

Marubeni

**SUSTAINABLE
DEVELOPMENT
REPORT**

2024

Marubeni Corporation

**GLOBAL
CROSSVALUE
PLATFORM**



CONTENTS

Contents	1	Social	69
Editorial Policy	2		
<hr/>			
Our Views on Sustainability	3		
Our Views on Sustainability	4	Respect for Human Rights	70
Organization	5	Occupational Health and Safety	78
Assessment of Sustainability Risk	6	Health and Productivity Management	85
Engagement with Stakeholders	10	Responsibility to Customers	94
Participation in International Initiatives	11	HR Management	104
		Diversity Management	111
		Social Data	120
Materiality for Marubeni Group	21	Supply Chain	126
The Idea of Materiality for Marubeni Group	22	Policy	127
Fundamental Materiality	23	Group-wide Initiatives	129
Environmental & Social Materiality	24	Sustainability Surveys to Suppliers	132
Identification and Review Process of Materiality	26	Initiatives for Individual Commodities	135
		Governance	139
Environment	27	Appendix Corporate Governance Report	
Environmental Management	28	I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information	
Climate Change	35	II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management	
Sustainable Forestry	43	III Implementation of Measures for Shareholders and Other Stakeholders	
Conservation of Biodiversity and Habitats	50	IV Matters Related to the Internal Control System	
Water Management	55	V Other	
Environmental Data	59		
		External Recognition	195
		Green Bond	200
		ESG Content Index	201

List of Relevant Website Information

Provides contents of the Sustainable Development Report 2024 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

- > Financial Results
- > IR Meeting on Financial Results
- > Consolidated Financial Statements with Independent Auditors' Report
- > Integrated Report
- > Business Report

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
- > Directors, Audit & Supervisory Board Members, and Executive Officers
- > Mid-Term Management Strategy
- > Organization
- > Major Group Companies

Editorial Policy

Sustainable Development Report 2024 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 3/2023 (April 1, 2022 to March 31, 2023). Parts of the report also cover policies and initiatives from before and after the reporting period, mainly as of January 31, 2024. 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)
- IFRS Foundation: International Integrated Reporting Framework
- Latest report from the Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

Publication Date

April 2024 (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.

Our Views on Sustainability

Our Views on Sustainability	4
Organization	5
Assessment of Sustainability Risk	6
Engagement with Stakeholders	10
Participation in International Initiatives	11



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.

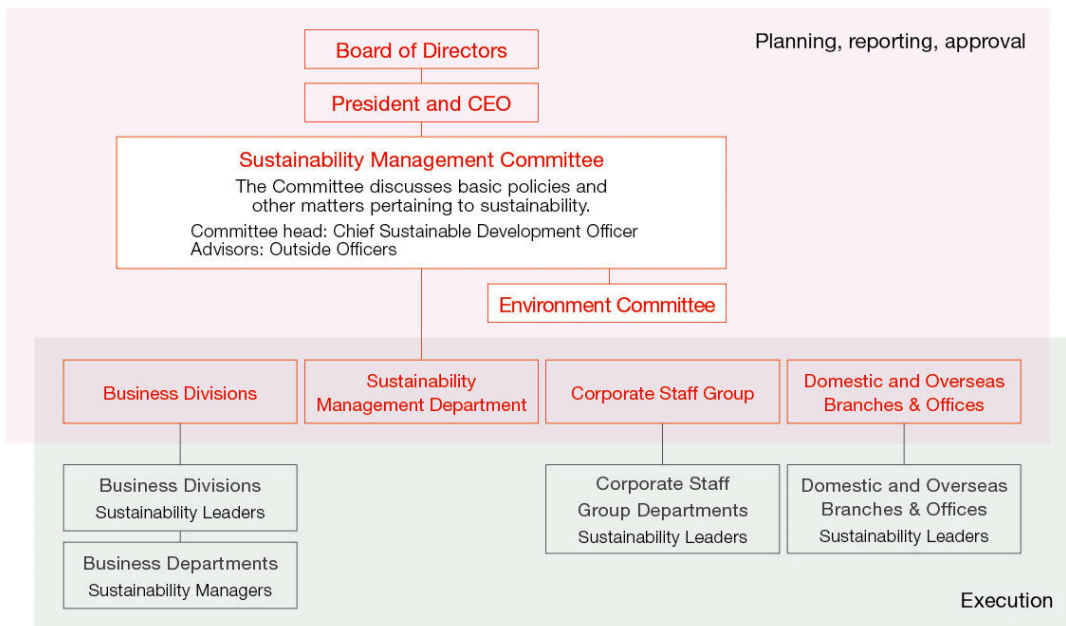
[▶ Click here for ESG Content Index](#)

Organization

Our governance structure allows for adequate Board supervision of important sustainability-related issues. Specifically, the Sustainability Management Committee, reports 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 important matters to the Corporate Management Committee and the Board of Directors once a year as a minimum, which are then deliberated and voted on. The Sustainability Management Committee is chaired by the CSDO (Chief Sustainable Development Officer) and Outside Officers are also counted as members of the committee in an advisory role 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 Divisions, 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.



Sustainability Management 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. Since then, based on this result, we have continued to monitor risk factors, including the presence or absence of changes in their business models that could affect their sustainability risk profile.

➤ [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 Development Projects and Financing/Investment

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.

Furthermore, when considering investment or loan projects internally, we quantify and visualize the carbon price as a reference value, based on the assumed GHG emissions (Scope 1 and Scope 2) of each project. The carbon price used is a theoretical value which is comprehensively reviewed and calculated in-house using data from various external institutions. For the fiscal year ended March 31, 2023 the annual average price was about €80/t-CO₂.

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, 2023.



Process of Managing Sustainability Risk in Investments and Loans

Number of Sustainability Risk Assessments in the Fiscal Year Ended March 31, 2023 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
19	9	6	0	10	0	6	7	5	0	62

<Occupational Health and Safety>

Machine safety	Fires and explosions	Toxic substance exposure	Infection	Hazardous operations	Other safety issues	Total
20	11	10	1	20	1	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 and the right to collective bargaining
25	16	6	4	18	0	0	10

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
2	1	8	0	0	0	0	11	101

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.

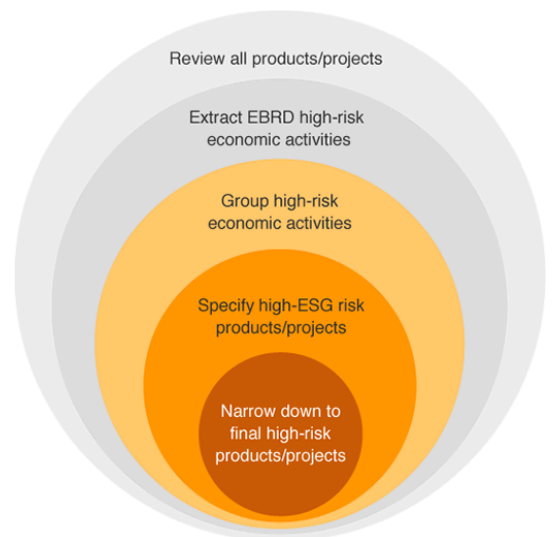
1. Preparation for ESG Risk Evaluation

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

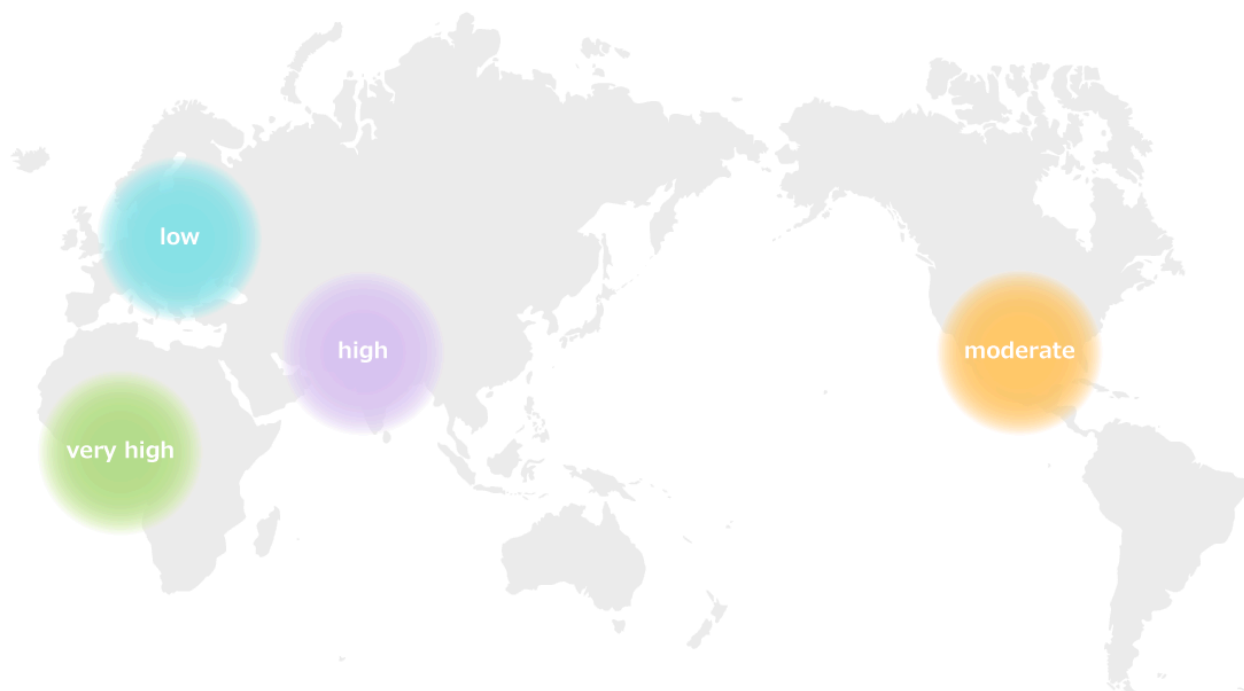
Step 1: Create risk profiles of the final high-risk products/projects

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 moving forward together, based on an understanding of stakeholder interests and concerns, as well as the impact of the Company's activities on society and the environment. We conduct sustainability-specific interviews with various stakeholders to exchange views on environmental issues, including environmental management, as well as climate change, biodiversity, human capital, supply chain management, human rights, and occupational health and safety.

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

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

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

Political donation: FYE 3/2022: 28 million yen / FYE 3/2023: 28 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 Administration of Entertainment and Gifts", stipulated in our Compliance Manual.

Additionally, the Group's consolidated subsidiaries, and overseas branches and offices do not make political contributions, as stipulated by the Political Funds Control Act in Japan, and thus no such contributions were made in FYE 3/2023.

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 labor; 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 GCNJ. Marubeni takes part in the following Working Groups.

In FYE 3/2023	Committee of Supply Chain
	Committee of Environmental Management
	Committee of Human Rights Due Diligence
	Committee of Disaster Risk Reduction
	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](#)

Climate Change

TCFD

Recognizing the importance of climate-related financial disclosures, the Marubeni Group affirmed the recommendations of the TCFD*2 in February 2019. We are endeavoring to evaluate risks and opportunities engendered by climate change and to enhance related disclosure. In addition, we joined TCFD Consortium*3 of Japanese companies that affirm the recommendations of the TCFD.



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

*3 [Click here to view the TCFD Consortium website](#)

> Disclosure in line with the Recommendations of the TCFD

Endorsement of ISSB’s Statement “Championing the ISSB’s climate global baseline”

Marubeni endorsed the following statement on climate-related disclosure standards*4 issued by the International Sustainability Standards Board (ISSB) at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28).



*4 International Financial Reporting Standards (IFRS) Standard 1 (S1): General Requirements for Disclosure of Sustainability-related Financial Information and IFRS Standard 2 (S2): Climate-related Disclosures

Statement : “Championing the ISSB’s climate global baseline”

Climate risks are increasingly having a real effect on companies and capital. Therefore — in response to calls for climate action at COP28 — we support the establishment of market infrastructure to enable consistent, comparable climate-related disclosures at a global level. We are committed to advancing the adoption or use of the ISSB’s Climate Standard as the climate global baseline.

> For more details, please see the IFRS website

CDP

CDP*5 (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 2022 Marubeni continued from the previous year to receive 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.



*5 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 more than 680 investors representing over US\$130 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 2022, nearly 20,000 organizations around the world, including more than 18,700 companies worth half of global market capitalization and over 1,100 cities, states and regions, 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.

> CDP A-List and other published scores can be found at [here](#)

Joining the GX League to Address Climate Change

Marubeni has joined the Green Transformation League (GX League) established by the Ministry of Economy, Trade and Industry. The GX League includes companies working towards decarbonization as well as government bodies, academia, and the financial sector, and aims to bring about changes in economic and social systems. As such it will focus on emissions trading (GX-ETS) and the creation of sustainable markets. Marubeni will contribute to decarbonization and the reduction of Japan's greenhouse gas emissions by participating in the GX League's discussions on the formation of market rules (regarding voluntary credits and carbon offsets, etc.), utilizing our global expertise and know-how spanning a broad range of sectors, which is one of the strengths of a general trading company.

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 proposed by Japan Business Federation (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 FYE 3/2026 relative to FYE 3/2016, by introducing energy-saving facilities etc.

The Global Environment Committee of The Japan Foreign Trade Council (JFTC)

Marubeni 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](#)

Committee on Environment

We participate in the Committee on Environment, an environment- and energy-related committee of the Japan Business Federation (Keidanren) which promotes the mainstreaming of climate change countermeasures, circular economy, biodiversity, and the improvement of environmental regulations and systems, and works towards the realization of environmental policies that are compatible with the economy.

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.

Japan Sustainable Fashion Alliance (JSFA)

We have a full membership of the Japan Sustainable Fashion Alliance (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, purchasing and 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 the categories of Environmental & Social Materiality, 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.

➤ [Click here to view the JSFA website \(Japanese only\)](#) 

ACT FOR SKY

Marubeni is a member of “ACT FOR SKY”, an organization dedicated to the commercialization, dissemination, and expansion of domestically produced Sustainable Aviation Fuel (SAF). With the urgent need to reduce CO2 emissions globally in order to tackle global warming, the aviation industry must accelerate the technological development, production, distribution, and use of SAF. Also, in response to the growing global demand for SAF, a stable supply of domestically produced SAF is essential in Japan. Marubeni has identified “Climate Change” as one of four categories of our Environmental and Social Materiality, and through “ACT FOR SKY” we will accelerate the commercialization, dissemination, and expansion of domestically produced SAF. At the same time, companies, local governments and others are acting together in cooperation and collaboration to promote the importance of SAF, carbon neutrality, and resource recycling, and to bring about new behaviors through changing the thinking of citizens and companies.

➤ [Click here for the ACT FOR SKY website \(Japanese only\)](#) 

Sustainable Forestry

Forest Management and Forestry Certification at Marubeni Group

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

Group company	Location	Nature of business	Forestry certification
PT. Musi Hutan Persada (MHP)	Indonesia	Forest plantation business	Indonesian Forestry Certification Cooperation*6 • Sustainable Forest Management certification
WA Plantation Resources Pty., Ltd. (WAPRES)	Australia	Forest plantation/ woodchips production business	FSC® certification*8 • FM (Forest Management) certification • CoC (Chain of Custody, processing/distribution processes) certification
			Responsible Wood*9 • Sustainable Forest Management certification

*6 Indonesian Forestry Certification Cooperation is a forest certification system in Indonesia endorsed and mutually recognized under the PEFC*7.

*7 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. (PEFC/31-32-80)

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

*9 Responsible Wood is an Australian forest certification scheme endorsed and mutually recognized under the PEFC*7.


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)^{*10}, an international organization that builds a risk management and disclosure framework related to natural 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.

*10 TNFD is an organization to build a risk management and disclosure framework related to natural 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) Council

Marubeni is a full member of Marine Eco-Label Japan (MEL) Council, 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 \(MEL\) Council](#) 

Support for “Sustainable Seafood Week 2023”

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) 2023 to further spread the awareness of sustainable seafood across Japan in October. The annual campaign started in 2014 and this time was the 10th year.

Sustainable seafood refers to seafood caught in MSC-certified fisheries that are properly managed in consideration of marine resources and the environment, or seafood raised in ASC-certified aquaculture farms that minimize environmental and social impacts. 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 to view the Sustainable Seafood Week 2023 web site \(Japanese only\)](#) 

Respect for Human Rights

The Industrial Federation for Human Rights, Tokyo

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 Iguazu de Café Solúvel and Marubeni Foods Corporation, Marubeni's subsidiary companies, take part in the platform of Sedex*¹¹ 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.

*¹¹ 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 Group companies (Marubeni Intex Co., Ltd. and Marubeni Techno Rubber Corporation) are subscribed to EcoVadis*¹².

The Marubeni Group will build sustainable supply chains, strengthen risk management, and expand ethical business practices.

*¹² 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.

ISCC (International Sustainability & Carbon Certification)

Marubeni Corporation, Marubeni America Corporation, Marubeni Europe plc, Marubeni ASEAN Pte. Ltd., Marubeni Plax Corporation, Marubeni Petroleum Co. Ltd. and Marubeni Energy Europe Limited (hereinafter referred to as the seven Marubeni Group companies), have obtained accreditation from the ISCC regarding promotion of the sustainable production of biomass (fuels, agricultural products, forest materials, waste and residues, non-living biomass, and recycled carbon materials) in their supply chains, aimed at reducing greenhouse gas (GHG) emissions, as well as sustainable land use, conserving biodiversity, and progress towards a sustainable society. The seven Marubeni Group companies commit and declare their compliance with the ISCC requirements in accordance with the latest ISCC regulations.

Responsibility to Customers

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

Japan REIT Advisors Co., Ltd. (Currently Marubeni REIT Advisors Co., Ltd.) (MRA), 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, MRA 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 diversified J-REIT, UUR aims to reduce various risks and secure medium- to long-term stable earnings by making real estate investments in diverse assets and locations in each regional economic zone with the focus on the Tokyo Metropolitan Area. Aiming for the realization of a society that is sustainable, diverse and inclusive, UUR and MRA have been engaged in real estate investment and management with consideration for ESG. Upon acquisition of real estate properties, MRA will conduct adequate due diligence and carefully examines not only profitability but also impact on the environment (e.g. asbestos, soil contamination), tenants (e.g. antisocial forces, labor environment), and surrounding area (e.g. relationship with the relevant community, influence of traffic congestion on surrounding environment, etc.) before making investment decisions.

One of the metrics to manage climate-related risks and opportunities is the environment certification coverage rate for the portfolio of UUR. UUR and MRA set a medium-term target of an 80% rate (based on gross floor area) by 2024. As a result of acquiring new environmental certifications and continued efforts to re-acquire them for properties for which they would expire, they had reached 77.4% as of November 30, 2023.

As a result of these initiatives, in the 2023 GRESB Real Estate Assessment, the annual benchmark that assesses sustainability practices in the real estate sector, UUR received "4 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants for the third consecutive year. It also won the "Green Star" designation for the ninth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

In the MSCI ESG ratings, UUR received an "AA" rating, the second highest of seven ratings, and has been added to the constituents of MSCI Japan ESG Select Leaders Index.

UUR and MRA 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 policies for ESG promotion and initiatives, certification / evaluation](#) 

➤ [Click here to view the Marubeni 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 \(Japanese only\)](#) 

Association for the Safety of Imported Food, Japan

Companies engaging in the import, production, distribution, or sales of food volunteered to form an association and began activities in November 1988. They established this association with the aim of doing all they could to improve problems related to securing imported food safety.

In recognition of its achievements, the association became an incorporated association in September 1992 with the approval of the Ministry of Health and Welfare (now known as the Ministry of Health, Labour and Welfare). Further, on April 1, 2011, it was authorized as a public interest corporation and became the Association for the Safety of Imported Food, Japan. It engages in a wide range of activities to help food business operators to fulfill their social responsibility to deliver safe, secure imported food.

The Marubeni Group collects information about the safety of imported processed food and fresh food (including information about residual agricultural chemicals, food additives, and genetic modification) through the Association for the Safety of Imported Food, Japan. We reflect the contents of the information in checking new business partners and suppliers and in conducting factory audits of suppliers, thus promoting the safety of imported food.

➤ [Association for the Safety of Imported Food, Japan \(Japanese only\)](#) 

Japan Food Hygiene Association

The Food Sanitation Act was established in 1947 to address hazards resulting from eating and drinking and contribute to improving and promoting public health. On November 1, 1948, companies engaged in food-related businesses established the Japan Food Hygiene Association, an incorporated association (currently a public interest incorporated association), for the purpose of cooperating with the government in line with the purpose of the Food Sanitation Act and implementing voluntary sanitation management.

Since its establishment, this association has been engaged in a number of activities for the benefit of the public through its organizations all over Japan. They include the activities of food hygiene instructors for food business operators, which are aimed at improving food hygiene and establishing a voluntary management system, food testing and inspection, the promotion of food business operators' mutual aid system to be used when paying indemnities, the holding of various training sessions, the distribution and dissemination of books on food hygiene, the provision of information to consumers, and the promotion of international cooperation and research related to food hygiene.

The Marubeni Group is striving to improve food hygiene and its management systems related to securing the safety of processed food, by referring to guidelines and the latest information provided by the Japan Food Hygiene Association.

▶ [Japan Food Hygiene Association \(Japanese only\)](#) 

Materiality for Marubeni Group

The Idea of Materiality for Marubeni Group	22
Fundamental Materiality	23
Environmental & Social Materiality	24
Identification and Review Process of Materiality	26



Materiality for Marubeni Group

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

The Idea of Materiality for Marubeni Group



Fundamental Materiality

The Marubeni Group has identified three categories of Fundamental Materiality for living by our Management Philosophy, building a better tomorrow, and accomplishing the goal of ensuring sustainable growth for the company.

1. Human Capital with High Social Value
2. Robust Management Foundation
3. Governance for Coexistence with Society

1. Human Capital with High Social Value

We regard human resources as our most valuable asset in meeting environmental and social demand, and proactively providing solutions. We define “Human Capital with High Social Value” as individuals who are essential not only to the company but also to society. We will nurture human capital with High Social Value, and thereby bring about innovation and provide solutions.

To us, Human Capital with High Social Value means:

- Individuals who observe laws and act in conformity with accepted international customs, and who also maintain high ethical standards for the good of society.
- Innovative individuals with the foresight, insight and creativity needed to anticipate social change.
- Individuals with sound judgment and the ability to make correct decisions and act quickly.
- Individuals with the communication skills to truly address the demands of society, with a sense of purpose and responsibility, while also being attuned to the realities of the marketplace. These attributes are the foundation of decision-making, decisiveness and the ability to execute.

2. Robust Management Foundation

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

We must build a foundation that facilitates the activities of our human capital and establish a truly Robust Management Foundation. If we cannot accomplish this, our human capital will not be able to continue innovating and providing solutions. Enabling our human resources to use our management foundation to the fullest will ultimately lead to maximizing corporate value.

To us, Robust Management Foundation means:

- A fundamentally sound management foundation with a strong brand presence, reputation, sales foundation and network, and financial footing.
- A corporate climate and culture that is capable of producing abundant Human Capital with High Social Value, and can enable that human capital to engage in meaningful work.
- An environment that places importance on the ability to create diverse values and generate quality solutions within a diverse and inclusive organization.

3. Governance for Coexistence with Society

We will endeavor to increase corporate value based on a Robust Management Foundation in which Human Capital with High Social Value develops innovative ideas and continues providing solutions.

Within that framework, and given social expectations and demands, we believe that strengthening our corporate governance system for improved coexistence with society is important to all of our stakeholders.

We will deepen our engagement with diverse stakeholders, enhance the effectiveness of the Board of Directors’ oversight function, and bring greater transparency to our management in order to build a governance framework that allows for improved coexistence with society and works toward achieving sustainability.

Environmental & Social Materiality

The Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 are goals for achieving sustainability and leaving the world a better place for future generations shared by governments, the private sector and civil society. In recognition of this, the Marubeni Group has identified the following categories of Environmental and Social Materiality in which it can truly make a valuable contribution.

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

In addition to the 17 goals and 169 targets of the SDGs, and taking into consideration stakeholders' expectations and interests as well as the environmental and social impact of our business, our categories of Environmental and Social Materiality are based on the criteria described below. Building on initiatives set out through our Fundamental Materiality, we will contribute to achieving the SDGs and work toward building a better tomorrow.

1. Climate Change

Climate change, which is responsible for phenomena such as global warming, changes in the natural environment and more frequent natural disasters, is a global issue with a broad impact on social and environmental sustainability.

Marubeni has business operations throughout the world, and views climate change as a serious risk. However, we also believe that it presents business opportunities.

We see contribution to climate change mitigation and adaptation as a category of Environmental and Social Materiality. We contribute to climate change countermeasures mainly through the following policies:

- Coal-fired Power Generation and Renewable Energy Generation Businesses

The Marubeni Group has 12GW net power generation capacity (as of March 31, 2019) and is a leading independent electric power operator. We announced our "Policy on Coal-Fired Power Generation and Renewable Energy Generation Businesses" on September 18, 2018 as part of our proactive climate change countermeasures.

- We view climate change-related transfer risk as a business opportunity, and we aim to increase our "Green Revenue" of 700 billion yen in FY2017 to 1.3 trillion yen by 2023.

Green revenue, a part of our business contribution to climate change countermeasures, includes the following.

- Sales of products certified as contributing to sustainable forestry, fisheries, etc.
- Sales from businesses (real estate, etc.) contributing to lessening environmental impact
- Sales from businesses dealing in power generation from renewable energy sources
- Sales from businesses contributing to propagating EV (electric vehicles)
- Sales from businesses (recycling-related, etc.) contributing to waste reduction
- Sales from businesses (water business, etc.) contributing to efficient use of resources
- The Marubeni Group recognizes the importance of climate-related financial disclosures. As new measures to counter climate change, in addition to affirming the recommendations of the TCFD^{*1}, we will endeavor to better understand the financial impact of both the risks and opportunities brought about by climate change, and also engage in improved climate-related financial disclosure.

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

> Climate Change

> Disclosure in Line with the Recommendations of the TCFD

2. Sustainable Forestry

Forests are a precious resource and enrich life on Earth in many ways. The Marubeni Group currently holds around 130,000 hectares of tree plantations across the world (total gross project area is around 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 131 locations domestically and internationally^{*2} and employs more than 40,000 people^{*3} of many different nationalities and ethnicities. We are active in a wide range of businesses and conduct global, multi-faceted activities.

To create a better tomorrow, we take a sincere approach to dealing with human rights issues facing the international community. As part of our initiatives, we have included the three basic principles of the United Nations' Guiding Principles on Business and Human Rights: 1) respect for human rights, 2) due diligence on human rights, and 3) redress in our Basic Policy on Human Rights.

*2 As of March 31, 2023

*3 Number of employees of the Group: 45,995 as of March 31, 2023

> Respect for Human Rights

4. Sustainable & Resilient Value Chains

The Marubeni Group deals with thousands of suppliers 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^{*4} to place more importance on climate change countermeasures and respect for human rights.

*4 From FYE 3/2021 to FYE 3/2023, we noticed a total of approximately 23,000 Tier 1 suppliers in the Group of the Basic Supply Chain Sustainability Policy and the Marubeni Group Basic Policy on Human Rights.

