subsidies (FYE 3/2021)	Expanded screening subsidies for prostate cancer, cervical cancer, and breast cancer to support early detection.
Strengthening anti-smoking measures (FYE 3/2019)	Expansion of smoking cessation treatment cost subsidies, implementation of smoking cessation treatment programs, and introduction of smoking cessation app.
Strengthening 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 company medical clinic not only to employees aged 40 and above who qualify for Specific Health Checkups but also to junior employees. To improve the rate of receiving guidance, the HR Department recommends that eligible employees receive medical examinations.
Implementation of Sleep Apnea Syndrome (SAS) treatment program at company medical clinic (FYE 3/2018)	Started sleep apnea syndrome screening and treatment at our company medical clinic.
Implementation of three-month intensive program (FYE 3/2018)	Ran a program aimed at improving lifestyle and exercise habits. In addition to a total of eight lectures and exercises, the program aims to eliminate metabolic syndrome through daily dietary guidance and exercise. The percentage of employees who maintained an appropriate weight was 67.1% in FYE 3/2019, 66.8% in FYE 3/2020, and 69.9% in FYE 3/2021.
Introduced fully subsidized brain checkups (FYE 3/2016) and comprehensive medical checkups (FYE 3/2015)	Fully subsidized comprehensive 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 comprehensive medical checkups for employees aged 35 and over, aside from at the ages specified above.) Also began offering fully subsidized comprehensive medical checkups and brain checkups for employees who have retired at the mandatory retirement age.
Strengthening health guidance from registered dietitians (FYE 3/2011)	Established a system for registered dietitians to provide specialized nutritional management and guidance, etc., at our company medical clinic.
Strengthening 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 company medical clinic.
Introduction of H. pylori testing (FYE 3/2009)	Added H. pylori test to health examination to enhance early detection of and treatment for diseases such as stomach cancer.
Implementation 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.

### 3. Strengthening Mental Health Measures

Marubeni recognizes 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 employees returning to work who have had mental health issues (FYE 3/2019)	Provided support for employees returning to work who have had mental health issues through counseling before and after their return.
Expansion of Employee Assistance Program (EAP) services; promotion of EAP service use; trial counseling implementation (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 of mental health care and to assist employees in monitoring their own mental condition.
Implementing stress checks (FYE 3/2017)	Conducted stress checks for employees at all offices in Japan and overseas (including seconded employees), including offices where there is no legal requirement.
Introduction of EAP services (FYE 3/2007)	Established consultation desk at our company medical clinics and in the HR 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 company 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
Introduction of tumor marker tests (FYE 3/2021)	Added tumor marker tests to the regular health checkups for employees who are 35 years old or older and supported the early detection of cancer.
Expansion of subsidies for cervical and breast cancer screening (FYE 3/2021)	Expanded subsidies for cervical and breast cancer screening and supported the early detection of cancer.
Implementation of seminars to raise literacy regarding maintaining and promoting women's health (FYE 3/2019)	Held seminars by external experts to increase awareness of all employees regarding 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 "Maintaining and Promoting Women's Health Maintenance" to all employees (FYE 3/2019)	Used company-wide notification system to spread knowledge about maintaining and promoting women's health to all employees.

## Other Initiatives

---

### Managing Working Hours and Encouraging Use of Vacation Time

The Marubeni Group has established guidelines on working hour management in order to realize sustainable growth through improved productivity and a working style that takes into consideration the safety and health of employees. The guidelines specifically stipulate for working hours to be compliant 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 stipulate those in management and supervisory roles outside the scope of working hour management to track working hours in order 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.

Marubeni encourages employees to maintain and improve their health and seeks to ensure that employees have good mental health and 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 time to fully relax during vacation periods.

### Measures to Combat COVID-19 Infection

Our number one priority is to ensure the safety and health of our employees and stakeholders, and we are striving to achieve a balance between the prevention of the spread of infection and our business activities by thoroughly establishing appropriate behaviors and working environments. Based on the policies and guidelines set forth by the government and local authorities, we have established and made known to all employees our policies regarding attendance at work, business trips, dinners, and so forth, and in the event of an outbreak of illness or infection among employees, we place the highest priority on preventing the spread of infection.

### Establishment of Company Medical Clinics

The company medical clinics at the Tokyo Head Office and Osaka Branch play an important role in promoting health management. At the Tokyo Head Office medical clinic, specialist departments for internal medicine, dermatology, radiology, neuropsychiatric, and dental services are available for employees at any time. Regular annual and specified health examinations are conducted by the company 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 around the world. HIV/AIDS, tuberculosis, and malaria are serious problems in some of these countries/regions.

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 company 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 of Group Companies

Maynilad Water Services, Inc. ("Maynilad"), which provides water and waste water services to the West Zone of the Metropolitan Manila area in the Philippines, has been conducting programs on health issues, measures to prevent infections, and hygiene education for its employees and local residents.

For its employees, Maynilad provides opportunity of regular physical examinations, in addition, care for their monitoring after physical examination results. From 2009, Maynilad has provided vaccination at reduced price each year for influenza, pneumonia, hepatitis A and B, meningitis, chickenpox, rabies, tetanus, cervical cancer, etc., and in 2020, it vaccinated 2,563 employees and family members. Furthermore, it carried out 9,917 antibody tests in total for its employees and employees of contractors engaged in construction to prevent the spread of COVID-19.

On-site employees engaged in waste water service were also provided with rabies and tetanus vaccinations, free of charge.

Education programs for local residents, who are the customers of Maynilad, to deepen their understanding of the importance of hand-washing and maintaining a hygiene environment have also been conducted, while disinfectant alcohol, gloves, masks, etc. were donated to 14 school districts covering 975 public schools.



Lectures to residents of our service area



Lectures to residents of our service area

> [Click here to view Maynilad's initiatives](#) □

## Support for Expatriates and Their Families

Currently, there are approximately 900 Marubeni employees and around 650 of their family members living overseas on assignment from Japan. Ensuring the health of employees and their families is essential for enabling expatriates 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 to raise their awareness about disease prevention and health maintenance. We place particular emphasis on health examinations 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 overseas assignment location, our system for subsidizing travel to a nearby area with advanced medical facilities or to Japan ensures peace of mind for our employees. We encourage both employees and their families to consult with occupational physicians regarding examination results and their daily health status.

In the event of a dramatic outbreak of COVID-19 or a rapid deterioration of the medical environment in a foreign country, employees and their families posted to the country concerned will be repatriated as necessary.

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.

## 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. In the event of an emergency, we have established a system in which relevant parties can centrally manage information and make timely and accurate decisions and actions in cooperation with overseas bases.

## Data

### Regular Health Check-ups and Stress Check Tests

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Participation in regular health check-ups in Japan (legally mandated)	99.2%	99.7%	99.0%
Participation in regular health check-ups overseas	92.0%	81.0%	63.1%
Number of Stress Check Tests respondents (response rate)	89.4%	91.9%	91.6%

### Training and Education in Health Management

Program	Outline	Number of participants (FYE 3/2019)	Number of participants (FYE 3/2020)	Number of participants (FYE 3/2021)
Package program for new graduates	Lecture by head of the medical clinic on "safety and health management"	121	105	115
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	166	94	210
Training for new GM for Dept.	Lecture on "working hour management, health management, and mental health care"	24	34	25
Promoted training for Administrative track (upper tier)	Lecture on "working hour management, health management, and mental health care"	22	15	12
4th-year training for Career track* <sup>1</sup>	Lecture on "working hour management, health management, and mental health care"	99	96	0
4th-year training for Administrative track* <sup>1</sup>	Lecture on "working hour management, health management, and mental health care"	25	37	0
Career development	Lecture on "health management"	182	190	47

\*1 : The Program was suspended in FYE 3/2021 due to COVID-19 pandemic and postponed to FYE 3/2022 with anti-COVID-19 measures.



Social

# Responsibility to Customers

| Policy ▾ | Structures and Systems ▾ | Initiatives ▾ | Collaborating with Stakeholders ▾ |

## Policy

### Policy on Responsible Advertising and Marketing

---

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. As such, Marubeni carries out responsible advertising and marketing activities. Through public relations, we build relationships of trust with our stakeholders, and by keeping an open mind and an ear to the ground, we will respond to the needs of society through our business activities.

#### Advertising

In order to convey the proper brand image to our stakeholders, we have established internal regulations for responsible advertising. In particular, in accordance with the Marubeni Group Compliance Manual, the expressions used in and the content of Marubeni Group advertising must give due consideration to such issues as slander, discrimination, exaggeration, religious or political beliefs, the environment, third party private information, personal information and intellectual property rights.

#### Marketing

We take sufficient consideration not to include misleading expressions in our marketing. We conduct our marketing activities in a fair and transparent manner, respecting the rights of our customers. In practicing this, we have established an implementation system that reflects the Marubeni Group Compliance Manual and other internal regulations.

### 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.

### 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.

## Structures and Systems

### 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 the improvement of safety measures throughout our supply chain.

#### System to Control Supplier Risks

Marubeni considers “protection of consumer health” and “ensuring the safety and reliability of foods” as its highest priorities in the food business. To this end, we utilize our unique supplier management form, the “Supplier Checklist,” to mitigate risks, as part of our efforts to ensure food safety and control our food supply chain. Specifically, we identify risks of suppliers meeting certain conditions from the standpoint of related laws and food safety, failure to deliver, human rights violations, the environment, and other factors.

#### Number of Supplier Checklists Submitted

FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
41	29	21	49	56

#### Food Plant Inspections by External Specialist Organizations

When importing various foods and grains from around the world, Marubeni requires a certain level of quality and hygiene control from the supplier food plants. To commence transactions, we will dispatch inspectors from an external specialist organization, which has been commissioned, to the food plant to carry out inspections comprising numerous checkpoints relating to quality, hygiene control, and other factors. The system has been designed so that if the plant does not meet the acceptability criteria, transactions cannot commence until improvements are made based on the inspection findings and the criteria are met through repeated inspections.

Even after the commencement of transactions, we focus on food safety, by conducting regular inspections once every two to three years, in addition to carrying out inspections when changes are made to manufacturing lines or manufacturing methods, or when complaints exceeding a certain level are received.

**Number of Inspections of Food Plants**

	FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
Domestic plants	25	32	27	16	5
Overseas plants	11	17	16	16	9
Total	36	49	43	32	14

**Managing the Risk of Residual Pesticide in Agricultural Produce and the Traceability Management System**

Measures to reduce the risk of residual pesticide used in agricultural produce is one of Marubeni's priority issues. To ensure that residual pesticide in imported agricultural produce does not exceed the residual pesticide standards set in the Food Sanitation Act, an inquiry is conducted and internal approval is obtained prior to the commencement of transactions.

In the inquiry, we use the "Agricultural Produce Traceability Sheet" to identify the farmer and the pesticides and conduct onsite surveys of the surrounding farmland (to monitor the crops being cultivated and the pesticides being used), as well as carry out general inspections through a sampling of residual pesticide, etc. And transactions will commence only after the results of this inquiry are verified by a pesticide expert commissioned by Marubeni and confirmation is given that the risk of residual pesticide is low.

**Number of Agricultural Produce Traceability Sheets Submitted**

FYE 3/2017	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021
32	11	6	13	8

**Training to Ensure Food Safety and Reliability**



To ensure that employees receive appropriate training and that relevant information is shared, the food related Divisions hold internal Group training for all newly assigned employees twice annually, and quarterly Group compliance liaison meetings with Group companies. We also hold seminars once or twice annually on selected topics and issues related to food safety, such as ensuring the safety of food product imports. Group companies and suppliers were invited to participate in the seminar as part of our efforts to raise awareness of food safety.

## Initiatives

### Initiatives for Functional Ingredients

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](#) 
- [Overview of Hesperidin](#) 

## 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.](#) 

## Collaborating with Stakeholders

### Collaboration with Business Partners to Recycle Food Waste and Reduce Resource Usage

---

With the aim of realizing a recycling-based society, the Marubeni Group is promoting recycling of food waste and reduction of resource usage through collaboration with its business partners (waste generators, processors, consumers, etc.). We continuously supply recycled feedstuff made from the inedible parts of marine/livestock products and food production by-products to formula feed manufacturers. Additionally, products made from livestock and fish fed with formula feed are sold to general consumers through Marubeni Group sales channels. Through these efforts, Marubeni realizes a recycling loop. We also collect waste edible oil from business activities such as supermarkets and convenience stores. Purified oil and fat made with this oil are supplied to chemical manufacturers as raw material for resin, paint, soap, etc.

Social

# HR Management

| Policy ▾ | Initiatives ▾ | Data ▾ |

## Policy

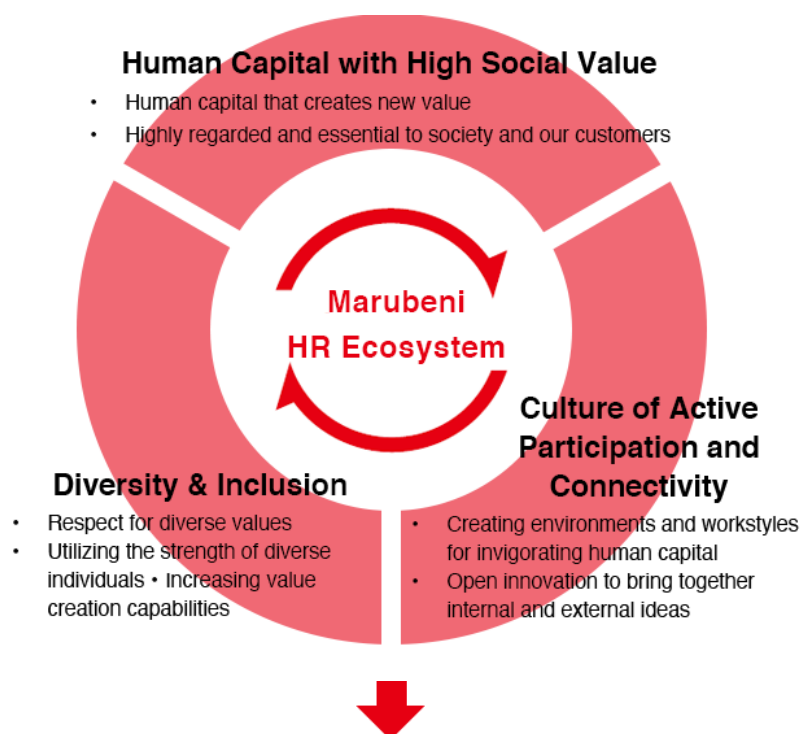
### GC2021 Group Human Resources Strategy

#### Marubeni HR Ecosystem

For Marubeni, we regard human capital as our most valuable asset. This is the thinking behind the “Marubeni Group HR Strategy,” which is included in the Medium-Term Management Strategy GC2021. The goal is to create a “Marubeni HR Ecosystem” that promotes the involvement of each Marubeni Group employee to create new value as part of the “Global Crossvalue Platform”.

The key terms here are “Human Capital with High Social Value,” “Diversity & Inclusion,” and a “Culture of Active Participation and Connectivity.” We aim to build the “Marubeni HR Ecosystem” as a place where “Human Capital with High Social Value” creates new value, “Diversity & Inclusion” increases value creation, and a “Culture of Active Participation and Connectivity” provides open innovation in order to bring together internal and external ideas.

In order to achieve this goal, we are conducting comprehensive reforms of our HR systems to further strengthen alignment with management strategies, to construct a framework where diverse human capital can develop and thrive, and to promote the creation of opportunities for establishing connections that transcend companies and organizations.



## HR System Reforms

### Mission-oriented HR system

- **Alignment with strategy**

New annual review system for grade and remuneration based on the role and contribution of employees as defined by their organization’s respective missions, which reflect the organizational strategy (for managerial-track employees)

- **Performance-oriented and challenge-driven**

Ensure that remuneration is performance-oriented and market-valued and encourage employees to take on challenges towards larger-scale missions that develop human capital and execute strategy.

### Utilization of diverse talent

- **Diversity in recruitment**

Promote diversity in recruitment: open calendar graduate recruitment, recruiting more leaders and people for specific jobs, aim for 40-50% female employee recruitment.

- **More flexible workstyles and careers**

Provide workplaces designed to realize the potential of every individual by increasing flexibility for working hours and location and creating area-specific pathways for career-track positions.

### Open innovation approach

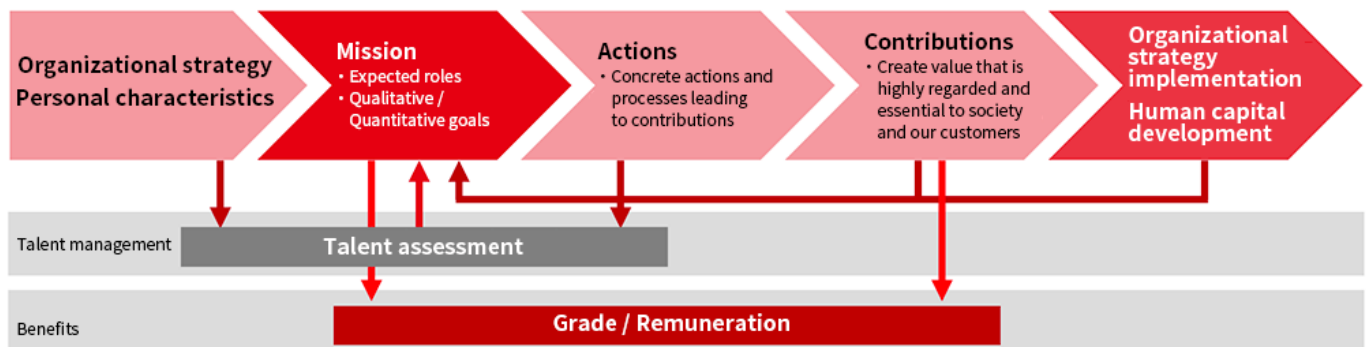
- **Talent that crosses over individual companies and organizations**

The job-matching system based on internal and external recruitment/transfer programs was expanded. To promote value creation by bringing together diverse ideas, the 15% Rule, which allows employees to become involved in work from different divisions, and the Crosshelp initiative, which sources short-term assistance internally, were introduced. To incentivize helping other divisions through added bonuses, the Crossvalue Coin initiative was introduced.

## HR Systems Centered on Mission

### Missions based on “implementing organizational strategy” and “developing human capital”

- Pursuing improvement of long-term corporate value is realized by implementing strategies in each organization.
- Enhancing the ability of the organization to implement strategies by assigning missions according to ability and particular attributes and increasing human capital contributions.
- Promoting the growth of human capital and increasing social value by boldly challenging larger missions that contribute to strategy implementation and working hard together.