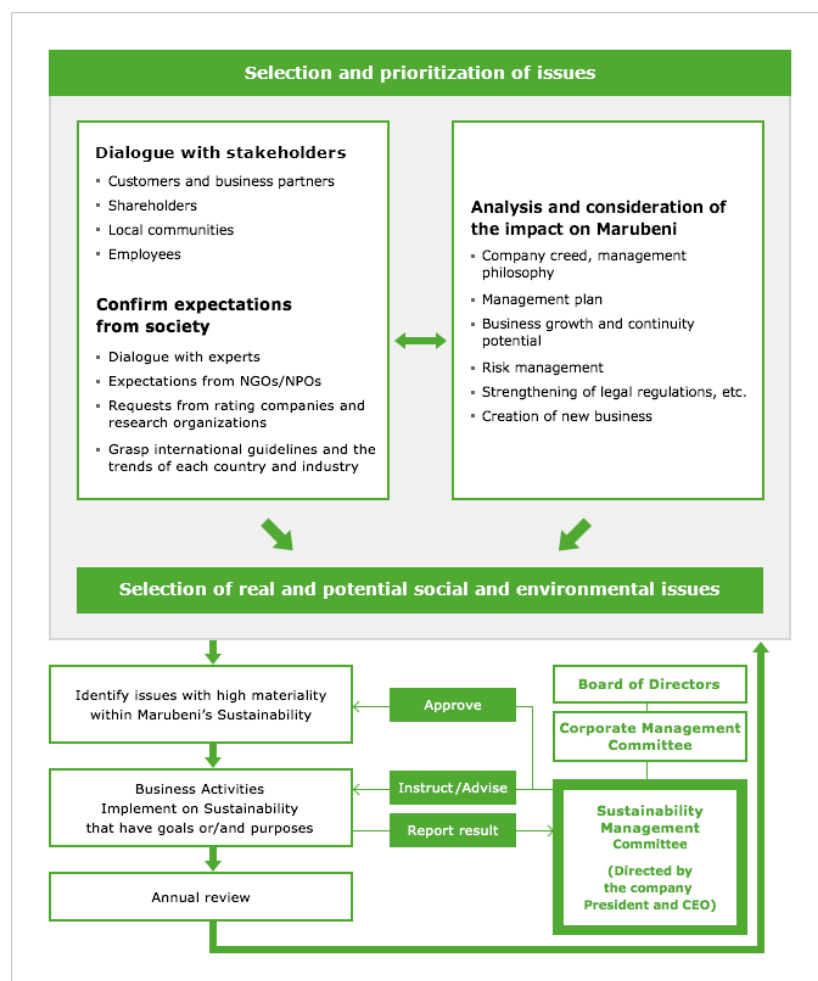
> Supply Chain

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 dialogues with stakeholders and confirmations of the expectations from society, as well as constantly analyzing the impact on our Group.

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

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



Identification and Review Process

Environment

Environmental Management	28
Climate Change	35
Sustainable Forestry	43
Conservation of Biodiversity and Habitats	50
Water Management	55
Environmental Data	59



Environment

Environmental Management

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

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 to cooperation with stakeholders to the conservation of the environment, the prevention of pollution and the reduction of potential environmental impacts, including efficient use of resources and taking appropriate steps to address climate change and protect biodiversity and ecosystems, focusing on the four themes below.
 - (1) Compliance with international and local applicable environmental guidelines, laws and regulations, and agreed requirements;
 - (2) Taking measures as necessary to reduce environmental impacts and prevent pollution, particularly in launching new projects and altering existing projects;
 - (3) Facilitating resource and energy conservation (mineral resources, food and water, etc.)^{*1}, waste reduction, green procurement, and increases in operational efficiency;^{*2}
 - (4) Promoting business projects, offering products and services, technical development and building social systems that help protect and improve the environment.
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.

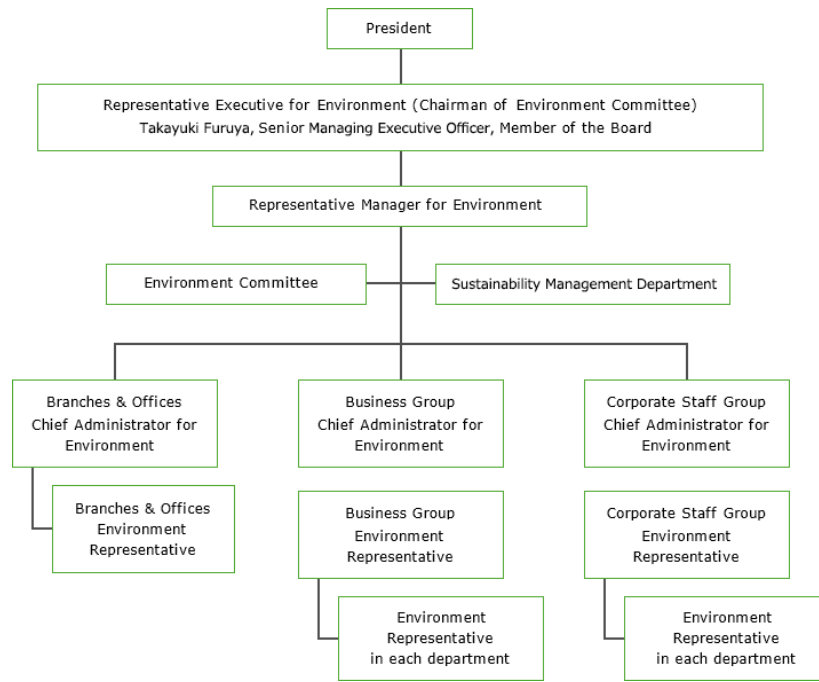
Targets

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 regarding 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.



Marubeni Group EMS organization

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. The PDCA cycle is used in our EMS to promote continuous improvement through planning, implementation, operation, inspection, and management review of our environmental initiatives.

Based on the survey for FYE 3/2024 (as of October 2023), the status of Marubeni Group's acquisition of ISO 14001 environmental management system is as follows:

- **Number of companies that have acquired ISO 14001 certification (including Marubeni Corporation)**
56 out of 480 companies in Marubeni Group (11.7% of total Group)

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
- Marubeni Real Estate Management Co., Ltd.

* 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 LRQA Limited. Marubeni has continuously been certified in FYE 3/2023.

■ 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 FYE 3/2023, 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 FYE 3/2023, Marubeni conducted an assessment to determine whether its 94 departments and 127 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 domestic employees, including temporary employees. At the same time, training programs 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. 470 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 FYE 3/2023.

Environmental Education and Training

Marubeni provides environmental education to its employees to help raise their awareness of relevant issues. In FYE 3/2023, 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 FYE 3/2023

Training Program/Seminar	Number of Participants
ISO 14001 Internal Environmental Auditors Training Program	77
Training Program on the Waste Management and Public Cleansing Act	470
E-learning Training Program on the Waste Management and Public Cleansing Act	2,251
Group-specific Training Program on the Waste Management and Public Cleansing Act	211

Environmental Assessment of Development Projects and Financing/Investment

From FYE 3/2021, 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.

➤ [Click here for more information on Environmental Data](#)

Internal and External Communications on Environmental Issues, including Environmental Management Issues

In accordance with the Marubeni Group Environmental Policy, we are committed to and proactive in communicating both internally and externally regarding environmental issues, including environmental management. We have held meetings with various stakeholders specifically on sustainability and exchanged opinions on environmental issues including environmental management, as well as climate change, biodiversity, human capital, supply chain management, human rights, occupational health and safety, etc. (15 meetings in FYE 3/2023). We will continue these efforts in the future.

➤ [Click here for more information on our Engagement with Stakeholders](#)

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 the Tokyo Head Office by FYE 3/2026 compared to FYE 3/2016. To achieve the numerical targets, the Company carries out initiatives such as introduction of energy-saving equipment, etc.

The targets for its energy conservation, natural resource conservation, and waste reduction efforts to be achieved by FYE 3/2026 and results are shown below.

Targets to be Achieved by FYE 3/2026

	Targets in the FYE 3/2026	Results in the FYE 3/2023
(1) Energy Consumption at the 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 FYE 3/2016	21.7% decrease from FYE 3/2016
(2) Waste Generation at the Tokyo Head Office	50% or more decrease from FYE 3/2016	55.7% decrease from FYE 3/2016
(3) Waste Recycling Rate at the Tokyo Head Office	70% or more	75.2%
(4) Water Consumption at the Tokyo Head Office	50% decrease from FYE 3/2016	57.2% decrease from FYE 3/2016

* In September 2016, the Tokyo Head Office moved to a temporary location in Nihonbashi due to the reconstruction of its permanent headquarters. In May 2021, the Tokyo Head Office is relocated from Nihonbashi to Takebashi new building.

* 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 CO2 emissions volume of the Tokyo Head Office by approximately 17% from the reference value (average emissions from April 2002 to March 2005) during the five years from April 2015 to March 2020. However, from FYE 3/2017, 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 the Tokyo Head Office submission of Carbon Reduction Report of Specified Tenants, etc. was not required for FYE 3/2021.

In conjunction with the completion of the new Head Office in February 2021, Marubeni submits the Carbon Reduction Reports starting from FYE 3/2023 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
Covering FYE 3/2021-FYE 3/2025	Submitted in April 2023

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 CO₂ 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 FYE 3/2023 was 2,382 metric tons of CO₂, a decrease of approximately 80% compared to the reference value (the emissions volume was calculated based on estimated reference value of 11,831 metric tons of CO₂.)

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
Covering FYE 3/2021-FYE 3/2025	Submitted in November 2022

Environment

Climate Change

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

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 Mid-Term Management Strategy GC2024, which we released in February 2022, we see “strengthening our green business*¹” 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.*¹

*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 CO₂ emissions of FYE 3/2020, about one million tons of CO₂, 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 CO₂ in FYE 3/2020 by 2030.

- 2) Reduce by one fifth the CO₂ emissions of the FYE 3/2020, about 36 million tons of CO₂^{*2}, 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 have entered into power purchase agreements but have not 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^{*3}, 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 CO₂ through our forests

Marubeni will strive to expand the volume of carbon stocks in our forests (currently about 11 million tons of CO₂ equivalents^{*4}) 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 CO₂ 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  [722KB].

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. In addition, we joined TCFD Consortium*3 of Japanese companies that affirm the recommendations of the TCFD.



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

*3 [Click here to view the TCFD Consortium website](#)

[Click here to view the latest disclosure in Integrated Report 2023](#)

- P.59 Sustainability Management [4.0MB], P.60 Climate Change (Disclosure in Line with the Recommendations of the TCFD) [4.0MB]
- P.106 Scenario Analysis of Climate Change Risks and Opportunities in Line with the TCFD Recommendations [1.2MB]

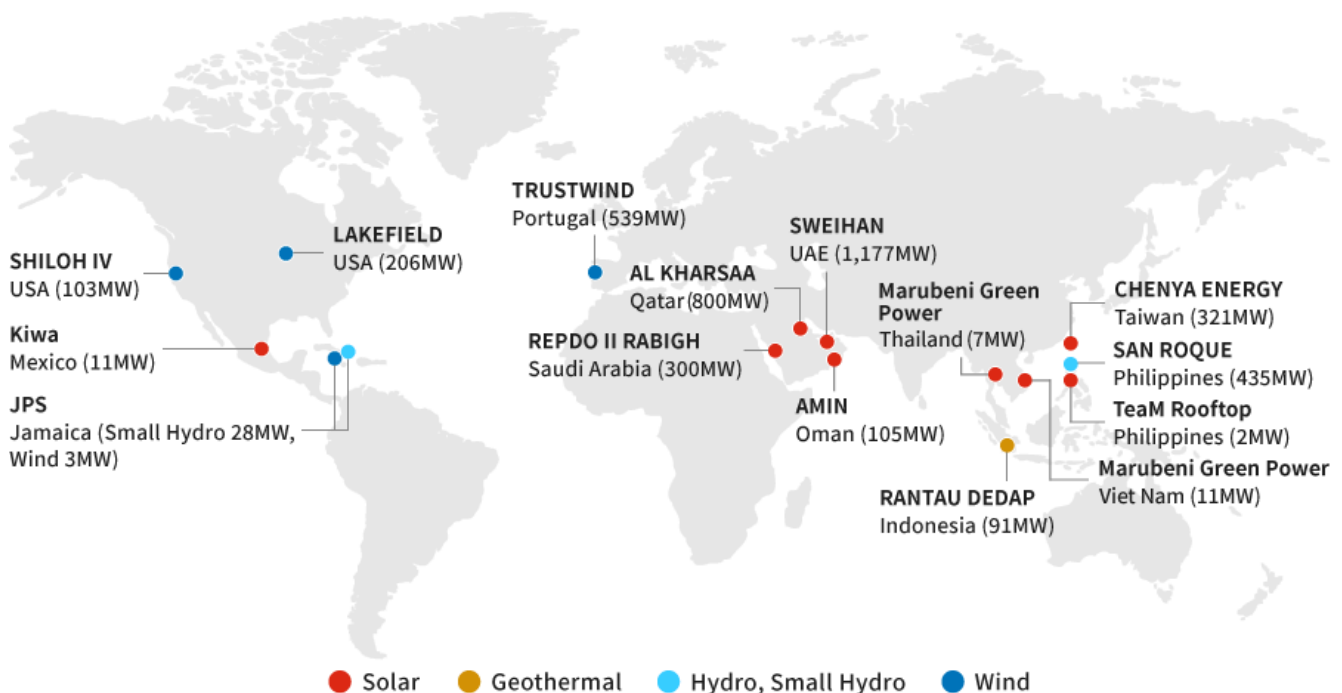
> [Click here to view the 2022 disclosure \(September 2022\)](#) [374KB]

Initiatives

Initiatives for Renewable Energy Power Projects

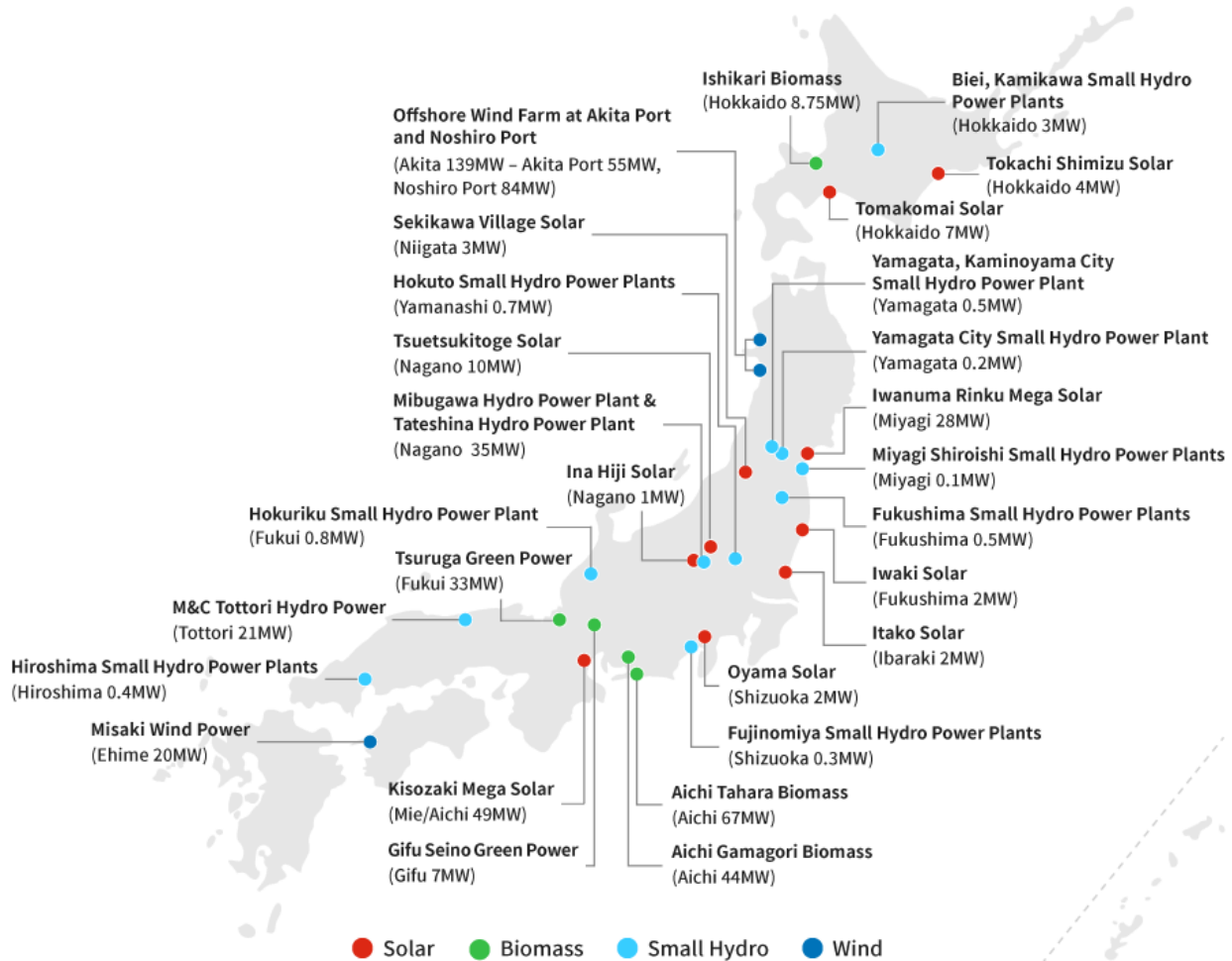
In order to work toward a low-carbon society that mitigates the effects of climate change as part of sustainable development goals, Marubeni is actively pursuing and expanding renewable energy power projects.*4

*4 Renewable energy power generation currently accounts for approximately 15% of our net generation capacity as of March 2022. We will increase this to approximately 20% by 2023.



Initiatives for Solar, 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.



Initiatives for Micro-Scale Hydro-Power Generation Business

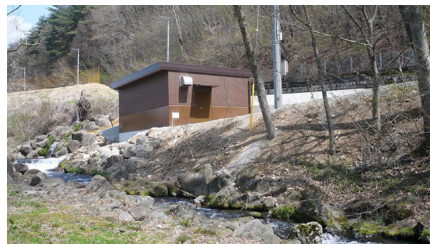
The Marubeni Group considers micro-scale hydro-power generation as an important business area, and has been conducting operations in this area through Group company, Mibugawa Power Company since 2006. As this business utilizes natural energy sources, consideration for the environment is essential, such as maintenance of water quality, reduction of waste materials, and conservation of energy, resources, and other local environment. 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.

“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 rivers or agricultural irrigation canals, thus minimizing the development footprint. The environmental impact on water quality and the water habitat is exceptionally low, and there is no impact on land features or scenic beauty. Once up and running, these operations emit almost no CO₂, thereby offering benefits in terms of minimal impact on biodiversity and environmental 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 No.1 and No.2, the Marubeni Group currently operates the following micro-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 2023)

Facility	Location	Approved Output
Mibugawa Power Station No. 1 ^{*5}	Ina, Nagano Prefecture	23,100kW
Mibugawa Power Station No. 2 ^{*5}		10,800kW
Mibugawa Power Station No. 3		260kW
Mibugawa Power Station No. 4		480kW
Tateshina Power Station	Chino, 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, Nagano Prefecture	195kW
Hokuto Nishizawa Power Station	Hokuto, Yamanashi Prefecture	220kW
Hokuto Kagoishi Power Station		230kW
Hokuto Kurabara Power Station		200kW
Honmonji Power Station No.1	Fujinomiya, Shizuoka Prefecture	120kW
Honmonji Power Station No.2		140kW
Shiroishi Power Station	Shiroishi, 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, Hiroshima Prefecture	180kW
Sagotani Power Station		108kW
Toyohira Power Station	Kitahiroshima, Hiroshima Prefecture	112kW
Tsukuyone Power Station	Wakasa, Tottori Prefecture	7,890kW
Oshika Power Station No.1	Misasa, Tottori Prefecture	3,700kW
Oshika Power Station No.2	Misasa, Tottori Prefecture	4,990kW
Hinogawa Power Station No.1	Hino, Tottori Prefecture	4,300kW
Hozawa Hotaru Power Plant	Yamagata, Yamagata Prefecture	170kW

*5 Mibugawa No.1 and No.2 Power Station fall under the category of medium hydraulic power generation.

Coexistence with Local Community

Mibugawa Power Station has obtained Eco Action 21^{*6} 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^{*7}, 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.

M&C Tottori Hydro Power Co., Ltd. (hereafter, M&C Tottori Hydro Power) believes that building a trusting relationship through communication with local residents is essential for the safe, secure, and stable operation of hydroelectric power generation projects. To this end, M&C Tottori Hydro 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, that may arise from construction, inspections, etc. Thanks to these initiatives, M&C Tottori Hydro Power understands each municipality's needs (including complaints) and business risks and incorporates them into its management strategy.

In addition, M&C Tottori Hydro 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 Hydro 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 the "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^{*8} 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.

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

*7 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)

*8 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.

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*⁹ 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 CO₂, as well as R&D and testing in these fields.

*⁹ CCS is an acronym for Carbon Capture and Storage and refers to the capture and storage of carbon dioxide (CO₂). Specifically, it involves technologies for capturing CO₂ 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 CO₂ 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 ▾ |

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

Forest Management and Forestry Certification at Marubeni Group

The Marubeni Group currently owns forest plantation businesses in the two countries of Indonesia and Australia with a total of approximately 130,000 hectares of tree plantable land (the total work area is approximately 300,000 hectares). 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.



Forest plantation business in Indonesia (MHP)

Group Company	Location	Nature of business	Forestry certification
PT. Musi Hutan Persada (MHP)	Indonesia	Forest plantation business	Indonesian Forestry Certification Cooperation*1 <ul style="list-style-type: none"> · Sustainable Forest Management certification
WA Plantation Resources Pty., Ltd. (WAPRES)	Australia	Forest plantation/ woodchips production business	FSC®certification*3 <ul style="list-style-type: none"> · FM (Forest Management) certification · CoC (Chain of Custody, processing/distribution processes) certification
			Responsible Wood*4 <ul style="list-style-type: none"> · Sustainable Forest Management certification

The Marubeni Group's Forest management is operated in accordance with standards established by forest certification systems. In MHP, which operates the forest plantation business in Indonesia, wood harvested from the plantation managed by MHP is supplied as 100% certified wood as of March 31, 2023.

The Marubeni Group will continue to manage the supply chain for manufacturing pulp and paper in a sustainable manner*5.

*1 Indonesian Forestry Certification Cooperation is a forest certification system in Indonesia endorsed and mutually recognized under the PEFC*2.

*2 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. (PEFC/31-32-80)

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

*4 Responsible Wood is an Australian forest certification scheme endorsed and mutually recognized under the PEFC*2.

*5 The Marubeni Group has businesses that span the pulp and paper supply chain.

(Consolidated subsidiaries)

Group Company	Location	Nature of business
PT. Tanjungenim Lestari Pulp and Paper (TEL)	Indonesia	Production and sale of wood pulp
Koa Kogyo Co., Ltd.	Japan	Manufacturing and sales of containerboard and printing paper
Fukuyama Paper Co., Ltd.	Japan	Manufacturing and sales of corrugating medium and paper tubes
Kraft of Asia Paperboard & Packaging Co., Ltd	Vietnam	Manufacturing and sales of containerboard
Marubeni Forest LinX Co., Ltd.	Japan	Paper, chemical products, and paper products wholesale business
Marubeni Paper Recycle Co., Ltd.	Japan	Paper recycling business

(As of April 2023)

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 3/2023 showed that of the 607 suppliers of timber and related products, the 132 major suppliers (with an annual turnover of 100 million yen or more) exhibited no significant problems within the scope of the DD. This survey covered 96% of Marubeni's annual turnover of forest-derived products. We have been gradually expanding the scope of DD since FYE 3/2020, and we will strive for more sustainable utilization of forest resources by conducting DD of high-impact suppliers.

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 3/2023 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

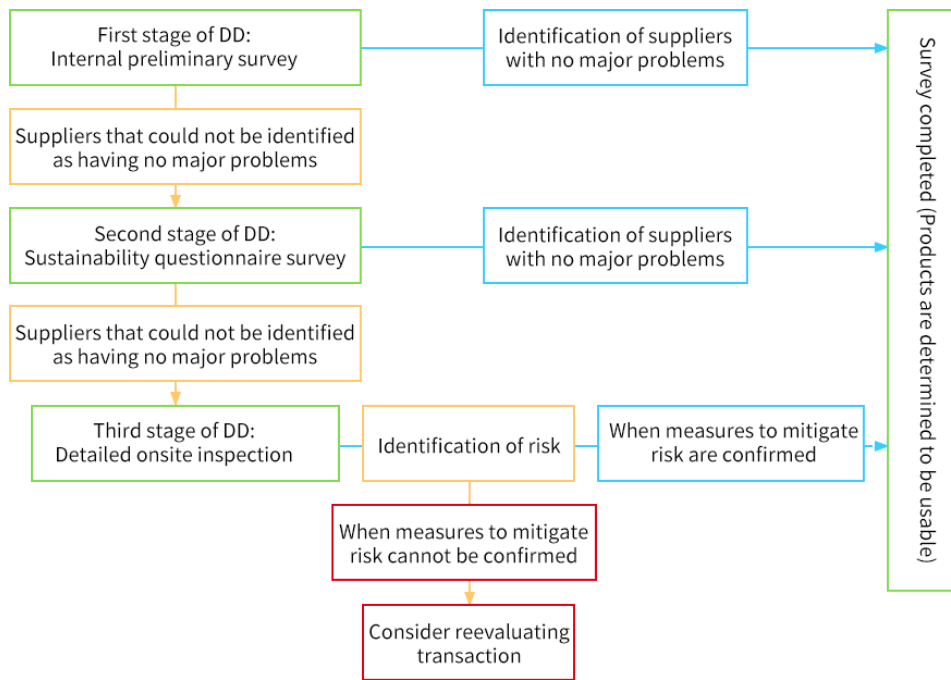
We first selected the 132 major suppliers (with an annual turnover of 100 million yen or more) out of our 607 suppliers of timber and related products. Of these 132 suppliers, 8 companies handling products other than certified wood from an entity which has acquired forest certification (FSC*¹ certification, PEFC*² certification, and certified wood under a mutual certification agreement with PEFC) and controlled wood based on a forest certification system (FSC controlled wood*³, PEFC controlled sources*⁴, 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. From FYE 3/2020 to FYE 3/2023, 41 companies were identified as the subjects for the second stage of DD.

② Second stage of DD: Sustainability questionnaire survey

A sustainability questionnaire survey was conducted on the 8 companies identified in the first stage of DD. As a result, no significant problems were confirmed with these 8 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 3/2023, 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.

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*2.

- *1 Chuetsu Pulp & Paper Co., Ltd <https://www.chuetsu-pulp.co.jp/> (Japanese Only) □
 - Marubeni and Chuetsu sign Memorandum of Understanding for developing application and sales of cellulose nanofiber 📄 [107KB]
- *2 ➤ Notice Regarding the Launch of Cellulose Nanofiber-based Environment Improvement Material Sales for Hen House 📄 [608KB]
 - Start of Test Sales of Agricultural Materials Using Cellulose Nanofibers
 - Commencement of Sales of Raw Materials for Cosmetics Applications Using Cellulose Nanofibers

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 wastewater, 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 wastepaper 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 wastepaper 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 to Expand the Volume of Carbon Stocks and Create Negative Emissions in Forestry Business

Conclusion of a Strategic Partnership Agreement for an Afforestation Project in Indonesia, Nippon Paper Industries Co., Ltd. and Our Plantation Company, 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 support and guidance on Nippon Paper Industries' proprietary afforestation technologies, including genetic analysis technology and breeding/propagation technology, pulp material evaluation technology, and plantation management know-how, in order to improve forest stock per unit area in PT. MHP.

➤ [Click here to view more details on our initiatives](#)  [647KB]

Indonesia/PT. TEL Decarbonization 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 dioxide capture and storage business generated by PT. TEL, our pulp manufacturing company in Indonesia, the so-called Bioenergy with Carbon Capture and Storage, or 'BECCS', project, the creation of carbon credits, and the utilization of biomass resources.

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

Consideration of Forest Management and Afforestation Projects Aiming for Carbon Dioxide Sequestration

With an eye on the development, dissemination, and market expansion of forest-derived carbon credit programs, we have begun considering industrial and environmentally-conscious afforestation projects through reforestation. In the Philippines and Angola, we are working to establish carbon credit programs through carbon dioxide sequestration.

➤ [Click here to view initiatives in the Philippines](#)

➤ [Click here to view initiatives in Angola](#)

Environment

Conservation of Biodiversity and Habitats

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

At the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15 Part Two) held in Montreal, Canada in December 2022, the “Kunming-Montreal Global Biodiversity Framework” was adopted as a new global goal and companies are expected to take actions toward “living in harmony with nature” and “nature positive” (net positive biodiversity impact). We will contribute to “living in harmony with nature” by implementing the “Green Strategy”, which is the basic policy of our Mid-Term Management Strategy GC2024.

➤ [Click here to view Mid-Term Management Strategy GC2024](#)

As a practical implementation of the Marubeni Group Environmental Policy, we confirm the impact of new business projects on natural ecosystems in advance. Using our own sustainability assessment tool, we check whether the project site is located in the vicinity of a nature reserve or national park, whether the project itself will have an impact on the ecosystem, and whether the topography and geological structure of the land, including the area surrounding the project site, will be altered significantly as a result of project implementation.

Structures and Systems

➤ [Click here to view Organization for Marubeni Group's Sustainability including Conservation of Biodiversity](#)

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 “Wetlands International”, every year since 2010, and collects data on waterbirds within a 10-kilometer radius of the Pagbilao and Sual power stations, which are owned and operated by TeaM Energy. The survey has confirmed that the environmental impact on the neighborhoods around the power stations is low, and a healthy environment is being maintained.

The areas around the Pagbilao and Sual power stations 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 stations 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.

During the pandemic from 2020 to 2022, TEFI held off its bird watching activities with WBCP. Sual Power Station and Pagbilao Power Station have separate monitoring surveys conducted by external parties.

In a survey conducted in 2021 in Sual Power Station, a total of 1,056 bird individuals in 56 species and 34 families were recorded.

Three threatened birds were recorded in 2021: *Lonchura oryzivora* or Java sparrow, *Streptopelia bitorquata* or Island collared dove, and *Anas luzonica* or Philippine duck.

For *Anas Luzonica* or Philippine Duck, 260 were recorded in the 1st semiannual report and 60 for the 2nd semiannual report, utilizing the man-made lagoons in the area.

There were no additional species recorded, with the overall total of recorded birds remaining at 129 species. However, recurrence of *Motacilla cinerea* or Grey wagtail and *Orthotomus derbianus* or Grey-backed tailorbird were noted. The former was last observed in 2011 while the latter was in 2015.

In a survey conducted in 2021 in Pagbilao Power Station, nine species are breeding residents.

Nine of 18 species are associated with non-forest to forest habitats. Only one threatened species, *Anas luzonica*, was recorded, while 16 are classified as Least Concern by IUCN.

Other than Pagbilao Power Station, monitoring is also conducted in three other locations: 1) Binahaan Watershed Forest Reserve, 2) Binahaan Mangrove Forest and 3) Danlagan Mangrove Forest.

Across the 4 locations, 584 individuals of 39 bird species were recorded.



Anas luzonica or Philippine duck and *Lonchura oryzivora* or Java sparrow photographed from monitoring stations, within and outside Pagbilao Power Station.

Afforestation Program

TEFI is carrying out projects to plant acacia and other tree varieties at its Pagbilao and Sual power stations 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 96.5% (as of March 2023). To date, approximately 100 hectares at Sual and 328 hectares at Pagbilao have been planted and are being maintained since 2001.

In 2021, Pagbilao Power Station planted a total of 300 native trees within 4,806 m² of station premises where employee volunteers planted seedlings of Agoho, Narra and Talisay.



Afforested area

TeaM Sual Corporation on the other hand has been rehabilitating the coast of Barangay Baquioen of Sual through annual mangrove planting and maintenance for the past five years.

In 2021, Sual Power Station employee volunteers together with representatives of Baquioen Barangay Government unit in attendance planted 3,000 mangrove seedlings along the coast of Barangay Baquioen in Sual.

In 2022, 2,000 mangrove seedlings were planted in that area with employee volunteers, and representatives from the same government unit, the local school, and contractors.

In 2022, TEFI, with an external partner and members of the local community, planted 21,000 mangrove propagules in Barangays Victoria and Pilar, both in the Santiago Island of Bolinao town, Pangasinan; this is under TEFI's Project CATCH ME (Community Alliance Transforming Coast Habitat and Mangrove Ecosystem).

Until the ownership of Sual and Pagbilao power stations are transferred to the state-run power company from 2024 through 2025, Marubeni will continue to support the protection and maintenance of a total of about 144,000 hectares of natural 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.

Tree Planting Activities to Reduce and Restore Negative Impacts on Biodiversity

Maynilad Water Services, Inc. (Maynilad), a Marubeni Group company engaged in water supply and sewerage services in Metropolitan Manila, has planted more than 219,000 mangrove propagules in the coastal area for the purpose of land conservation (including conservation of species), reduction of negative impacts caused by the population growth, and recovery. This activity employs fishermen in some areas and provides them with additional income opportunities. With the support of the country's government agencies (such as the Department of Environment and Natural Resources and local government entities), businesses, and volunteers, the company also arranges events to educate people on responsible water consumption and proper wastewater management. Together with our stakeholders, Maynilad will continue to invest in local communities through tree planting activities to conserve ecosystems, prevent flooding, provide high-quality water and operate the sustainable water business.

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.

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 about 144,000 hectares of forest and prevent deforestation. They also contribute to the reduction of GHG emissions caused by deforestation, the long-term conservation of forests, and the promotion of carbon storage with forests.



Forest conservation activities



Interaction with local residents



Products and honey produced

Contribution to Sustainable Forest Management and Biodiversity Conservation Through Engagement with the State Government of Western Australia

WA Plantation Resources Pty., Ltd. ("WAPRES"), an Australian plantation and woodchip business wholly owned by Marubeni Corporation, has been engaging with the local government to comply with local laws and regulations, including the Environment Protection and Biodiversity Conservation Act 1999 (as amended), and has obtained international sustainable forest certifications.

➤ [Click here to view Forest Management and Forestry Certification at Marubeni Group](#)

WAPRES believes that sustainable forest management contributes to the conservation of biodiversity, and will continue such business activities.

Contributing to Biodiversity Conservation Through a Desalination and Water Transmission Project in Chile

In connection with the desalination and water transmission project for Corporación Nacional del Cobre de Chile (CODELCO) (the "Project"), prior to participating in the Project we identified the potential impacts on biodiversity, and took measures to avoid and reduce negative impacts.

➤ [Click here to view Conclusion of a Loan Agreement and Start of Construction under a Long-Term Water Sale Agreement for a Desalination and Water Transmission Project for the National Copper Corporation of Chile](#)

Conducting Due Diligence

Part of the proposed site of the Project falls within a priority conservation area for the *Eriosyce Laui*, a species of cactus that is listed as an endangered species ("EL cactus"). Therefore, in order to conserve the species, prior to our participation in the Project an external expert was retained to conduct due diligence to determine whether the EL cactus is present at the proposed construction site in the priority conservation area and the status of its habitat. As a result, it was confirmed that the EL cactus is not present at the proposed construction site.

Formulation of Biodiversity Action Plan (BAP) and Biodiversity Management Plan (BMP)

In this Project, a Biodiversity Action Plan (BAP) was developed by identifying areas with sites, species, and functions of particular importance for conservation. Detailed surveys of the relevant areas are conducted by experts, and the results are reflected in the Biodiversity Management Plan (BMP), which is continuously monitored (audited) in order to conserve biodiversity.

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"^{*1}), which is not limited by geographical conditions.

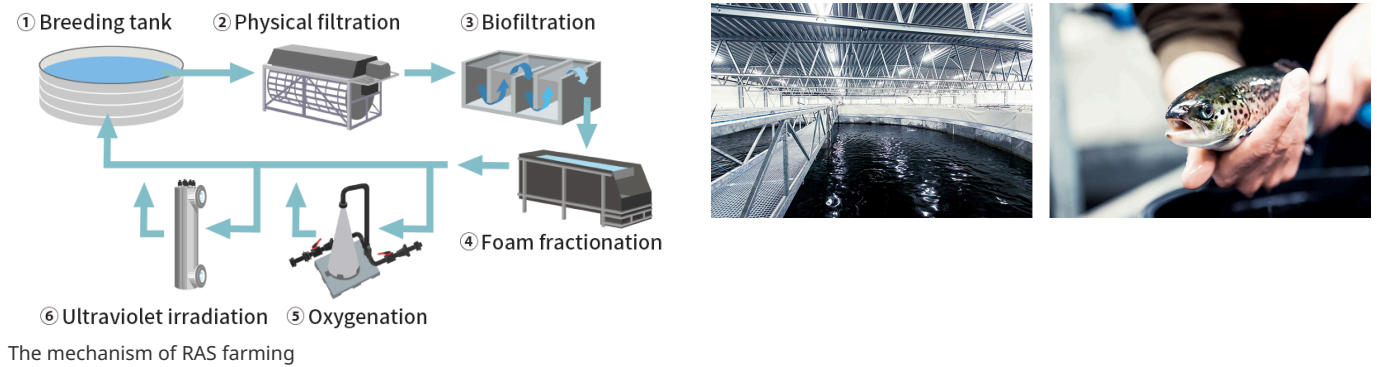
*1 A Recirculating Aquaculture System (RAS) is a farming method that filters and circulates 90% or more of the water used in an enclosed, land-based facility. Given that water temperature, water quality, and other conditions are controlled within the facility, it is minimally impacted by outside factors.

In April 2020, Marubeni, jointly with Nissui 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 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. are RSPO/ISCC/RFA 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 ▾ |

Policy

Recognition of Water Resources

The earth's water resources are said to be about 97.5% seawater, with only 2.5% fresh water that can be used for farming and drinking. And about 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, 2023, 39 (18%) of the 216 Marubeni Group companies had established water management plans. (Of the 2,395 operation sites covered by the “Sustainability Data survey”, 290 operation sites that account for 12%, had established water management plans.) These companies monitor and manage the amount of water withdrawal, wastewater, and recycled water, as well as quality and temperature of wastewater, 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 wastewater, 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 fiscal year ending March 31, 2031 by 16% compared to the fiscal 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 and one IWP*2 project in Middle East. In total, 539 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 and IWP Project in Middle East (as of March 31, 2023)

Project	Gross Desalination Capacity (Million imperial gallons per day)
Taweelah A2	50
Taweelah B	160
Fujairah F2	130
Shuweihat S2	100
Shuqaiq 3	99

*1 IWPP: Independent Water and Power Producer

*2 IWP: Independent Water Producer

Working with External Partners to Reduce Water Use

Desalination and Water Transmission Project in Chile

Through a special purpose company established together with Transelec Holdings Rentas Limitada, a major power transmission company in the Republic of Chile, we are participating in a desalination and water transmission project for Corporación Nacional del Cobre de Chile ("CODELCO") (hereafter, the "Project").

➤ [Click here to view Conclusion of a Loan Agreement and Start of Construction under a Long-Term Water Sale Agreement for a Desalination and Water Transmission Project for the National Copper Corporation of Chile](#)

The Project is the first large-scale seawater desalination and water transmission project in Chile using reverse osmosis (RO) membranes^{*3}. The Project will construct a desalination plant in western Chile to pump seawater from the Pacific Ocean and supply water needed for copper mining and other operations, thereby contributing to reducing water withdrawal from water-stressed areas where water shortages are a concern.

*3 Desalination method in which water containing salts and other substances is permeated through RO membranes using the phenomenon of osmotic pressure.

Although at present CODELCO is still reliant on groundwater and other inland water sources for the water used in its copper mining and refining processes, it has set a goal of reducing its consumption of inland water by 60% by 2030 in order to protect the environment, secure water resources for local residents, and ensure sustainable growth. This Project will contribute to this goal. Marubeni, by leveraging its past experience in construction, maintenance, and operation of seawater desalination plants, will contribute to reducing water consumption by working with CODELCO on this Project.

Initiatives in Municipal Water / Wastewater Treatment

Through its concession businesses^{*4} and the BOO^{*5} project, the Marubeni Group contributes to the supply of safe drinking water and reduces burdens on the environment through effective wastewater treatment.

The concession businesses and BOO project we operate in Chile, Brazil, the Philippines, Portugal and Peru have a total water purification capacity of 4.2 million cubic meters per day and wastewater treatment capacity of 1.9 million cubic meters per day, and cover a service population totaling approximately 16.6 million people.

*4 Concession business: Investment into and operation of a private company which has been given the right to conduct water services by a municipality

*5 BOO: Build Own and Operate water processing plant

Concession Business in the Philippines

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 services provider serving the West Zone of Metro Manila in the Philippines, which has a population of 10.5 million people.

Amid the region’s ongoing urban expansion and increased congestion, Maynilad is expanding its water distribution network to increase the coverage of water supply services. In addition, it continues to provide a stable water supply to some 1.5 million customers 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.

At Maynilad, 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.



Maynilad Water purification plant



Water supply in Maynilad

Outline of Maynilad's Business (as of March 31, 2023)

Treatment Facilities	Treatment Capacity
Water purification plant	2,700 thousand m ³ /day
Sewage treatment plant	663 thousand m ³ /day
Septic sludge treatment plant	1,190t/day

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

Wastewater Treatment in Qatar

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.

The amount of water treated daily at each plant is shown below. 385,000m³ of greywater was supplied across Doha per day (as of March 31, 2023).

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



Doha West sewage treatment plant



Lusail sewage treatment plant



Lusail sewage treatment plant

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 CO₂e)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023	
Scope 1	Marubeni Corporation's principal offices	4	4	12	75	120
	Marubeni Corporation's other offices + consolidated subsidiaries	726,704	773,194	797,963	1,016,412	1,000,004
	Sub Total	726,708	773,198	797,975 (Including non-energy-related GHG emissions*1) (683,025 (Excluding non-energy-related GHG emissions*1))	1,016,487 (Including non-energy-related GHG emissions*1) (896,877 (Excluding non-energy-related GHG emissions*1))	1,000,124 (Including non-energy-related GHG emissions*1) (849,910 (Excluding non-energy-related GHG emissions*1))
Scope 2	Marubeni Corporation's principal offices	2,439	2,307	2,146	0	0
	Marubeni Corporation's other offices + consolidated subsidiaries	305,776	308,193	280,025	222,559	221,821
	Sub Total	308,215	310,500	282,171	222,559	221,821
Grand Total	1,034,922	1,083,698	1,080,146 (Including non-energy-related GHG emissions*1) (965,196 (Excluding non-energy-related GHG emissions*1))	1,239,046 (Including non-energy-related GHG emissions*1) (1,119,436 (Excluding non-energy-related GHG emissions*1))	1,221,946 (Including non-energy-related GHG emissions*1) (1,071,731 (Excluding non-energy-related GHG emissions*1))	

- CO₂ emission factors for fuels and steam
CO₂ emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
- CO₂ 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 the 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 tons of CO₂.
Country-specific emission factors (CO₂ emissions per kWh from electricity generation) published by the International Energy Agency are used for the overseas consolidated subsidiaries. A zero emission factor is applied to purchased electricity derived from renewable energy in calculating 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 emissions before FYE 3/2020 are not included in GHG emissions. From FYE 3/2021, non-energy-related GHG emissions are included in GHG emissions, but Scope 1 emissions excluding non-energy-related GHG emissions and grand total emissions excluding non-energy-related GHG emissions are also presented separately.
- From FYE 3/2022, Marubeni Corporation's principal offices have achieved zero Scope 2 by purchasing 100% renewable energy for electricity at domestic offices of Marubeni Corporation and procuring J-credits derived from renewable energy heat for steam and cold water purchased as energy at the Tokyo Head Office.

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

(Unit: metric ton CO2e)

		FYE 3/2021	FYE 3/2022	FYE 3/2023
Total amount		114,950	119,610	150,214
Components	Carbon dioxide (CO2)	5,203	9,500	31,740
	Methane (CH4)	72,081	71,658	75,149
	Dinitrogen monoxide (N2O)	36,602	38,096	42,612
	Hydrofluorocarbons (HFCs)	1,064	355	712
	Perfluorocarbons (PFCs)	0	0	0
	Sulphur hexafluoride (SF6)	0	0	0
	Nitrogen trifluoride (NF3)	0	0	0

*1 Non-energy-related GHG emissions cover carbon dioxide from the use of dry ice, carbon dioxide, methane, and dinitrogen monoxide from waste incineration or use in the manufacture of products and the use of waste fuels, methane and dinitrogen monoxide from the use of fuel in facilities and machinery used for fuel combustion, livestock waste management, methane from livestock feeding (fermentation in the digestive tract of livestock), 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 the Act on Promotion of Global Warming Countermeasures.

* The total of each breakdown and the overall total may not match due to rounding.

〈Scope 3 Greenhouse Gas Emissions〉

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 climate change questionnaire of CDP.

[▶ Corporate Value Chain \(Scope 3\) for FYE 3/2023 \[101KB\]](#)

(Unit: metric ton CO2)

		FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Scope 3 CO2 emissions (Category 15: Investment)		approx. 26 million	approx. 25 million	approx. 25 million	22 million
Breakdown	Power generation	approx. 22 million	approx. 21 million	approx. 21 million	19 million
	Resource projects	approx. 3 million	approx. 3 million	approx. 2 million	2 million
	Other businesses	approx. 1 million	approx. 1 million	approx. 1 million	1 million

- Category 15 covers Scope 1 and Scope 2 emissions for associate investees of the Marubeni Group accounted for using the equity method, (hereinafter, "associate investees"), which are not included in the Scope 1 and Scope 2 emissions of Marubeni and its consolidated subsidiaries. The emissions are calculated by multiplying by our equity share. Emissions from businesses designated to be liquidated or sold, renewable energy businesses, and businesses which consist of office operations only are not included.
- In principle, the emissions are calculated in the same way as Scope 1 and Scope 2 for Marubeni and its consolidated subsidiaries, but in some cases emissions reported by associate investees and estimated emissions are included.
- For overseas power generation projects, emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories are used, including CO2, CH4, and N2O. All emissions from coal are calculated assuming weight on an air-dried basis.

* The total of each breakdown and the overall total may not match due to rounding.

Energy and Electricity Consumption

<Click here to view Tokyo Head Office's targets to be achieved by FYE 3/2026>

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Electricity consumption of Marubeni Corporation's principal offices (Unit: MWh)	5,180	5,227	4,629	8,888	8,956
Energy consumption of Marubeni Corporation and consolidated subsidiaries (Unit: TJ)	14,384	15,303	13,771	17,515	16,992

- 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.
- From FYE 3/2022, Marubeni Corporation's principal offices have been purchasing 100% renewable energy for electricity at domestic offices of Marubeni Corporation and procuring J-credits derived from renewable energy heat for steam and cold water purchased as energy at the Tokyo Head Office.

Environmental Impact of Transport

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Amount transported (Thousand ton-km)	508,498	484,678	364,538	266,675	220,170
CO ₂ emissions from upstream transportation (Scope 3 Category 4) (metric ton CO ₂)	22,705	22,617	17,516	13,768	11,787
Intensity (kl crude oil equivalent per thousand ton-km)	0.0165	0.0173	0.0178	0.0192	0.0199

- This table shows the impacts associated with the domestic outsourced shipment (upstream transportation) of goods consigned by Marubeni Corporation.

Costs Associated with Climate Change

(Unit: thousands of yen)

Data	Contents	FYE 3/2022	FYE 3/2023
Cost of climate change risk aversion	Emergency power generation and flood countermeasures due to extreme weather conditions	5,732	6,255
Research and development expenses for climate change risk aversion	Research and development expenses related to forest conservation and reduction of greenhouse gas, etc.	5,830	8,127

Sustainable Forestry

Performance Data of Forest Certification Acquisition

The Marubeni Group 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 and timber approved as a management material by a certification body to consolidated net sales of the Forest Products Division

Item	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Ratio of FSC* ² or PEFC* ³ and timber approved as a management material by a certification body	58%	54%	52%	50%	54%

*2 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.

*3 Certification by PEFC (The Programme for the Endorsement of Forest Certification) (PEFC/31-32-80): 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 targets to be achieved by FYE 3/2026>](#)

(Unit: thousand m³)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Marubeni Corporation	4	5	396	409	57
Marubeni Corporation's consolidated subsidiaries	55,251	54,892	80,690	82,232	82,588
Total	55,256	54,897	81,086	82,641	82,645
Mibugawa Power Company	—	210,252	217,254	225,857	189,680
Grand total		265,149	298,340	308,498	272,325

〈Water Withdrawal by Source〉

(Unit: thousand m³)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Surface water from rivers, lakes, natural ponds	34,395	240,094	281,997	291,171	253,887
Underground/wells	6,917	9,471	10,459	10,510	11,057
Used quarry water collected in the quarry	0	0	0	0	0
Municipal potable water	5,683	5,767	5,073	5,810	6,292
External water discharge	8,070	9,566	237	549	631
Harvested rainwater	0	0	0	0	0
Seawater, water extracted from the Sea or the Ocean	193	231	575	458	458
Total	55,256	265,130	298,340	308,498	272,325

- 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 micro- 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.

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.

40 operation sites that have been identified by the "Sustainability Data Survey" with aggregated data as of the end of March 2023, operate in the watershed areas of Gulf Coast, Mississippi-Missouri, Rio Grande-Bravo, Saskatchewan-Nelson, Kansas, California, Texas, Minnesota, North Carolina, North Dakota, Iowa in North America, Maipo in South America with relatively high water stress. There is a total water withdrawal of 97 thousand m³ in these regions, and we are aware that this is equivalent to 0.1% of 82,645 thousand m³, 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 wastewater, regulations, or assessment of nearby regions.)

Water Discharge

(Unit: thousand m³)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Marubeni Corporation	4	5	396	409	57
Marubeni Corporation's consolidated subsidiaries	38,818	47,883	68,043	69,781	71,166
Total	38,822	47,888	68,439	70,190	71,223
Mibugawa Power Company	—	210,252	217,254	225,857	189,680
Grand total	38,822	258,140	285,693	296,047	260,902

〈Water Discharge by Destination〉

(Unit: thousand m³)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Ocean	13,445	12,643	11,321	11,416	11,862
Surface water	24,590	240,738	268,138	278,167	243,070
Underground/wells	4	3,790	3,838	3,819	3,716
Off-site water treatment	783	969	1,967	1,911	1,401
Others	0	0	430	734	852
Total	38,822	258,140	285,693	296,047	260,902

- 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.](#)
- From FYE 3/2021, the amount of water discharge includes wastewater from sewage treatment projects.

Water Recycling Rate

(Unit: thousand m³)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Water withdrawal	50,529	54,878	81,086	82,641	82,588
Recycled amount	16,120	18,008	42,028	57,270	65,125
Recycling Rate	32%	33%	52%	69%	79%

- The scope of the water recycling rate includes Tokyo Head Office, 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 FYE 3/2023, the Marubeni Group received a fine equivalent to 4.5 million yen from the authorities in the state of Paraná, Brazil (the Water and Land Institute (IAT)) in respect of a violation of water quality standards related to factory effluent. The fine has already been paid and the corrective action completed. After the violation occurred in FYE 3/2018 and from FYE 3/2019 to FYE 3/2022, no violations related to water withdrawal and water discharge have occurred.

Water Consumption Intensity in Processed Seafood Products

(Unit: m³/ton)

	Maruichi Suisan Co., Ltd.
FYE 3/2019	35.6
FYE 3/2020	34.6
FYE 3/2021	34.9
FYE 3/2022	34.3
FYE 3/2023	22.3

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

Costs related to Water Management

Costs for water management in FYE 3/2023 are as follows:

- Costs associated with water-related risks: 4,422.8 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: 3.56 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 3/2023
Number of reported cases	9
Number of corrective actions	9 (of which 1 includes fines/penalties)
Total fines	4.5 million yen

Environmental Protection Costs

Environmental protection costs for Marubeni's five principal offices (Tokyo Head Office and Hokkaido, Chubu, Osaka and Kyushu branches) for FYE 3/2023 are shown below.

Environmental Accounting^{*4}

(Unit: thousands of yen)

	FYE 3/2023
Business area cost	4,238
Upstream/Downstream cost	9,220
Administration cost	500,299
R&D cost	0
Social activity cost	11,522
Environmental remediation cost	0
Total	525,279

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

Waste Generated

<Click here to view Tokyo Head Office's targets to be achieved by FYE 3/2026>

(Unit: metric ton)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Marubeni Corporation's principal offices	8	39	4	343	270
Marubeni Corporation's other offices + consolidated subsidiaries	115,759	148,154	119,015	174,641	206,456
Total	115,767	148,192	119,019	174,984	206,726

- Materials with resale or reuse value are not included.
- From FYE 3/2022, the amount of waste includes the waste generated by a containerboard base paper manufacturing company in Vietnam.
- In FYE 3/2023, the amount of recycling included in the total waste generated by Marubeni Corporation and consolidated subsidiaries is 28,450 metric tons.

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 3/2023	0
FYE 3/2022	0
FYE 3/2021	0
FYE 3/2020	0
FYE 3/2019	0

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

Costs for Industrial Waste

(Unit: thousands of yen)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Tokyo Head Office	2,220	3,652	1,921	16,480	3,940

Target and Results for Serious Environmental Incidents^{*5} including Pollution

(Unit: case)

	Target	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Serious Environmental Incidents	0	0	0	0	0	0

*5 Includes Marubeni Corporation and its consolidated subsidiaries.

Marubeni Corporation's Emission Volumes

(Unit: metric ton)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
NOx	8	6	7	11	0
SOx	0	0	0	0	0
VOC	0	0	0	0	0

• Data on emission volumes of major consolidated subsidiaries for FYE 3/2023 is as follows:
NOx: 1,392 metric tons, SOx: 62 metric tons, VOC: 27 metric tons

Recycling Rate

<Click here to view Tokyo Head Office's targets to be achieved by FYE 3/2026>

(Unit: %)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Recycling Rate of Marubeni Corporation's principal offices	83.6	41.8	61.7	78.9	74.8

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

Green Product Procurement Rate

(Unit: %)

	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Green Product Procurement Rate of Marubeni Corporation's principal offices	90.6	91.2	83.1	75.2	78.0

【The boundary of the environmental data】

- Marubeni Corporation's principal offices
Until FYE 3/2019, we cover six main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, Kyushu Branch, and Shizuoka Branch), but from FYE 3/2020, we cover five main branches (Tokyo Head Office, Hokkaido Branch, Chubu Branch, Osaka Branch, and Kyushu Branch).
- Marubeni Corporation (excluding principal offices)
Excluding Marubeni Corporation's principal offices, we cover domestic branches and offices, other facilities such as Tama Center, overseas branches and offices, and overseas corporate subsidiaries including their branches and offices.
- Domestic offices of Marubeni Corporation
We cover Marubeni Corporation's principal offices, Tohoku Branch, Shizuoka Branch, Hamamatsu Branch, Hokuriku Branch, Chugoku Branch, Okinawa Branch, and Tama Center.
- Consolidated subsidiaries
The subsidiaries that are designated to be liquidated or sold are excluded.
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).