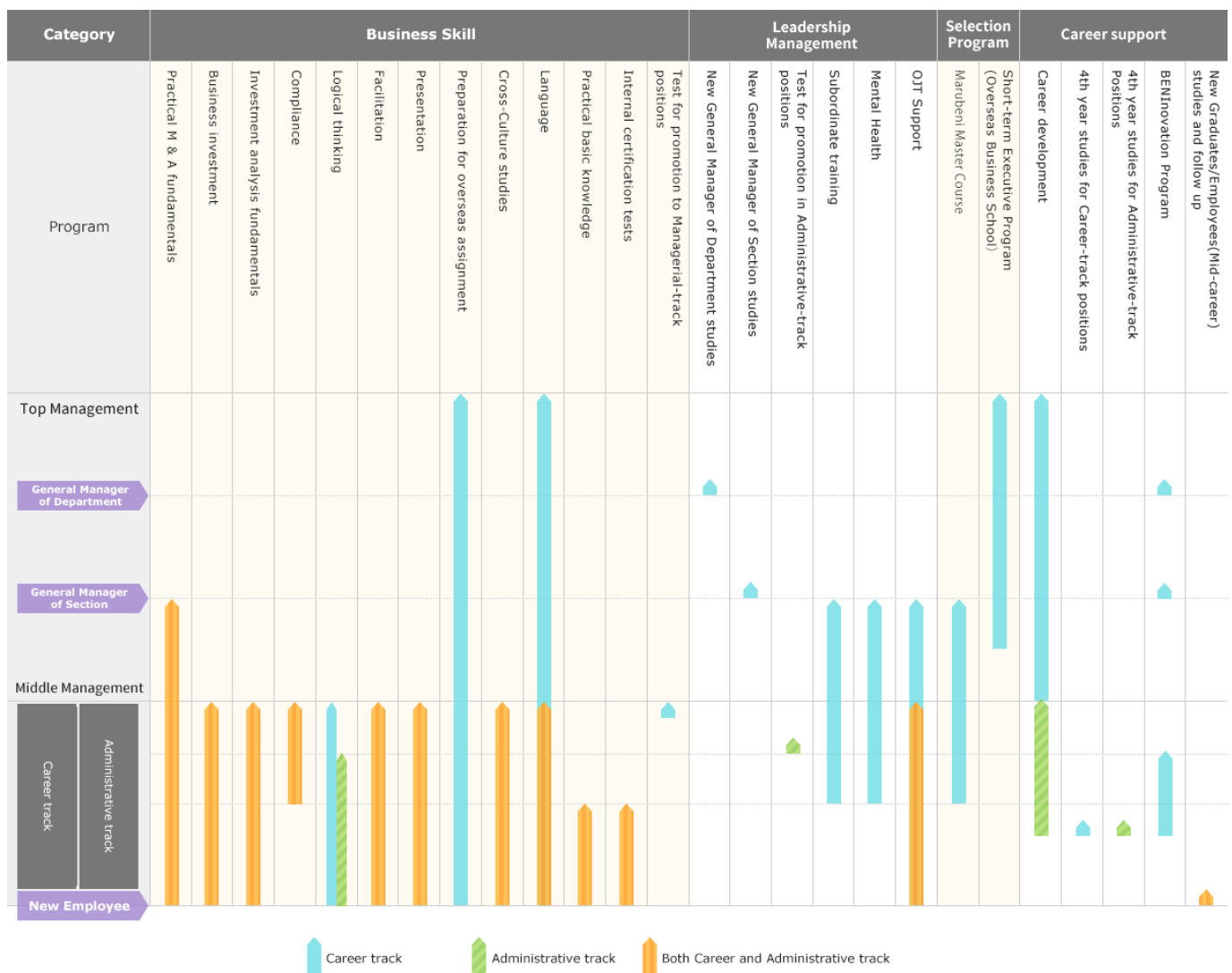
# Basic Policy on HR Development

In order to train individuals who can succeed globally, personnel development is being enhanced through both on-the-job (main focus) and off-the-job training (supporting function).

For on-the-job training, assignment initiatives are being implemented, including promoting onsite experience and recommending overseas assignments for junior employees early in their careers to develop professionalism.

For off-the-job training, a review of the company-wide training system was conducted starting in FYE 3/2017. As a result, the Marubeni Global Academy (MGA) has been improved and enhanced as the support function to achieve the Marubeni Group's HR Strategies. Implementing the MGA programs on a global Group level will help to promote employee self-improvement efforts and to strengthen the HR capacity of the entire Marubeni Group.

## Marubeni Global Academy



## Initiatives

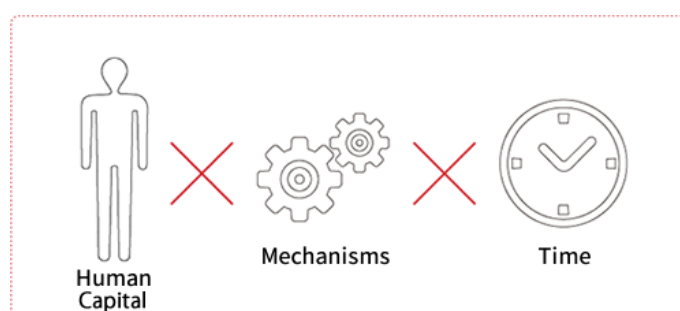
### Individual Learning Support System

We are introducing an individual learning support system to further motivate employees to pursue self-directed learning. By supporting ability development and the acquisition of knowledge and experience that cannot be obtained solely through work, this system aims not only to bring diversity and new added value to the company, but also to enhance the sense of fulfillment among motivated employees. The company has a track record of 20 to 30 cases per year of supporting employees who have acquired qualifications to become Small and Medium Enterprise Management Consultants and Certified Public Accountants. For distance learning support, a total of more than 1,500 people have used online learning services related to business.

### Promote Work Style Reforms

#### Surpassing our Traditional Framework

In order to promote a workstyle that will enable us to grasp the needs of our ever-changing society and clientele, to devise solutions that fit with the times, and to create new distribution channels, Marubeni is working on a number of new initiatives from FYE 3/2019 that operate from the main themes of "Human Capital," "Mechanisms," and "Time."



#### "Human Capital"

The personnel who will be responsible for the future of Marubeni must not only be professionals in a particular product field. They should also be able to grasp social and customer issues with a multifaceted perspective that goes beyond the scope of the business and have the mindset to imagine a solution by taking full advantage of the diverse business infrastructure (platforms) of the Marubeni Group. Therefore, the measures outlined below have been initiated to promote the development of such human capital.

#### "Marubeni Academia"

This is a program where Marubeni Group employees from around the world with diverse careers and personalities are brought together to think about and discuss innovation. The goal of this program is to generate practical innovation through intensive thought and discussion.

#### "External Personnel Exchange Program"

This is a program targeting employees who are future candidates for management and executive positions at Marubeni. The employees are dispatched to leading companies in various industries, such as finance, consulting firms, and manufacturing for a few years to achieve results while working on the front lines. In addition to building a network of connections outside Marubeni, this program also promotes the development of personnel with an outside perspective, the ability to identify values/functions that have not been delivered thus far, and the ability to use insights gained to develop new businesses.



**“Triangle Mentor”**

Three people of different ages and from different departments form a trio and regularly communicate to form connections that transcend one's organization and generation, to share experiences, to further mutual understanding of different values and ways of thinking, and to build a foundation for new employees.

**“New Business Attire Guidelines: “Self-Biz””**

As an initiative to foster a culture of autonomous thinking and conduct, “Self-Biz” has been introduced. This is a policy that allows each employee to select the business attire that they personally feel is appropriate, based on guidelines that define minimum requirements while discarding the categories of business vs. casual.

**“Mechanisms”**

The following measures are being implemented as mechanisms to promote innovation that transcends the vertically segmented product system of an organization.

**“Business Model Canvas”**

This is a mechanism used to present the Marubeni Group operating assets and business models visually. Sharing this with all employees encourages new value and asset synergies and the creation of new businesses.

**“Idea Box”**

This mechanism enables all Group employees to contribute proposals related to business improvements and new business ideas.

**“Innovation Sessions”**

For those wishing to learn the processes for innovation, this program includes about four months of field work during which a total of five days of sessions are held about once per month. Each participant creates a new business proposal from scratch and learns how to innovate from the issue discovery process and how to formulate projects.

**“Time”**

No matter how well people and mechanisms have been prepared, without time it is not possible to start something new. For this reason, the following initiatives are being implemented.

**“Business Improvement Project”**

A comprehensive review is being conducted on in-house business practices, such as reducing internal paperwork requirements.

**“15% Rule”**

This measure makes it possible for employees to allocate up to a maximum of 15% of their work hours in activities aimed at developing business that will help to increase the value of the Marubeni Group. This rule aims to create an environment for each employee that makes it easier to search for and discover new solutions for customers and society by making use of the Marubeni Group's networks, business models, knowledge and human capital.

**“Work from Anywhere”**

A “Work from Anywhere” policy, aimed at raising the performance of the entire organization, has been adopted to encourage each employee to achieve greater quality, speed, and volume of output through increasing workplace options such as working from home and encouraging more effective time utilization.

## Communication with Employees

### Communication between Management and Employees

To encourage unity at Marubeni, internal meetings are regularly held with the aim of encouraging communication between co-workers and between management and employees. In FYE 3/2021, a total of 46 meetings were held. By continuing to provide opportunities for direct dialog between management and employees, we will further energize and deepen communication within the Company.

### Engagement Survey

Marubeni defines engagement as “a relationship in which individuals and the organization come together to contribute to each other’s growth.” In order to encourage improvement of organizational management and various organizational systems and to build a vibrant workplace, this survey measures the engagement score of its employees. The most recent survey in June 2019 had a response rate of about 94%\*1 and the scores have improved overall compared to the previous survey (2018). The survey results indicated the Company’s strengths, particularly in “support actions” such as immediate managers counseling team members and listening to their ideas and opinions. We will continue to reinforce the Company’s strengths identified in the survey results as well as carry out improvements of issues through various measures.

\*1 Gender breakdown of the response rate: Male 94.8%, Female 93.5%

### Relationship with the Labor Union

The Marubeni Employees’ Union was established in 1949. As of March 31, 2021, it has 2,755 members, or about 63% of our employees. The Company and the Marubeni Employees’ Union share common goals such as improving the prosperity of the Company and the socioeconomic status of all employees. Both parties respect each other’s positions and engage in honest dialogue in order to build good labor-management relations. In FYE 3/2021, 15 meetings were held, including management-union discussions with the CEO and other senior management members, various collective bargaining meetings, and committee meetings. In addition, the Company and the Marubeni Employees’ Union actively promote joint activities to introduce and implement systems and measures related to developing the working environment.



Chiharu Momoi, Chairman of the Marubeni Employees’ Union

#### From the Marubeni Employees’ Union

The Marubeni Employees’ Union aims to foster a company environment where each employee of the Marubeni Group can perform to their potential and both the company and employees can nurture sustainable growth. To achieve this, the company’s most important asset is “human capital.” Our employees create additional value, which is built on a foundation of diligent and mutual effort to make Marubeni better and contribute to society. Through dialogues with management (such as management-union discussions), the Marubeni Employees’ Union addresses all management issues by connecting individuals beyond their organizations, gathering company-wide knowledge, and integrating diverse values and then proposing solutions to the Company. In this way, the Marubeni Employees’ Union strives to resolve issues in an optimized and holistic fashion. At the same time, by expanding our network with other labor unions that share the same issues, we aim to become an organization that can lead the company in providing value to society as a whole.

## Data

### Employee Development Data

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Number of participants trained per year	4,708	4,326	25,188
Total number of training days per year	10,697 days	9,774 days	23,393 days
Total number of training hours per year	78,000 hours	71,000 hours	170,000 hours
Annual training hours per employee	18 hours	16 hours	39 hours

\* Data for training programs provided by the Human Resources Department aggregated for the period FYE 3/2019 to FYE 3/2020.

\* From FYE 3/2021, training programs provided by Corporate Staff Departments/Business Groups and company-wide e-learning programs are also included in the above aggregated data.

Social

# Diversity Management

| Policy ▾ | Structures and Systems ▾ | Initiatives ▾ | Data ▾ |

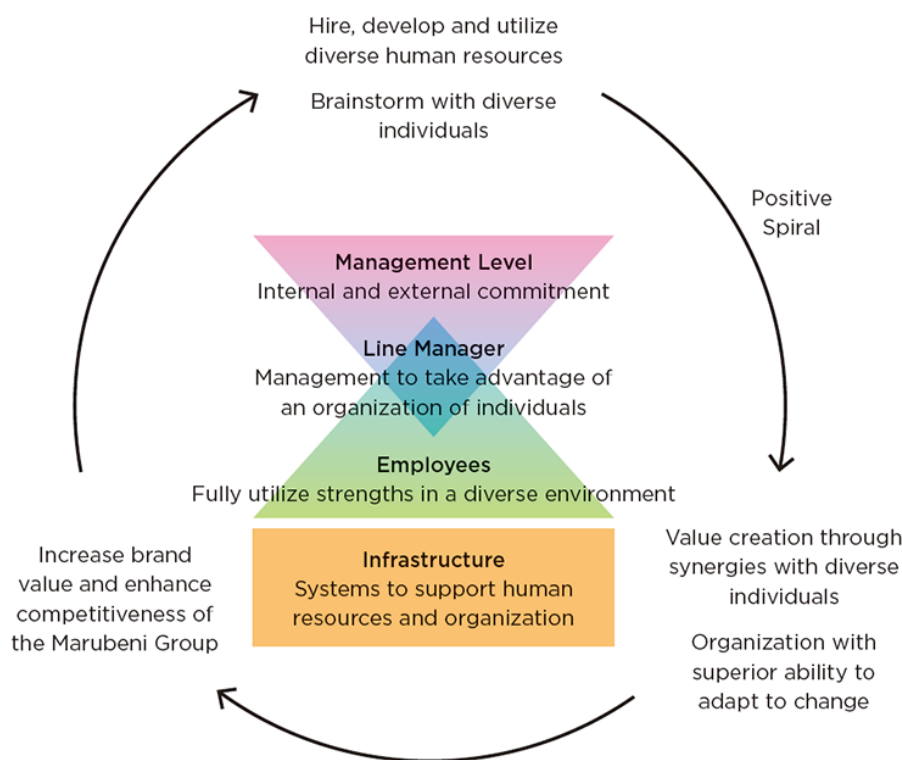
## Policy

➤ [Click here for more details on the GC2021 Group Human Resources Strategy](#)

## Structures and Systems

### Marubeni Diversity Management

**Our Goal: A Strong Marubeni Group in Which Diverse Individuals Play Active Roles**



#### The Role of the Management Level

Foster a culture of respect for diversity and a strong sense of unity by believing that the active participation by diverse individuals is the source of strength for Marubeni for achieving goals and practicing its management philosophy, and making the commitment to realize this both internally and externally.

#### The Role of Line Managers

Understand the strengths of each subordinate and manage them to best utilize these strengths in order to maximize the performance as an organization.

#### The Role of All Employees

In every situation, respect the diverse strengths of other members, and make full use of your own strengths to achieve the goals of the organization.

#### Infrastructure

Systems that form the foundations for diversity management (employee compensation, human resource development, work-life balance related, etc.).

# Initiatives

## Empowering Female Employees

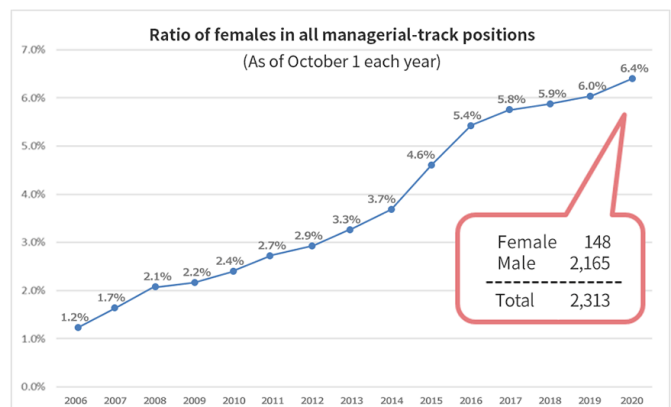
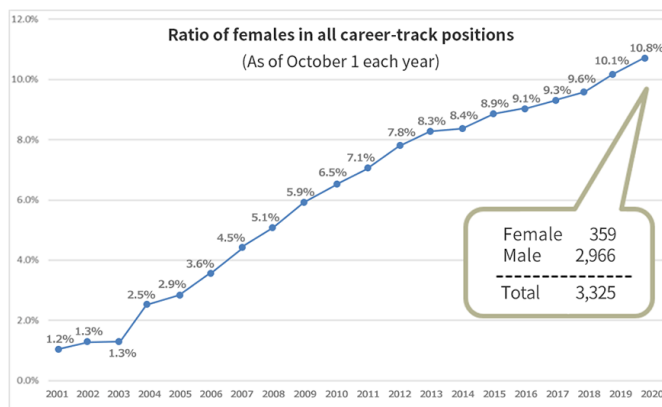
Marubeni is working to strengthen recruitment and training of women for career-track positions, to dispatch them overseas proactively, and to create an environment where they can play an active role regardless of life events. As of October 1, 2020, there are 359 women (10.8% of all career-track positions) working in Japan and overseas. Many women in this track are either relatively junior or mid-career and are expected to play an even more active role as candidates for future managerial positions.

In addition, in accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we have formulated Phase 2 of the General Employer Action Plan for the next five years starting from April 1, 2021. Under this action plan, we have set targets for the ratio of new female graduates hired for career-track positions, the ratio of female employees in all career-track positions, the ratio of female employees in all managerial-track positions, and the ratio of employees who take annual paid leave, and we will focus further on encouraging the success of women in the workplace.