Social

Respect for Human Rights	70
Occupational Health and Safety	78
Health and Productivity Management	85
Responsibility to Customers	94
HR Management	104
Diversity Management	111
Social Data	120



Social

Respect for Human Rights

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

Policy

Our Views on Respect for Human Rights

The Marubeni Group conducts business from 131 locations*¹ domestically and internationally, employing over 40,000 people*² 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*³ who are related to the Marubeni Group's business and to closely monitoring relevant circumstances. As a responsible company, in case of any adverse impacts in human rights terms in connection with the Marubeni Group's business activities we regard it as an important social responsibility to institute corrective measures to provide redress. 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 March 31, 2023

*2 Number of employees of the Group: 45,995 as of March 31, 2023

*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.

➤ [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^{*4}, 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 Senior 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

Human Rights Due Diligence

We are continuously working to increase awareness of respect for human rights and enable early detection of, and remediation for, any adverse impacts on human rights, throughout our company and its group companies as well as our business counterparts, including our business partners and contractors, and our supply chain as a whole, based on the “Marubeni Group Basic Policy on Human Rights”, “Basic Supply Chain Sustainability Policy” and “Marubeni Group Basic Policy on Occupational Health and Safety”.

Specifically, we have established our human rights due diligence mechanism based on the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work (including the five core labor standards), and the OECD Guidelines for Multinational Enterprises and Due Diligence Guidance for Responsible Business Conduct, ISO 26000, SA8000, etc. In order to identify areas to be prioritized for investigation, we conducted risk mapping, by considering the sector, product, geographic, and enterprise-level risks and the anticipated potential adverse impacts on human rights (as well as the severity (scale, scope and irremediability) and likelihood of occurrence).

In addition, during the process of establishing our mechanism, through dialogue (engagement) with various stakeholders and external experts (e.g. NGOs working towards respect for human rights, international organizations promoting protection of workers' rights, experts on human rights, etc.) as well as our internal discussions, we made efforts to identify important and high priority initiatives in order to improve the effectiveness of our human rights due diligence.

Our human rights due diligence can be broadly divided into the following two approaches:

- (1) Human rights due diligence related to business projects where we are investor and/or operator
- (2) Human rights due diligence related to supply chains

(1) Human Rights Due Diligence Related to Business Projects where we are Investor and/or Operator

- For existing business projects, we conducted a written survey of all consolidated subsidiaries (and on-site inspections at some group companies), to assess the risk of human rights violations and confirm whether any human rights violations (incidents) had actually occurred (fiscal year ended March 31, 2021).
For those entities assessed as high risk, we provide support and advice on how to prevent or mitigate the risks. However, the number of occurrences of human rights violations (incidents) was zero.
After confirming the above (since the fiscal year ended March 31, 2022), we have continued to conduct annual investigations to check whether any changes in business conditions and circumstances have occurred that affect the risk assessment, and for those entities where changes have been identified, we confirm whether additional controls have been implemented accordingly and provide support and advice for improvement if necessary.
- For new business projects, we have established internal procedures for new investment and financing projects in order to assess the risk of human rights violations and confirm whether or not any human rights issues exist.
We maintained a coverage rate of 100% for the application of these internal procedures to new investment and financing projects in both the fiscal years ended March 31, 2022, and March 31, 2023.

(2) Human Rights Due Diligence Related to Supply Chains

• For existing supply chains, we identify important human rights issues to be prioritized and addressed, based on the various principles and external dialogues mentioned above, and conduct human rights due diligence using the following methods. In the fiscal year ended March 31, 2023, we conducted desktop investigations (15 cases) and on-site investigations (additional investigations, 3 cases) regarding suppliers operating in specific countries or regions (parts of South America and Southeast Asia) where there is a high risk of human rights violations in the food industry, related to meat products. (No facts were found as a result of these investigations that would lead to a real suspicion of forced labor or child labor. The investigations were conducted in collaboration with an independent third-party specialist investigative body.)



• For new supply chains, we conduct checks on suppliers with whom we plan to start doing business (limited to certain high-risk sectors, products, and geographies) using specialist external databases, to confirm that they have not been designated as subject to human rights sanctions and that there have been no adverse media indicating significant human rights risks or incidents involving violations of human rights (these checks commenced at the beginning of the fiscal year ended March 31, 2024). Going forward, we will consider the phased expansion of the sectors, products, and geographies covered by these checks.

Identification of Salient Human Rights Issues Specific to the Business

The Marubeni Group recognizes that forced labor (including slave labor) and child labor in its supply chain are salient human rights issues for its business. To address these issues, we conduct investigations and engage with stakeholders, including Group employees, board members, suppliers, and NGOs, to identify and address any concerns which may arise.

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 is also available on our website.)

Disclosure of Incidents of Human Rights Violations

In the fiscal years ended March 31, 2021, 2022 and 2023, no incidents of human rights violations in our business were reported.

Risks to Human Rights in the Supply Chain

Marubeni has established a Basic Supply Chain Sustainability Policy, which includes respect for human rights. We continue to work towards obtaining the understanding and cooperation of business partners.

➤ [Basic Supply Chain Sustainability Policy](#)

Slavery and Human Trafficking Statement

Since the UK Modern Slavery Act came into force in October 2015, several Group companies (including corporate subsidiaries) that operate within the UK, as well as Marubeni Corporation, which has a certain level of control over the business of these companies, issue a statement each fiscal year.

- [FYE 3/2023 Slavery and Human Trafficking Statement](#)
- [FYE 3/2022 Slavery and Human Trafficking Statement](#)
- [FYE 3/2021 Slavery and Human Trafficking Statement](#)
- [FYE 3/2020 Slavery and Human Trafficking Statement](#)
- [FYE 3/2019 Slavery and Human Trafficking Statement](#)
- [FYE 3/2018 Slavery and Human Trafficking Statement](#)
- [FYE 3/2017 Slavery and Human Trafficking Statement](#)
- [FYE 3/2016 Slavery and Human Trafficking Statement](#)

The obligation to publish a statement under the UK Modern Slavery Act applies to companies that operate within the UK, 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 itself or its supply chain, companies are required to implement measures step-by-step, and to issue a statement after the close of each fiscal year.

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 (BHRRRC). 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 BHRRRC.

➤ [Respect for Human Rights > Initiatives](#)

Compliance Manual

The first item in the Compliance Manual is "respect human rights and refrain from any form of discrimination, harassment and the like." 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*⁵ and the 10 Principles of the UN Global Compact.

*⁵ The International Labor Organization founded fundamental principles and rights at work. The fundamental principles and rights are comprised of 10 conventions in 5 categories, namely: (a) freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labor; (c) the effective abolition of child labor; (d) the elimination of discrimination in respect of employment and occupation; and (e) a safe and healthy working environment.

➤ [Compliance Manual](#)  [12.4MB]

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 Employees' 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.

Human Rights Awareness and Training

In order to deepen understanding of respect for human rights, Marubeni holds webinars for executives and employees, as well as training programs for newly appointed executive officers, department general managers, section general managers, mid-career hires, and new graduates.

In particular, training for executives and managers includes lectures on respect for human rights and the prohibition of discrimination, sexual harassment, and work-related harassment, using real examples to draw attention to the importance of these issues and prevent such incidents from occurring. We will continue to implement this training every year, updating the contents as appropriate.

In addition, through activities such as publishing our basic policies and training materials on human rights issues on the company intranet, and internal competitions to create slogans related to human rights, we continue to raise awareness among employees.

Data

Training and Education in Human Rights

Training that focuses on strengthening awareness towards human rights, including information on our respective policies, is provided as part of the following company courses.

Training Title	Number of Participants (FYE 3/2021)	Number of Participants (FYE 3/2022)	Number of Participants (FYE 3/2023)
General Training / Onboarding for New Employees	115	126	127
Basic Practical Training	132	138	154
Training for New Executive Officers ^{*6}	16	0	8
Training for New Dept. GMs	25	28	24
Training for New Section GMs	63	70	61
Administrative Track (Upper Level) Promotion Training	12	22	10
Career Track 4th-year Training ^{*7}	0	179	65
Administrative Track 4th-year Training ^{*7}	0	47	11
Career Development Training	47	88	89
Training for Recruitment Interviewers	186	180	248

*6 Training for executive officers taking up their posts in FYE 3/2022 was held in FYE 3/2021, so this is reflected in the figure for FYE 3/2021. Since training for FYE 3/2023 was held in May 2022, the number of participants in FYE 3/2022 is marked as zero.

*7 The trainings were suspended during FYE 3/2021 due to the COVID-19 pandemic and postponed until FYE 3/2022 to implement appropriate COVID-19 prevention measures.

The trainings included above were provided by the Human Resources Department in FYE 3/2021. Additionally, some Business Divisions conduct specific training programs on human rights based on their own businesses.

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

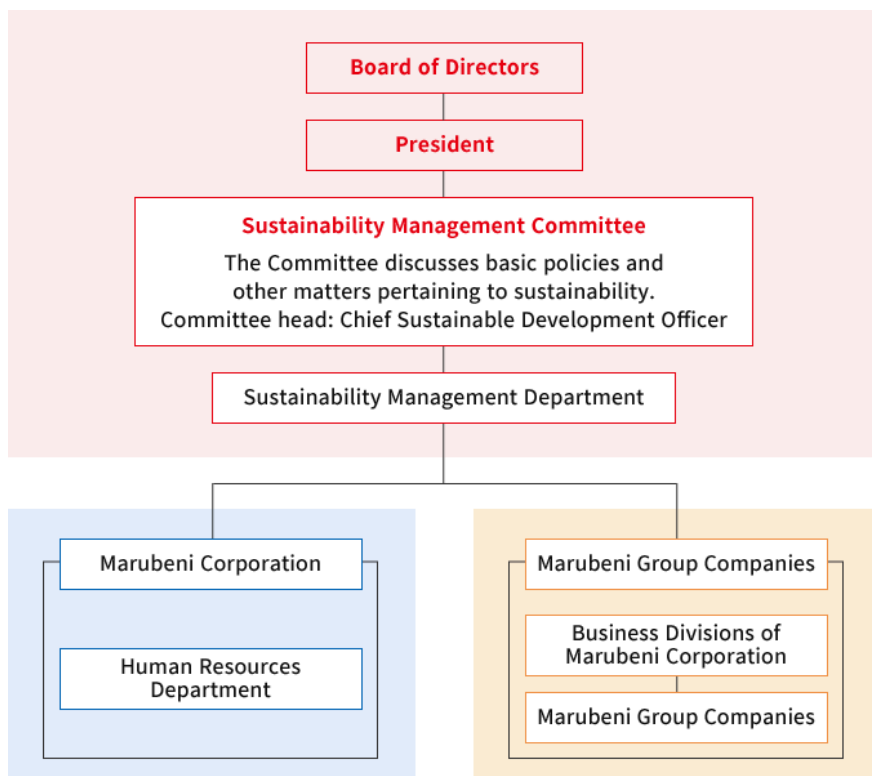
Under the Marubeni Group Basic Policy on Occupational Health and Safety, Marubeni manages occupational health and safety for all employees and contractors associated with the Group.

- 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, which reports to the President, and its head (CSDO, Chief Sustainable Development Officer, who is also a Director and Senior 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.



ISO45001 Occupational Health and Safety Management System Certification Status

A number of Marubeni Group companies have acquired ISO45001*1 certification. ISO45001 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 June 2022, of the 463 Marubeni Group companies monitored by the Sustainability Survey, 10 companies, equivalent to 2.1%, had obtained the certification (of the 2,718 operating sites, 36 sites, equivalent to 1.3 %).

By continuing to encourage organizations within the Group to obtain this certification, 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. In the fiscal year ended March 31, 2023, no cases involving occupational health and safety arose, and no disciplinary action was taken.

Occupational Health and Safety

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 Division

As a global energy solution provider, the Power 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*2).

The 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”.

*2 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.

Occupational Health and Safety Initiatives of Maynilad Water Services, Inc.

Maynilad Water Services, Inc. (Maynilad), a Marubeni Group company engaged in water supply and sewerage services in Metropolitan Manila, has implemented an occupational health and safety management system. Subcontractors working in the company's jurisdiction are also subject to this management system. The Central Safety and Health Committee (CSHC) at Maynilad holds monthly meeting and undertakes monitoring and management of activities that have been assessed as having safety risks, such as construction and chemical processes. Through the Environment, Health, Safety, and Security (EHSS) reporting, Maynilad can monitor the status of any incident investigations or corrective actions taken, as well as the number of closed incidents. Maynilad has also established Environment Safety and Health (ESH) Committees in three clusters (North, Central and South), the members of which include the management, occupational safety officers, employees’ representatives and service providers/contractors’ representatives. Maynilad also provides training to the employees to improve their safety awareness, as outlined in the table below.

Key Occupational Safety Performance Objectives

(Unit: %)

	Facility Safety Inspection	Project Safety Inspection	Work Environment Monitoring and Measurement
Target	100	100	100
Pass rate in 12/2020	91.04	88.24	79.90
Pass rate in 12/2021	88.62	93.88	89.11
Pass rate in 12/2022	91.47	89.29	86.23

Major Training Activities

(Unit: hours)

	Health and Safety ^{*3}	Work Re-entry Protocols for Covid-19 Prevention and Control	Other Training
Hours 12/2020	9,009	3,200	2,470
Hours 12/2021	8,700	0 ^{*4}	1,862
Hours 12/2022	11,972	0 ^{*4}	5,216

*3 : The training is delivered to employees, subcontractors, and service providers.

*4 : Zero for 2021 and 2022 as Maynilad has already conducted Work Re-Entry Protocols training for COVID-19 Prevention and Control in 2020.

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. During the period from FYE 3/2021 to FYE 3/2023, we are notifying approximately 23,000 suppliers of this policy in writing and requesting their understanding and cooperation. When commencing business with new suppliers, we notify them of our Basic Supply Chain Sustainability Policy in advance. We will continue to strengthen communications about our occupational health and safety through advance notice and other means.

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.

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, to provide advice and share Marubeni's HR-related rules, regulations, and operational know-how. 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.

5. Consideration for Working Conditions

The Marubeni Group conducts its business with due consideration for working conditions, including paying at least a living wage and not reducing wages unreasonably, as well as complying with the legal minimum wage based on the relevant laws and regulations of the country concerned and other countries with which we do business.

As stated in the Basic Supply Chain Sustainability Policy, Marubeni also encourages its suppliers to endeavor to pay at least a living wage.

➤ [Click here for Basic Supply Chain Sustainability Policy](#)

6. Conduct Training Related to Occupational Health and Safety for Marubeni Group Employees

Marubeni Group conducts occupational health and safety training for all Group employees, including those at overseas offices bases, by inviting external instructors.

In FYE 3/2023, we invited experts in risk management and safety engineering to provide training on occupational health and safety concepts and initiatives that contribute to achieving the Marubeni Group's "Occupational Health and Safety Targets". Approximately 370 Marubeni Group employees participated in this training program, including participants from domestic and overseas operating companies.

Through these training opportunities, we are striving to strengthen communication with our employees, including those at overseas bases, and to promote their understanding of the Marubeni Group's occupational health and safety.

Data

Training focused on strengthening awareness towards occupational health and safety, including information on our related policies, is provided as part of the following Company courses.

Training Title	Number of Participants (FYE 3/2021)	Number of Participants (FYE 3/2022)	Number of Participants (FYE 3/2023)
General Training / Onboarding for New Employees	115	126	127
Basic Practical Training	132	138	154
Training for New Executive Officers ^{*5}	16	0	8
Training for New Dept. GMs	25	28	24
Training for New Section GMs	63	70	61
Administrative Track (Upper Level) Promotion Training	12	22	10
Career Track 4th-year Training ^{*6}	0	179	65
Administrative Track 4th-year Training ^{*6}	0	47	11
Career Development Training	47	88	89
Training for Recruitment Interviewers	186	180	248

*5 : Training for executive officers taking up their posts in FYE 3/2022 was held in FYE 3/2021, so this is reflected in the figure for FYE 3/2021. Since training for FYE 3/2023 was held in May 2022, the number of participants in FYE 3/2022 is marked as zero.

*6 : Training was suspended during FYE 3/2021 due to the COVID-19 pandemic and postponed until FYE 3/2022 to implement appropriate COVID-19 prevention measures.

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.

➤ [Click here for information regarding the 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 employee health 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 their health. These efforts will lead to the growth of the Marubeni Group.

Health and Productivity Management Strategy Map

To put our Marubeni Group Health Declaration into practice, we will use the various indicators in the health and productivity management strategy map and track the progress of our health management efforts.

➤ [Click here to View the Health and Productivity Management Strategy Map](#)  [531KB]

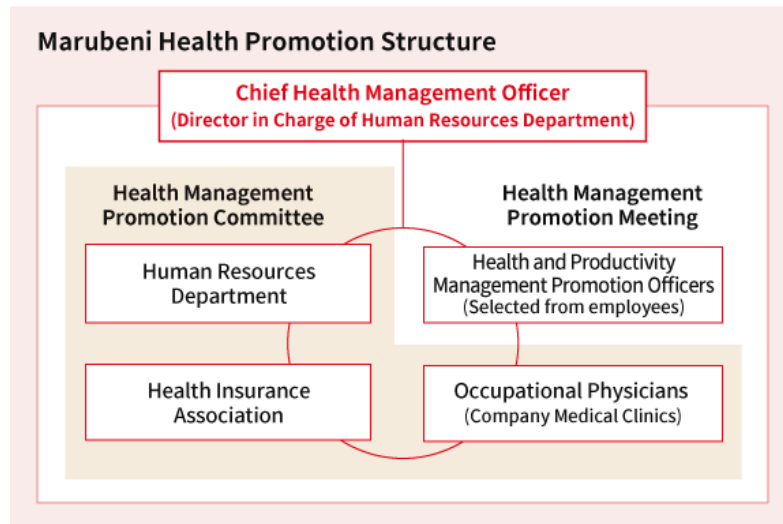
Structures and Systems

Marubeni Health Promotion Structure

Marubeni has established the “Marubeni Health Promotion Structure,” which is 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 (Company 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 gather 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 (Company Medical Clinics), the Health Insurance Association, and the Human Resources Department, meets twice a year to discuss the Health Insurance Association’s health programs, 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 NPO Kenkoikei Kenkyukai.

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.



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 the Health Supervisor, Company Medical Clinics (occupational physicians), Health and Productivity Management Promotion Officers in each Business Division and the Corporate Staff Group, 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

Taking regular health checkups have an extremely significant role in the early discovery and early treatment of diseases. Thus, achieving a 100% participation rate for regular health checkups is one of Marubeni's Health Project Indicators, and the results are reviewed annually. By establishing metrics and implementing various measures, we will aim for solutions to health issues. In FYE 3/2023, we took thorough measures to ensure that employees undergo regular health checkups, aiming for the early discovery and early treatment of diseases. This resulted in 100% of employees who underwent regular health checkups (employees working in Japan) and greater health awareness among employees.

To confirm if the series of health and productivity management initiatives lead to solutions towards management issues, we also check indicators such as employee engagement on a regular basis.

Item	Target	Status of Achievement (FYE 3/2023)
Regular Health Checkup Rate (Employees Working in Japan)	100% Each Year	100%
Regular Health Checkup Rate (Employees Working Overseas)	100% Each Year	99.7%
Rate of Employees Undergoing Stress Check Tests	90% or More Each Year	95.5%

Additionally, we set targets regarding the implementation rate of specific health guidance (year-on-year increase), rate of employees undergoing specific health guidance (year-on-year decrease) and smoking rate (year-on-year decrease).

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
Introduction of Advanced Medical Treatment Support System (FYE 3/2024)	Support for the cost of advanced medical treatment as defined by the Ministry of Health, Labor, and Welfare.
Introduction of Shingles Vaccination Assistance (FYE 3/2024)	Subsidized the cost of inoculation to prevent the onset and severity of shingles.
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 these indicators for consistent consideration of measures based on fixed-point reviews.
Participated in Corporate Actions Promoting Measures Against Cancer (FYE 3/2020)	Encouraged cancer screenings 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 Consultations and Doctor/Hospital Referrals (FYE 3/2020)	Conducted consultations on disease symptoms and health in chat-based 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.
Participation Rate of Regular Health Checkups	Strengthening efforts to achieve 100% participation in regular health checkups (FYE 3/2019.) Focused efforts on ensuring participation in legally mandated regular health examinations, which play a significant role in early discovery and early treatment of disease. Recommended participation to every employee yet to have a health checkup to achieve 100% participation every year. Also focused efforts on increasing participation in thorough checkups among employees who were found to need these checkups. In FYE 3/2023, participation in thorough checkups increased 24% year on year.
Strengthening Initiatives to Provide Healthy Menu Options at the 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 oral healthcare, prevention of decreased physical function, etc., by outside experts to raise employee 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
Introduced Fully Subsidized Colonoscopies (FYE 3/2024), Neurological Checkups (FYE 3/2016) and Comprehensive Medical Checkups (FYE 3/2015)	For employees aged 35 and over, the Company subsidizes comprehensive medical checkups received at external medical institutions up to a maximum amount of 60,000 yen. This amount covers most of the cost for ordinary comprehensive medical checkups. In addition, the Company subsidizes colonoscopies and neurological checkups for employees aged 45, 50, 55, and 60.
Introduction of Tumor Marker Tests (FYE 3/2021)	Added tumor marker tests to the regular health checkups for employees who are aged 35 and older to support the early detection of cancer.
Expansion of Cancer Screening Subsidies (FYE 3/2021)	Expanded screening subsidies for prostate cancer, uterine 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 younger employees. To improve the rate of employees receiving guidance, the HR Department recommends eligible employees to take 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) Aimed at Improving Lifestyle and Exercise Habits	With a total of eight lectures and exercises, this program aims to eliminate metabolic syndrome through daily dietary guidance and exercise. 23 employees participated in the program and 90% of these employees completed it in FYE 3/2023. The percentage of employees who maintained a healthy weight was 69.9% in FYE 3/2021, 69.8% in FYE 3/2022 and 68.3% in FYE 3/2023. The percentage of employees who maintained exercise habits was 34.8% in FYE 3/2021, 38.7% in FYE 3/2022, and 38.4% in FYE 3/2023.
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 and medical care 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
Implementation of Mindfulness Seminars (FYE 3/2024)	Held seminars for employees to learn measures for stress reduction and mental and physical self-care by external experts.
Introduction of Employee Assistance Program (EAP) Services (FYE 3/2007); Promotion of EAP Service Use; Trial Counseling Implementation (FYE 3/2019)	Established external counselor consultation service, available to employees and their families on a 24-hour, year-round basis (EAP Services). Offered counseling sessions on a trial basis to all new employees and newly appointed section general managers in order to raise awareness of EAP services and strengthen self-care and awareness/care from managers. Also, provided online self-check and mental health study programs and articles to promote accurate knowledge and awareness of mental health care and to assist employees in monitoring their own mental condition. Sent information on the use of EAP services to employees returning from childcare leave and those working long hours.
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. The percentage of employees with high stress in FYE 3/2023 was 8.6%.
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 times 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 service.

4. Strengthening Initiatives for Maintaining and Promoting Women's Health

Recognizing that the maintenance and improvement of women's health is a new challenge, Marubeni will continue strengthening the following initiatives going forward.

Measures (Initial Fiscal Year)	Overview
Trial Introduction of Femtech Program (Menstruation and Menopause Support) (FYE 3/2023)	To create an environment where women can work actively from the time they join the company until they retire, the Company offers seminars tailored to stages in women's lives. We also provide online medical consultations, advice, medication guidance, and prescriptions for issues related to menstruation and menopause. Among program participants, work performance during periods of discomfort associated with menstruation and menopause improved by 17% compared to before their participation in the program. In FYE 3/2023, 96 employees participated in the menstruation-related program and 60 employees participated in the menopause-related program. Also held a seminar on women's physical health by a specialist physician. The percentage of positive survey answers regarding the participants' satisfaction and understanding was 100%. The total amount of expenses for the menstruation-related and menopause-related programs is approx. 13 million yen per year.
Introduction of Tumor Marker Tests (FYE 3/2021)	Added tumor marker tests to the regular health checkups for employees aged 35 years and older and supported the early detection of cancer.
Expansion of Subsidies for Uterine and Breast Cancer Screening (FYE 3/2021)	Expanded subsidies for uterine and breast cancer screening. Approximately 50% of female employees underwent uterine and breast cancer screenings in FYE 3/2023.
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 Service for Women (FYE 3/2019)	Established a consultation service 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 Policies and Initiatives

Appropriate Working Hour Management and Leave Policies

The Marubeni Group has established the following policies and initiatives regarding 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 our employees.

Policies

- Reducing long working hours and ensuring proper working hour management.
- Marubeni creates a work environment where employees can maintain and care for their health, engage in work with enhanced well-being, and produce high quality results efficiently.

Initiatives

- Establishing Guidelines
From the perspective of occupational safety (i.e. health management), our guidelines stipulate compliance under Article 36 of the Labor Standards Act, the reduction of long working hours, appropriate working hour management, and monitoring working hours for those in management and supervisory roles, who are traditionally outside the scope of working hour management.
- Addressing Employees with Longer Working Hours
At Marubeni, the Human Resources Department regularly conducts individual interviews with departments that consistently register long working hours to check on which measures they are taking to improve this situation. This helps reduce the number of employees who are constantly working long hours.
- Establishment of Special Leave Systems
In addition to annual paid leave, Marubeni 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 Prevent 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 informed our employees of policies such as attendance at work, business trips, and dinners, and in the event of an outbreak of illness or infection among employees, we place the highest priority on preventing the spread of infection.

In FYE 3/2022, COVID-19 vaccinations were provided at the workplace three times in total, targeting employees of the Tokyo Head Office and group companies. The third vaccination was also offered to families of Marubeni employees.

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 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 situations regarding the outbreak and spread of infectious diseases in collaboration with occupational physicians, based on information provided by the WHO, 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 precautions 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.

Group Company Initiatives

Maynilad Water Services, Inc. (Maynilad), which provides water and wastewater services to the West Zone of the Metropolitan Manila area in the Philippines with a population of 10.5 million, 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 2022, it vaccinated 1,077 employees and family members.

On-site employees engaged in wastewater 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.



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 800 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 assessment of their health status and to raise their awareness of 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 have achieved close to 100% participation by following up with employees who have not had their examinations, and we are taking measures to ensure that employees continue to take health checkups. 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 rapid outbreak of COVID-19 or the rapid deterioration of the medical environment in a foreign country, employees and their families posted in that respective country will be repatriated as necessary.

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

Crisis Management Initiatives

We recognize that employees 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, robberies, traffic accidents, aviation accidents, injuries, and diseases. In particular, we have positioned international crisis management as a highly important Company measure. When an incident occurs, the safety of our employees and their families is our primary concern. Accordingly, we strive to foster everyday awareness of crises, and we have established a permanent International Crisis Management Headquarters that is able to respond immediately should a crisis occur. Specifically, the International 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 where relevant parties can centrally manage information and make timely and accurate decisions and actions in cooperation with overseas-based subsidiaries.