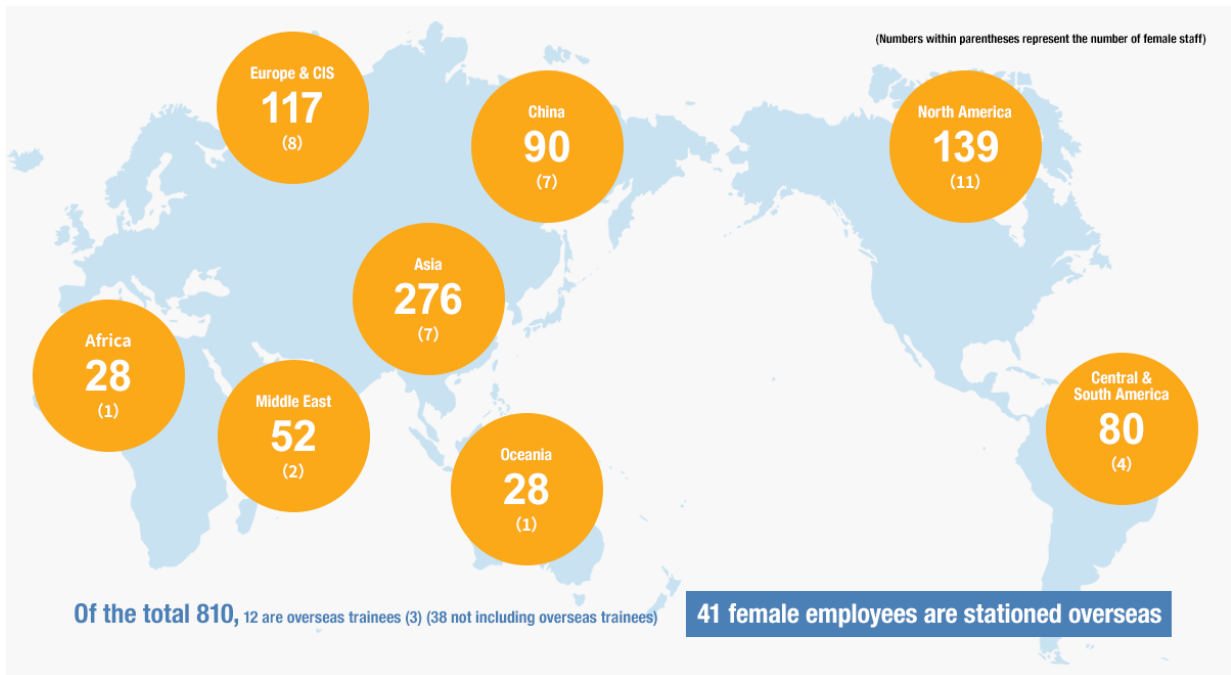
### Action Plan for Empowering Female Employees (Phase 2: April 1, 2021–March 31, 2026)

- [Click here to view Action Plan \(Japanese only\)](#)
- [Ministry of Health, Labour and Welfare Database \(Japanese only\)](#)

[Goals]	<p>I. Providing equal opportunities for women</p> <ul style="list-style-type: none"> <li>• Ratio of female new graduates hired for career-track positions will be raised from the current 20-30% to around 40-50% within three years (by April 1, 2024).</li> <li>• Ratio of females in all career-track positions will be at least 15%.</li> <li>• Ratio of females in all managerial-track positions will be at least 10%.</li> </ul> <p>II. Establishing an environment conducive to balancing work and family life</p> <ul style="list-style-type: none"> <li>• Increasing the annual paid leave utilization rate to at least 70%.</li> </ul>
---------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



**Employees Posted Overseas (As of April 1, 2021)**



**BENInnovation Program**

Diversity is upheld as one of the Group's HR strategies in the Medium-term Management Strategy GC2021. While the diversity targeted by Marubeni is not necessarily focused on gender, conscious efforts toward female employee development have become one of the key issues, amid expectations for the further advancement of women. We have been implementing the "BENInnovation Program," a program that primarily targets early to mid-career female career-track staff and their immediate managers, to encourage these staff to take on greater challenges and to strengthen diversity management. Starting from FYE 3/2020, certain programs have been opened to all employees who wish to participate, regardless of gender or position.

"Kick-off Sessions" for early to mid-career female career-track staff and their immediate managers	"Career Sessions" for early-career female career-track staff
Keynote lectures on the essence of management that promotes diversity, the necessity of changing the mindset of female employees, and changing the awareness of female employee's immediate managers, etc.	Group work to envision a more proactive career by playing a role as future managerial-track staff and taking into account future life events

With the increasing number of dual-income households and diversified workstyles and family situations, the Company is implementing measures to provide the necessary support and environment for employees who will be posted overseas and will be accompanied only by their children. By doing so, the Company ensures that the right people can be placed in/promoted to the right positions in the right places and that these individuals can achieve ongoing career and skills development. Specifically, we provide support to ensure overseas postings are trouble-free and help to prepare a suitable environment for overseas postings by providing a pre-post visit, creating childcare checksheets for posting destinations, and covering part of the cost of essential childcare services. These support measures were introduced in April 2018.



## Marubeni International Women's Day

March 8 is designated as International Women's Day by the United Nations and since FYE 3/2018, we have held Marubeni International Women's Day (IWD) on this day each year to support active working women. In FYE 3/2021, we implemented two programs as part of IWD: "Presentation and Discussion with Marubeni Women Regarding Working Overseas and Developing One's Career" and "Empowering Women and Promoting Female Inclusion at Agrovista."

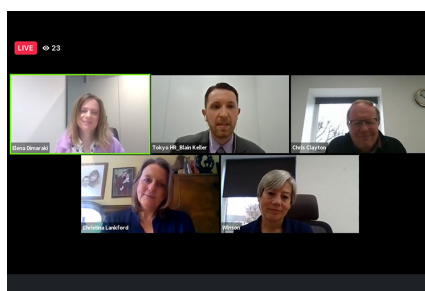
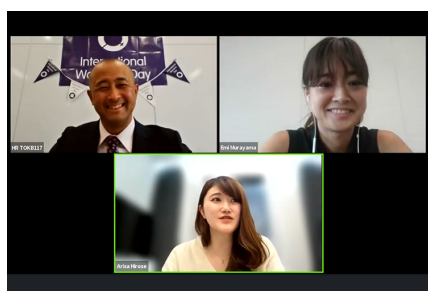
### ■ Program 1: Presentation and Discussion with Marubeni Women Regarding Working Overseas and Developing One's Career

This was an opportunity for two speakers currently working overseas to share with the entire Company their career stories from the time they joined the company to the time they were posted overseas, their experiences of how they have been empowered by their colleagues and superiors, and their experiences while working overseas.

### ■ Program 2: Empowering Women and Promoting Female Inclusion at Agrovista

In the traditionally male-dominated agricultural industry in the UK, Marubeni Group company Agrovista UK Ltd. is striving to create an attractive workplace for women, actively recruiting women, supporting them in the workplace, and promoting them into management positions. The current situation in Europe, a region known for being advanced in the area of gender equality and empowerment of women in the workforce, and Agrovista's challenges and initiatives towards supporting female employees were shared by the company's president and human resources department manager.

Events commemorating IWD were also held at several of our overseas offices and Group companies.



## Opportunities for Senior Employees

The Continuing Employment System has been introduced to make full use of the abundant knowledge and experience possessed by our more senior personnel, covering in principle employees over the age of 60 years who wish to continue working after normal retirement age. (As of April 1, 2021, 211 employees are currently working under the Continuing Employment System.) For the HR system reforms for FYE 3/2021, in addition to realizing mission-based compensation, enhanced measures to support senior careers have also been implemented.

With the aim of ensuring that each senior employee can (1) define and choose their unique career path and (2) be able to grow and work actively with a sense of fulfillment both inside and outside the Group, and that the Company/organization (1) promotes the right people into the right jobs, regardless of age or years with the company, so that strengths and experience can be fully utilized and (2) supports employees who wish to pivot their careers outside of the Marubeni Group, the Career Counseling Section was established within the Human Resources Department to further the roles of senior personnel in the workplace.



## Promoting Employment of People with Disabilities

The Marubeni Office Support Corporation was established in 2008 as a special-purpose subsidiary\*1 of Marubeni designed to provide workplaces that accommodate the needs of people with disabilities.

\*1 Special-purpose subsidiary: a subsidiary that has been certified by the Minister of Health, Labour and Welfare as satisfying the conditions specified in the Act on Employment Promotion etc. of Persons with Disabilities. The number of workers with disabilities employed by such a subsidiary can be included in the calculation of the employment rate of people with disabilities of the parent company.



In March 2016, Marubeni Office Support Corporation was one of 21 companies from across Japan to receive certification from the Ministry of Health, Labour and Welfare as a superior company that actively employs people with mental and other disabilities. In addition, in December 2020, it became the first company in Tokyo to receive the “Monisu Certification” mark, awarded to small and medium-sized enterprises excelling in the employment of persons with disabilities. As of April 2021, the company has a combined total of 66 employees with disabilities and 10 employees without disabilities working in Tokyo and Osaka and aims to be a company where employees help each other and grow together. Employees with physical, mental, and intellectual disabilities engage in a variety of tasks, including business card printing, document PDF conversion, building cleaning, in-house logistics, general office work, and welfare support.

As of April 2021, Marubeni Corporation and the Marubeni Office Support Corporation employ a total of 98 people with disabilities, an employment rate of 2.72% that exceeds the legally-prescribed minimum employment rate.

Marubeni Corporation and the Marubeni Office Support Corporation will continue striving to create workplaces where all people can work, regardless of disabilities.

## Fair Recruiting and Hiring Practices

Marubeni's fundamental hiring policy is to select applicants according to their capabilities 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 equal opportunity regardless of citizenship, home country, gender, disability, or alma mater. Moreover, the job application form does not ask for details such as home country, religion, family situation, or any other information not required for us to determine an applicant's capabilities and competence. During interviews, we respect each applicant's basic human rights by avoiding inappropriate questions and select employees based only on capabilities and competence.

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

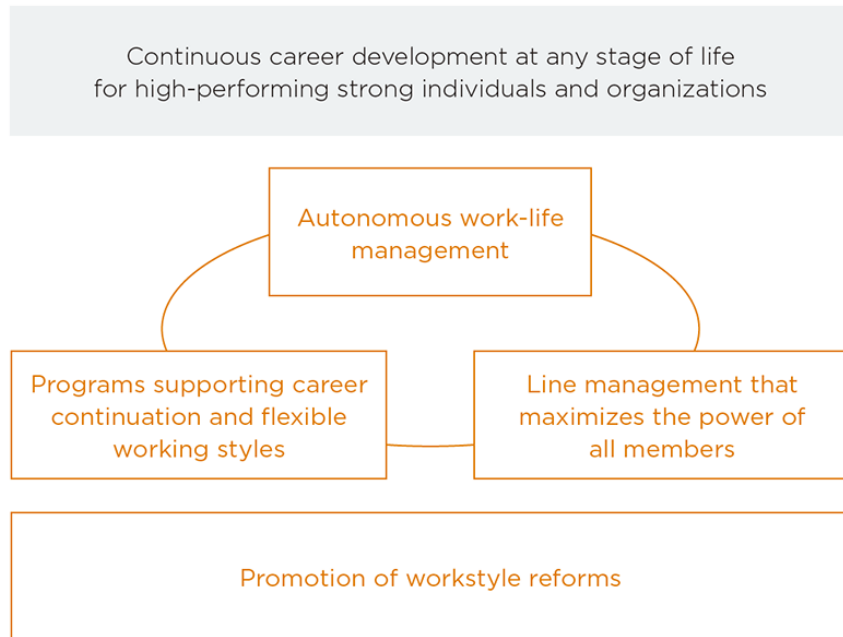
## Promotion of Work/Life Management

We are promoting work/life management as a foundation for employees with diverse backgrounds to create results. We aim to achieve “continuous career development” and “continuous performance” regardless of an employee's stage in life. We are also carrying out various follow-up measures that allow employees to utilize specific programs when needed.

➤ [Click here for the usage status of various systems \(Japanese only\)](#) 



## Marubeni Work-Life Management



## Major Measures Related to Work/Life Management

### Maternity and Parenting Support Measures

In addition to self-management by individuals who take advantage of this system, we are working to create a system built on mutual cooperation, one that is understood by the managers and the workers around them, fosters mutual respect, and can be utilized effectively regardless of gender. This system offers programs that go further than what the law requires such as “Maternity leave,” which can be used during pregnancy; “Family support leave” to support not only children but also other family members including spouses; and “Shorter work hours” and “Childcare flex-care leave” to enable flexible work-hours. There is also a system known as “Ikumen (father childcare) leave” that allows part of the childcare leave to be taken as paid leave in order to encourage male employees to take paternity leave.

### Providing Information to Deepen Understanding

In addition to distributing the Maternity and Childcare Support Handbook, a three-way meeting is conducted among the employee going on maternity or childcare leave, their immediate manager, and a representative from HR (if the employee’s spouse is also a Marubeni employee, the spouse and their supervisor are included in the meeting). In addition to conducting interviews with employees prior to their return to work, we distribute a pre-return checklist to supervisors and provide other information to deepen their understanding of these HR programs.

### Follow-up Meetings after Returning to Work

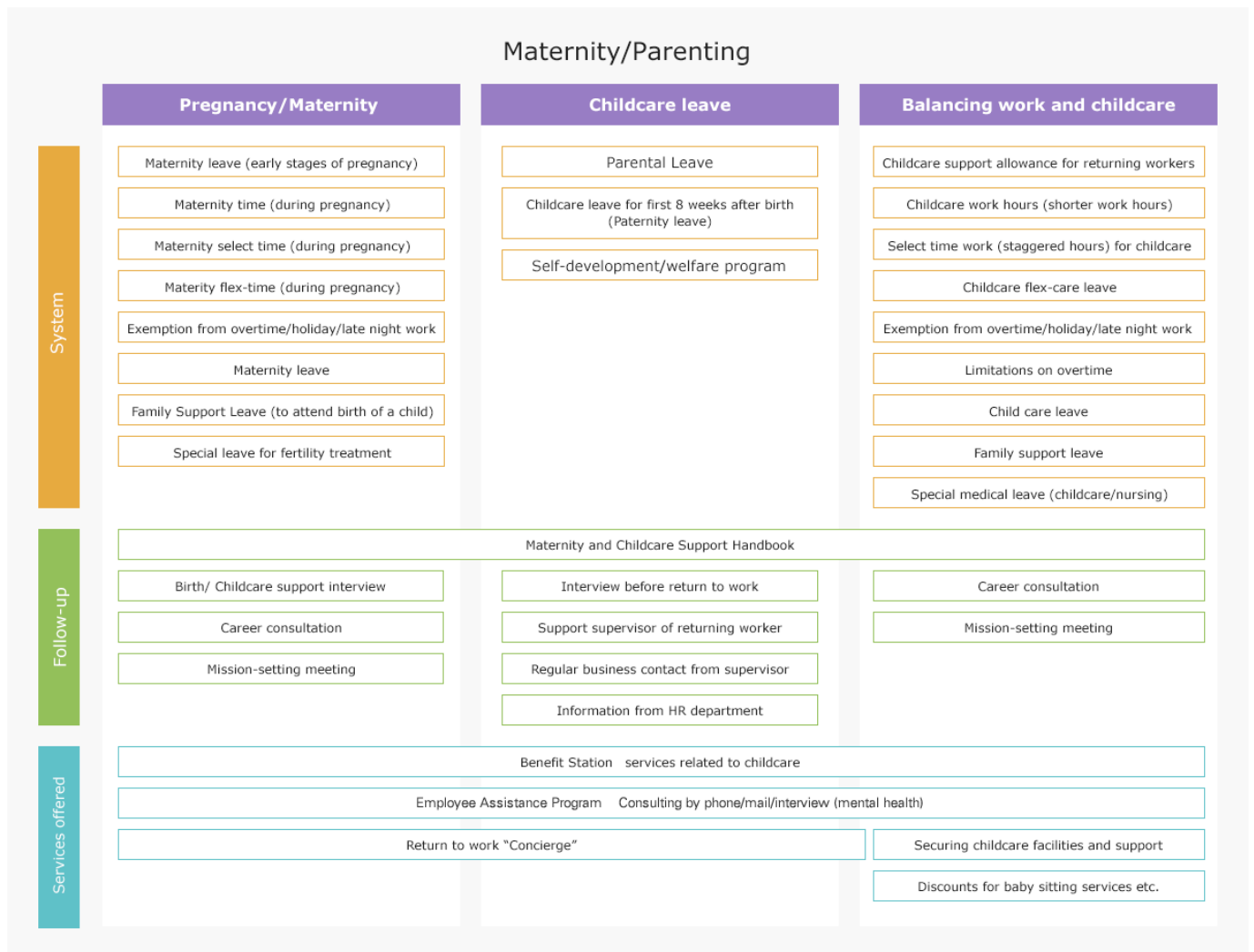
We conduct periodic group meetings with more senior employees to support internal networking among workers who have come back to work after childcare leave and to share information including expertise and ideas on how to create systems for balancing work and parenting.

### Securing Places at Childcare Facilities

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 securing permanent places at a daycare center near our Tokyo HQ office to support employees in returning to work smoothly.

## Marubeni Family Day

From FYE 3/2011, we have held the “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. These events are an opportunity for deepening understanding of the company and work that employees are involved with, thereby cultivating Marubeni Group supporters, and for the Company, employees, and their families to consider the balance between work and private life.