Data

Indicators for Health and Productivity Management

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Employee Performance (Presenteeism)* ¹	—	—	82.1%
Absence from Work Due to Health Problems (Sick Leave) (Absenteeism)* ²	1.5 days	1.5 days	1.7 days
Work Engagement* ³	65%	64%	75%

*1 : Average of the results to the SPQ (Single-Item Presenteeism Question)

"On a scale to 100%, where 100% is the best job performance you could have at your job if unimpeded by sickness or injury, how would you rate your overall job performance over the past four weeks?". Approximately 4,000 employees (95.5% response rate) were surveyed. This measurement started from FYE 3/2023 to assess presenteeism.

*2 : Average number of days of leave due to injury or illness (including temporary leave of absence and absenteeism) for employees based in Japan.

*3 : Affirmative response rate to the work engagement question "I find my work meaningful" on the stress check. Approximately 4,000 employees (95.5% response rate) were surveyed. Additionally, an engagement survey to measure satisfaction with the working environment is conducted regularly and an engagement score is calculated.

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.

Issues and Approaches in the Food Business

In the food sector, which provides support for people in their daily lives, the Marubeni Group is engaged in a wide range of businesses both in Japan and overseas, supplying a wide range of products to meet the diversifying needs of the times. Through our involvement in downstream operations we gain a timely grasp of the latest market trends and provide feedback to midstream and upstream producers, food processors and distributors, in order to build supply chains based on product procurement and development that reflects the increasingly sophisticated and diversified needs of consumers. In addition, as a general trading company, we are able to leverage our global network to procure products while ensuring “food safety and security”.

Marubeni Group has built a broad value chain which ranges from the procurement of raw materials to the delivery of products and services to consumers. As well as contributing to “food safety and security”, we also address nutritional issues by offering food products with superior functionality. In promoting our food business, we are aware of the various issues involved, and we are working to reduce negative impacts on “food safety and security” and sustainability by implementing controls and awareness-raising activities to address these issues.

Key Issues	Major Themes	Management Controls and Awareness
Ensuring consumer food safety and hygiene	Safety of imported, processed and fresh foods (foreign substances, pesticide residues, pathogenic microbial contamination, quality deterioration, and food additives, genetic modification, etc.)	<ul style="list-style-type: none"> • New Transaction Check • Supplier checks • Supplier factory audit • Pesticide residue risk checks by external experts
Responsible marketing of food products	Compliance with food-related laws and regulations (including labeling of allergens and food additives)	<ul style="list-style-type: none"> • Checking of specifications and food labeling by external experts • Conduct training on food labeling (6 times a year) • Conduct training on food compliance (twice a year)
Responsible marketing of alcoholic beverages	Information on prevention of alcohol consumption by those who are underage and pregnant women	In-house training on liquor tax laws, etc.
Ensuring nutritionally balanced food for consumers	Nutritional balance considerations for the elderly	Gathering feedback from dietitians and patients, and promoting the development of products tailored to disease conditions

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 and Approach Regarding Access to Better Nutrition

These days societies in developed countries are facing issues such as undernourishment and malnutrition, where people are lacking vital nutrients even when there is no shortage of food; rising numbers of patients with lifestyle-related diseases due to diets that are high in carbohydrates and salt; and undernourishment among the elderly. In developing countries, hunger and undernourishment caused by poverty and other factors are also social issues. Furthermore, with the global population expected to reach 10 billion by 2050, the associated food crisis is a serious problem. We recognize that meeting nutritional needs so that people can lead healthy lives and ensuring that food is of sufficient quality is one of the major challenges facing the international community, and is also an important issue for our Group in promoting our food business.

The Marubeni Group will contribute to solving these social issues by improving nutrition through the stable supply of food and providing foods and services with high added value in nutritional terms, thereby creating a society where people can live healthy and prosperous lives.

Target

- Through its business the Marubeni Group will provide stable access to good quality sources of nutrition.
- The Marubeni Group aims to develop and supply specialty products that have high added value and meet diverse needs, including health- and nutrition-conscious products, and environmental and ethical consumption.

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 Food

Marubeni has joined the Association for the Safety of Imported Food, Japan and the Japan Food Hygiene Association to keep pace with industry trends. Regarding technologies, we have been working in partnership with external specialists since 2004, thus accumulating expertise on food safety and hygiene management. In particular, we ensure the safety of imported agricultural, livestock, and marine produce and imported processed food products by gathering information and checking safety on our own. We also have our specialist investigators perform plant inspections of overseas 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 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
21	49	56	26	32

Food Plant Inspections by Specialists

Marubeni imports various foods and grains from around the world by requiring a certain level of quality and hygiene control from supplier food plants. When starting transactions with a new supplier, we dispatch our specialists to its overseas food plant and have them inspect the quality, hygiene control, and other factors by using the Own Factory Inspection Sheet based on a program of Global Food Safety Initiative (GFSI). 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 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
Domestic plants	27	16	5	2	7
Overseas plants	16	16	9	12	32
Total	43	32	14	14	39

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 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022	FYE 3/2023
6	13	8	11	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 once or 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 are invited to participate in the seminar as part of our efforts to raise awareness of food safety.

Initiatives

Efforts for Appropriate Food Labeling

Food labels are an important source of information for consumers when choosing food products, so that they can understand the contents and use the products properly.

In order to ensure that the food products we handle are labeled appropriately, Marubeni has implemented specifications and food labeling verification rules drawn up by external experts. We also conduct regular training by external experts in order to maintain and improve the level of knowledge of food labeling in each sales department and to share information on revisions to laws and regulations.

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](#) 

Addressing Negative Impacts of Processed Foods and Beverages

<Initiatives at Marubeni Service Corporation>

Activities against the Negative Effects of Alcoholic Beverages

Marubeni Service Corporation, a consolidated subsidiary of Marubeni Corporation, is committed to reducing the negative effects of alcoholic beverages, including acute alcohol poisoning caused by excessive alcohol consumption. In addition to limiting the quantity of alcoholic beverages sold at any one time to customers 20 years of age and older, we are also actively working to sell products with fewer negative effects, such as non-alcoholic products and alcoholic beverages with lower alcohol content.

Efforts to Reduce Negative Impacts on Socially Vulnerable Groups

Marubeni Service Corporation is implementing the following initiatives to reduce negative impacts on socially vulnerable groups.

Preventing the Sale of Alcoholic Beverages to Persons under 20 Years of Age

Alcohol consumption by people under 20 years of age has a number of negative effects, including those on health, such as impeding physical growth, causing dependence to form earlier than in adults, and making people who start drinking at a younger age more likely to engage in risky behaviors related to alcohol consumption later in life.

As a responsible business operator, Marubeni Service Corporation, which sells alcoholic beverages, recognizes that drinking alcohol can have these negative effects on people under the age of 20. We take the following precautionary measures and work diligently to prevent the negative effects of alcohol consumption on people under the age of 20 and other vulnerable groups in society.

1. Regular Employee Training

In order to eliminate the negative effects of alcohol consumption on those under 20 years of age, Marubeni Service Corporation regularly educates its employees and reminds its customers not to sell alcoholic beverages to those under 20 years of age. In addition, the person in charge of sales also regularly attends a liquor sales management course and displays a liquor sales management sign on the sales floor to show that he/she is responsible for the sale of alcoholic beverages.

2. Reminder to Customers

We remind customers by displaying posters and distributing tissues with leaflets stating that we do not sell alcoholic beverages to persons under 20 years of age.



Poster indicating that alcohol will not be sold to persons under 20 years of age



Poster for age verification enforcement

3. Age Verification at the Cash Register

To prevent the sale of alcoholic beverages to persons under 20 years of age, we always check the age of customers when selling alcoholic beverages.

Participation in Industry Initiatives on Alcohol Safety

Marubeni Service Corporation is a member of the Tokyo Liquor Retailers Association, which is concerned about the negative effects of alcohol on vulnerable groups in society, such as alcohol dependence, acute alcohol poisoning, lifestyle-related diseases and other health problems caused by excessive alcohol consumption, and drinking by people under 20 years old. Through membership of this association we obtain the latest information on industry developments, including laws and regulations related to the sale of alcoholic beverages which we should be aware of as an alcoholic beverage vendor, thereby contributing to the maintenance and improvement of a proper drinking environment and ultimately to the welfare of the public.

➤ For an overview of the Tokyo Liquor Retailers Association, click here (Japanese only) [🔗](#)

<Initiatives at Montoile Co., Ltd.>

Developing and Providing Products and Services that Appeal to Health and Eliminate Negative Influences

Our consolidated subsidiary Montoile Co., Ltd. develops and sells low-carbohydrate products and products that supplement nutrients that are often deficient, in order to address social issues such as unbalanced nutrition related to lifestyle changes, and the increasing number of patients with lifestyle-related diseases such as obesity. Montoile also conducts product planning aimed at supporting women.

“Low Carb Store” Series

We sell the “Low Carb Store” series, which specializes in low carbohydrate confectionery products that have been developed in pursuit of deliciousness. The series has been well received under the slogan, “The snack you don't have to skimp on”.

> [Click here to view the details of “Low Carb Store” Series at Montoile Co., Ltd. \(Japanese only\)](#) □



Baumkuchen of Low Carb Store



Madeleine of Low Carb Store

“ASHITAMO” Series

We design and sell tasty and healthy products to support women, mainly using low-carbohydrate ingredients and focusing on ingredients and taste. In addition to displaying nutritional content and developing a wide lineup of ingredient snacks as “good-to-eat snacks”, the company also supports women as a backer of the Pink Ribbon, an initiative aimed at eliminating breast cancer. We sell our products at affordable prices and have received favorable reviews.

> [Click here to view the details of ASHITAMO at Montoile Co., Ltd. \(Japanese Only\)](#) □



ASHITAMO Logo



A series of ASHITAMO products

High Nutrition Food Initiatives

<Initiatives at Marubeni Foods Corporation>

A Comprehensive Approach to the Health Food Market

Accompanied by significant social changes, the concept of “self-medication”, where people take care of their own health, has become widely accepted, and consumers' interest in health is increasing day by day. In response to these market needs, Marubeni Foods Corporation has been actively marketing health maintenance products and health-related products to pharmacies and drug stores through its nationwide sales network. With a comprehensive approach to the health food market, they also supply ingredients to manufacturers.

Focus on Therapeutic Meals and Smile Care Foods in an Aging Society

With the progression of the aging society, Marubeni Foods Corporation is focusing on areas such as therapeutic meals and Smile Care Foods (nursing care meals), that support healthy and comfortable aging. By collecting feedback from dietitians and patients in the field and promoting product development tailored to their conditions, sales of hospital foods, nutritionally adjusted foods, and soft foods to hospitals, welfare facilities for the elderly and home patients reached 42 million units in FYE 3/2023.



Soft Food -Soft Stewed Vegetables and Meatballs in Tomato Sauce



Nutritional Drink Additives for use in Hospitals

Main Products

- Various health foods
- Hospital and therapeutic foods
- Smile Care Meals (nursing care meals)

➤ [Click here to view the details of health food of Marubeni Foods Corporation \(Japanese only\)](#) 

Participation in Initiatives to Reduce Negative Impacts of Processed Foods

Marubeni Foods Corporation is a member of the Eat & Fun Health Association, which aims to reduce the negative effects of excessive carbohydrate intake, and is involved in various activities as a “low-carb” partner to spread awareness of carbohydrate-restricted diets and practices.

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

Japan REIT Advisors Co., Ltd. (Currently Marubeni REIT Advisors Co., Ltd.) (MRA), 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, MRA 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 diversified J-REIT, UUR aims to reduce various risks and secure medium- to long-term stable earnings by making real estate investments in diverse assets and locations in each regional economic zone with the focus on the Tokyo Metropolitan Area. Aiming for the realization of a society that is sustainable, diverse and inclusive, UUR and MRA have been engaged in real estate investment and management with consideration for ESG. Upon acquisition of real estate properties, MRA will conduct adequate due diligence and carefully examines not only profitability but also impact on the environment (e.g. asbestos, soil contamination), tenants (e.g. antisocial forces, labor environment), and surrounding area (e.g. relationship with the relevant community, influence of traffic congestion on surrounding environment, etc.) before making investment decisions.

One of the metrics to manage climate-related risks and opportunities is the environment certification coverage rate for the portfolio of UUR. UUR and MRA set a medium-term target of an 80% rate (based on gross floor area) by 2024. As a result of acquiring new environmental certifications and continued efforts to re-acquire them for properties for which they would expire, they had reached 77.4% as of November 30, 2023.

As a result of these initiatives, in the 2023 GRESB Real Estate Assessment, the annual benchmark that assesses sustainability practices in the real estate sector, UUR received "4 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants for the third consecutive year. It also won the "Green Star" designation for the ninth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

In the MSCI ESG ratings, UUR received an "AA" rating, the second highest of seven ratings, and has been added to the constituents of MSCI Japan ESG Select Leaders Index.

UUR and MRA 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 policies for ESG promotion and initiatives, certification / evaluation](#) 

➤ [Click here to view the Marubeni 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.).

Example of Initiatives: Recycling of food waste

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.

Example of Initiatives: Collaboration with FANCL CORPORATION - Closed Loop Recycling of Used Cardboard*1

Marubeni Corporation, and its subsidiary companies Marubeni Forest LinX Co., Ltd., Marubeni Paper Recycle Co., Ltd., and Koa Kogyo Co., Ltd. (hereinafter "the four Marubeni Group companies"), are providing FANCL CORPORATION (hereinafter "FANCL") with a circular economy*2 model that collects and recycles used cardboard boxes generated at FANCL's distribution centers.

This initiative involves collecting used cardboard from FANCL's distribution centers and using it as raw material for 100% recycled paper which is then made into paper bags. The four Marubeni Group companies manage the entire process within the Group, from the collection of used cardboard to the supply of raw materials, production of recycled paper, and arranging the manufacture of paper bags. The paper bags produced through this initiative are used at all FANCL directly-managed stores and for online sales from April 1, 2023. The four Marubeni Group companies will continue to encourage consumer interest in a circular economy society and contribute to its realization by promoting initiatives to recycle various types of used paper into familiar paper products, utilizing the Group's comprehensive strengths.

*1 Recycling used materials collected by the company for reuse in the company's own operations.

*2 Circular economy is an economic system in which products, raw materials, and other resources that would otherwise be discarded in conventional economic activities are considered "resources" and are recycled or reused in other ways to circulate resources.

Social

HR Management

| Policy ▾ | Initiatives ▾ |

Policy

GC2024 Group Human Resources Strategy

Marubeni HR Ecosystem

Our human capital is the Group's greatest asset and the driving force behind value creation. Under our Mid-Term Management Strategy GC2024, we are working to further devolve 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 is creating attractive ecosystem where human capital of high social value and diverse backgrounds can come together, be energized, connect with each other across company and organizational boundaries continue to take on the challenge of creating new value by combining their diverse values and expertise.

The starting point for the idea behind the "Marubeni HR Ecosystem" is linking management strategy with human capital strategy. The Talent Management Committee, a human capital strategy meetings featuring the CEO, CAO, CSO and CHRO as key members, is aiming to realize a human capital strategy that aligns with management strategy. Specifically, Talent Management Committee will continue to discuss key priorities such as human capital allocation, leader development, engagement, diversity, and HR system reform review, and they will promote the management-led changes with a sense of urgency. The Marubeni Group in 2023 newly established a CHRO position in order to strengthen the creation and promotion of HR-related systems and measures that contribute to the execution of management strategies. In addition, we are strengthening linkage with management through various initiatives, increasing opportunities for direct communication between management and employees, and operating an employee stock ownership program (enrollment rate of 86.2% as of March 31, 2023) that provides special incentives for employees to foster a sense of collective responsibility towards enhancing corporate value, etc.

< Global crossvalue platform >



< 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

- Leveraging diverse values
- Increasing value creation capabilities utilizing the strength of diverse individuals

Culture of Active Participation and Connectivity

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

< Our Vision 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."

Coming Together

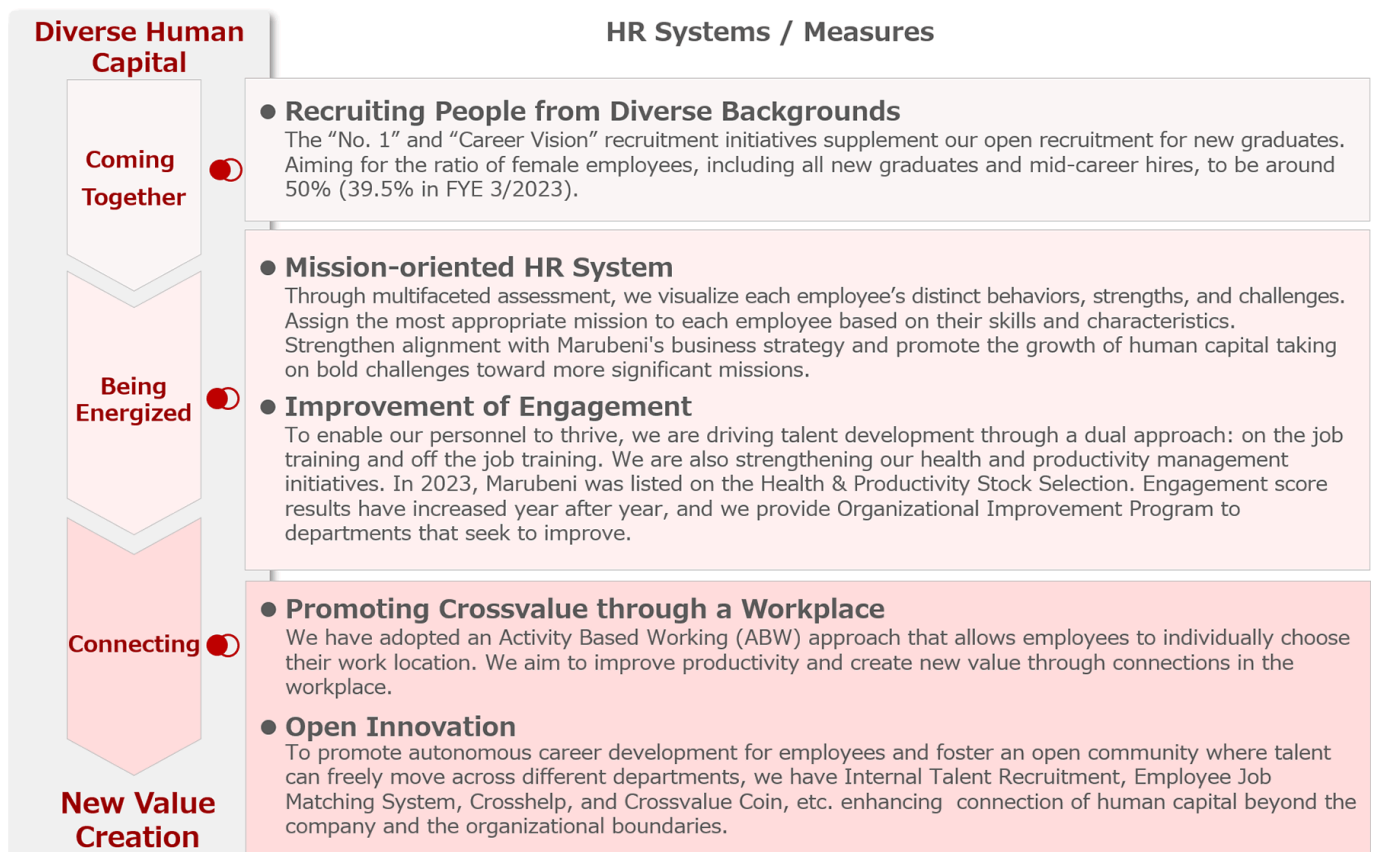
Being Energized

Connecting

- Further developing a Marubeni HR Ecosystem focused on creating new value through diverse human capital coming together, being energized, and connecting
- Talent Management Committee* to promote specific management-led human capital strategies

*Meeting for discussing HR strategy, featuring the CEO, CAO, CSO, and CHRO as key members

Promote the Further Progression of the Marubeni HR Ecosystem

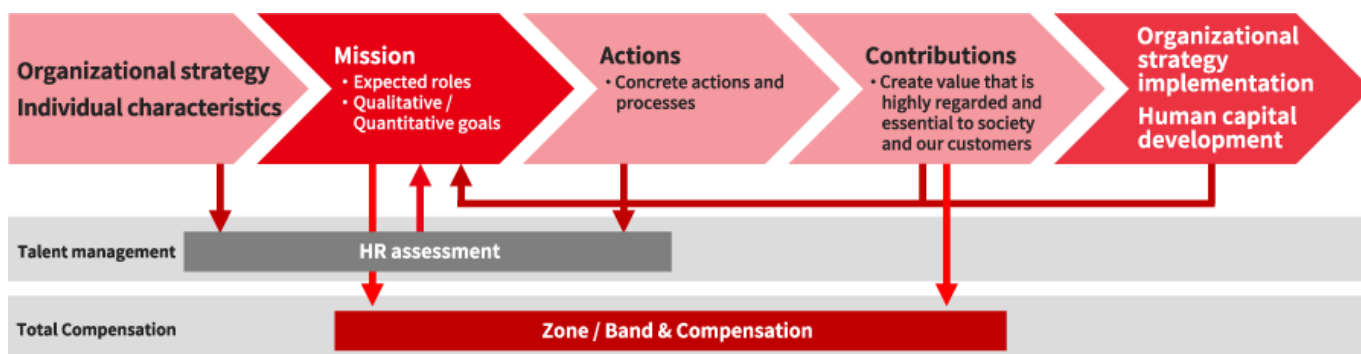


Mission-oriented HR System

Missions of each employee is at the core of “organizational strategy execution” and “talent growth”

- Pursuing improvement of long-term corporate value is realized by implementing strategies in each organization.
- Each employee is given a mission based on their skills and characteristics. The goal of this is to enhance the strategic execution capabilities of the organization by augmenting each individual's contribution.
- Each employee taking on bold challenges toward more significant missions and striving for excellence will lead to their further growth and their increased market value*1.

*1 To allow each employee to take on the more challenging roles and objectives, we set missions through active communication between the supervisors and their employees, conduct a year-end evaluation and give feedback to the employee, and set missions for the following year based on the results of the evaluation. This continuous cycle is closely connected with the employee's individual abilities and career development.



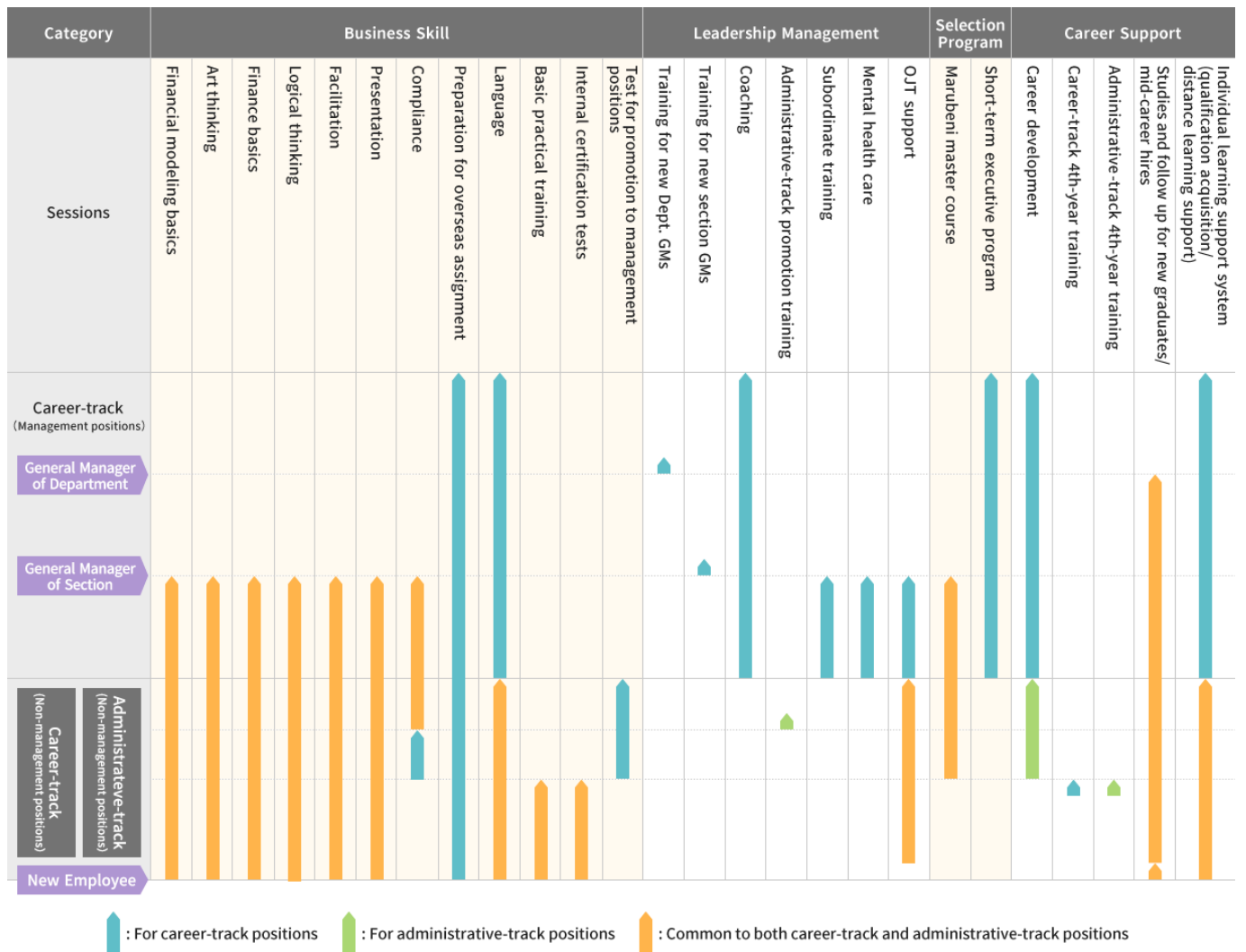
Basic Policy on HR Development

We are driving talent development through a dual approach: on the job training as the core and off the job training as a supportive 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.

Regarding off-the-job training, our Marubeni Global Academy is a multi-layered approach to human capital development that includes systematic programs in business skills and leadership management, as well as organization-specific training based on the human resource strategy of each organization and group workshops for employees of domestic and overseas Group companies. We will continue to strengthen human resources development initiatives to drive the growth and active participation of our Group's human capital, the source of corporate value.

Marubeni Global Academy



Initiatives

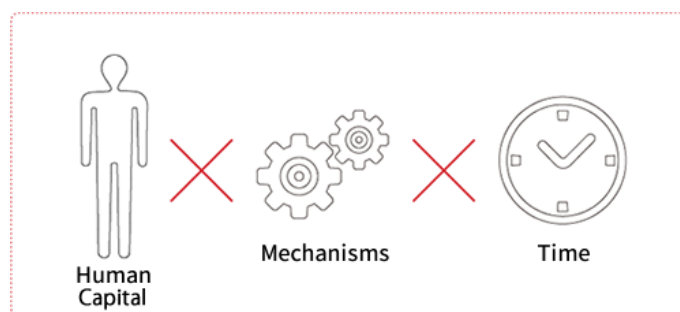
Individual Learning Support System

To further enhance the autonomy of motivated employees, we offer support for skills development, acquiring knowledge and experience that cannot be gained through regular work activities, and employee skill development. We offer support for obtaining qualifications, approximately 60 cases annually, and have a track record of assisting around 1,800 employees with business knowledge-related learning services.