## Nursing Care Support Programs

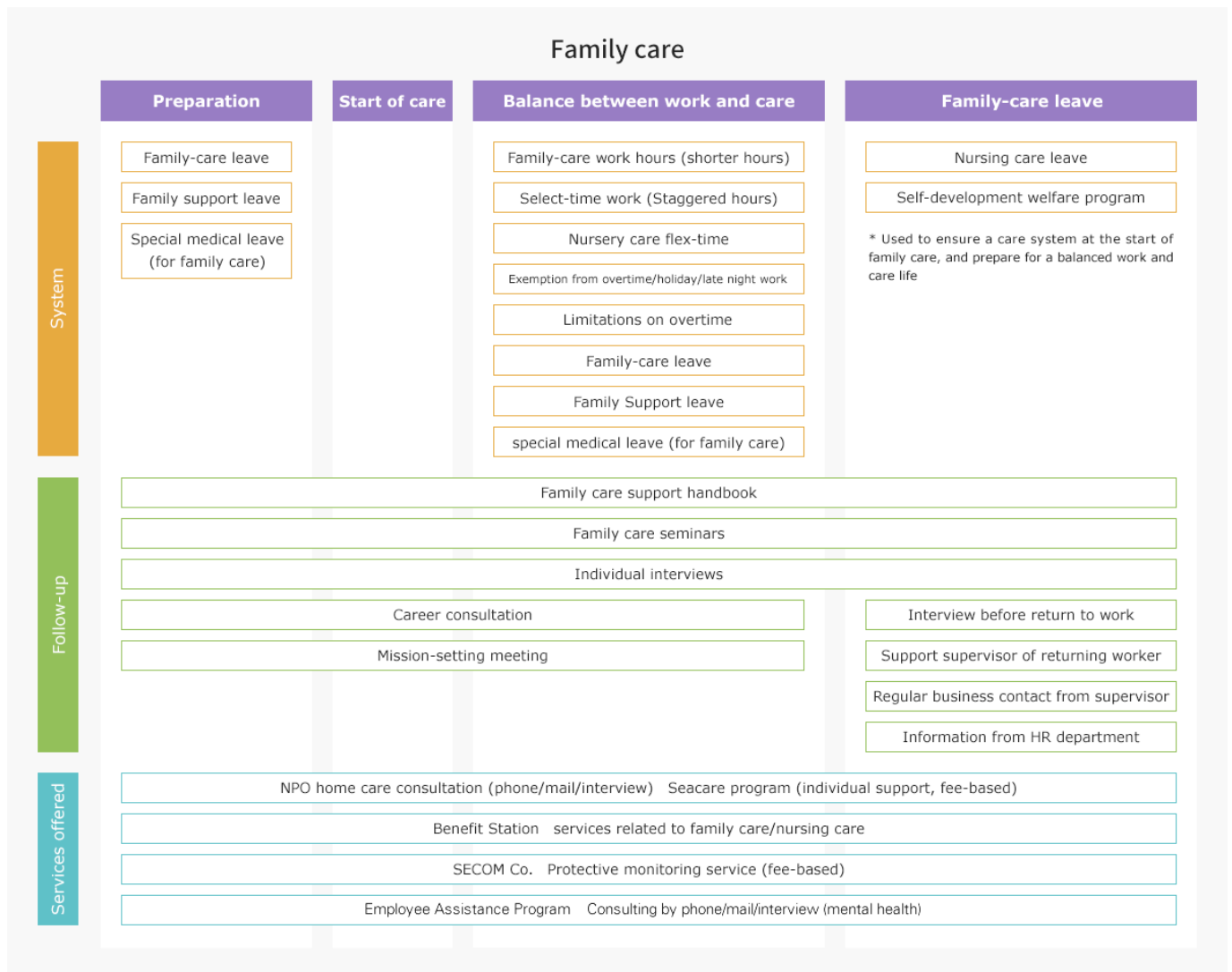
We live in a world characterized by declining birthrates, an aging population, fewer siblings, more people remaining single, and more dual income households. This means that nursing care, which was traditionally taken care of mostly by stay-at-home family members, is now an issue that working family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

## Providing Information to Deepen Understanding

Marubeni has created and distributes a Family Care Handbook and has also been holding nursing care seminars on various topics from FYE 3/2011, with a cumulative total of 1,400 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.

## Partnership with External Services Including Personal Consultations and Remote Nursing Care

We provide free consultation by telephone, email, or in person in collaboration with Umi wo Koeru Care no Te, an NPO dedicated to supporting nursing care. We have also concluded contracts with various companies to make elderly 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 calls.



## Data

### Employment Rate of Persons with Disabilities

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Employment rate of persons with disabilities (%) <sup>*2</sup>	2.57	2.69	2.58

\*2 : Figures are the combined total for Marubeni Corporation and the certified special-purpose subsidiary, Marubeni Office Support Corporation (as of March 1).

### Working Hours, Overtime Hours, Usage Situation of Work-life Balance System

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Average total actual working hours per year <sup>*3</sup>	2,024.9	2,012.4	2,086.1
Average overtime hours per month <sup>*3</sup>	20.0	19.0	20.0
Average use of vacation time per year (days) <sup>*4</sup>	12.78	12.71	9.55
Usage of annual paid leave (%) <sup>*3</sup>	56.3	54.0	41.0
No. of employees who took maternity leave <sup>*5</sup>	43	55	58
No. of employees who took childcare leave <sup>*6</sup>	54	105	100
No. of employees who took childcare leave (male)	14	51	48
Return rate (after childcare leave) (%) <sup>*7</sup>	91.5	96.8	98.9
No. of employees who took nursing care leave <sup>*6</sup>	0	0	0
No. of employees who took volunteer leave <sup>*6</sup>	7	37	0

\*3 : Figures for Marubeni Corporation.

\*4 : Figures for Marubeni Corporation. The vacation includes annual paid holidays and other special vacation.

\*5 : Figures for Marubeni Corporation. Indicates the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.

\*6 : Figures for Marubeni Corporation. Indicates the cumulative total number of people who started using leave in the fiscal year. The leave taken within eight weeks after childbirth (so-called "Paternity Leave") and subsequent Parental Leave shall be counted as one person each.

\*7 : Figures for Marubeni Corporation. Indicates the ratio of people who returned to work of those who ended using the childcare leave in the fiscal year.

Social

# Social Data

Employee Statistics ▼ | No. of Hires and No. of Retirees ▼ | Occupational Health and Safety ▼ |  
 Training and Education ▼ |

## Employee Statistics

### Employee Data

	FYE 3/2019	FYE 3/2020	FYE 3/2021
No. of employees (Consolidated)* <sup>1</sup>	42,882	45,635	45,470
No. of employees (Non-Consolidated)* <sup>2</sup>	4,418	4,404	4,389
Of which, Domestic	3,524	3,540	3,561
Of which, Overseas	894	864	828
Of which, Male	3,227	3,218	3,203
Of which, Female	1,191	1,186	1,186
Percentages of male and female (%)* <sup>3</sup>	73.0 : 27.0	73.1 : 26.9	73.0 : 27.0
Average age* <sup>3</sup>	41.9	42.1	42.2
Of which, Male	42.6	42.9	43.1
Of which, Female	39.9	39.9	40.0
Average service years* <sup>3</sup>	17.2	17.3	17.5
Of which, Male	17.6	17.8	18.0
Of which, Female	16.2	16.2	16.2

\*1 : As of March 31

\*2 : Total figures include the number of Marubeni employees assigned to other companies and exclude secondees to Marubeni Corporation from other companies (as of March 31).

\*3 : Figures for Marubeni Corporation (as of March 31).

## Employee Ratio

	FYE 3/2019	FYE 3/2020	FYE 3/2021
No. of career-track positions* <sup>3</sup>	3,346	3,324	3,318
Of which, Male	3,024	2,985	2,960
Of which, Female	322	339	358
Ratio of female in career-track positions (%) <sup>*3</sup>	9.6	10.2	10.8
No. of managerial employees* <sup>3</sup>	2,424	2,357	2,304
Of which, Male	2,281	2,215	2,157
Of which, Female	143	142	147
Ratio of female in managerial positions (%) <sup>*3</sup>	5.9	6.0	6.4
No. of managerial employees (general managers or above)* <sup>3</sup>	202	220	227
Of which, Male	202	220	227
Of which, Female	0	0	0
Executive Officers	28	30	32
Of which, Male	28	30	32
Of which, Female	0	0	0
Directors, Audit & Supervisory Board Members	15	16	18
Of which, Male	14	15	17
Of which, Female	1	1	1

\*3 : Figures for Marubeni Corporation (as of March 31).

## Employment Rate of Persons with Disabilities

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Employment rate of persons with disabilities (%) <sup>*4</sup>	2.57	2.69	2.58

\*4 : Figures are the combined total for Marubeni Corporation and the certified special-purpose subsidiary, Marubeni Office Support Corporation (as of March 1).

## No. of Hires and No. of Retirees

### No. of Hires<sup>\*5</sup>

	FYE 3/2019	FYE 3/2020	FYE 3/2021
No. of hires	141	154	146
Of which, Male	95	113	106
Of which, Female	46	41	40
No. of new graduate recruitment (Ratio of new graduate recruitment in hires)	119 (84.4%)	106 (68.8%)	116 (79.5%)
Of which, Male	79	70	79
Of which, Female	40	36	37
No. of mid-career recruitment (Ratio of mid-career recruitment in hires)	22 (15.6%)	48 (31.2%)	30 (20.5%)
Of which, Male	16	43	27
Of which, Female	6	5	3

\*5 : Figures for Marubeni Corporation.

### No. of Retirees, Turnover Rate<sup>\*5</sup>

	FYE 3/2019	FYE 3/2020	FYE 3/2021
No. of retirees	249	267	226
Of which, Male	198	204	173
Of which, Female	51	63	53
No. of mandatory retirement	74	89	81
Of which, Male	57	60	55
Of which, Female	17	29	26
No. of voluntary retirement	114	130	100
Of which, Male	93	106	83
Of which, Female	21	24	17
Turnover rate (%)	3.1	3.3	3.0

\*5 : Figures for Marubeni Corporation.

## Occupational Health and Safety

### Working Hours, Overtime Hours, Usage Situation of Work-life Balance System

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Average total actual working hours per year <sup>*5</sup>	2,024.9	2,012.4	2,086.1
Average overtime hours per month <sup>*5</sup>	20.0	19.0	20.0
Average use of vacation time per year (days) <sup>*6</sup>	12.78	12.71	9.55
Usage of annual paid leave (%) <sup>*5</sup>	56.3	54.0	41.0
No. of employees who took maternity leave <sup>*7</sup>	43	55	58
No. of employees who took childcare leave <sup>*8</sup>	54	105	100
No. of employees who took childcare leave (male)	14	51	48
Return rate (after childcare leave) (%) <sup>*9</sup>	91.5	96.8	98.9
No. of employees who took nursing care leave <sup>*8</sup>	0	0	0
No. of employees who took volunteer leave <sup>*8</sup>	7	37	0

\*5 : Figures for Marubeni Corporation.

\*6 : Figures for Marubeni Corporation. The vacation includes annual paid holidays and other special vacation.

\*7 : Figures for Marubeni Corporation. Indicates the total number of people who used leave in the fiscal year, including those who used the leave continuously from the previous fiscal year.

\*8 : Figures for Marubeni Corporation. Indicates the cumulative total number of people who started using leave in the fiscal year. The leave taken within eight weeks after childbirth (so-called "Paternity Leave") and subsequent Parental Leave shall be counted as one person each.

\*9 : Figures for Marubeni Corporation. Indicates the ratio of people who returned to work of those who ended using the childcare leave in the fiscal year.

### Occupational Health and Safety Data

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Lost-time injuries frequency rate <sup>*10</sup>	0	0	0
Occupational illness frequency rate <sup>*11</sup>	0	0	0
No. of occupational accident or incidents leading to injuries or fatalities <sup>*12</sup>	2	2	0
No. of fatal occupational accidents <sup>*5</sup>	0	0	0
No. of fatal occupational accidents of contractors <sup>*13</sup>	0	0	0

\*5 : Figures for Marubeni Corporation.

\*10 : Figures for Marubeni Corporation. The LTIFR 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.

\*11 : Figures for Marubeni Corporation. Occupational illness frequency rate = No. of occupational illness/Total working hours×1 million.

\*12 : Figures include the occupational accidents without lost workdays.

\*13 : Figures for Marubeni Group.



## Performance Management of Occupational Health and Safety<sup>\*14</sup>

	Targets	FYE 3/2019	FYE 3/2020	FYE 3/2021	Industry benchmark
Lost-time injuries frequency rate <sup>*15</sup>	0	0	0	0	2.27
Lost-time injuries severity rate <sup>*16</sup>	0	0	0	0	0.11
Average annual working days lost per case <sup>*17</sup>	0	0	0	0	50.0
Occupational illness frequency rate <sup>*18</sup>	0	0	0	0	—
No. of occupational accident or incidents leading to injuries or fatalities <sup>*12</sup>	0	2	2	0	—
No. of fatal occupational accidents	0	0	0	0	—

\*12 : Figures include the occupational accidents without lost workdays.

\*14 : Figures for Marubeni Corporation. We use a survey on occupational accident, executed in 2020 by the Ministry of Health, Labour and Welfare, as a benchmark.

\*15 : Lost-time injuries frequency rate=Lost-time injuries/Total working hours×1 million. The LTIFR is the frequency rate of occupational injury cases that result in one or more days of employee absence, or lost of a part of body or functions.

\*16 : Lost-time injuries severity rate=The number of total work loss days/Total working hours×1 thousand.

\*17 : The number of annual working days lost/The number of employees with an occupational accident.

\*18 : Occupational illness frequency rate=No. of occupational illness/Total working hours×1 million.

## Regular Health Check-ups and Stress Check Tests

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Participation in regular health check-ups in Japan (legally mandated)	99.2%	99.7%	99.0%
Participation in regular health check-ups overseas	92.0%	81.0%	63.1%
Number of Stress Check Tests respondents (response rate)	89.4%	91.9%	91.6%

## Training and Education

### Employee Development Data

	FYE 3/2019	FYE 3/2020	FYE 3/2021
Number of participants trained per year	4,708	4,326	25,188
Total number of training days per year	10,697 days	9,774 days	23,393 days
Total number of training hours per year	78,000 hours	71,000 hours	170,000 hours
Annual training hours per employee	18 hours	16 hours	39 hours

\* Data for training programs provided by the Human Resources Department aggregated for the period FYE 3/2019 to FYE 3/2020.

\* From FYE 3/2021, training programs provided by Corporate Staff Departments/Business Groups and company-wide e-learning programs are also included in the above aggregated data.

### Training and Education in Health Management

Program	Outline	Number of participants (FYE 3/2019)	Number of participants (FYE 3/2020)	Number of participants (FYE 3/2021)
Package program for new graduates	Lecture by head of the medical clinic on "safety and health management"	121	105	115
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	166	94	210
Training for new GM for Dept.	Lecture on "working hour management, health management, and mental health care"	24	34	25
Promoted training for Administrative track (upper tier)	Lecture on "working hour management, health management, and mental health care"	22	15	12
4th-year training for Career track <sup>*19</sup>	Lecture on "working hour management, health management, and mental health care"	99	96	0
4th-year training for Administrative track <sup>*19</sup>	Lecture on "working hour management, health management, and mental health care"	25	37	0
Career development	Lecture on "health management"	182	190	47

\*19 : The Program was suspended in FYE 3/2021 due to COVID-19 pandemic and postponed to FYE 3/2022 with anti-COVID-19 measures.

Click here for more details on social data for FYE 3/2021 that we have disclosed on our sustainability website, of which are assured by a third party.



# Supply Chain

<b>Policy</b>	<b>137</b>
<b>Group-wide Initiatives</b>	<b>139</b>
<b>Sustainability Surveys to Suppliers</b>	<b>142</b>
<b>Initiatives for Individual Commodities</b>	<b>145</b>

# Supply Chain

Policy ▾ | Group-wide Initiatives ▾ | Sustainability Surveys to Suppliers ▾ | Initiatives for Individual Commodities ▾

## 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.

\*1 "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 \(Palm Oil\) !\[\]\(950a62bbddad88d64435fd35607dfc42\_img.jpg\)](#)[➤ Initiatives on Palm Oil !\[\]\(5a132f13505a6571904d622757b7a8f0\_img.jpg\)](#)

## **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)

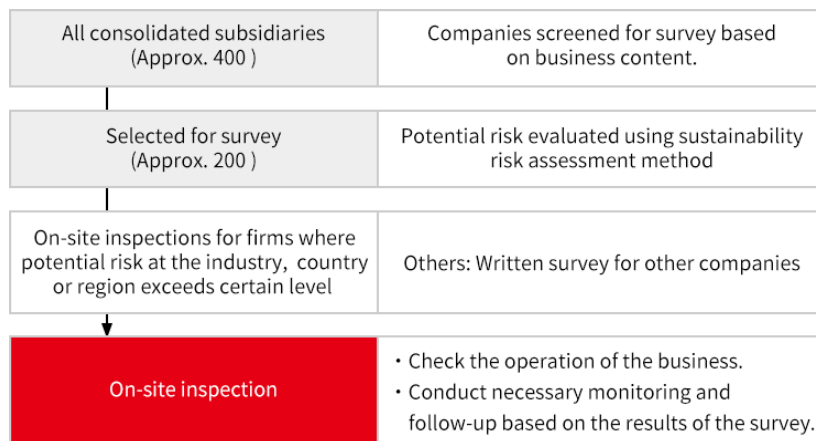
➤ [Please click here for Human Rights Due Diligence and Respect for Human Rights.](#)



## 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.

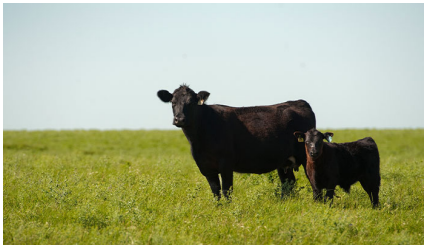


**2. Initiatives to Reduce Environmental Impact**

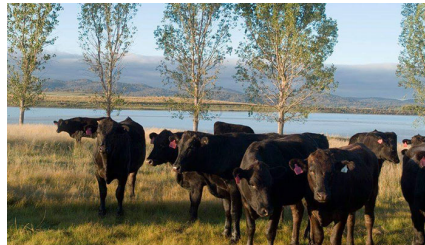
The Group's beef-related businesses regularly assess the impact of their operations on the environment and aim to reduce their environmental footprint.

**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**

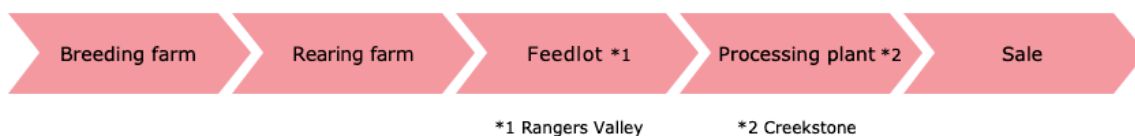
**1. Initiatives to Ensure Traceability**

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%





# Governance

## Appendix Corporate Governance Report

- I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information
- II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management
- III Implementation of Measures for Shareholders and Other Stakeholders
- IV Matters Related to the Internal Control System
- V Other

The following is the Corporate Governance Report updated on April 4, 2022, which was submitted to the Tokyo Stock Exchange. The latest reports regarding corporate governance of the Company, Corporate Governance Report and Marubeni's Corporate Governance Code Initiatives, are available on our website.

[https://www.marubeni.com/en/company/governance/index.html?id=anc\\_01&](https://www.marubeni.com/en/company/governance/index.html?id=anc_01&)

[Translation]

\*This document is an English translation of materials originally prepared in Japanese.  
The Japanese original shall be considered the primary version.

## Corporate Governance Report

Last Update: April 4, 2022

Marubeni Corporation

President and CEO Masumi Kakinoki

Contact: Planning Section, Corporate Planning & Strategy Department

+81 3-3282-4666

Securities Code: 8002

<https://www.marubeni.com/en/>

The corporate governance of Marubeni Corporation (the “Corporation”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Basic Views**

The officers and employees of the Marubeni Group shall comply with laws, regulations and internal rules in accordance with the spirit grounded in the Corporation’s Company Creed “Fairness, Innovation, and Harmony” as well as the Marubeni Corporate Principles and engage in corporate activities conforming to business ethics and the Marubeni Management Philosophy and endeavor to enhance corporate governance. Further, the Corporation’s Board of Directors resolved on the Basic Internal Control Policy regarding the system, etc. for ensuring that the execution of duty by the Directors to comply with laws, regulations and the articles of incorporation. Its overview is described in IV.1 Basic Views on Internal Control System and the Progress of System Development in this report.

##### 1- Company Creed and Marubeni Management Philosophy

Company Creed: Fairness (To be fair and bright)

Innovation (To be active and innovative)

Harmony (To respect each other and cooperate)

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.”

##### 2- Marubeni Corporate Principles

The Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and lawful competition. As a company, the Corporation will also continue to play its part in the growth of the global

economy, while always striving to enrich the society within which it operates. In order to achieve these goals, the Corporation is committed to the following six basic principles of business:

(a) Conduct Fair and Open Business Activities

Comply with laws and promote fair transactions.

Maintain sound relationship with the politics and administration in Japan and abroad and ensure sales activities in free competition.

Take a firm stand against antisocial activities and forces.

(b) Develop a Globally Connected Company

Respect the culture of all countries and regions and contribute to the prosperity of local economies through business activities.

Aim for development that is in harmony with the local communities through a management system that is accepted globally.

(c) Create New Value Through Business Vision

In addition to responding to changes in markets and industries, create changes ourselves and offer new products and services to markets and customers.

Always take on new challenges without being constrained by existing practices or frameworks.

(d) Respect and Encourage Individuality and Originality

Foster a free and vibrant corporate culture that respects the individuality of each person and allows them to fully demonstrate their originality.

Act proactively, under self-management, to achieve goals.

(e) Promote Good Corporate Governance

Proactively disclose information to the shareholders and society and improve the transparency of management.

Respect proposals related to improvement, etc. of management and aim for a management that is open to the shareholders and society.

(f) Safeguard Ecological and Cultural Diversity

Recognize the responsibility as a corporate citizen in international society and engage positively in social contribution activities.

Pay attention to environmental problems to pass on a sound global environment to the future generations.

### 3- Stakeholders

The Marubeni Group conducts business with the support of various stakeholders throughout the world. The Marubeni Group 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 Marubeni Group's activities on society and the environment. The Marubeni Group's concept of each stakeholder is as follows:

(a) Customers and business partners

The Marubeni Group aims to become a company that can be trusted and relied upon by its customers and business

partners. The Marubeni Group will develop and offer socially useful products and services, by giving full consideration to safety and striving at all times to improve the satisfaction and earn the trust of its customers and business partners through conducting sincere and honorable business practices.

(b) Shareholders and Investors

The Marubeni Group is dedicated to meeting shareholders' expectations. The Marubeni Group strives thus to enhance its corporate value by responding to changes in the business environment and maintaining stable profitability. In addition, the Marubeni Group works to boost corporate value from social and environmental perspectives, and also disclose pertinent information in a fair and timely manner.

(c) Local Community

The Marubeni Group aims to become a valued member of the local communities where it 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.

Overseas, the Marubeni Group respects local laws, cultures and customs, and strives to operate its businesses in a way that contributes to local development. Furthermore, the Marubeni Group is firmly opposed to antisocial forces and groups that threaten the order and safety of society.

(d) Employees

The Marubeni Group shall respect the individual values and life goals of each and every employee. The Marubeni Group also works to eliminate all forms of discrimination and foster an atmosphere that is pleasant for all.

**[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

The Corporation is implementing all the principles of the Corporate Governance Code dated June 11, 2021, including principles for the Prime Market, based on the above-mentioned basic concepts.

**[Disclosure Based on the Principles of the Corporate Governance Code]**

Please refer to the Corporation's status of initiatives and policies related to all the 83 principles that are consist of Basic Principles, Principles, and Supplementary Principles and include disclosure items based on the principles of the Corporate Governance Code dated June 11, 2021, including principles for the Prime Market. This information is attached to this report and is posted on the Corporation's webpage.

(<https://www.marubeni.com/en/company/governance/>)

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
----------------------------	---------------

### [Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	165,540,400	9.53
Custody Bank of Japan, Ltd. (Trust account)	123,732,900	7.12
BNYM AS AGT/CLTS NON TREATY JASDEC	98,570,158	5.68
Meiji Yasuda Life Insurance Company	41,818,718	2.41
Mizuho Bank, Ltd.	30,000,000	1.73
Sompo Japan Insurance Inc.	30,000,000	1.73
Custody Bank of Japan, Ltd. (Trust account 5)	29,781,700	1.71
Custody Bank of Japan, Ltd. (Trust account 6)	26,399,100	1.52
STATE STREET BANK WEST CLIENT - TREATY 505234	25,448,103	1.47
The Dai-ichi Life Insurance Company, Limited	24,859,500	1.43

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

### Supplementary Explanation

Nothing particular to be mentioned.

## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Wholesale Trade
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

## **5. Other Special Circumstances which may have Material Impact on Corporate Governance**

The Corporation has many group companies that span a wide variety of businesses all across the globe. As such, the Corporation respects the autonomy of these group companies, while also remaining responsible for the business management and monitoring of them as shareholder and business owner, and striving for the improvement and optimization of corporate value for the entire Marubeni Group. Furthermore, the group companies are also responsible for executing management, based on the policies, strategies and goals of the Marubeni Group, that will contribute to improving and optimizing corporate value. The Corporation (i) shares and disseminates Marubeni Group management policy, (ii) builds and strengthens group governance through the clarification of the abovementioned responsibilities, and (iii) maintains and plans the codification of necessary systems, policies and rules. As such, the Corporation established and adopted the “Marubeni Group Governance Policy” in April, 2017 for group companies, and is advancing the dissemination and credentials of group governance.

Arteria Networks Corporation, a listed subsidiary of the Corporation, uses its own high-capacity optical fiber networks to provide cutting edge services to domestic corporations and condominiums in Japan. Arteria Networks Corporation, as a listed company, maintains a strong and transparent governance system. Meanwhile, the Corporation guarantees Arteria Networks Corporation’s ability to execute flexible decision making, and also believes that synergy creation between access to the Corporation’s customers and partners and the Arteria Networks Corporation’s network assets and cutting-edge services, and collaboration across a diversity of industries, including those in which the Corporation’s subsidiaries operate, are all connected to raising and optimizing corporate value for the entire Marubeni Group.

As consideration is given to Arteria Networks Corporation’s independence as a listed subsidiary, the “Marubeni Group Governance Policy” does not apply to them. However, avoiding a conflict of interest with Arteria Networks Corporation’s general stockholders, the Corporation gives appropriate guidance and advice as the parent company, propagates the appropriate level of governance as the Marubeni Group, and plans for the improvement and optimization of corporate value for the entire Marubeni Group.

Furthermore, in order to ensure effective governance policy building and execution, a written agreement was concluded between the Corporation and Arteria Networks Corporation. By virtue of this agreement, important information for internal controls is reported by Arteria Networks Corporation to the Corporation, and Arteria Networks Corporation receives opinions on these items from the Corporation in advance of decision making. Additionally, the Corporation provides Arteria Networks Corporation with support and guidance necessary for Arteria Networks Corporation’s internal controls system maintenance. It should be noted that advice and opinions by the Corporation to Arteria Networks Corporation as per the aforementioned agreement is not meant to be restrictive, but to be used as reference in Arteria Networks Corporation’s own final decision-making process, thereby guaranteeing autonomy. Arteria Networks Corporation maintains a governance policy that protects the interests of minority shareholders from unfair treatment through such measures as appointing independent outside directors and voluntarily establishing a Nomination and Remuneration Committee of which the majority of members are independent outside directors.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with auditors
-------------------	-----------------------

#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	No upper limit has been set forth.
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Chairperson (except when also serving as President)
Number of Directors	13
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Directors	6

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Takao Kitabata	Other												
Kyohei Takahashi	From another company									△			
Yuri Okina	From another company												
Takashi Hatchoji	From another company									△			
Masato Kitera	Other												
Shigeki Ishizuka	From another company									○			

\* Categories for "Relationship with the company"

- \* "○" when the director presently falls or has recently fallen under the category;
- "△" when the director fell under the category in the past
- \* "●" when a close relative of the director presently falls or has recently fallen under the category;
- "▲" when a close relative of the director fell under the category in the past

- a. Executive of the company or its subsidiaries
- b. Non-executive director or executive of a parent company of the company
- c. Executive of a fellow subsidiary company of the company
- d. A party whose major client or supplier is the company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the company besides compensation as a director/Audit & Supervisory Board Members
- g. Major shareholder of the company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the company outside directors/ Audit & Supervisory Board Members are mutually appointed (the director himself/herself only)

- j. Executive of a company or organization that receives a donation from the company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Takao Kitabata	Yes	Mr. Kitabata concurrently serves as President, KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation, with which the Corporation has no transactions.	<p>Mr. Kitabata served in key positions in the government and has profound insight about economic trends in Japan and overseas. He vigorously stated opinions at meetings of the Board of Directors from an objective, specialist viewpoint. As the Chief Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As the chairperson of the Nomination Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management.</p> <p>Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Mr. Kitabata and the Corporation existed in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>



Kyohei Takahashi	Yes	<p>Mr. Takahashi was an executive of Showa Denko K.K. There is a continuous transaction relationship between Showa Denko and the Corporation, in which the Corporation sells raw materials to Showa Denko and the Corporation purchases Showa Denko's products and so on. Net sales of the Corporation to Showa Denko for the three business years from FY 2017 to FY 2019 account for 0.01% of the consolidated revenue of the Corporation during said three-year period, whereas net sales of Showa Denko to the Corporation account for 0.08% of the consolidated revenue of the Corporation during said three-year period; both of these percentages are insignificant.</p>	<p>Mr. Takahashi has profound insight cultivated through involvement in corporate management at an international company. He vigorously stated opinions at meetings of the Board of Directors from a practical viewpoint. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. He is also well-versed in corporate governance. As the chairperson of the Governance and Remuneration Committee, he vigorously stated opinions in order to enhance soundness, transparency, and efficiency of the Corporation's management.</p> <p>Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Mr. Takahashi and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>
Yuri Okina	Yes	Not applicable	<p>Ms. Okina has profound insight about economic and financial matters cultivated through her many years of research at a research institute. She also has experience as an outside officer at various companies, and experience based on extensive activities as a member of government committees,</p>

			<p>such as the Industrial Structure Council, the Financial System Council and the Tax Commission. She vigorously stated opinions at meetings of the Board of Directors from a specialist and multifaceted viewpoint. As an Outside Director of the Corporation, she has been providing advice to management and appropriately supervising business execution. Additionally, she has been proactively expressing her opinions as a Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation’s management and as an advisor to the Sustainability Management Committee to reinforce the sustainability promotion structure.</p> <p>Because she is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint her as a candidate for Outside Director, and then she was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Ms. Okina and the Corporation existed in the past or exist currently, and she satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>
Takashi Hatchoji	Yes	Mr. Hatchoji was an executive of Hitachi, Ltd. There is a continuous transaction relationship between Hitachi Ltd. and the Corporation in diverse areas, such as sales and purchases of products	Mr. Hatchoji has profound insight cultivated through his involvement in corporate management at an international company and has a wealth of experience in providing advice for and supervising business execution, serving as an outside officer of other companies. He was an Outside Audit &

		<p>and construction contracts. Net sales of the Corporation to Hitachi, Ltd. for the three business years from FY 2017 to FY 2019 account for 0.02% of the consolidated revenue of the Corporation during said three-year period, whereas net sales of Hitachi, Ltd. to the Corporation account for 0.01% of the consolidated revenue of the Corporation during said three-year period; both of these percentages are insignificant.</p>	<p>Supervisory Board Member of the Corporation from June 2017 to June 2020 and has a good knowledge of the Corporation's business. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives with an emphasis on practicality. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Nomination Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management and as an advisor to the Sustainability Management Committee to reinforce the sustainability promotion structure.</p> <p>Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Mr. Hatchoji and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>
Masato Kitera	Yes	Not applicable	Mr. Kitera served in key positions in the government, mainly in the Ministry of Foreign Affairs. He has a wealth of international experience and profound insight concerning international affairs

			<p>cultivated through his involvement in diplomacy. He also has in-depth understanding and experience related to diversity, which is indispensable in management of the Corporation. He vigorously stated opinions at meetings of the Board of Directors from objective and specialist perspectives in light of the rapidly changing world situation. As an Outside Director of the Corporation, he has been providing advice to management and appropriately supervising business execution. Additionally, he has been proactively expressing his opinions as a Governance and Remuneration Committee member in order to enhance soundness, transparency, and efficiency of the Corporation's management. Because he is expected to continue to fulfill the role stated above and in view of the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Kitera and the Corporation existed in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>
Shigeki Ishizuka	Yes	Mr. Ishizuka is an executive of Sony Group Corporation (former Sony Corporation). There were no transactions between former Sony Corporation and the Corporation during the three business years from FY 2017 to FY	Mr. Ishizuka has profound insight cultivated through his involvement in corporate management at an international company. As he has a background as a technology and development engineer, he has in-depth understanding and experience in the digital and IT fields, which are indispensable in management of the Corporation. The Corporation

		<p>2019. He was also an executive of former Sony Imaging Products &amp; Solutions Inc. and former Sony Electronics Corporation (both companies were integrated with current Sony Corporation). There were no transactions between these two companies and the Corporation during the three business years from FY 2017 to FY 2019.</p>	<p>expects him to provide advice to management and appropriately supervise business execution from objective and specialist perspectives in light of the rapidly changing world situation in order to enhance soundness, transparency, and efficiency of the Corporation's management.</p> <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint him as a new candidate for Outside Director, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p> <p>No personal, capital or transaction relationships between Mr. Ishizuka and the Corporation result in conflicts of interest that could harm the interests of the general shareholders, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>
--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
---------------------------------------------------------------------------------------------------------	-------------

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee	Governance and Remuneration Committee
All Committee Members	4	6
Full-time Members	1	2
Internal Directors	1	2
Outside Directors	3	2
Outside Experts	0	0

Other	0	2
Chairperson	Outside Director	Outside Director

Supplementary Explanation
---------------------------

- A voluntary committee equivalent to the Nomination Committee
  - Nomination Committee (to be convened as necessary): The memberships of the committee are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members constitutes the majority of the members and the committee is chaired by an Independent Outside Director as well. The Nomination Committee mainly deliberates on proposals regarding the selection of candidates of Director and Audit & Supervisory Board Member, proposals regarding the selection of the President for the next term, and successor plans formulated and operated by the President (including plans related to necessary qualities and requirements, successor candidate groups, and training), and reports to the Board of Directors. In FY 2021, two Committee meetings were held for deliberations regarding candidates of Director and Audit & Supervisory Board Member and successor plans, and all the Committee members attended all the meetings.

- Composition of Committee

Chairperson	Yuri Okina	Outside Director
Members	Masumi Kakinoki	President and CEO, Member of the Board
	Takashi Hatchoji	Outside Director
	Shigeki Ishizuka	Outside Director

- A voluntary committee equivalent to the Remuneration Committee
  - Governance and Remuneration Committee (to be held as necessary): The memberships of the committee are composed so as to ensure independence, as Independent Outside Directors/Audit & Supervisory Board Members constitutes the majority of the members and the committee is chaired by an Independent Outside Director as well. 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. In FY2021, five Committee meetings were held for deliberations regarding remuneration for Directors and Executive Officers, review of stock-based compensation plans, evaluation of the effectiveness of the Board of Directors, and disclosure of information on Directors/Audit & Supervisory Board Members. All Committee members attended all of the meetings.

- Composition of Committee

Chairperson	Kyohei Takahashi	Outside Director
Members	Masumi Kakinoki	President and CEO, Member of the Board
	Mutsumi Ishizuki	Senior Managing Executive Officer, Member of the Board
	Masato Kitera	Outside Director
	Tsuyoshi Yoneda	Outside Audit & Supervisory Board Member
	Yoichi Kikuchi	Outside Audit & Supervisory Board Member

- Committee members falling under “Other” in the committee composition are Outside Audit & Supervisory Board Members.

### [Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	No upper limit has been set forth.
Number of Audit & Supervisory Board Members	5

### Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

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 Corporation’s Accounting Auditor for the FY through March 31, 2022 is Ernst & Young ShinNihon LLC. The Audit & Supervisory Board and the Audit Department, a department which performs internal audits, exchange opinions at monthly meetings and implement audit operations through close cooperation. In the FY ended March 31, 2022, the Audit & Supervisory Board met 16 times, and all Audit & Supervisory Board Members were present at all meetings of the Audit & Supervisory Board during their terms of office, excluding Mr. Kida, who was absent for 1 meeting.