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 since 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 are implemented to promote the development of such human capital.

Marubeni Academia

The Marubeni Academia program aims to nurture global innovation leaders who will lead the Marubeni Group. Diverse talent who are excelling globally are chosen for this program to engage in discussions on various themes over the course of a year.

External Personnel Exchange Program

This is a program targeting employees who are future candidates for management and executive positions at Marubeni. The employees are assigning to leading companies in various industries 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" is 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

We have created the BMC site to increase the visibility of the assets and business models of the Marubeni Group and share them with all employees. To help create new businesses, we will expand the functions of the site. At the same time, we will promote measures enabling us to use the BMC framework in business settings.

Idea Box

This mechanism enables all Group employees to contribute proposals related to new business ideas, challenges they would like to take on, and business improvements.

Innovation Salon

Employees interested in innovation can casually participate in this lecture-style event where we invite new business promoters and entrepreneurs from outside of the company. We hold these events on a regular basis with the aim of broadening participants' perspectives by exposing them to "expertise" from outside the company, giving them hints for new ideas, and motivating them to take action themselves.

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.

15% Rule

This measure makes it possible for employees to allocate up to a maximum of 15% of their work hours to 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, know-how 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 foster unity at Marubeni, internal meetings are regularly held with the aim of encouraging communication between co-workers and between management and employees. By FYE 3/2023, a total of more than 2,800 employees participated in the meetings. By continuing to provide opportunities for direct dialogue between management and employees, we will further energize and deepen communication within the Company.

Engagement Survey

Marubeni defines engagement as “a relationship where individuals and the organization come together and contribute to each other’s growth.” To improve organizational management and various organizational systems and to create a dynamic workplace, an internal survey is used to measure the engagement score of employees. In the survey, which was conducted in July 2022, the response rate was approximately 96% and the score was 59.2, compared to an average of 50.0 for other companies. This result suggests the improvements made to the Marubeni Group’s work environment have boosted employee satisfaction and motivation. Based on these results, Marubeni was awarded third place in the Best Motivation Company Award 2023 presented by Link and Motivation Inc. in the Large Company category (over 2,000 employees). While we will continue to reinforce our strengths identified in the survey results, we are taking steps to address the issues through a range of measures.

Relationship with the Labor Union

The Marubeni Employees’ Union was established in 1949. As of March 31, 2023, it has 2,754 members, or about 64% 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 3/2023, 11 meetings were held, including management-union discussions with the CEO and other senior management members, various collective bargaining meetings*², 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.

*² The collective labor agreement stipulates that (1) matters concerning the working conditions of union members, and (2) other matters that have a significant impact on the Company, on the union, and on union members, are matters for collective bargaining. The agreement also stipulates that the Company and the union must respond in good faith to any legitimate request for collective bargaining by the other party and strive to resolve the issue promptly.



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.

Social

Diversity Management

Policy ▾ | Structures and Systems ▾ | Initiatives ▾ |

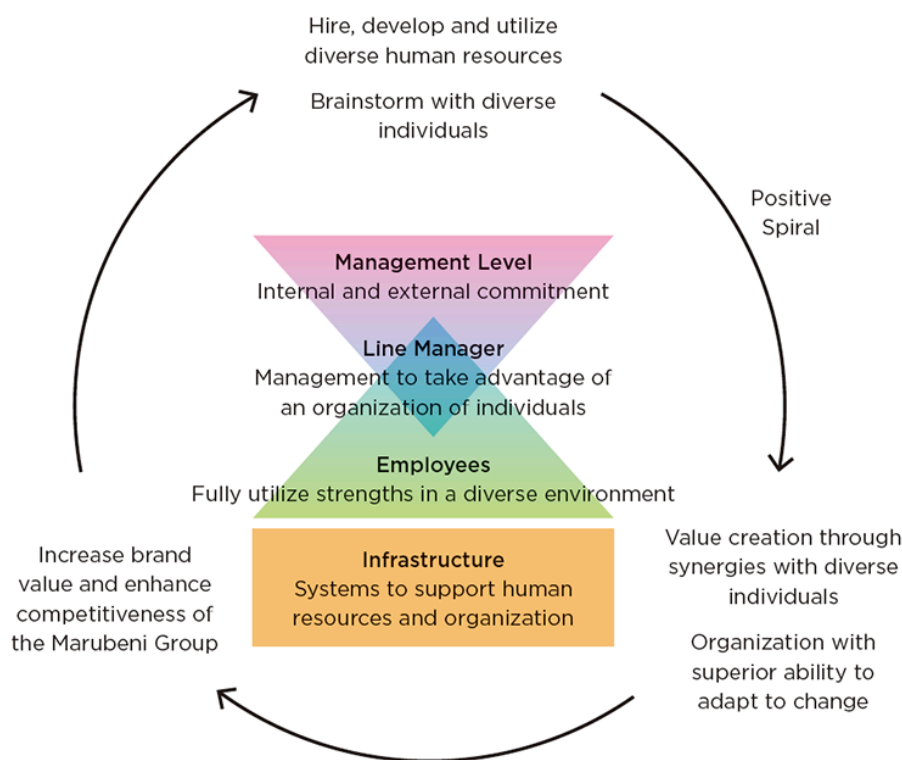
Policy

➤ Details on the GC2024 Marubeni 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 station them overseas proactively, and to create an environment where they can play an active role regardless of life events. As of April 1, 2023, there are 475 women (14.0% of all career-track positions) working in Japan and overseas. Many women in this track are either relatively early or mid-career and are expected to play an even more active role as candidates for future managerial positions.

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 management positions, and the annual paid leave usage ratio, we will focus further on encouraging the success of women in the workplace. In addition, Marubeni has established “Female Empowerment at Work 2.0” as our new policy in August 2022.

In addition to the various initiatives taken to create an environment where female employees can continue thriving at work, “Female Empowerment at Work 2.0” aims to create an environment where women are more deeply involved in corporate management and business decisions making at Marubeni. Also, we will focus further on “expanding the talent pipeline” to enhance growth opportunities for women and strengthen their career paths towards positions that involve decision making.

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

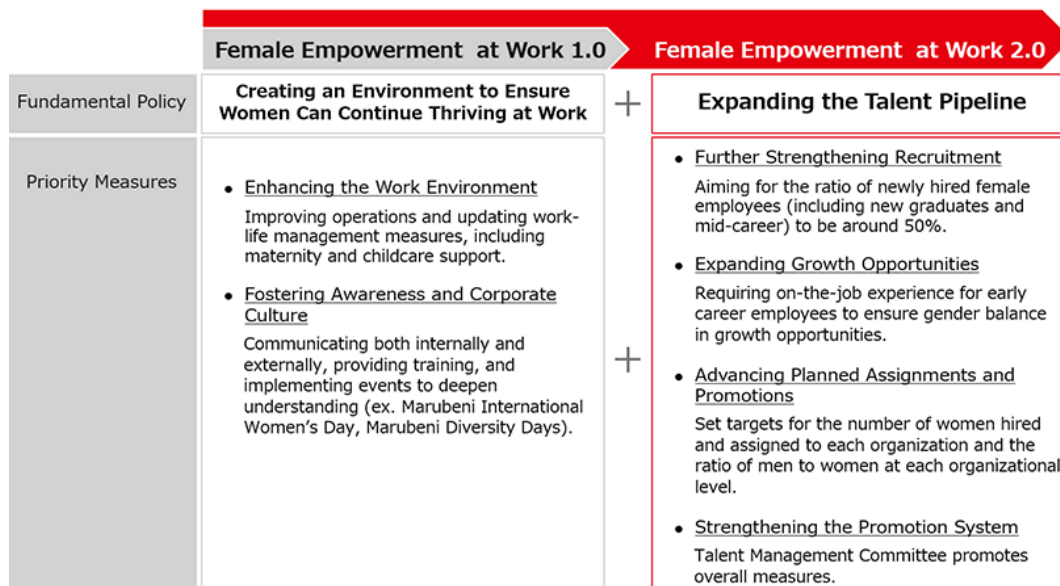
➤ [Click here to view Action Plan \(Japanese only\)](#) [145KB] ➤ [Ministry of Health, Labour and Welfare Database \(Japanese only\)](#)

Goals	<p>I. Providing equal opportunities for women</p> <ul style="list-style-type: none"> Ratio of new female graduates hired for career-track positions will be raised from the current 20-30% to around 40-50% within three years (joining the Company by FYE 3/2025). Ratio of females in all career-track positions will be at least 15%. Ratio of females in all management positions will be at least 10%. <p>II. Establishing an environment conducive to balancing work and family life</p> <ul style="list-style-type: none"> Increasing the annual paid leave usage ratio to at least 70%.
-------	---

Female Empowerment at Work 2.0 (Established in August 2022)

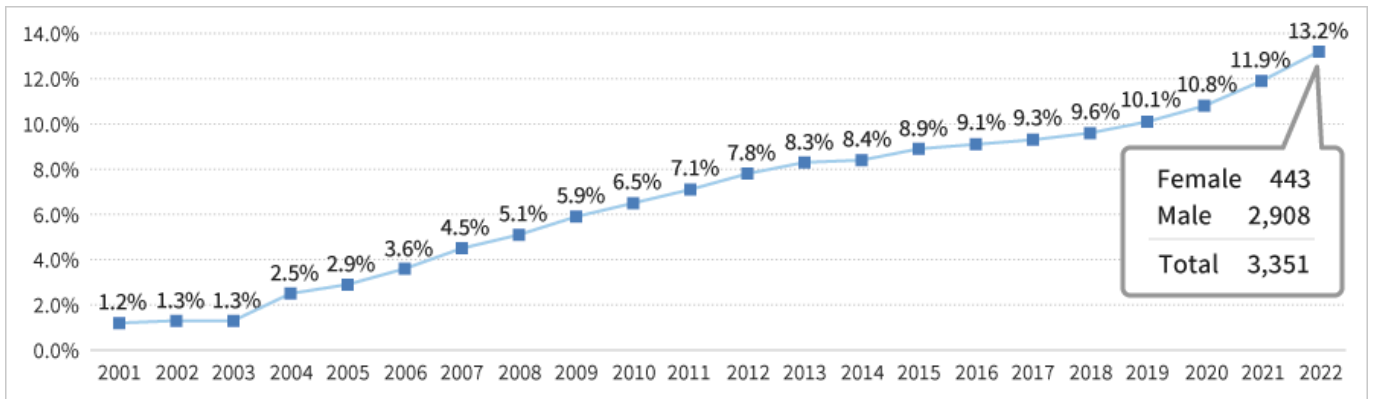
Female Empowerment at Work 2.0

More focus on “Expanding the Talent Pipeline” to enhance growth opportunities for women and strengthen their career paths towards positions that involve decision making

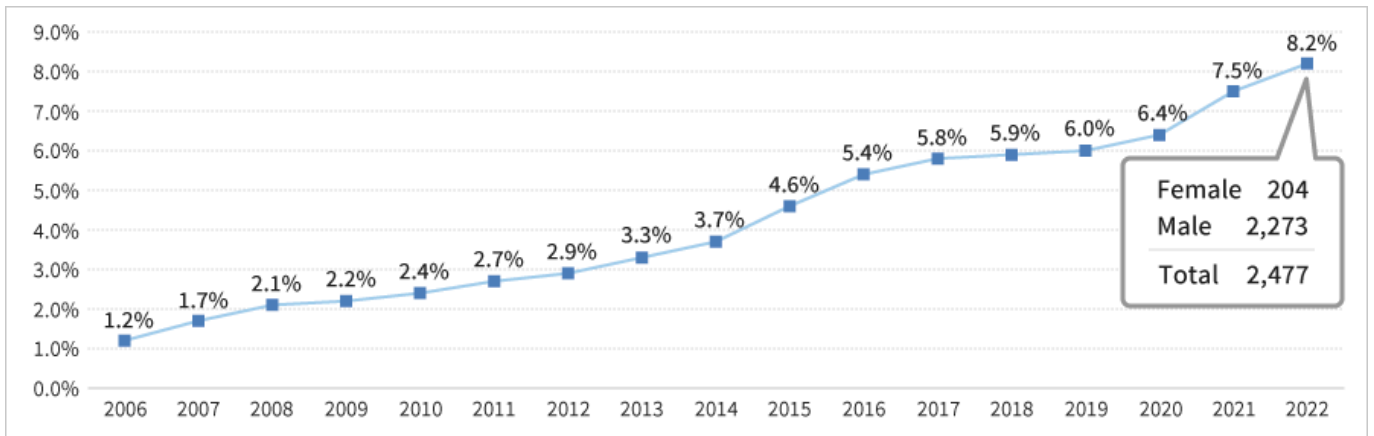


➤ [Click here to view News Release “New Policy for Promoting Female Empowerment at Work”](#)

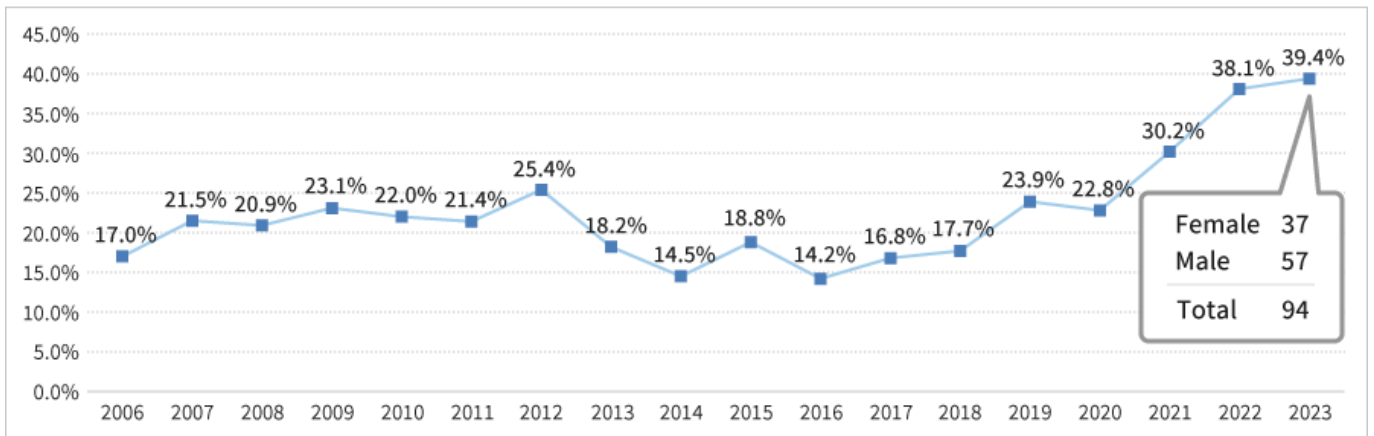
Ratio of Female Employees in all Career-track Positions (As of October 1 Each Year)



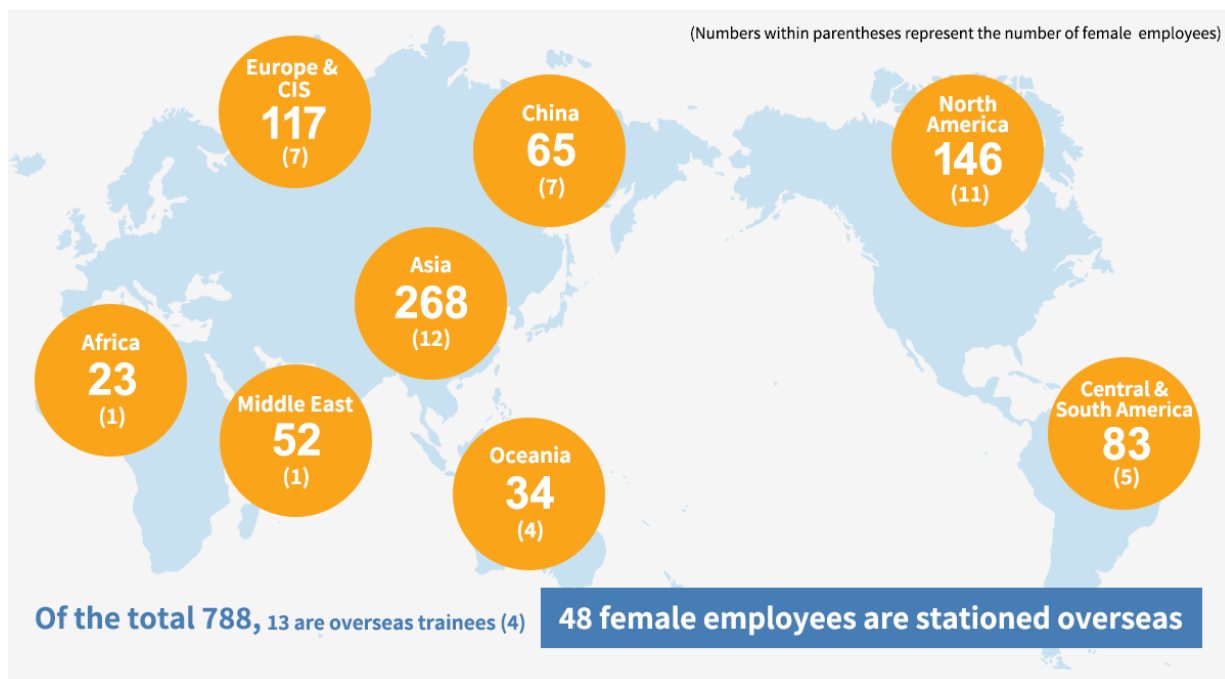
Ratio of Female Employees in all Management Positions (As of October 1 Each Year)



Ratio of New Female Graduates Hired for Career-track Positions (As of April 1 Each Year)



Employees Stationed Overseas (As of April 1, 2023)



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 (MIWD) on this day each year to support active working women.

In FYE 3/2023, the program included a Top Message by the President, a Talking Event by an external advisor, and interviews with female employees working actively on the global stage. MIWD provided opportunities for employees to rethink and act on the promotion of diversity and gender equality, through various measures to make the event more exciting such as the Purple Dress Code Project, in which photos of employees wearing purple items, the symbolic color, were introduced on the Company’s SNS, and the MIWD collaboration menu which was offered at the employee cafeteria, ○Café.

■ Talking Event “Embrace Equity”

An external executive working active globally spoke about the importance of promoting diversity from various perspectives based on her own diverse career.

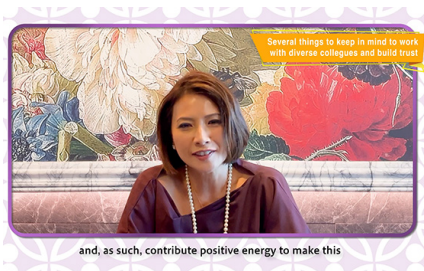
■ Message 1 “How I Felt Throughout My Career”

Female leader employee who joined Marubeni through mid-career recruitment and had a wealth of external experience shared her various experiences, the tips and advice she felt through these experiences for the promotion of empowering female employees.

■ Message 2 Voices from Japanese Female Employees Stationed Overseas

We shared powerful video messages from Japanese female employees currently working globally.

The messages will not only promote understanding of diversity and gender equality, but will contribute to a better awareness of these issues in their own career.



Talking Event “Embrace Equity” from an external executive working active globally



Purple dress code photos from Indonesian members



Collaboration menu for ○Café×MIWD

Measures to Support Overseas Postings After Childbirth

To provide support to employees stationed overseas where they will also be accompanied only by their children, Marubeni introduces various measures to provide allowances for accompanying a spouses and assistance towards childcare cost of relatives, etc. With the diversified workstyles and family situations, we ensure that the right people can be placed in/promoted to the right positions and that these individuals can achieve ongoing career and skills development.

External Training Participation for Females

With the aim of providing growth opportunities that cannot be gained internally and networking opportunities with female employees from external organizations, we have sent a total of 64 female employees to external training programs.

BENInnovation Program

We have been implementing the “BENInnovation Program,” a program that primarily targets early to mid-career female employees in career-track positions and their immediate managers, to encourage these employees to take on greater challenges and to strengthen diversity management.

“Kick-off Sessions” for early to mid-career female career-track staff and their immediate managers	“Career Sessions” for early-career female employees in career-track positions
Keynote lectures on the essence of management for promoting diversity, the necessity of changing female employees’ mindset, and changing the mentality of managers	Group work that envisions a more proactive career by playing roles as future managerial-track employees and taking into account future life events

Creating an Environment and Network to Promote the Participation of Diverse Human Resources

Marubeni Global Mobility Program

Through the Marubeni Global Mobility Program, Group employees from overseas offices, who are also future candidates for executive positions at their respective offices, are seconded to Marubeni Headquarters in Tokyo and Group companies in other countries for a set period of time. By expanding opportunities to gain experience at Marubeni Headquarters and overseas/domestic Group companies, Marubeni promotes the active participation of diverse human capital across the world.

Marubeni Diversity Days

Marubeni Diversity Days is held with individual events under the themes of “Diversity as a Corporate Growth Strategy,” “Unconscious Bias,” “Disability Inclusion,” “Multicultural Co-creation in the Workplace,” and “Learning More about LGBTQ.” Through lectures and panel discussions by external speakers and Marubeni Group employees over the five-days event, employees have the opportunity to learn more about diversity and reaffirm its importance.

Marubeni Group Workshop

The Marubeni Group Workshop is held annually for selected managers from Marubeni Group companies to deepen their understanding of the Marubeni Group and share information regarding their respective businesses. This workshop also promotes networking among Group employees from diverse backgrounds who are active in Japan and other countries.

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, 2023, 222 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

To promote the employment of people with disabilities, we established the Marubeni Office Support Corporation in 2008, which is certified as a special-purpose subsidiary company*1.

*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 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 December 2020, Marubeni Office Support Corporation (Marubeni Office Support) became the first company in Tokyo to obtain the "Monisu Certification" mark, awarded to small and medium-sized enterprises that excel in the employment of people with disabilities. Marubeni Office Support was also certified by the Tokyo metropolitan government as a best practice company for barrier-free design in March 2021. This certification was awarded for Marubeni Office Support's efforts toward creating a safe working environment for employees with disabilities and actively communicating the employees' experience and achievements publicly.

As of April 2023, the company has a total of 73 employees with disabilities and 11 employees without disabilities who aim to help each other and improve 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 2023, Marubeni Corporation and the Marubeni Office Support employ a total of 99 people with disabilities, an employment rate of 2.67% that exceeds the legally-prescribed minimum employment rate.

Marubeni Corporation and Marubeni Office Support will continue striving to create workplaces where everyone 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 provides equal opportunities to anyone 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 recruiting manual for fair recruiting and strive to ensure that our policies are thoroughly understood across Marubeni Group companies.

Recruiting Diverse, Top Talent

While incorporating distinctive hiring methods, we engage with a diverse pool of talent who can become the drivers of new value creation by leveraging their expertise, capabilities and individuality.

1. New Graduate Recruitment

In addition to the open recruitment to accept a wide range of applications, we incorporate hiring methods “Career Vision Recruitment”, which is a job-based hiring program for recruiting people who have indicated the responsibilities and department that they want to apply for within our company. Employees in the Recruiting Section lead the advertising and assessment processes, which includes planning advertising campaigns to the actual candidate selections, and approximately 27 departments participated in FYE 3/2023.

2. Mid-career Hiring

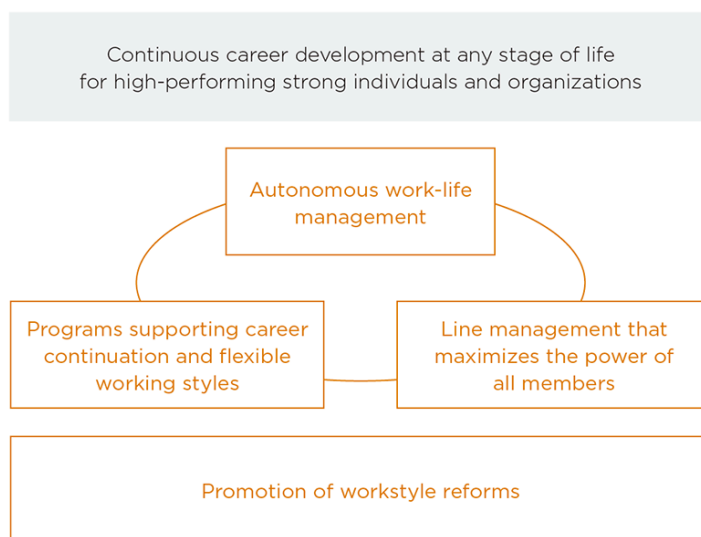
We are strengthening our mid-career hiring seeking to acquire talent who can become the drivers of new value creation by leveraging their expertise, capabilities and individuality cultivated outside of the company. Each year, we recruit and hire more than 20% of all hires through mid-career hiring.

Promotion of Work/Life Management

We are promoting work/life management as a foundation for employees with diverse backgrounds to create results and support balancing work and parenting regardless of gender. We implement various measures for work-life management in order to achieve “continuous career development” and “high performance” regardless of an employee’s stage in life.

> [Click here for the usage status of various systems \(Japanese only\)](#)  [112KB]

Marubeni Work-Life Management



Major Measures Related to Work/Life Management

Measures for Balancing Work and Parenting

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 managers and workers around them understand, 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, and “Family support leave” to support family members. There is also a system that allows part of the childcare leave to be taken as paid leave in order to encourage male employees to take paternity leave. We have introduced a company-wide flexible working hours system and a teleworking system for all employees as well. This enables employees to work both autonomously and flexibly.