Appointment of Outside Members of Audit & Supervisory Board	Appointed
Number of Outside Members of Audit & Supervisory Board	3
Number of Outside Members of Audit & Supervisory Board who are designated as an Independent Audit & Supervisory Board Members	3

### Audit & Supervisory Board Members’ Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Tsuyoshi Yoneda	Other													
Yoichi Kikuchi	Lawyer													
Shigeru Nishiyama	Professor													

\* Categories for “Relationship with the company”

\* “○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past

\* “●” when a close relative of the director presently falls or has recently fallen under the category;

“▲” when a close relative of the director fell under the category in the past

a. Executive of the company or its subsidiaries

- b. Non-executive director or accounting advisor of the company or its subsidiaries
- c. Non-executive director or executive of a parent company of the company
- d. Audit & Supervisory Board Members of a parent company of the company
- e. Executive of a fellow subsidiary company of the company
- f. A party whose major client or supplier is the company or an executive thereof
- g. Major client or supplier of the listed company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the company besides compensation as a director/Audit & Supervisory Board Members
- i. Major shareholder of the company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the company (which does not correspond to any of f, g or h) (the director himself/herself only)
- k. Executive of a company, between which and the company outside directors/Audit & Supervisory Board Members are mutually appointed (the director himself/herself only)
- l. Executive of a company or organization that receives a donation from the company (the director himself/herself only)
- m. Others

Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Tsuyoshi Yoneda	Yes	Not applicable	<p>Mr. Yoneda has a wealth of experience serving in key positions in the government from which he gained profound insight. He also has experience of serving as an outside officer of another company. As an Outside Audit &amp; Supervisory Board Member of the Corporation, he has been appropriately supervising management from objective and specialist perspectives in light of the rapidly changing world situation in order to enhance soundness, transparency, and efficiency of the Corporation's management. Additionally, he vigorously stated opinions as a Governance and Remuneration Committee member.</p> <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to reappoint him as a candidate for Outside Audit &amp; Supervisory Board Member, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders.</p>



			<p>Further, no personal, capital or transaction-related relationships existed between Mr. Yoneda and the Corporation in the past or exist currently, he satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation appointed him as an Independent Auditor stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>
Yoichi Kikuchi	Yes	Not applicable	<p>Mr. Kikuchi has a wealth of experience in legal circles and excellent expertise and profound insight cultivated through his experience. The Corporation believes that he will appropriately fulfill duties as an Outside Audit &amp; Supervisory Board Member from a specialist, objective and neutral viewpoint in order to enhance soundness, transparency and efficiency in the Corporation’s management, by monitoring and supervising management, contributing to improvement of corporate governance and the enrichment of audits by the Audit &amp; Supervisory Board.</p> <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint Mr. Kikuchi as a candidate for Outside Audit &amp; Supervisory Board Member, and then he was appointed as an Outside Audit &amp; Supervisory Board Member by resolution of the General Meeting of Shareholders. No personal, capital or transaction relationships between Mr. Kikuchi and the Corporation existed in the past or exist currently, and he satisfies the requirements in the “Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation appointed him as an Independent Auditor</p>

			stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.
Shigeru Nishiyama	Yes	Not applicable	<p>Mr. Nishiyama has a high degree of expertise and a wealth of experience in accounting and finance and profound insight cultivated through such experience, as well as abundant experience as outside director/auditor of various companies. The Corporation believes that he will appropriately fulfill duties as an Outside Audit &amp; Supervisory Board Member from a specialist, objective and neutral viewpoint in order to enhance soundness, transparency and efficiency in the Corporation's management in monitoring and supervision of management and contribute to improvement of corporate governance of the Corporation and enrichment of audits by the Audit &amp; Supervisory Board.</p> <p>In view of the above and the report by the Nomination Committee, the Board of Directors decided to appoint Mr. Nishiyama as a candidate for Outside Audit &amp; Supervisory Board Member, and then he was appointed as an Outside Audit &amp; Supervisory Board Member by resolution of the General Meeting of Shareholders. Further, no personal, capital or transaction-related relationships existed between Mr. Nishiyama and the Corporation in the past or exist currently, and he satisfies the requirements in the "Standards and Policies for the Independence of Outside Directors/ Audit &amp; Supervisory Board Members of the Corporation" (as set forth onII.3). Hence, the Corporation has appointed him as an Independent Director stipulated by the financial instruments exchanges and notified the financial instruments exchanges of such appointment.</p>

## [Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/Audit & Supervisory Board Members	9
-------------------------------------------------------------------	---

### Matters relating to Independent Directors/Audit & Supervisory Board Members

The Corporation appoints all Outside Directors/Audit & Supervisory Board Members who satisfy the requirements for Independent Directors/Audit & Supervisory Board Members as Independent Directors/Audit & Supervisory Board Members.

## [Incentives]

Incentive Policies for Directors	Performance-linked Remuneration / Other
----------------------------------	-----------------------------------------

### Supplementary Explanation

As described in “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” the remuneration of Directors other than Outside Directors (“Eligible Directors”) consists of basic remuneration, which is a fixed amount that is in accordance with the roles of the Eligible Directors, performance-linked remuneration, which is linked to consolidated business results in the previous fiscal year, additional pay and personal evaluation pay, and shares with restriction on transfer subject to market-capitalization-based exercisability conditions (“Performance Share Units”). Form of payment consists of cash, shares with restriction on transfer (“Restricted Stock”) and Performance Share Units.

Performance based compensation:

If the “sum of 50% of consolidated net income (profit attributable to the owners of the parent) and 50% of core operating cash flow in the previous business year” is below 100 billion yen, performance-linked remuneration is made 0, and if it is 100 billion yen or more, it is made an amount calculated by multiplying the amount of base annual compensation by a multiplication factor that proportionally increases (an increase of approximately 2% per increase of 5 billion yen). In order to achieve a balanced format for compensation that is linked with the Corporation’s performance, up to FY2018, only consolidated net income (profit attributable to owners of the parent) for the previous business year was used as an indicator. From FY2019 the “sum of 50% of consolidated net income (profit attributable to owners of the parent) and 50% of core operating cash flow in the previous business year” is used an indicator, and the aim of this is to further strengthen alignment between the compensation system and the management targets of the previous Medium-Term Management Strategy “GC2021.” As for consolidated net income (profit attributable to owners of the parent) and core operating cash flow in FY2020, which were used for the calculation of performance-linked remuneration in FY2021, the target value of each at the beginning of the year (announced on May 6, 2020) was 100 billion yen and 240 billion yen. The actual value was  $\Delta$ 225.3 billion yen and 369.6 billion yen.

Stock-Based Compensation:

Beginning in FY2021, the Corporation has introduced Restricted Stock and Performance Share Units (the “Plan”) to Eligible Directors. The purpose of the Plan is to give the Eligible Directors an incentive to work to sustainably enhance the corporate value of the Corporation in the medium to long term, thereby enhancing future market value, and promoting greater value sharing with shareholders.

## 1. Restricted Stock

20% of the base annual remuneration and performance-based compensation is granted as Restricted Stock to the Eligible Directors with a certain no transfer period. An Eligible Director may not transfer, create security interest over, or otherwise dispose of the Corporation's common shares which were allotted to them under the Allotment Agreement during the period from the day the shares were allotted to them under the Allotment Agreement until immediately after the time the Eligible Director resigns or retires from their position as Director, Executive Officer, or other officer or employee of the Corporation or the Corporation's subsidiary that the Corporation's Board of Directors designates. The purpose of the no transfer period is to promote greater value sharing with shareholders in the medium to long term.

## 2. Performance Share Units

Up to 1.5 times an amount equivalent to 10% of base annual compensation is allotted as Performance Share Units on top of the base compensation. Performance Share Units refers to the Corporation's common shares that the Corporation will issue to Eligible Directors (or dispose of) in accordance with the achievement of targets linked to market value growth rate and other performance indicators predetermined by the Corporation's Board of Directors.

Subject to introduction of the Plan, the Corporation abolishes the authorization resolved by the above shareholders meeting regarding the amount of remuneration for allotting subscription rights to shares as stock options to Directors (excluding Outside Directors), and will not issue subscription rights to shares as stock options in the future based on the said authorization, except for those that have already been granted.

Recipients of Stock Options	Other
-----------------------------	-------

### Supplementary Explanation

By resolution of the 97th Ordinary General Meeting of Shareholders held on June 24, 2021, the Corporation abolishes the authorization resolved by the above shareholders meeting regarding the amount of remuneration for allotting subscription rights to shares as stock options to Directors (excluding Outside Directors), and will not issue subscription rights to shares as stock options in the future based on the said authorization, except for those that have already been granted.

As an exception, the Corporation will issue subscription rights to shares as stock options to Executive Officers who are working overseas and non-residents of Japan, to the extent such subscription rights were reserved.

### [Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors
--------------------------------------------------	--------------------

## Supplementary Explanation

(a) The total of remuneration and other payments for Directors and Audit & Supervisory Board Members in the FY ended March 31, 2021 are as follows:

Category	Number of recipients	Amount of payment (Millions of yen)	Breakdown (Millions of yen)				
			Basic compensation*	Performance-based compensation*	Stock-compensation-type stock options	Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions	
Directors	Internal Directors	7	374	292	0	70	12
	Outside Directors	6	86	86	—	—	—
	Total	13	460	378	0	70	12
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members	2	80	80	—	—	—
	Outside Audit & Supervisory Board Members	5	51	51	—	—	—
	Total	7	131	131	0	0	0

Note 1. The amounts less than 1 million yen are rounded off.

Note 2. By resolution of the General Meeting of Shareholders, the maximum annual amount of remuneration for Directors has been set at “1,100 million yen (including 120 million yen for Outside Directors)” (by resolution of the 96th Ordinary General Meeting of Shareholders held on June 19, 2020, with 11 Directors related to the decision [including five Outside Directors]), the maximum monthly remuneration for Audit & Supervisory Board Members has been set at “12 million yen” (by resolution of the 88th Ordinary General Meeting of Shareholders held on June 22, 2012, with 5 Directors related to the decision), and the maximum annual amount of compensation concerning stock compensation-type stock options for Directors (excluding Outside Directors) has been set at 220 million yen (by resolution of the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016, with 6 Directors related to the decision).

Note 3. The Corporation introduced the Restricted Stock and Performance Share Unites in FY2021. The total amount of remuneration and other payments used for Restricted Stock and Performance Share Units will be within the above amount specified for remuneration and other payments for Directors, with the amount for Restricted Stock capped at a maximum of 180 million yen per year, and Performance Share Units capped at a maximum of 120 million yen per year.

Note 4. The Corporation abolished the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, and resolved on making a final payment of retirement remuneration accompanying the abolishment of the retirement remuneration plan. In accordance with the resolution, the Corporation 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 the FY ended March 31, 2020, retirement

remuneration which 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 was 0.

(b) No individuals to whom the total amount of compensation paid exceeded 100 million yen in the FY ended March 31, 2021:

Policy on Determining Remuneration Amounts and Calculation Methods	Established
--------------------------------------------------------------------	-------------

**Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods**

The maximum total remuneration shall be determined for all Directors by resolution at a General Meeting of Shareholders. The Governance and Remuneration Committee chaired by an Outside Director/Audit & Supervisory Board Member, with the majority of its members consisting of Outside Directors/Audit & Supervisory Board Members, deliberates on the policies for compensation decisions and the appropriateness of the compensation levels, and provides reports to the Board of Directors. The remuneration amount is determined by resolution of the Board of Directors. The remuneration of Directors other than Outside Directors consists of basic remuneration, which is a fixed amount that is in accordance with the roles of the Directors, performance-linked remuneration, which is linked to consolidated business results in the previous fiscal year, additional pay, and personal evaluation pay, Performance Share Units. Additional Pay consists of director bonuses and representative director bonuses, and personal evaluation pay consists of an organization performance evaluation and a qualitative evaluation. For the organization performance evaluation, the evaluation item is whether the consolidated net income target is achieved or not. The amount in which the organization performance evaluation is reflected is calculated by multiplying base annual compensation by the ratio determined by the Board of Directors corresponding to the achievement/non achievement of the target. Qualitative evaluation takes into consideration business results in the fiscal year, medium- to long-term contributions (such as efforts and initiatives for new value creation toward the future) and other such measures. The amount in which qualitative evaluation is reflected is calculated by multiplying base annual compensation by a ratio which has been determined by the Board of Directors to reflect the qualitative evaluation. Concerning the individuals' evaluation-based compensation, the President who is the chief executive officer is judged to be most suitable for conducting qualitative evaluation and the Board of Directors has given President & CEO Masumi Kakinoki the authority for the said evaluation (hereinafter referred to as the "qualitative evaluation by the President"). In order to ensure appropriate exercise of this authority, the ratio to reflect the qualitative evaluation by the President is within the range determined by the Board of Directors.

The performance-based compensation is described in the above Incentive Policies for Directors, all of whom are independent from business execution, consists entirely of base annual compensation, and does not include performance-linked remuneration.

**[Supporting System for Outside Directors and/or Independent Audit & Supervisory Board Members]**

System for supporting Outside Directors: The General Managers of Corporate Planning & Strategy Department and Legal Department explain all the agenda items for the Board of Directors Meeting in advance, and secretaries are assigned to support in daily communication, etc. with Outside Directors as in the case with other Directors.

System for supporting Outside Audit & Supervisory Board Members: The General Managers of Corporate Planning & Strategy Department and Legal Department explain all the agenda items for the Board of Directors Meeting in advance, and the Audit & Supervisory Board Member's Office supports in daily communication, etc. with the Outside Audit & Supervisory Board Members as in the case with other Audit & Supervisory Board Members.

**[Status of Those Who Retired as President and CEO, etc.]**

Name, etc. of Advisors, Counselors, etc. Who Are Former President and CEO, etc.					
Name	Title	Duties	Working form, conditions (Full-time, part-time, compensation, etc.)	Date of retirement as President, etc.	Term
Toru Tsuji	Honorable Corporate Advisor	None	Part-time, no compensation	March 2008 (Retirement as Chairman of the Board)	Not set
Nobuo Katsumata	Honorable Corporate Advisor	None	Part-time, no compensation	March 2013 (Retirement as Chairman of the Board)	Not set
Teruo Asada	Honorable Corporate Advisor	External activities	Part-time, compensation	March 2019 (Retirement as Chairman of the Board)	March 2023

Number of Advisors, Counselors, etc. Who Are Former Presidents and CEOs, etc.	3
-------------------------------------------------------------------------------	---

Matters relating to Former Presidents and CEOs, etc.

- The Corporation abolished the advisor system on April 1, 2019. (It has been decided by the meeting of Board of Directors on June 22, 2018.)
- The Corporation may appoint a Corporate Advisor, who would not engage in business execution but will engage in activities in the business community and activities with high social significance.
- The President appoints those who retired as officers of the Corporation as Corporate Advisors. When those who have retired from the posts of Chairman or President of the Corporation are appointed to the post of Corporate Advisor, they are called Honorable Corporate Advisors.

## **2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration**

The details of the organizations of the Corporation are as follows:

### **(a) Board of Directors**

The Board of Directors comprises 13 Directors (including six Outside Directors; 12 males and one female), and makes decisions regarding management policy and other important matters and supervises the execution of duties by Directors. To clearly segregate management and execution, in principle, the Chairman of the Board, who does not have representative rights or the authority for business execution, serves as the chair of Board of Directors Meetings.

### **(b) Audit & Supervisory Board**

The Audit & Supervisory Board comprises five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members). The Corporation adopts a corporate audit governance system and each of Audit & Supervisory Board Members 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.

### **(c) Corporate Management Committee**

The Corporate Management Committee has been established as an advisory committee for the President, and consists of five Representative Directors including the President, one Senior Managing Executive Officer, two Managing Executive Officers, and one Executive Officer. It deliberates management-related policies and company-wide important matters.

### **(d) Committee of Chief Operating Officers**

The members of the Committee of Chief Operating Officers are the President, the Representative Directors, Chief Operating Officers, 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.

### **(e) Committee of Executive Officers**

The Committee of Executive Officers consists of 39 Executive Officers (five of whom also serve as Director), and it communicates management policies issued by the President and other information, and gives reports on matters that affect business execution such as financial performance and the results of internal audits.

Further, the Corporation has established various committees for strengthening of corporate governance. Main committees and their roles are as follows:

- Investment and Credit Committee (once a week as a rule, 22 times in FY 2021)

The committee discusses projects subject to the internal approval (“Ringi”). Chairman of Investment and Credit Committee makes decisions on proposals to be submitted to the Corporate Management Committee through discussions in Investment and Credit Committee.

- Compliance Committee (four times a year, as a rule, and whenever necessary, 4 times in FY 2021)

The committee provides support and guidance with regard to practicing compliance as well as establishment, maintenance and management of the compliance system of the Marubeni Group.



- Sustainability Management Committee (once a year, as a rule, and whenever necessary, 4 times in FY 2021)

The committee deals with the identification and periodic review of “Materiality” which takes into account the ESG (environmental value, social value and governance) point of view as it pertains to business fields as a whole and also deliberates matters related to sustainability, including ESG support and report it to the Board of Directors.

- Internal Control Committee (held as necessary, 3 times in FY 2021)

The committee confirms and reviews status of formulation and operation of basic internal control policy in accordance with the Companies Act, drafts their revision proposals, develops and operates system and evaluates effectiveness regarding financial reporting in accordance with the Financial Instruments and Exchange Act and prepares internal control report drafts.

- Disclosure Committee (held as necessary, 13 times in FY 2021)

The committee formulates principles and basic policy drafts regarding disclosure, establishes and improves the internal system regarding statutory disclosure and timely disclosure and judges the significance and appropriateness regarding statutory disclosure and timely disclosure.

Moreover, the status of holding the Corporation’s organization and committee meetings in the FY ended March 31, 2022 is as follows: in the said FY, the Board of Directors met 17 times to make decisions regarding execution of duties by the Corporation and all members of the Board of Directors were present at all meetings during their terms of office. At the same time, the Board of Directors received reports regularly from Directors to supervise their execution of duties. In FY2021, the Board of Directors mainly deliberated as below:

- The Medium-Term Management Strategy “GC2024” (Business Environment, Green Strategy, Improving Profitability, Marubeni Group HR Strategy, Capital Allocation Policy, Shareholder Returns Policy, etc.)
- Investment and financing projects (share transfer of subsidiary, which owns oil and gas fields in the UK North Sea; development of a floating offshore wind farm in Scotland; and the reorganization of Gavilon and transfer of Gavilon's shares)
- Financial results and other finance related matters (share repurchases, etc.), remuneration for Directors/Audit & Supervisory Board Members
- Evaluation of the effectiveness of the Board of Directors, internal control related matters, and how to enhance the corporate governance system (to respond to revisions to Japan's Corporate Governance Code, etc.).

The Audit & Supervisory Board met 16 times to formulate audit policy and plan and report audit results. In accordance with the auditing policies and plans, each Audit & Supervisory Board member audited Directors’ execution of duties by attending the Board of Directors Meetings and other important meetings and investigating the status of operation and assets. The Corporate Management Committee met 35 times and discussed and made decisions regarding management-related policies and company-wide important matters. In addition, the Committee of Chief Operating Officers met 3 times, and the Committee of Executive Officers met 2 times.

The status of measures related to enhancement of the functions of the Audit & Supervisory Board Members

- (1) Human resources and system supporting the Audit & Supervisory Board Members

The Corporation has in place the Audit & Supervisory Board Member's Office (4 dedicated staff members) to support the Audit & Supervisory Board Members, which work together with the Audit Department (87 people) directly under the President and the Accounting Auditor, ensuring the human resources and systems for supporting the audits by the Audit & Supervisory Board Members.

(2) Knowledge regarding finance and accounting

The following Audit & Supervisory Board Members are judged to have considerable knowledge regarding finance and accounting as described below:

(Audit & Supervisory Board Member Mr. Hikaru Minami)

Mr. Minami served as Managing Executive Officer, Member of the Board; CAO; Senior Operating Officer, Audit Dept. Hence, he has considerable knowledge about finance and accounting.

(Audit & Supervisory Board Member Mr. Shigeru Nishiyama)

Mr. Nishiyama is a certified public accountant and a professor of Waseda Business School (Graduate School of Business and Finance). Hence, he has considerable knowledge about finance and accounting.