Providing Information to Deepen Understanding of Support Systems

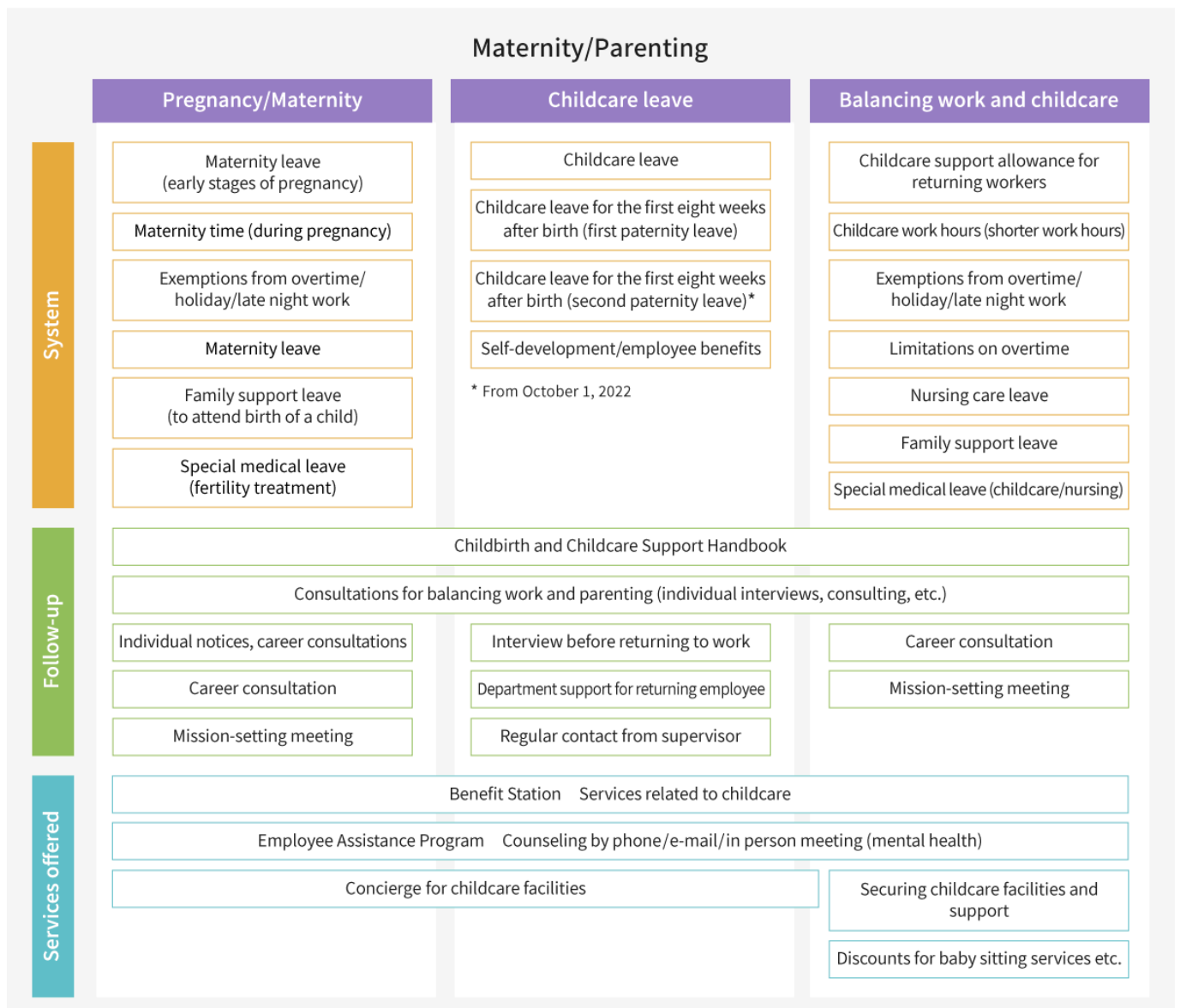
Employees who are pregnant or will have children in their family and the respective employee’s manager are provided with a “Childbirth and Childcare Support Handbook.” As requested, consultations are provided as well. Additionally, we provide information to deepen employees’ understanding of support systems and provide consultation services regarding balancing work and childcare.

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 desired. In FYE 3/2019, we began securing permanent places at a daycare center near our Tokyo Head Office to support employees in returning to work smoothly.



Measures for Supporting the Balance Between Work and Family Care

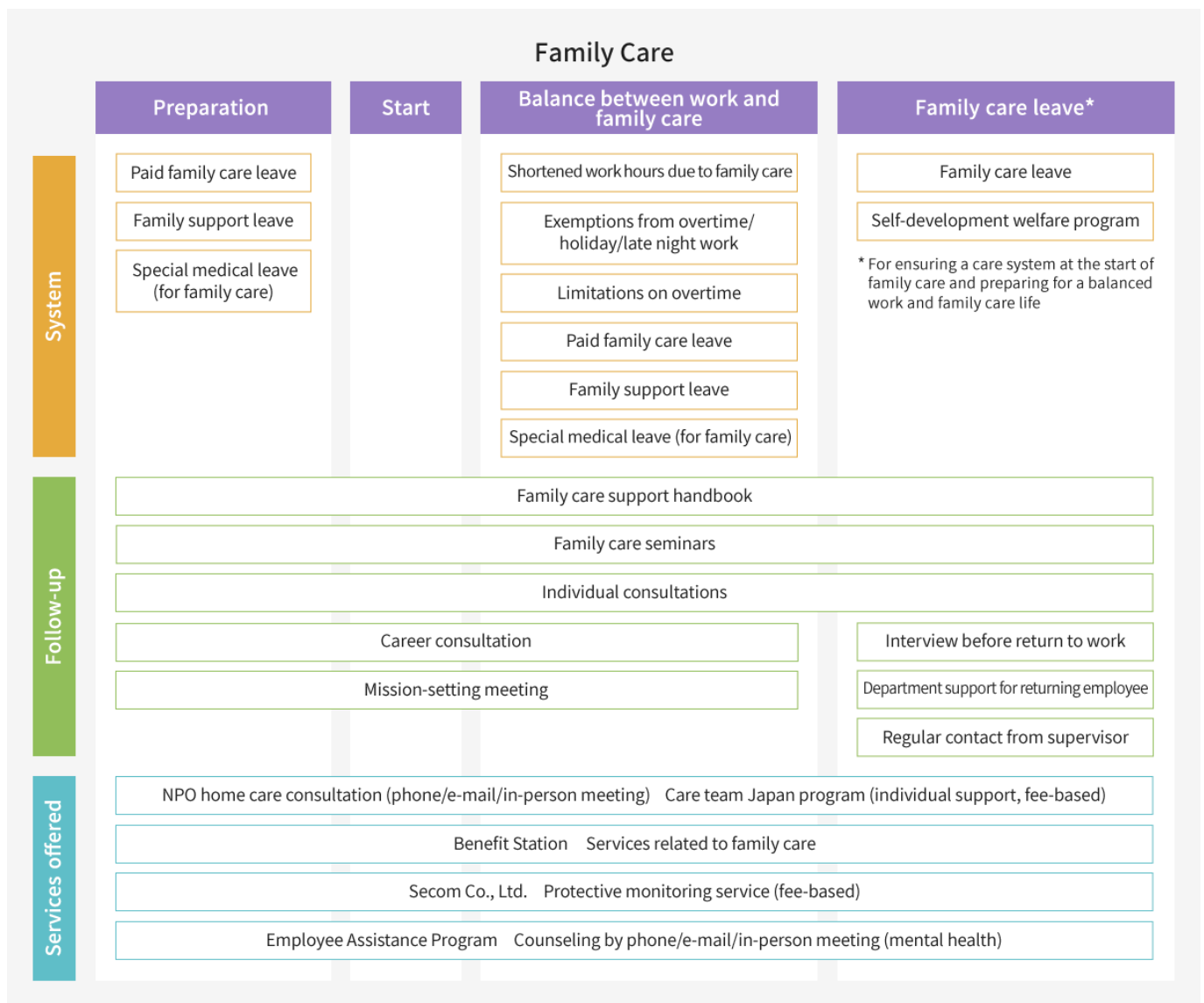
We live in a world characterized by declining birthrates, an aging population, fewer siblings, more people remaining single, and more dual income households. This means that family care, which was traditionally taken care of mostly by stay-at-home family members, is now an issue that working family members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

Providing Information to Deepen Understanding of Support Systems

Marubeni has created and distributes a Family Care Handbook and has also been holding nursing care seminars on various topics since FYE 3/2011. 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 family care themselves, so that they can better manage their situation and balance work with family care.

Partnership with External Services Including Personal Consultations and Remote Family Care

We provide free consultation by telephone, e-mail, or in person in collaboration with Umi wo Koeru Care no Te, an NPO dedicated to supporting family 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.



Social

Social Data

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

Employee Statistics

Employee Data

	FYE 3/2021	FYE 3/2022	FYE 3/2023
No. of employees (Consolidated)*1	45,470	46,100	45,995
No. of employees (Non-Consolidated)*2	4,389	4,379	4,340
Of which, Domestic	3,561	3,562	3,529
Of which, Overseas	828	817	811
Of which, Male	3,203	3,179	3,115
Of which, Female	1,186	1,200	1,225
Percentages of male and female (%)*3	73.0 : 27.0	72.6 : 27.4	71.8 : 28.2
Average age*3	42.2	42.3	42.3
Of which, Male	43.1	43.3	43.3
Of which, Female	40.0	39.8	39.6
Average service years*3	17.5	17.6	17.6
Of which, Male	18.0	18.3	18.4
Of which, Female	16.2	15.9	15.6

*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 3/2021	FYE 3/2022	FYE 3/2023
No. of career-track positions* ³	3,318	3,357	3,338
Of which, Male	2,960	2,955	2,898
Of which, Female	358	402	440
Ratio of females in career-track positions (%) ^{*3}	10.8	12.0	13.2
No. of employees in management positions* ³	2,304	2,433	2,466
Of which, Male	2,157	2,250	2,263
Of which, Female	147	183	203
Ratio of females in management positions (%) ^{*3}	6.4	7.5	8.2
No. of employees in management positions (general managers or above)* ³	227	230	236
Of which, Male	227	229	233
Of which, Female	0	1	3
Executive Officers	32	36	37
Of which, Male	32	36	37
Of which, Female	0	0	0
Directors, Audit & Supervisory Board Members	18	15	15
Of which, Male	17	14	13
Of which, Female	1	1	2

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

Employment Rate of People with Disabilities

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Employment rate of people with disabilities (%) ^{*4}	2.58	2.60	2.57

*4 : The figures shown the combined total for Marubeni Corporation and its certified special-purpose subsidiary, Marubeni Office Support Corporation (as of March 1).

No. of Hires and No. of Retirees

No. of Hires^{*5}

	FYE 3/2021	FYE 3/2022	FYE 3/2023
No. of hires	146	162	157
Of which, Male	106	102	95
Of which, Female	40	60	62
No. of new graduate recruitment (Ratio of new graduate recruitment in hires)	116 (79.5%)	124 (76.5%)	123 (78.3%)
Of which, Male	79	74	65
Of which, Female	37	50	58
No. of mid-career recruitment (Ratio of mid-career recruitment in hires)	30 (20.5%)	38 (23.5%)	34 (21.7%)
Of which, Male	27	28	30
Of which, Female	3	10	4

*5 : Figures for Marubeni Corporation.

No. of Retirees, Turnover Rate^{*5}

	FYE 3/2021	FYE 3/2022	FYE 3/2023
No. of retirees	226	267	243
Of which, Male	173	203	216
Of which, Female	53	64	27
No. of mandatory retirement	81	92	87
Of which, Male	55	58	75
Of which, Female	26	34	12
No. of voluntary retirement	100	117	97
Of which, Male	83	97	86
Of which, Female	17	20	11
Turnover rate (%)	3.0	3.3	2.8

*5 : Figures for Marubeni Corporation.

Occupational Health and Safety

Working Hours, Overtime Hours, Work-life Balance System Usage

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Average total actual working hours per year ^{*5}	2,086.1	2,083.3	2,055.1
Average overtime hours per month ^{*5}	20.0	20.3	18.4
Average use of vacation time per year (days) ^{*6}	9.55	11.39	12.41
Use of annual paid leave (%) ^{*5}	41.0	50.0	55.0
No. of employees who took maternity leave ^{*7}	58	70	76
No. of employees who took childcare leave ^{*8}	100	111	129
No. of employees who took childcare leave (male)	48	54	59
Return rate (following childcare leave) (%) ^{*9}	98.9	97.3	98.0
No. of employees who took family care leave ^{*8}	0	0	0
No. of employees who took paid family care leave ^{*8}	57	42	52
No. of employees who took shortened work hours due to family care ^{*10}	1	3	1
No. of employees who took volunteer leave ^{*8}	0	5	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 ("paternity leave after childbirth") and subsequent childcare leave shall be counted as one person each.

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

*10 : Figures for Marubeni Cooperation. Indicates the total number of people who applied for the use of shortened work hours in the fiscal year.

Occupational Health and Safety Data

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Lost-time injuries frequency rate ^{*11}	0	0	0
Occupational illness frequency rate ^{*12}	0	0	0
No. of occupational accident or incidents leading to injuries or fatalities ^{*13}	0	1	1
No. of fatal occupational accidents ^{*5}	0	0	0
No. of fatal occupational accidents of contractors ^{*14}	0	0	0

*5 : Figures for Marubeni Corporation.

*11 : 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.

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

*13 : Figures include the occupational accidents without lost workdays.

*14 : Figures for Marubeni Group.

Performance Management of Occupational Health and Safety^{*15}

	Targets	FYE 3/2021	FYE 3/2022	FYE 3/2023	Industry benchmark
Lost-time injuries frequency rate ^{*16}	0	0	0	0	1.98
Lost-time injuries severity rate ^{*17}	0	0	0	0	0.05
Average annual working days lost per case ^{*18}	0	0	0	0	27.4
Occupational illness frequency rate ^{*19}	0	0	0	0	—
No. of occupational accident or incidents leading to injuries or fatalities ^{*13}	0	0	1	1	—
No. of fatal occupational accidents	0	0	0	0	—

*13 : Figures include the occupational accidents without lost workdays.

*15 : Figures for Marubeni Corporation. We use a survey on occupational accident, executed in 2023 by the Ministry of Health, Labour and Welfare, as a benchmark.

*16 : 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.

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

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

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

Regular Health Checkups and Stress Check Tests

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Ratio of regular health checkup participation (employees working in Japan)	99.0%	100.0%	100.0%
Ratio of regular health checkup participation (employees working overseas)	63.1%	80.1%	99.7%
Rate of employees undergoing stress check tests	91.6%	91.6%	95.5%

Training and Education

Employee Development Data^{*20}

	FYE 3/2021	FYE 3/2022	FYE 3/2023
Number of participants trained per year	25,188	32,535	43,320
Total number of training days per year	23,393 days	24,340 days	27,029 days
Total number of training hours per year	170,000 hours	177,000 hours	196,000 hours
Annual training hours (days) per employee	39 hours (5.3 days)	41 hours (5.6 days)	46 hours (6.3 days)

*20 : 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 3/2021)	Number of participants (FYE 3/2022)	Number of participants (FYE 3/2023)
Package program for new graduates	Lecture by head of the medical clinic on "safety and health management"	115	126	127
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	210	91	420
Training for new GM for Dept.	Lecture on "working hour management, health management, and mental health care"	25	28	24
Administrative-track (upper level) promotion training	Lecture on "working hour management, health management, and mental health care"	12	22	10
Career-track 4th-year training ^{*21}	Lecture on "working hour management, health management, and mental health care"	0	179	65
Administrative-track 4th-year training ^{*21}	Lecture on "working hour management, health management, and mental health care"	0	47	11
Career development training	Lecture on "health management"	47	88	89

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

Supply Chain

Policy	127
Group-wide Initiatives	129
Sustainability Surveys to Suppliers	132
Initiatives for Individual Commodities ...	135



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.

➤ [Click here for Sustainable & Resilient Value Chains](#)

➤ [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^{*1} 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 \(Palm Oil\) 📄 \[52KB\]](#)

[> Initiatives on Palm Oil 📄 \[13KB\]](#)

Beef

[> Procurement Policy \(Beef\) 📄 \[190KB\]](#)

[> Initiatives on Beef](#)

Marine Products

[> Initiatives on Marine Products](#)

Coffee Beans

[> Procurement Policy \(Coffee Beans\) 📄 \[295KB\]](#)

[> Initiatives on Coffee Beans 📄 \[2.0MB\]](#)

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 FYE 3/2023.

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 holds webinar programs for the Company's executives and employees to provide a better understanding of risks to human rights in the supply chain and other important 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 (environmental)
Health and Safety	Machine safety / Fires and explosions / Toxic substance exposure / Infection / Hazardous operations / Mitigation measures and administrative procedures (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 and the right to collective bargaining / 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 (social)

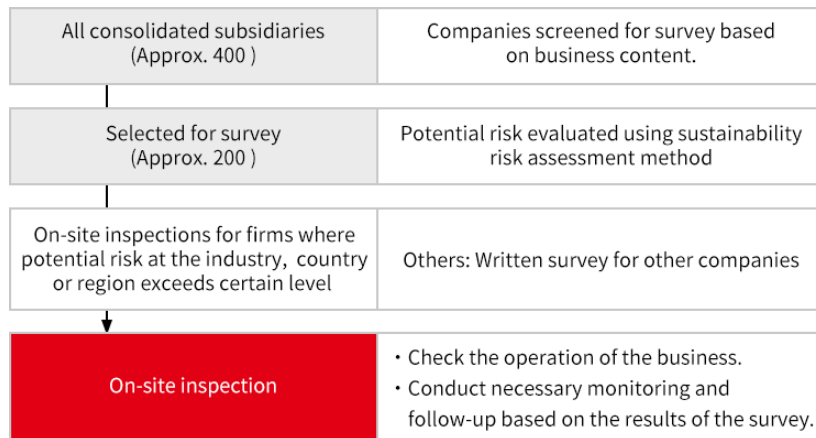
➤ [Click here for Human Rights Due Diligence and Respect for Human Rights.](#)

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 FYE 3/2020 to FYE 3/2021. 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 health and safety, and social aspects. As a result of the document and on-site investigations, we did not identify problems that require immediate action.

Since then, we have continued to monitor risk factors, including the presence or absence of changes in their business models that could affect their sustainability risk profile, as follow-up activities for the sustainability survey of our consolidated subsidiaries (survey for managing sustainability-related points of change at consolidated subsidiaries) mentioned above. This survey is aimed at confirming that, when certain points of change in their businesses or services were confirmed in the last one year, our consolidated subsidiaries have fully enhanced their management in the environmental, occupational health and safety including labor standards, and social aspects in response to those changes. If any problems are discovered in this survey, we take actions to improve the management, such as giving advice or recommendations about necessary improvement measures. In the survey conducted in FYE 3/2023, we found points of change at 15 consolidated subsidiaries. Each had strengthened their management in response to the changes, and we found no problem requiring immediate additional measures.



Sustainability Surveys to Suppliers

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

Multifaceted surveys suitable for the business situation and regional characteristics are conducted on-site, covering areas such as human rights (including child labor or forced labor), observance of law, fair trade, health and safety, quality control, environment, 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 confirmed 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.

For any non-compliance, 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.

From FY2011 to FY2018, we conducted on-site inspections of 18 suppliers.

On-site inspections were not conducted between FY2019 and FY2021 due to the impact of the new coronavirus, but they were resumed in November 2022, and during FY2022 we visited three factories which handle products that are considered to be relatively high-risk from a supply chain sustainability perspective. (Cumulative total from FY2011 to FY2022: 21 companies)

We will continue to strive to promote understanding of sustainability by holding training sessions for suppliers on environmental, social, and other sustainability issues, and promote initiatives to reduce environmental and social impacts throughout the supply chain, in order to create a sustainable and resilient supply chain.

Visit to the Vietnam Sewing Factories in February 2023

In February 2023, we visited two of our suppliers in Vietnam, the sewing factories BAC GIANG LGG GARMENT CORPORATION and Haivina Kim Lien Factory, to investigate the status of their sustainability initiatives.

During the survey, in accordance with our Basic Policy, we confirmed the status of compliance with laws applicable to the apparel manufacturing process, respect for human rights, occupational health and safety, and environmental protection, and found no serious violations.

BAC GIANG LGG GARMENT CORPORATION

General Observance of Laws

- We confirmed that the company has established a special department to identify, understand, and comply with laws and regulations relating to the factory operations. The applicable legislation is displayed in the factory to inform employees of the laws and regulations.

Human Rights (Child Labor, Forced Labor, Contact Point, Labor Conditions, etc.)

- The company concludes employment contracts with all employees, which include the terms and conditions of employment such as working hours, wages, overtime pay, and holiday entitlement.
- The minimum wage is in compliance with applicable laws and regulations, and overtime pay is paid as appropriate.
- A labor union has been formed and all employees are members.
- An employee grievance mechanism has been developed and is in operation. Employees can file a grievance with the company through the suggestion box, web chat app, or website.

Occupational Health and Safety

- The company has established a policy on occupational health and safety, which is communicated to all employees.
- The company has introduced a monitoring system to identify potential risks in its factory operations.
- In addition to medical examinations for all employees, surveillance is conducted for employees who may be exposed to occupational diseases or occupational illnesses.
- First aid kits are installed in each section of the factory, and a first aid team is assigned to every shift.
- The company has a medical room staffed by doctors and nurses. Transportation by ambulance for emergency treatment is possible in case of an emergency.
- The company manages chemical substances in accordance with local laws and regulations.
- Fire extinguishers, fire hydrants, and other fire and disaster prevention systems have been installed in the factory, and periodic inspections are conducted.
- The company has evacuation maps in place and conducts regular evacuation drills with the cooperation of the fire department.
- Drinking water dispensers for employees are located throughout the factory.

Preservation of the Environment

- The company has a written environmental policy which is disseminated to employees.
- The company regularly monitors wastewater and exhaust emissions to ensure that they are within the limits prescribed under local laws.
- The company employs qualified waste disposal contractors to properly dispose of waste.



First Aid Kit



Fire extinguishers, inspected periodically



Grievance Box

Haivina Kim Lien Factory

General Observance of Laws

- We confirmed that the company has established a special department to identify, understand, and comply with laws and regulations relating to the factory operations. The applicable legislation is displayed in the factory to inform employees of the laws and regulations.

Human Rights (Child Labor, Forced Labor, Contact Point, Labor Conditions, etc.)

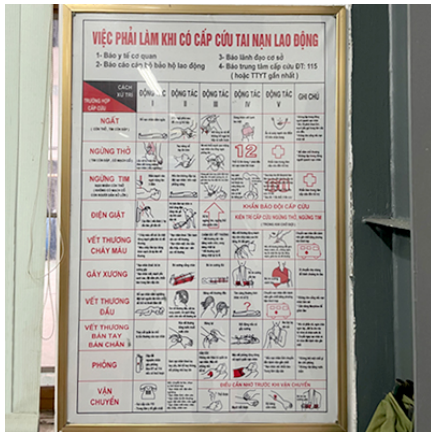
- In order to prevent child labor, when hiring employees the company conducts age verification by means of ID cards and other identification documents.
- The company concludes employment contracts with all employees that include working hours, wages, overtime pay, holiday entitlement, and other employment conditions.
- The company appropriately manages employee working hours, including overtime hours, in accordance with laws and regulations.
- The company's labor rules prohibit unfair treatment in relation to hiring, promotion, and compensation of any particular groups based on race, gender, religion, or other factors, as well as physical abuse and humiliating punishment.
- The company has developed and operates a grievance mechanism for employees. Employees may file a grievance using the suggestion box or the hotline provided by the company.
- The minimum wage is in compliance with the legal minimum wage requirements, and overtime pay is paid as appropriate.
- Employees are guaranteed paid holiday and are encouraged to use it.
- Labor unions are organized and the right to collective bargaining is recognized.

Occupational Health and Safety

- The company has formulated a policy on occupational health and safety, which is displayed in the factory to inform employees of the policy.
- Environmental, health, and safety risk assessments are conducted on a regular basis. The results of the most recent assessments indicated no particular problems.
- In addition to medical examinations for all employees, surveillance is conducted for employees who may be exposed to occupational or work-related diseases.
- Chemical substances are managed in accordance with local laws and regulations.
- The company has established protective equipment regulations to ensure the occupational safety of its employees, who are regularly provided with protective equipment.
- Fire and disaster prevention systems such as fire extinguishers and fire hydrants are installed in the factory, and periodic inspections are conducted.
- Evacuation maps are placed in designated locations, and evacuation drills are conducted regularly with the cooperation of the fire department.
- There is a medical room staffed by doctors and nurses and transportation by ambulance for emergency treatment is possible.
- Drinking water dispensers for employees are located throughout the plant.
- First aid kits are installed in each section of the plant, and a first aid team is assigned to every shift.

Preservation of the Environment

- The environmental policy is communicated to employees and published on the company's website.
- A dedicated team including qualified specialists is responsible for the factory's wastewater treatment system and waste disposal.
- The company conducts monitoring of wastewater on a regular basis to ensure that they are operating within the limits prescribed under local laws.
- The company is regularly audited by a third-party organization, and no specific problems have been identified.



First aid instructions on display



Water station



Attendance management time card system

➤ [Click here for "Visited the Côte d'Ivoire Natural Rubber Processing Plant in November 2022"](#)

Working with Our Supply-chain Partners

Starting in FYE 3/2022, we are working on surveying our Tier 1 (direct) suppliers to identify sustainability risks in our supply chains. Specifically, we plan to focus mainly on the supply chains for commercial products where we believe there are major potential risks relating to sustainability. From FYE 3/2021 to FYE 3/2023, we reaffirmed the Marubeni Group's policy on sustainability to the Group's approximately 23,000 Tier 1 suppliers in writing and requested their understanding and cooperation. From FYE 3/2023, based on the use of surveys and monitoring, we have requested cooperation from Tier 1 suppliers to identify and address the sustainability risks in supply chains for commercial 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

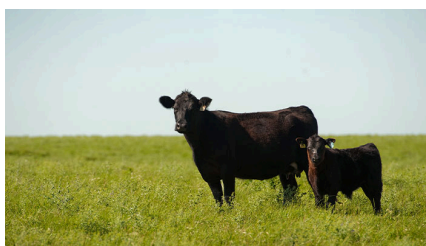
The Marubeni Group's beef-related businesses ensure traceability of beef to the herd at farms and/or feedlots. We also aim to secure traceability of imported beef to the herd at farms and/or feedlots.

2. Initiatives to Reduce Environmental Impact

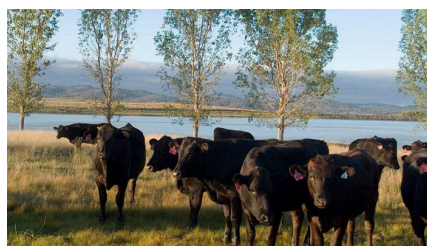
The Group's beef-related businesses regularly assess the impact of their operations on the environment and aim to reduce their environmental footprint.

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

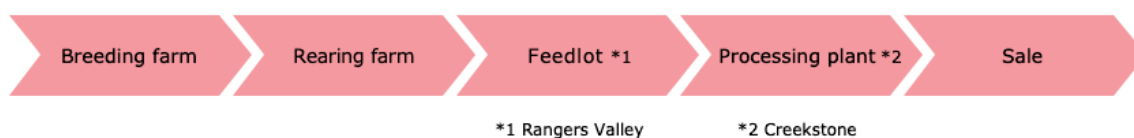
1. Initiatives to Ensure Traceability

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	2021	2022
Rangers Valley	58,859	54,147	56,615	50,968	53,380
Creekstone	297,075	338,782	447,573	489,408	525,296
Traceability Rangers Valley: For each living cattle to the shipping farms Creekstone: To the feedlots	100%	100%	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 (LCA) 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^{*3}) 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, 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^{*4}, which certifies that the products are wild-caught in consideration of marine resources and the environment, and ASC certification^{*5} and BAP certification^{*6}, 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	FY2021	FY2022
Landings (tons)	1,010	1,170	1,100	867	938
ASC certification acquisition rate	100%	100%	100%	100%	100%

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

	FY2018	FY2019	FY2020	FY2021	FY2022
Purchase (tons)	36,078	40,277	37,853	40,354	32,996
Certified quantity (tons)	24,577	28,021	28,596	29,544	26,967
Certification acquisition rate	68%	70%	76%	73%	82%

*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.

In addition, from FY2023, Marubeni started to supply polyester raw materials and cellulose fiber raw materials recycled from cotton and polyester products by utilizing the textile recycling technology of Circ, Inc., 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.

➤ [Click here for more details on the initiatives of Circ, Inc.](#)

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, so the organic cotton Marubeni handles is 100% traceable.


Performance data

	FY2020	FY2021	FY2022
Organic cotton handling volume (tonnes)	1,162	1,947	772
Proportion to overall cotton traded	10%	20%	15.2%
Traceability	100%	100%	100%
GOTS certification	100%	100%	100%

Other Initiatives of the Marubeni Group

<Initiatives with edish>

Marubeni used LCA in the planning and development of “edish”, a circular economy tableware range made from food waste, that can be reborn again and again.