In order to enable each of the Outside Directors, namely Messrs. Takao Kitabata, Kyohei Takahashi, Ms. Yuri Okina, Messrs. Takashi Hatchoji, Masato Kitera, Shigeki Ishizuka and each of Outside Audit & Supervisory Board Members, who are Messrs. Tsuyoshi Yoneda, Yoichi Kikuchi and Shigeru Nishiyama to fully perform his or her duty as Outside Director or Outside Audit & Supervisory Board Member, the Corporation has entered into an agreement with each of them in which the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act is limited to the sum of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act, if he or she has acted in good faith and without gross negligence in performing his or her duties.

### **3. Reasons for Adoption of Current Corporate Governance System**

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

(a) Rapid and efficient decision-making

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

(b) Appropriate supervisory functions

The Corporation ensures appropriate supervisory functions by implementing various measures. These include appointing Outside Directors that account for a third or more of candidates for 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 Outside Directors and Outside Audit & Supervisory Board Members.

The Corporation sets forth the roles and functions of Outside Directors and Outside Audit & Supervisory Board Members as follows:

(a) Introduction of diverse outside perspectives

Vitalize the Board of Directors and Audit & Supervisory Board by receiving advices and recommendations based on profound insight and expertise cultivated in his or her professional field, and useful opinions from a perspective independent of the corporate culture and custom of the Corporation.

(b) Enhancement of check and supervisory functions

Enhance the function of check and supervision over Representative Directors through discussions and decision-making that are based on fair and clear logics and standards convincing to those Outside Directors and Outside Audit & Supervisory Board Members.

(c) Check of conflict of interest

In a situation where conflict of interests exists between the management and stakeholders including shareholders, check whether the management is executing their duties fairly by fully taking into consideration the interest of the stakeholders.

The Corporation appoints Outside Directors and Outside Audit & Supervisory Board Members based on the Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation so as to facilitate Outside Directors and Outside Audit & Supervisory Board Members to appropriately exercise the above roles and functions.

<Standards and Policies for the Independence of Outside Directors/Audit & Supervisory Board Members of the Corporation>

The Corporation shall determine that a person who is an Outside Director or Audit & Supervisory Board Member is not independent if he or she currently falls, or in the past three business years has fallen, under any of the following times 1 to 7, as well as any provision of the standards for independence set forth by the Tokyo Stock Exchange, on which the Corporation's stock is listed.

1. A major shareholder of the Corporation (who directly or indirectly holds 10% or more of the voting rights in the Corporation) or an executive person thereof\*.
2. An executing person of a lender, from which the borrowed amount exceeds 2% of the Corporation's consolidated total assets.
3. An executing person of a business partner with which the transaction amount exceeds 2% of the Corporation's consolidated revenue.
4. A representative partner or a partner of the auditing firm that is the Accounting Auditor of the Corporation.
5. A person who receives money from the Corporation of which the value exceeds 10 million yen per business year, which derives from a business consultancy and/or an advisory agreement.
6. A person who belongs to an organization that has received a donation from the Corporation of which the amount exceeds 10 million yen per business year.

7. A Director/Executive Officer/Audit & Supervisory Board Member among the executing persons of the Corporation and its subsidiaries, as well as a coresident or relative within the second degree of kinship of such Director/Executive Officer/Audit & Supervisory Board Member.

Even if a person falls under any of the items 1 to 7 above, if the Corporation judges that said person substantially maintains his or her independence, the Corporation shall explain and disclose the reason for his or her election as a candidate for Outside Director/Audit & Supervisory Board Member.

\*An “executing person” refers to an Executive Director, an Executive Officer, an employee or any other personnel.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	Will have been sent about three weeks ahead of a General Shareholder Meeting.
Scheduling AGMs Avoiding the Peak Day	Held by avoiding the peak day.
Allowing Electronic Exercise of Voting Rights	The Corporation utilizes a system operated by the administrator of shareholders' register.
Participation in Electronic Voting Platform	The Corporation uses the voting platform for institutional investors by ICJ.
Providing Convocation Notice in English	English translations of the convocation notice, business report, financial statements, and so on are posted on the Corporation's website on or before the date of sending out the convocation notice.
Other	<p>The Corporation is also implementing the following measures to vitalize General Shareholders Meetings and ensure smooth exercising of voting rights.</p> <ul style="list-style-type: none"> <li>• Post the convocation notice, business report and financial statements on the Corporation's website ahead of sending them to the shareholders</li> <li>• On-demand distribution of the reporting items on the day of the General Shareholders Meeting on the Internet</li> </ul>

#### 2. IR Activities

	Supplementary Explanations	Explanation by the representative
Preparation and Publication of Disclosure Policy	The basic policies regarding information disclosure and policies regarding IR activities are posted on the Corporation's website. It also stipulates the Disclosure Committee Regulations to inculcate its thorough awareness in the Corporation.	
Regular Investor Briefings for Individual Investors	About twice briefings a year held for individual investors.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	In addition to quarterly earnings briefings (including conference calls), the management holds regular meetings for securities analysts and institutional investors. (The President or Director in charge of IR explains at these meetings.)	Yes
Regular Investor Briefings for Overseas Investors	English translations of materials used in quarterly earnings briefings (including conference calls) are posted on the Corporation's website. Management holds regular meetings for overseas investors. (The President or Director in charge of IR explains overview of business results and business outlook at these meetings.)	Yes
Posting of IR Materials on Website	Business results information, integrated reports, shareholder reports, quarterly reports, annual securities reports, earnings result briefing materials, the convocation notice of General Shareholders	

	Meetings, and business operation materials are posted on the Corporation's website.	
Establishment of Department and/or Manager in Charge of IR	The Corporation appoints a Director in charge of IR and has in place the IR Section, Finance Department as a division in charge of IR.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Described in 1. of I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.
Implementation of Environmental Activities, CSR Activities etc.	<p>In each field of CSR including environment, the Corporation is engaged in a wide range of activities.</p> <p>&lt;Creation of environmental and social values through business activities&gt;  In FY2018, the Corporation established the Sustainability Management Committee. Outside Directors and Outside Audit &amp; Supervisory Board Members are appointed as advisors, providing the system an external point of view. In April 2019, as part of system strengthening, the Chair of the Sustainability Management Committee was made the Chief Sustainable Development Officer, and the Sustainability Management Department was newly established. Furthermore, Sustainability Leaders and Sustainability Managers overseeing sustainability management were appointed at each organization, and thus the entire group is working together to push forward initiatives regarding sustainability. The details of such activities are introduced in the Integrated Report issued every year.</p> <p>&lt;Social contribution activities, etc.&gt;  The Corporation has been actively promoting social contribution activities by supporting the activities of the social welfare corporation, Marubeni Foundation, established in 1974 with donations from the Corporation. For details of the activities, please see the following URL on the Corporation's website.  <a href="https://www.marubeni.com/en/sustainability/contribution/">https://www.marubeni.com/en/sustainability/contribution/</a></p>
Development of Policies on Information Provision to Stakeholders	The Marubeni Corporate Principles and the Compliance Manual stipulate proactive, timely and appropriate information disclosure to the society in general including stakeholders and they are disclosed.
Other	<p>In its Medium-Term Management Strategy "GC2024", the Corporation has set diversity as an element of the Group HR Strategy, where promoting the growth and success of the Marubeni Group's human capital is the source of our corporate value. The Corporation will further promote the development of a corporate culture and workplace that encourages the active participation of diverse human capital.</p> <p>The Corporation also is promoting work-life management as an infrastructure for employees with various backgrounds to produce results. Aiming to achieve "sustainable career development" and "sustained performance" regardless of life stage or attribute, the Corporation is developing measures so that employees can use necessary systems when they are needed. To view the status of these various systems, please refer to the following (in Japanese only):  <a href="https://www.marubeni.com/jp/sustainability/social/diversity/pdf/seido_riyou.pdf">https://www.marubeni.com/jp/sustainability/social/diversity/pdf/seido_riyou.pdf</a></p>

<Striving to Understand and Promote Diversity>

During FY2021, “Marubeni Diversity Days” were held over five days under the themes of the importance of diversity, unconscious bias, people with disabilities, multicultural co-creation, and LGBTQ, providing an opportunity for all employees to consider diversity from various aspects. In addition to these events, the Corporation will continue its efforts to understand and promote diversity in the future.

<Appointing Women to Managerial Positions>

In the second phase of its five-year action plan (phase 2) enacted on April 1, 2021, the Corporation set four quantitative targets, including increasing the ratio of women in all career-track positions to at least 15% (11.9% as of October 1, 2021) and the ratio of women in all management positions to at least 10% (7.5% as of October 1, 2021), by the end of March 2026. The Corporation is focusing on “strengthening the comprehensive HR pipeline from the hiring of women to female employee career development,” “continuing to strengthen health management and workstyle reforms that contribute to improved productivity,” and “building a corporate culture and workplace that leverages the strengths of diverse individuals.”

Action Plan for Empowering Female Employees (in Japanese only):

<https://positive->

[youritsu.mhlw.go.jp/positivedb/planfile/202103251414514613827\\_1.pdf](https://youritsu.mhlw.go.jp/positivedb/planfile/202103251414514613827_1.pdf)

In addition, in conjunction with International Women’s Day, the Corporation is making group-wide efforts to foster a corporate culture that supports the activities of women by holding Marubeni International Women’s Day since 2017 and doing initiatives such as providing a message from the CEO at this event. For details of each measure, please refer to the following website:

<https://www.marubeni.com/en/sustainability/social/diversity/>

<Appointing Foreign Nationals to Management Positions>

As of March 2022, the Corporation has approximately 60 non-Japanese employees, of which 30 are in managerial positions. Going forward, the Corporation will ensure diversity in managerial and core positions in accordance with the Marubeni Group HR Strategy. Having a large number of group companies in various countries and regions, the Marubeni Group has an array of human capital, diverse in terms of nationality and other aspects of identity, who play an active role in their respective workplaces and contribute to the enhancement of the Group's corporate value.

<Appointing Mid-Career Hires to Management Positions>

The Corporation is diversifying its human capital hiring processes and implementing career vision hiring, which is a job-based hiring system targeting newly graduated and early-career applicants, in addition to conventional mid-career hiring.

Mid-career recruits accounted for 22.5% of its total hires for the fiscal year ended March 31, 2022, and as of October 2021, mid-career hires accounted for 17.7% of management positions. The Corporation’s mid-career hiring is based on the needs of the workforce, and although the Corporation does not have a numerical target, it will continue to promote diversity in management and core human capital in accordance with the Marubeni Group HR Strategy.

<Other Initiatives>

In order to further promote the activities of its senior human capital, the Corporation introduced a continued employment scheme and established the Career Counselling Section within the Human Resources Department. Additionally, the Corporation has enhanced measures to support senior

careers in the personnel management reform for the fiscal year ended March 31, 2021. For another initiative, the Corporation disclosed in “GC2021 >> DX,” its DX strategy released in February 2021, a series of programs designed to develop and enhance our digital human resources infrastructure.

•Health and productivity management and workstyle reforms

The Corporation has positioned maintaining and promoting employee health as a top management priority. The Corporation continuously rolls out various initiatives such as improving health literacy, strengthening countermeasures against cancer and lifestyle diseases, and strengthening mental health measures.

Furthermore, to promote and support autonomous work styles that will allow the Corporation’s diverse human capital to create new value, the Corporation utilizes the “Work Anywhere” system, which allows employees to do remote work from places other than the main office. The aim of this is to help prevent the spread of COVID-19 and to raise the performance of the entire organization by pursuing best mix of working at the office and “Work Anywhere”.



## **IV. Matters Related to the Internal Control System**

### **1. Basic Views on Internal Control System and the Progress of System Development**

In accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, the Corporation has established a basic policy for systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of company's operations (hereinafter referred to as the "Basic Internal Control Policy") as described below.

<Basic Internal Control Policy>

The Corporation seeks to steadily increase and maximize corporate value through business activities that are in accordance with its Company Creed and Management Philosophy\*, and to build a stable and sustainable group business foundation. To this end, the Corporation, in accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, establishes the policy described below (hereinafter referred to as the "basic internal control policy") to ensure that all business activities of Corporation and the business group (hereinafter referred to as the "Marubeni Group") made up of Corporation and all Marubeni Group companies (Corporation's consolidated subsidiaries and companies deemed as equivalent to subsidiaries; the same shall apply hereinafter) are conducted appropriately. The Corporation 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.

\*Company Creed: Fairness (To be fair and bright)

Innovation (To be active and innovative)

Harmony (To respect each other and cooperate)

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. System necessary to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

(1) Corporate governance

1- 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 and the authority for business execution, as a rule, chairs the Board of Directors Meetings. Executive Directors execute business operations decided by the Board of Directors, in accordance with the laws, regulations and Articles of Incorporation and report the situation of their

duty execution to the Board of Directors once every three months or more often. The term of office of Directors is one year to clarify management responsibility and flexibly build optimum management structure in response to changing management environment. The Corporation appoints Outside Directors to ensure effectiveness of corporate governance. The Corporation adopts the executive officer system to improve efficiency of business execution, and it takes a system where its Group CEOs and its CDIO participate in the company's overall management and instruct, supervise, support, and manage the overall operation of the respective business divisions in charge by complying with the company's management policy.

## 2- 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

### 1- Compliance system

The Corporation sets forth code of conduct common for the Marubeni Group such as 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 Compliance Committee and takes various measures.

### 2- Internal whistle-blowing 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, the Corporation establishes 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.

### 3- Blocking relationship with anti-social forces

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

## (3) Internal audit

The Corporation establishes the Audit Department as an organization directly under the President to study the appropriateness of duty execution by executing persons and compliance status, and implements internal audits through the Audit Department and company-wide self-inspections with support, cooperation, and advisement from the Audit Department. The result of internal audit is reported to the Board of Directors on a regular basis.

#### (4) Disciplinary actions

When the execution of duty by an officer or employee results in violation of law or regulation, the Corporation shall seek judgement of the Governance and Remuneration Committee, an advisory committee to the Board of Directors with the majority of members being Outside 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.

### 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, the Corporation 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 all time.

### 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 the resolution by the Board of Directors and the Regulation of Authority and Duties and manage risks associated with execution of duties within the given scope and take responsibility for the result.

#### (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 and Ringi Approval Procedure Regulations. However, in the case of any special provisions set forth in these regulations applying, such special provisions shall take precedence in application. They become subject of approval by the 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.

#### (3) Risk evaluation

Risk management such as credit risk, country risk, market risk, foreign exchange and interest rate risk, investment risk, etc. shall be conducted under the management policy and rules for each risk. In addition, the Corporation continues to implement integrated risk management in order to grasp the amount of risk to which the Marubeni Group

is exposed. The Corporation 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 a serious issues such as a natural disaster, epidemics of infectious diseases and situations in which the Tokyo Head Office loses its ability to function, the Corporation formulates a business continuity plan. When a serious situation actually occurs, the Corporation establishes an emergency task force with the President as the head based on the said plan and makes decisions on and implement concrete measures to limit the damage and loss to the minimum.

#### 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, the Corporation 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 which individual officers and employees should implement for achieving the goals.

##### (2) Corporate Management Committee

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

##### (3) Business Group and Corporate Staff Group

The Corporation delegates authority to Group CEOs, the CDIO, and Division COOs to create a system that enables swift decision-making regarding jurisdictional products in Japan and abroad. Further, the Corporate Staff Group manages, checks and supports the Business Group in each specialized fields to enable efficient execution of duties.

##### (4) Clarification of authorities, duties and responsibilities

The Board of Directors decide Directors in charge and clearly stipulates of each officer's and each employee's roles, authorities, responsibilities and rules for decision making in various regulations.

#### 5. Systems necessary to ensure the appropriateness of operations by the Group

##### (1) Marubeni Group operation structure

The Corporation shall stipulate necessary systems including a system for appropriate reporting to the Corporation 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. Marubeni Group companies shall ask for advice from the Corporation regarding important management-related matters and report to the Corporation.

#### (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.

#### (3) Development 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 a necessary system for information disclosure in an appropriate and timely manner.

#### (4) Audit

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

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

##### (1) Establishment of Audit & Supervisory Board Member's Office

The Corporation establishes the Audit & Supervisory Board Member's 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 Member's Office staff

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

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 the Board of Directors Meetings and receive reports from Directors on execution of duties and other important matters and also attend the Corporate Management Committee and other important meetings.

(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 exchange opinions. Other Directors, Group CEOs, the CDIO, Division COOs and Corporate Staff Group General Managers report their duty execution status to the Audit & Supervisory Board Members every year. Officers immediately report to the Audit & Supervisory Board Members when they discover that there is a concern that the Corporation will suffer significant damage. The Corporation 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 report from officers and employees whenever necessary. The Corporation has in place a system to ensure that the person who made a report to the Audit & Supervisory Board Members would not be treated unfairly at the Corporation or Marubeni Group companies because of the concerned report.

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, hold regular meetings to exchange opinions regarding audit policy and audit result reports. The Audit & Supervisory Board Members collaborate with Audit & Supervisory Board Members of Marubeni Group companies through Group Auditor Liaison Meeting and exchange information regarding the development of internal control at each company and their operations.

(2) Appointment of external experts

The Audit & Supervisory Board Members can appoint lawyers, certified public accountants, and other external advisors when they deem it necessary.

(3) Audit-related expenses

The Corporation shall pay expenses arising from the execution of duties by the Audit & Supervisory Board Members, including the cost of having external experts described above in response to request by the Audit & Supervisory Board Members, through a prescribed procedure and allocate for it in budget.

## **2. Basic Views on Eliminating Anti-Social Forces**

The Corporation's basic policies for eliminating anti-social forces and the status of their improvement are as follows:

<The Basic policy for eliminating anti-social forces>

The Corporation's basic policy towards eliminating anti-social forces is to stand firm against anti-social activities and forces threats to the social order and public security and will never form or foster relationships with any organization that poses such threats.

<Status of development towards elimination of anti-social forces>

The Corporation clearly states its basic policy towards elimination of anti-social forces (an official term used by the Japanese government to refer to organized crime) in the Basic Internal Control Policy and has been implementing measures to block relationship with anti-social forces based on the Marubeni Corporate Principles and the Compliance Manual. The Corporation encourages the introduction of a contract clause for the purpose of eliminating anti-social forces (in other words, an organized crime elimination clause) and is working with external advisors on improving its systems for taking quick action against unexpected events, including creating a policy for eliminating anti-social forces and responding to wrongful demands.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation
---------------------------

Nothing particular to be mentioned.

### 2. Other Matters Concerning to Corporate Governance System

Corporate Governance System:

The Corporation aims to realize more appropriate and efficient system by constantly reviewing its corporate governance system in response to changes in the society. Please refer to Figure 1 for Corporate Governance System of the Corporation.

Overview of Timely Disclosure:

#### 1. Purpose

The Corporation has a basic policy on information disclosure to all our stakeholders, including investors, regarding the appropriate disclosure of information concerning the Marubeni Group. Please refer to Figure 2 for information on the disclosure system.

#### 2. Basic Policy of Disclosure

The following is the Corporation's basic policy when it discloses information.

##### (1) Complying with Relevant Laws and Regulations

Comply with relevant laws such as Financial Instruments and Exchange Act and Companies Act and regulations of stock exchanges.

##### (2) Timeliness

Disclose in a timely manner without delay any facts which should be disclosed are found.

##### (3) Transparency

Always disclose factual information regardless of its content.

##### (4) Accuracy

Disclose necessary and sufficient information without creating misunderstanding.

##### (5) Integrity • Fairness

Consistently disclose information by a method which is equally accessible to stakeholders, while giving full consideration to prevent any selective disclosure.

##### (6) Continuity

Maintain continuity of content of disclosed information.

##### (7) Confidentiality

No information is to be leaked to a third party before an official disclosure is made.

#### 3. Information Subject to Disclosure



This basic policy applies to the following information disclosure.

### **(1) Statutory Disclosure**

Disclosure in accordance with Financial Instruments and Exchange Act

- Disclosure of corporate information (securities reports, quarterly reports, internal control reports and extraordinary reports, etc.)
- Disclosure of tender offer (tender offer notification and position statements, etc.)
- Disclosures related to ownership of a large volume of shares (large shareholding reports and holdings change reports, etc.)
- Disclosures based on Fair Disclosure Rule

ii Disclosure in accordance with Companies Act (notices of ordinary general meeting of shareholders, financial statements, consolidated financial statements, business reports and supplementary schedules, etc.)

### **(2) Timely Disclosure**

Disclosures in accordance with regulations of stock exchanges

- Decision Information (issuance of stock, acquisition of own stock, dividends, mergers, demergers, stock swap, business transfer, acquisitions, business alliances and takeover bids, etc.)
- Occurrence Information (loss or damage caused by disaster, filing of lawsuits or court decisions, bad debts, suspension of trade with business partners, etc.)
- Earnings Information (content of financial results, revision of earnings and dividends forecasts, etc.)
- Information on Subsidiaries
- Information on Corporate Governance

### **(3) Voluntary Disclosure**

Integrated Reports/Annual Reports, Shareholders' Reports, Medium-Term Management Strategy, etc.

## **4. Disclosure Committee**

The Corporation's Disclosure Committee has been set up in order to construct, maintain and manage a proper information disclosure system. The committee is chaired by a representative Director nominated by the President, and operates under the direct control of the President. The committee formulates general rules and basic policies for disclosure, constructs and adjusts the company structure concerning statutory disclosure and timely disclosure, and also assesses the significance and validity of statutory disclosure and timely disclosure.

## **5. Other**

### **(1) Dealing with Rumors in the Market**

As a general rule, the Corporation does not comment on inquiries regarding rumors in the market. However, if it is determined that there may be a significant impact on the Corporation caused by ignoring a specific rumor, appropriate action will be taken, such as issuing voluntary news releases.

### **(2) Handling of Information Related to Forecasts and Future Projections**

In order to enable investors to make appropriate assessments of the Corporation's business and future performance,

information related to business result forecasts and other future projections will be accompanied by a forward-looking statements disclaimer to clearly indicate that the actual future results may differ.

Figure 1: Corporate Governance System

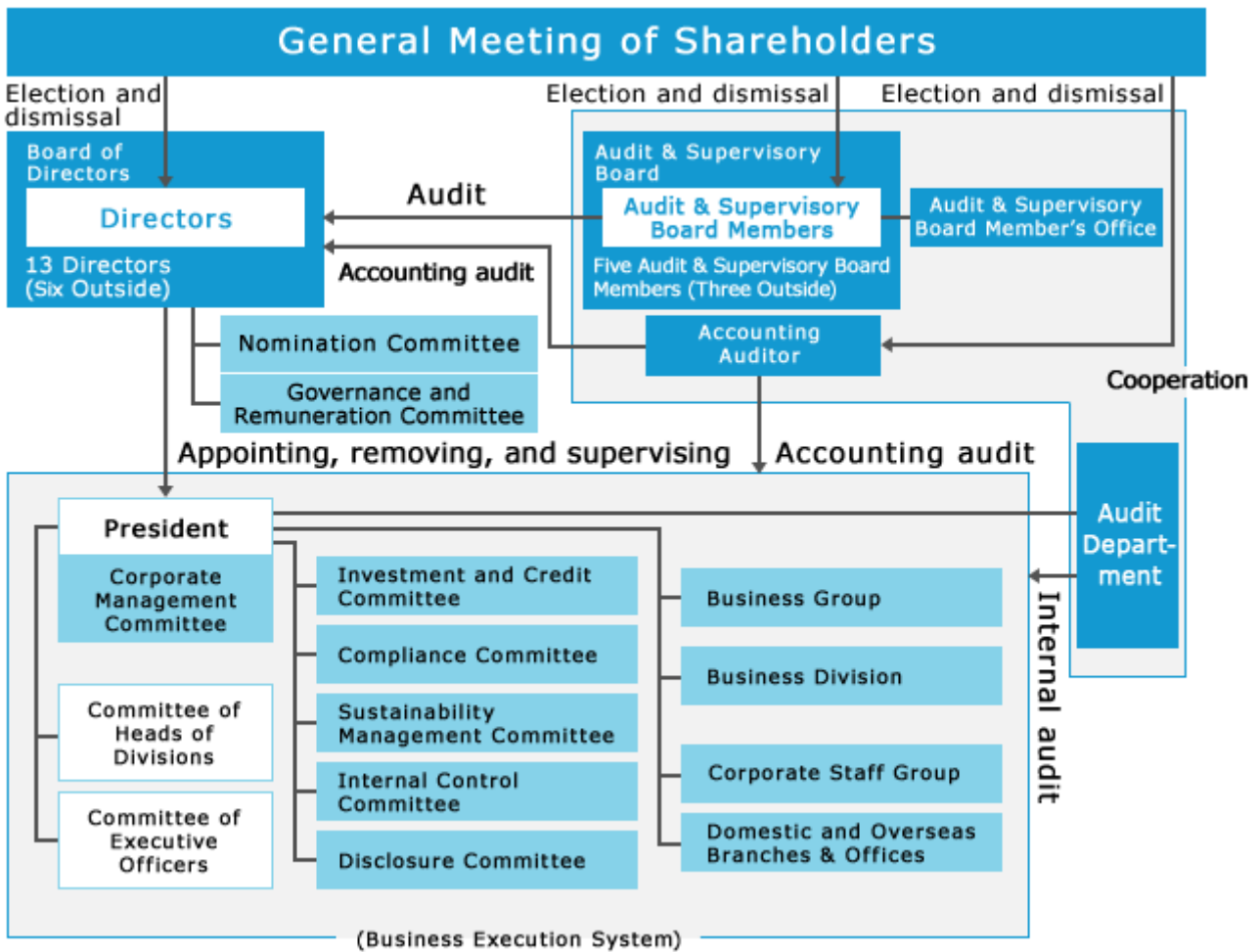
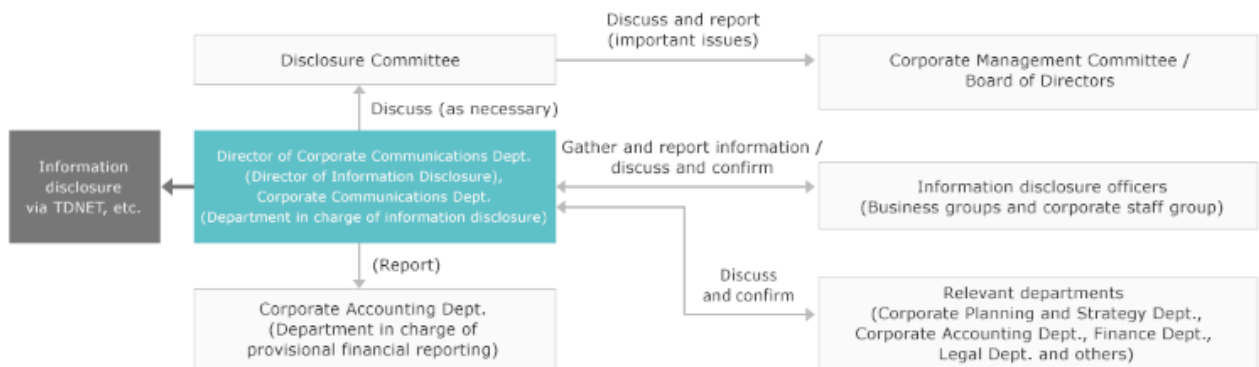


Figure 2: Information Disclosure System



### **(1) Information Gathering Process**

Officers responsible for information disclosure will make efforts to gather information. If any information requiring timely disclosure is grasped, the officer will report it to the Corporate Communications Department (department in charge of information disclosure).

The Corporate Communications Department reports all information requiring timely disclosure to the Corporate Accounting Department who is in charge of provisional financial reporting.

### **(2) Analysis and Decision Process**

The necessity to disclose information is discussed and confirmed with the relevant divisions and departments.

If necessary, the matter is discussed by the Disclosure Committee.

Important matters are discussed by the Corporate Management Committee and/or Board of Directors.

### **(3) Disclosure Process**

After obtaining approval by director of the Corporate Communications Department (and after being resolved by the Corporate Management Committee and/or the Board of Directors on important matters), timely disclosure information is submitted to securities exchanges via TDNET. Statutory disclosures excluding disclosures based on Fair Disclosure Rules are provided via EDINET. The information that is disclosed in accordance with Fair Disclosure Rules is posted on the Corporation website.

# External Recognition

| [Inclusion in Leading ESG Investment Indices](#) ▾ | [External Certification/Evaluation](#) ▾ |

## Inclusion in Leading ESG Investment Indices

### FTSE4Good Global Index Series\*<sup>1</sup>

The FTSE4Good Global Index Series was developed by FTSE Russell\*<sup>1</sup>, a global index provider, a wholly owned subsidiary of London Stock Exchange Group (LSEG). The Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.



[Click here to view the FTSE4Good web site.](#) ▯

\*<sup>1</sup> FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

### FTSE Blossom Japan Index\*<sup>2</sup>, FTSE Blossom Japan Sector Relative Index\*<sup>3</sup>, MSCI Japan Empowering Women Index\*<sup>4</sup>

The FTSE Blossom Japan Index, created by FTSE Russell, is designed to measure the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices. The index is constructed so that industry weights align with the FTSE Japan All Cap Index and uses the globally established FTSE4Good Index Inclusion Rules which are drawn from existing international standards including the UN Sustainable Development Goals.

Also, the Blossom Japan Sector Relative Index, created by FTSE Russell, is designed as a sector neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan. The index selects companies with higher ESG Ratings within the top 50% of each sector and supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts with Transition Pathway Initiative's Management Quality Score. The MSI Japan Empowering Women Index was developed by MSCI, and Japanese companies with high levels of gender diversity are selected from various industries.

These indices are selected by the Government Pension Investment Fund for Japan (GPIF) as indices for ESG investment. (as of March, 2022)



[Click here to view the web site.](#) ▯



[Click here to view the web site.](#) ▯

**2021** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

[Click here to view the web site.](#) ▯

- \*2 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.
- \*3 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Marubeni Corporation has been independently assessed according to the FTSE Blossom Japan Sector Relative Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Sector Relative Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE Blossom Japan Sector Relative Index indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.
- \*4 The inclusion of Marubeni Corporation in any MSCI Index, and the use of MSCI Logos, Trademarks, Service Marks or Index Names herein, do not constitute a sponsorship, endorsement or promotion of Marubeni Corporation by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index Names and Logos are Trademarks or Service Marks of MSCI or its affiliates.

## External Certification/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 and 46 other companies were selected in 2017. The Nadeshiko Brand began in the fiscal year ended March 31, 2013, with METI and TSE jointly awarding listed companies that showed excellence in promoting women's empowerment in the workplace. Evaluations are made from two aspects of "promoting women's career development" and "support in balancing work and family life," and companies with good financial performance are selected. The awarded companies have "management capabilities for utilizing diversified human resources" and "the ability to adapt to environmental changes," and therefore can be considered to be a "company with growth potential."

In 2019, Marubeni was also selected as a "Semi-Nadeshiko Brand 2019."



#### Related News Release:

- > Marubeni selected as a Nadeshiko Brand 2017 enterprise  [54KB]
- > Marubeni selected as a Nadeshiko Brand 2015 enterprise  [159KB]

### Marubeni Certified as an "Eruboshi" Company


Marubeni has been certified as an "Eruboshi" company by the Minister of Health, Labor and Welfare for its efforts in promoting women's participation in the workplace.

The "Eruboshi" certification is awarded to applying companies, based on the Act on Promotion of Women's Participation and Advancement in the Workplace ("Act to Promote Women's Participation") enforced on April 1, 2016. Marubeni has received the second highest rank out of the three grades.


With the enforcement of the Act on Promotion of Women's Participation and Advancement in the Workplace, Marubeni is stipulating action plans for promoting women's participation, and working to strengthen the recruitment and development of female employees.



#### Related News Release:

- > Marubeni designated an "Eruboshi" company based on Promotion of Women's Career Activities Act  [68KB]

### Action Plan for Empowering Female Employees

- > Marubeni Corporation Action Plan (Phase 2) (Japanese Only)  [145KB]

## Marubeni Receives “Platinum Kurumin” Certification

Marubeni has received the “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.



### Related News Release

▶ Marubeni Corporation Receives “Platinum Kurumin” Certification in Recognition of Superior Support for Childcare

## Marubeni Certified as a Health and Productivity Management Organization 2021 (White 500)

As an organization with an excellent track record of health management, Marubeni was certified as a Health and Productivity Management Organization 2021 (White 500) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

Health and Productivity Management Organization 2021 (White 500) is based on initiatives that align with regional health issues and health promotion endeavors supported by the Nippon Kenko Kaigi; it endeavors to highlight outstanding enterprises engaged in efforts to advance health management. And Marubeni has been selected four years in a row.

Marubeni has set employee healthcare as an important management issue and has been making efforts to promote corporate healthcare support for the prevention and treatment of diseases related to lifestyle and other serious diseases and illnesses. In recent years, Marubeni has initiated new measures to enhance healthcare support such as subsidization of cancer screenings, age-specific full medical checkups (including brain examinations) paid for in full by Marubeni, and also the liberal implementation of mental health programs.



## Inclusion in Health & Productivity Stock Selection

Marubeni was chosen for inclusion in the Brand of Companies Enhancing Corporate Value through Health and Productivity Management Selection (Health & Productivity Stock Selection). Launched in the fiscal year ended March 31, 2015, this joint program by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) recognizes TSE-listed companies that exhibit excellence in strategically practicing healthcare management, thereby making employee health a management issue. Aiming to help employees improve their health, Marubeni has been developing more sophisticated healthcare management systems while simultaneously supporting employees in living more fulfilling social and private lives. It was the recognition of these efforts that resulted in the Company’s inclusion in the Health & Productivity Stock Selection. Going forward, we will continue to invest in employee health to further boost our global competitiveness.



### Related News Release:

▶ Marubeni selected as a KENKO-KEIEI Brand enterprise  [99.2KB]

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

Marubeni’s strategy for “Surpassing our Traditional Framework 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 at the time had 120,000 registered members.

# Green Bond

| [Framework](#) ▾ | [Second Party Opinion](#) ▾ | [Overview of the Green Bonds Issuance](#) ▾ |

## Framework

Marubeni Corporation has established this Green Bond Framework in alignment with the Green Bond Principles 2021 as administered by the International Capital Market Association (ICMA).


> [Green Bond Framework](#) 

## Second Party Opinion

Marubeni Corporation has obtained an external evaluation (second party opinion) from Sustainalytics for the conformity of our Framework with the Green Bond Principles.

> [Second Party Opinion \(Sustainalytics\)](#) 

## Overview of the Green Bonds Issuance

Type of Bond	USD-Denominated Senior Unsecured Green Bonds due 2026
Total Amount of Issue	US\$500 million
Interest Rate	1.577%
Tenor	5 Years
Closing Date	September 17, 2021
Maturity Date	September 17, 2026
Use of Proceeds	Renewable energy; FSC/PEFC certified afforestation; water supply and sewage; and magnesium Refining
News Release	> <a href="#">Marubeni Announces Issuance of USD-Denominated Senior Unsecured Green Bonds</a> 

Content Indices

# ESG Content Index

The index shows contents pertaining to each ESG item that we disclose on sustainability website. Please click ● to view the contents or the pages on our website. Please refer to our website for the latest information.

Sustainability	Our Views on Sustainability	●
	Organization	●
	Fundamental Materiality	●
	Environmental & Social Materiality	●
	Identification and Review Process of Materiality	●

		Policy	Targets	Structures and Systems	Initiatives	Data	Participation in International Initiatives	Collaborating with Stakeholders
E	Environmental Management	●	●	●	●	●	—	—
	Climate Change	●	●	●	●	●	●	●
	Sustainable Forestry	●	—	—	●	●	●	—
	Conservation of Biodiversity and Habitats	●	—	—	●	—	●	—
	Water Management	●	—	—	●	●	●	—
	Supply Chain	●	—	—	●	—	●	—
S	Respect for Human Rights	●	—	●	●	—	●	—
	Supply Chain	●	—	—	●	—	●	—
	Occupational Health and Safety	●	●	●	●	●	—	—
	Health and Productivity Management	●	—	●	●	●	—	—
	Responsibility to Customers	●	—	●	●	—	●	●
	HR Management	●	—	—	●	●	—	—
	Diversity Management	●	—	●	●	●	—	—



			Policy	Structures and Systems	Others
G	Corporate Governance	Basic Views on Corporate Governance	●	—	—
		Corporate Governance Structure	—	●	—
		Composition of the Board of Directors and Audit & Supervisory Board	—	●	—
		Reasons of Appointment of the Board of Directors and Audit & Supervisory Board	—	—	●
		Evaluation of the effectiveness of the Board of Directors	—	—	●
		Executive Compensation	●	—	—
		Internal Control	●	—	—
	Compliance	Compliance System	—	●	—
		Compliance Manual	●	—	—
		Internal Whistle-blowing System	—	●	—
		Anti-Corruption	●	—	—
	Risk Management	Risk Management System	—	●	—
		Business Risks	●	—	●
	General Meeting of Shareholders	Notice of General Meeting of Shareholders	—	—	●
		Notice of Resolution of General Meeting of Shareholders	—	—	●

**Marubeni**

<https://www.marubeni.com/en/>