➤ [Click here to view a detailed explanation of how LCA was used and our initiatives with “edish” \(Japanese only\)](#) 

Through the above business, we will continue to promote efforts to reduce impact on the environment.

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 December 8, 2023, 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 (Revised on June 11, 2021), are available on our website.

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: December 8, 2023

President and CEO Masumi Kakinoki

Marubeni Corporation

Contact: Planning Section, Corporate Planning & Strategy Department

+81 3-3282-4210

Securities Code: 8002

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

The corporate governance of Marubeni Corporation (the “Corporation” or “Marubeni”) 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 of “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 while endeavoring 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 duties by the Directors comply with laws, regulations and the articles of incorporation, an overview of which 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 practices 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 youth, and offering employment incorporating 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 make up the 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 website.

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

<Action to Implement Management that is Conscious of Cost of Capital and Stock Price>

For "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," please refer to Principle 5.2 in the attached to this report.

<Dialogue with Shareholders >

For “Dialogue with Shareholders,” please refer to III.2. IR Activities of this report and the Corporation’s policy for constructive dialogues with shareholders described in Principle 5.1 and Supplementary Principles 5.1.1 and 5.1.2 in the attached to this report.

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)	269,050,200	15.86
EUROCLEAR BANK S.A./N.V.	127,969,315	7.54
Custody Bank of Japan, Ltd. (Trust account)	97,798,300	5.77
Meiji Yasuda Life Insurance Company	37,636,918	2.22
JPMorgan Securities Japan Co., Ltd.	32,661,050	1.93
Mizuho Bank, Ltd.	30,000,000	1.77
STATE STREET BANK WEST CLIENT-TREATY 505234	27,975,303	1.65
Sompo Japan Insurance Inc.	26,250,000	1.55
Nippon Life Insurance Company	23,400,585	1.38
JP MORGAN CHASE BANK 385632	20,749,812	1.22

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

Supplementary Explanation

The [Status of Major Shareholders] sets forth the information as of March 31, 2023. On June 19, 2023, National Indemnity Company submitted a Statement of Changes to the Statement of Large-Volume Holdings, which states that as of June 12, 2023, National Indemnity Company holds the following shares of the Corporation:

- Name of Shareholder: National Indemnity Company
- Address of Shareholder: 1314 Douglas Street, Suite 1400, Omaha, Nebraska, United States
- Number of Shares Owned: 141,000,200
- Percentage: 8.30%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Prime
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.

The Corporation owns ARTERIA Networks Corporation (“ARTERIA”), formerly a listed subsidiary of the Corporation, whose stocks were listed on the Prime Market of Tokyo Stock Exchange. In order to realize further enhancement of the corporate value of ARTERIA, the Corporation and SECOM CO., LTD. jointly acquired the shares of common stock of ARTERIA by tender offer and conducted a series of procedures to make SECOM CO., LTD. and the Corporation the only shareholders of ARTERIA. As the result, in accordance with the Tokyo Stock Exchange’s delisting criteria, the shares were delisted on October 18, 2023. The Corporation, therefore, owns no listed subsidiaries as of the date of this report. For more details of the tender offer and delisting, please refer to “Notice Concerning Results of Tender Offer for Shares of ARTERIA Networks Corporation (Securities Code:4423)” posted on our website on August 3, 2023.

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	1 year
Chairperson of the Board	Chairperson (except when also serving as President)
Number of Directors	10
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	
Kyohei Takahashi	From another company									△			
Yuri Okina	From another company												
Masato Kitera	Other												
Shigeki Ishizuka	From another company									△			
Hisayoshi Ando	Other									○			
Mutsuko Hatano	Other									○			

* 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 only)

i. Executive of a company, between which and the company outside directors/ Audit & Supervisory Board Members are mutually appointed (the director himself only)

- j. Executive of a company or organization that receives a donation from the company (the director themselves only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Kyohei Takahashi	Yes	<p>Mr. Takahashi was an executive of former Showa Denko K.K. (currently, Resonac Holdings 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 FY2019 to FY2021 account for 0.06% of the consolidated revenue of the Corporation during said three-year period, whereas net sales of Showa Denko to the Corporation account for 0.07% 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 chairman of the Governance and Remuneration Committee, he demonstrated strong leadership in discussion on establishment of a governance structure etc. 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. 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 & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.</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, 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</p>

			<p>supervising business execution. Additionally, as the chair of the Nomination Committee, she led discussion in order to enhance soundness, transparency, and efficiency of the Corporation's management.</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 & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.</p>
Masato Kitera	Yes	Not applicable	<p>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 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.</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. 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 & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated</p>

			by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Shigeaki Ishizuka	Yes	Mr. Ishizuka was an executive of Sony Group Corporation (former Sony Corporation), former Sony Imaging Products & Solutions Inc. and former Sony Electronics Corporation (now integrated into the current Sony Corporation). There were no transactions between these companies and the Corporation during the three business years from FY2019 to FY2021.	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. 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 Nomination 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. 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 & Supervisory Board Members of the Corporation" (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange, Inc., which is the financial instruments exchange on which the Corporation's stock is listed, and notified the said exchange of such designation.
Hisayoshi Ando	Yes	Mr. Ando is an executive of Tokyo Small and Medium Business Investment & Consultation CO., LTD. There were no transactions between this company and the Corporation during the three business years from FY2019 to FY2021.	Mr. Ando served in key positions in the government and has profound insight about economic, industrial, and political trends in Japan and overseas. As an Outside Director of the Corporation, he has been providing 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. Additionally, as an advisor to the Sustainability Management Committee, he has been proactively expressing his opinions of overall sustainability matters from an independent, external perspective. 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

			<p>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. Ando 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 & Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation has appointed him as an Independent Director stipulated by Tokyo Stock Exchange Inc., which is the financial instruments exchange on which the Corporation’s stock is listed, and notified the said exchange of such designation.</p>
Mutsuko Hatano	Yes	<p>Ms. Hatano is Senior Aide to the President and Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology. There were no transactions between the institute and the Corporation during the three fiscal years from FY2019 to FY2021.</p> <p>In addition, Ms. Hatano was Representative Director and President of the Japan Society of Applied Physics. There were no transactions between the organization and the Corporation.</p>	<p>After having been engaged in fundamental research at a large manufacturer, Ms. Hatano assumed the office of Professor at the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology, which is one of the leading universities in Japan and has been working on quantum-related research for many years. Through her abundant experience in academic societies and government agencies, she has been contributing to the advancement of science and technology. In addition, serving as Outside Director of a global company for many years, she has been making a contribution to the enhancement of its corporate governance as the chairperson of the Board of Directors.</p> <p>She is expected to provide advice to the Corporation’s management and proper supervision of the execution of duties appropriately since she has a wide breadth of experience and expertise in science, technology and human resource development as mentioned above. Therefore, in view of the report by the Nomination Committee, the Board of Directors decided to appoint her as a new 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. Hatano 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 & Supervisory Board Members of the Corporation” (as set forth on II.3). Hence, the Corporation has appointed her as an Independent Director stipulated by Tokyo Stock Exchange Inc., which is the financial instruments exchange on which the Corporation’s stock is listed, and notified the said exchange of such designation.</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	3
Outside Experts	0	0
Other	0	1
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 constitute 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 for 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 FY2022, 6 Committee meetings were held for deliberations regarding candidates of Director and Audit & Supervisory Board Member and succession plans etc., 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
	Shigeki Ishizuka	Outside Director
	Mutsuko Hatano	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 constitute 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. Furthermore, it deliberates on important matters related to corporate governance and conducts assessments and reviews of the Board of Directors as a whole, including on its structure, operation, etc., and reports thereon to the Board of Directors. In FY2022, 7 Committee meetings were held for deliberations regarding remuneration for Directors and Executive Officers, review of 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
	Akira Terakawa	Senior Executive Vice President, Member of the Board
	Masato Kitera	Outside Director
	Hisayoshi Ando	Outside Director
	Tsuyoshi Yoneda	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 exchange information and their opinions concerning, for instance, audit plans, audit status and results of the Corporation and each of its group companies (including quarterly review), each audit matter (including selection of key audit matters), important aspects of the financial results, and trends on accounting audits, etc. at monthly meetings. The Corporation’s Accounting Auditor for FY2022 was Ernst & Young ShinNihon LLC. The Audit & Supervisory Board Members and the Audit Department, a department which performs internal audits, exchange opinions at regular meetings (9 times a year) and implement audit operations through close cooperation. In FY2022, the Audit & Supervisory Board met 17 times, and all Audit & Supervisory Board Members were present at all meetings of the Audit & Supervisory Board during their terms of office, excluding Mr. Kikuchi, 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 only)

k. Executive of a company, between which and the company outside directors/Audit & Supervisory Board Members are mutually appointed (the director himself only)

l. Executive of a company or organization that receives a donation from the company (the director himself 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	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 & Supervisory Board

			<p>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 & Supervisory Board Member, and then he was appointed as an Outside Director by resolution of the General Meeting of Shareholders. Further, no personal, capital or transaction relationships existed between Mr. Yoneda 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 & 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 said 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 expects that he will appropriately fulfill duties as an Outside Audit & 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 & 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 & Supervisory Board Member, and then he was appointed as an Outside Audit & 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 & 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 said exchanges of such appointment.</p>
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 expects that he will appropriately fulfill duties as an Outside Audit & 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 & 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 & Supervisory Board Member, and then he was appointed as an Outside Audit & Supervisory Board Member by resolution of the</p>

			General Meeting of Shareholders. Further, no personal, capital or transaction 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 & 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 said exchanges of such appointment.
--	--	--	--

[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

The Corporation revised the remuneration plan for Directors of the Corporation with the aim of encouraging management practices that are in line with the vision for the Marubeni Group of the future to create new value together with our stakeholders, further enhancing linkage with medium- to long-term corporate value, and further promoting value sharing with our shareholders.

From FY2023

As Performance-based compensation, the Corporation introduced compensation based on performance evaluation and TSR-linked performance share units with shares transfer restrictions. For the target persons and overview of the said compensation, please refer to “Overview of the Corporation’s Policy to Determine the Remuneration And Other Payments for Directors” at the bottom of this report.

Until FY2022

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 (“Market Capitalization-linked Performance Share Units”). Form of payment consists of cash, shares with restriction on transfer (“Restricted Stock”) and Market Capitalization-linked 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 Mid-Term Management Strategy “GC2021.” As for consolidated net income (profit attributable to owners of the parent) and core operating cash flow in FY2021, which were used for the calculation of performance-linked remuneration in FY2022, the target value of each at the beginning of the year (announced on May 6, 2021) was 230 billion yen and 350 billion yen. The actual value was 424.3 billion yen and 570.5 billion yen.

Stock-Based Compensation:

Beginning in FY2021, the Corporation has introduced Restricted Stock and Market Capitalization-linked Performance Share Units to Eligible Directors. The purpose of this 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. Market Capitalization-linked Performance Share Units

Up to 1.5 times an amount equivalent to 10% of base annual compensation is allotted as Market Capitalization-linked Performance Share Units on top of the base compensation. Market Capitalization-linked 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.

Recipients of Stock Options	—
-----------------------------	---

Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors
--	--------------------

Supplementary Explanation

(a) For the total of remuneration and other payments for Directors and Audit & Supervisory Board Members in FY2022, please refer to “Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2022” at the bottom of this report.

(b) For the individuals to whom the total amount of compensation paid exceeded 100 million yen in FY2022, please refer to “Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2022” at the bottom of this report.

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.

From FY2023

Please refer to “Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors” at the bottom of this report.

Until FY2022

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, Market Capitalization-linked 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 and the core operating cash flow target are 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 (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 the 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 Retired President and CEO, etc.]

Name, etc. of Advisors, Counselors, etc. Who Were Formerly 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	Honorary Corporate Advisor	None	Part-time, no compensation	March 2008 (Retirement as Chairman of the Board)	Not set
Nobuo Katsumata	Honorary Corporate Advisor	None	Part-time, no compensation	March 2013 (Retirement as Chairman of the Board)	Not set
Teruo Asada	Honorary Corporate Advisor	None	Part-time, no compensation	March 2019 (Retirement as Chairman of the Board)	Not set

Number of Advisors, Counselors, etc. Who Were Formerly President and CEO, etc.	3
--	---

Matters relating to Former Presidents and CEOs, etc.

- The Corporation abolished the advisor system on April 1, 2019 by resolution of the meeting of the Board of Directors on June 22, 2018.
- The Corporation may appoint a Corporate Advisor, who will not engage in business execution but will engage in activities in the business community and activities with high social significance.
- The President appoints retired officers of the Corporation as Corporate Advisors. When persons who retired from the posts of Chairman or President of the Corporation are appointed to the post of Corporate Advisor, they are titled Honorary Corporate Advisors.

2. Matters Relating to 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 10 Directors (including 6 Outside Directors; 8 males and 2 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 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members), and Mr. Toshiaki Kida, a Full-time Audit & Supervisory Board Member, serves as the chair. The Corporation adopts a corporate audit governance system and each of the 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 3 Representative Directors including the President, 3 Senior Managing Executive Officers, 3 Managing Executive Officers, and 1 Executive Officer. It deliberates management-related policies and important company-wide matters.

(d) Committee of Chief Operating Officers

The members of the Committee of Chief Operating Officers are the President, alongside Executive Officers and Chief Operating Officers 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 40 Executive Officers (3 of whom also serve as Director). The Committee of Executive Officers communicates management 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 as the organization directly under the President for dealing with important matters related to business execution and internal control, etc. The main committees and their roles are as follows:

- Investment and Credit Committee (in principle, weekly; 22 times in FY2022)

The Investment and Credit Committee discusses projects subject to the internal approval (“Ringi”) system. The Chairman of the Investment and Credit Committee makes decisions on proposals to be submitted to the Corporate Management Committee through discussions at the Investment and Credit Committee.

- Compliance Committee (in principle, 4 times a year, and as needed; 4 times in FY2022)

The Compliance Committee provides enlightenment activities such as training as well as establishment, maintenance and management of the compliance system of the Marubeni Group.

- Sustainability Management Committee (in principle, once a year, and as needed; 3 times in FY2022)

The Sustainability Management 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 reports on this to the Board of Directors.

- Internal Control Committee (as needed; 2 times in FY2022)

The Internal Control 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 (as needed; 11 times in FY2022)

The Disclosure Committee formulates principles and basic policy drafts regarding disclosure, establishes and improves the internal system regarding statutory disclosure and timely disclosure, and judges significance and appropriateness regarding statutory disclosure and timely disclosure.

Moreover, the status of holding the Corporation's organization and committee meetings in FY2022 is as follows: in the said fiscal year, the Board of Directors met 16 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, excluding Mr. Kikuchi, who was absent for 1 meeting. At the same time, the Board of Directors received reports regularly from Directors to supervise their execution of duties. In FY2022, the Board of Directors mainly deliberated as below:

- Policy to enhance the corporate governance system (revision of criteria for submission to the Board of Directors, improvement of organizational capability in business investments, etc.)
- Investment and financing projects (establishment of a wholly-owned subsidiary through a corporate spinoff in ICT field, etc.)
- 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, etc.

The Audit & Supervisory Board met 17 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 31 times and discussed and made decisions regarding management-related policies and important company-wide matters. In addition, the Committee of Chief Operating Officers met 3 times, and the Committee of Executive Officers met 3 times.

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 (3 dedicated staff members as of April 1, 2023) to support the Audit & Supervisory Board Members, which work together with the Audit Department (86 people as of April 1, 2023) 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 Member is judged to have considerable knowledge regarding finance and accounting as described below:

(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 (i) each of the Outside Directors, namely Mr. Kyohei Takahashi, Ms. Yuri Okina, Messrs. Masato

Kitera, Shigeki Ishizuka, and Hisayoshi Ando, and Ms. Mutsuko Hatano, (ii) the Director Mr. Fumiya Kokubu, (iii) each of the Outside Audit & Supervisory Board Members, who are Messrs. Tsuyoshi Yoneda, Yoichi Kikuchi, and Shigeru Nishiyama, and (iv) the Internal Audit & Supervisory Board Members, who are Messrs. Takao Ando and Toshiaki Kida, to fully perform their duty as Director (excluding Executive Director) or 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 they have acted in good faith and without gross negligence in performing their 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 is composed 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 the majority 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 their 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 interest 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/she currently falls, or in the past 3 business years has fallen, under any of the following items 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/her independence, the Corporation shall explain and disclose the reason for his/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 3 weeks ahead of a General Meeting of Shareholders.
Scheduling AGMs to Avoid Peak Day	Held to avoid peak day on which many companies hold general meetings of shareholders.
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 Meetings of Shareholders and ensure smooth exercising of voting rights.</p> <ul style="list-style-type: none"> • Post the convocation notice, business report and financial statements on the Corporation's website ahead of sending them to the shareholders • Live distribution of the General Meetings of Shareholders on the Internet • On-demand distribution of the reporting items on the day of the General Meeting of Shareholders on the Internet

2. IR Activities

	Supplementary Explanations	Explanation by the representative
Preparation and Publication of Disclosure Policy	<p>The basic policies regarding information disclosure and policies regarding IR activities are posted on the Corporation's website. https://www.marubeni.com/en/company/governance/disclosure/</p> <p>The Corporation also stipulates the Disclosure Committee Regulations to inculcate thorough awareness thereof at the Corporation.</p>	
Regular Investor Briefings for Individual Investors	<p>Approximately three times yearly, the Corporation holds briefings for individual investors.</p> <p>The materials used in the previous briefings are disclosed on our website (Japanese language only). https://www.marubeni.com/en/ir/individual/meeting/</p>	Yes
Regular Investor Briefings for Analysts and Institutional Investors	<p>In addition to quarterly earnings briefings (four times yearly), the President and/or Director in charge of IR holds regular meetings for securities analysts and institutional investors. In FY2022, 390 securities analysts and institutional investors, in total, joined the meetings.</p> <p><Main Interests of Securities Analysts and Institutional Investors></p>	Yes

	<ul style="list-style-type: none"> Impacts of the global inflation and economic recession on the business results/performance; Cash allocation plan; Policy on shareholder returns (e.g., dividends, share buybacks); Investment policy and status of investment pipeline; Drivers of growth and focus areas; Usages of the funds collected through the sale of Gavilon's grain business; Status of the core businesses and actions to improve unprofitable businesses; Impacts of market-fluctuations on the business results/performance; and Policy on holding and reduction of cross-shareholdings. 	
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. The President and/or Director in charge of IR holds in-person or virtual regular meetings for overseas investors. In FY2022, the President and/or Director in charge of IR made business trips to North America, the EU, and Asia and held the in-person or online meetings with 165 overseas investors (in total).	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 Meetings of Shareholders, and business operation materials are posted on the Corporation's website. https://www.marubeni.com/en/ir/	
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>Creation of environmental and social values through business activities In FY2018, the Corporation established the Sustainability Management Committee. Outside Directors and Outside Audit & 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</p>

	<p>initiatives regarding sustainability. The details of such activities are introduced in the Integrated Report issued every year.</p> <p>Social contribution activities, etc. 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 these activities, please see the following URL on the Corporation’s website. https://www.marubeni.com/en/sustainability/contribution/</p>
Development of Policies on Information Provision to Stakeholders	<p>The Marubeni Corporate Principles and the Compliance Manual stipulate proactive, timely, and appropriate information disclosure to the society in general including stakeholders and disclose this information.</p>
Other	<p>Our employees are the Marubeni Group’s greatest capital and the source of value creation. In the Mid-Term Management Strategy “GC2024”, the Corporation will further develop the “Marubeni HR Ecosystem” set forth in the previous Mid-Term Management Strategy “GC2021”. The “Marubeni HR Ecosystem” is the fundamental human capital strategy to achieve the Global crossvalue platform, the vision for Marubeni of the future, and provides the direction for reforms. This strategy describes how the Marubeni Group will create an attractive ecosystem where employees with diverse backgrounds and high social value gather, thrive, connect, and combine various insights to take on the challenge of creating new value for society and our customers. By doing so, the Corporation will further promote the creation of a culture and work environment where diverse human capital play an active role.</p> <p>The Corporation promotes work-life management as the foundation for employees with diverse backgrounds to create results. Regardless of an employee’s stage in life or individual circumstances, the Corporation is developing measures to ensure that employees can utilize necessary systems as needed in order to aim for sustainable career development and sustained performance. For details regarding the “GC2024” Marubeni Group HR Strategy, please refer to the Corporation website and Integrated Report. The headcounts, ratios and scores shown in this item are those of the Corporation (non-consolidated basis).</p> <p>Striving to Understand and Promote Diversity From FY2021, “Marubeni Diversity Days” were held 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 perspectives. In addition to these events, the Corporation will continue its efforts to understand and promote diversity in the future.</p> <p>Promoting the Empowerment of Female Employees In the 5-year action plan (phase 2) enacted on April 1, 2021, the Corporation set 4 quantitative targets, including increasing the ratio of women in all career-track positions to at least 15% (13.2% as of March 31, 2023) and the ratio of women in all management positions to at least 10% (8.2% as of March 31, 2023), by the end of March 2026 as means to focus on further promoting the empowerment of female employees. Action Plan for Empowering Female Employees (Japanese language only): https://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/202103251414514613827_1.pdf</p>

In FY2022, the Corporation established a new policy for promoting the empowerment of female employees: “Female Empowerment at Work 2.0.” Aiming for a workplace where female employees are more deeply involved in management and decision making in business, the Corporation will further enhance growth opportunities for female employees and expand and strengthen their career paths towards decision-making positions. The Corporation is strengthening female recruitment for career-track positions, and in December 2020, the target for increasing the ratio of female employees in career-track positions among new graduates hired was set to around 40-50%. In FY2022, the ratio of female employees in career-track positions among new graduates hired was approximately 40%. Going forward, the Corporation intends to further raise this target and aim to increase the ratio of female employees in all recruitment channels to around 50%, a ratio that reflects societal demographics.

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 deploying initiatives such as providing a message from the CEO at this event.

Female Empowerment at Work 2.0:

<https://www.marubeni.com/en/news/2022/release/data/20220812E.pdf>

Promoting the Participation of Foreign National Employees

As of March 2023, the Corporation has approximately 60 non-Japanese employees, of whom 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.

Promoting the Participation of Mid-Career Hires

The Corporation conducts mid-career hiring throughout the year and employs human capital from diverse age tiers and backgrounds. Mid-career recruits accounted for 21.7% of its total hires for FY2022, and as of October 2022, mid-career hires accounted for 16.5% 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.

Promoting the Advancement of Late-Career Employees and Employees Involved in Digital Transformation

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 enhanced measures to support senior careers in the personnel management reform for FY2021. For another initiative, the Corporation disclosed a series of programs designed to develop and enhance our digital human resources infrastructure in “GC2021 >> DX,” its DX strategy, which was released in February 2021.

Initiatives for Supporting Diverse Human Capital

The Corporation will focus on creating an environment where each employee can maximize their potential. In FY2021, the Corporation introduced a “mission-based HR system.” This system encourages the execution of the organization’s strategy and human capital growth by assigning merit-based missions and challenging larger missions. 80-90% of our employees in a survey conducted for FY2022 provided a positive response to this system.

Through multifaceted observations and self-assessment, the Corporation visualizes the characteristics of each employee’s behaviors, strengths, challenges, etc. The scope of these assessments is being expanded, and in FY2022, approximately 64.9% of all employees (more than 82.5% of career-track employees) were assessed, and the Corporation will continue to further expand the target of these assessments. Visualized information is used by each organization for considering personnel transfers/assignments, mission assignments, and day-to-day team management and by individuals for self-reflection, future skill development, and career plans. Additionally, to promote and support autonomous work styles that enable diverse human capital to create new value, the Corporation is maximizing organizational and individual performance through a company-wide “work from anywhere” policy (a system where employees are allowed to work from home or satellite offices), which increases work location options and helps employees pursue the best mix between working from the office and other locations.

In order to position the maintenance and promotion of employee health as an important management issue and to support our employees, the source of the Marubeni Group’s growth, the director in charge of the Human Resources Department, as the individual with the highest responsibility, promotes health management measures such as improving health literacy; countermeasures towards cancer, lifestyle-related diseases, and mental health; and strengthening efforts for maintaining and promoting women’s health. Marubeni’s efforts have been recognized by external organizations, and in 2015 and 2023, Marubeni was selected as a “Health & Productivity Stock,” a recognition jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. Furthermore, Marubeni has been recognized as a “Health and Productivity Management Organization (White 500)” by the Ministry of Economy, Trade and Industry and the Japan Health Council for six consecutive years since 2018.

Comparing Marubeni’s employee engagement score with other companies, in FY2022, Marubeni’s score was 59.2* compared to an average of 50.0 at other companies. Marubeni was awarded third place in the large company category (2,000 or more employees) in the Best Motivation Company Awards 2023 by Link and Motivation Inc. (Marubeni was awarded fourth place in FY2021.) The Corporation’s efforts to support the activities of a diverse range of human capital links with improving employee satisfaction and motivation.

To deepen human capital management, it is necessary for management to become more involved in bringing out the strengths of employees and promoting human capital strategies linked to management strategies. The Talent Management Committee, a committee focused on human capital strategies and comprised of the CEO, CAO, CSO, and CHRO, meets 5 to 10 times a year to discuss various issues related to human capital management. This committee continually discusses optimal human capital allocations and structures and personnel systems and measures that include planning for human capital training for the entire Marubeni Group. Reforms are implemented promptly by this committee as well.

	<p>*Engagement score (deviation) that indicates organizational status. A deviation of 50 is the average for companies using services provided by Link and Motivation Inc.</p>
--	---

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 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 (the “Basic Internal Control Policy”) to ensure that all business activities of the Corporation and the business group (the “Marubeni Group”) made up of the Corporation and all Marubeni Group companies (the 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, in principle, 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 the 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 adopts a system whereby 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 codes of conduct common for the Marubeni Group such as Marubeni Corporate Principles and Compliance Manual for its Directors and Executive Officers (the "officers") and employees to practice corporate activities in accordance with compliance. To achieve the goal, it establishes various committees, including the Compliance Committee, and takes various measures.

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- Rejecting relationships 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 results of internal audits are 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 times.

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. Projects become subject to approval by the Board of Directors depending on laws and regulations, the 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 issue such as a natural disaster, terrorist incident/public disorder/violence, epidemics of infectious diseases and situations in which the Tokyo Head Office loses its ability to function, the Corporation formulates initial response guidelines and 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 implements 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 instills 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 policies 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 field to enable efficient execution of duties.

(4) Clarification of authorities, duties, and responsibilities

The Board of Directors decide Directors in charge and clearly stipulates on each officer's and 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 achieving an understanding of the 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 any necessary system for information disclosure in an appropriate and timely manner.

(4) Audit

The Audit Department carries out 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 exchanges 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 said 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 the 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 using external experts described above at the request of 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:

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 that threaten the social order and public security and never to 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 relationships 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 a 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.

Specialty and experience of Members of the Board and Audit & Supervisory Board Members

Please refer to Figure 2 for Specialty and experience of Members of the Board and Audit & Supervisory Board Members (skill matrix).

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 3 for information on the disclosure system.

2. Basic Policy of Disclosure

The following is the Corporation's basic policy when it discloses information.

(1) Compliance with Relevant Laws and Regulations

Comply with relevant laws such as the 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 when 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

1- 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

2- Disclosure in accordance with Companies Act (notices of ordinary General Meetings 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, 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, Mid-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

In principle, 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

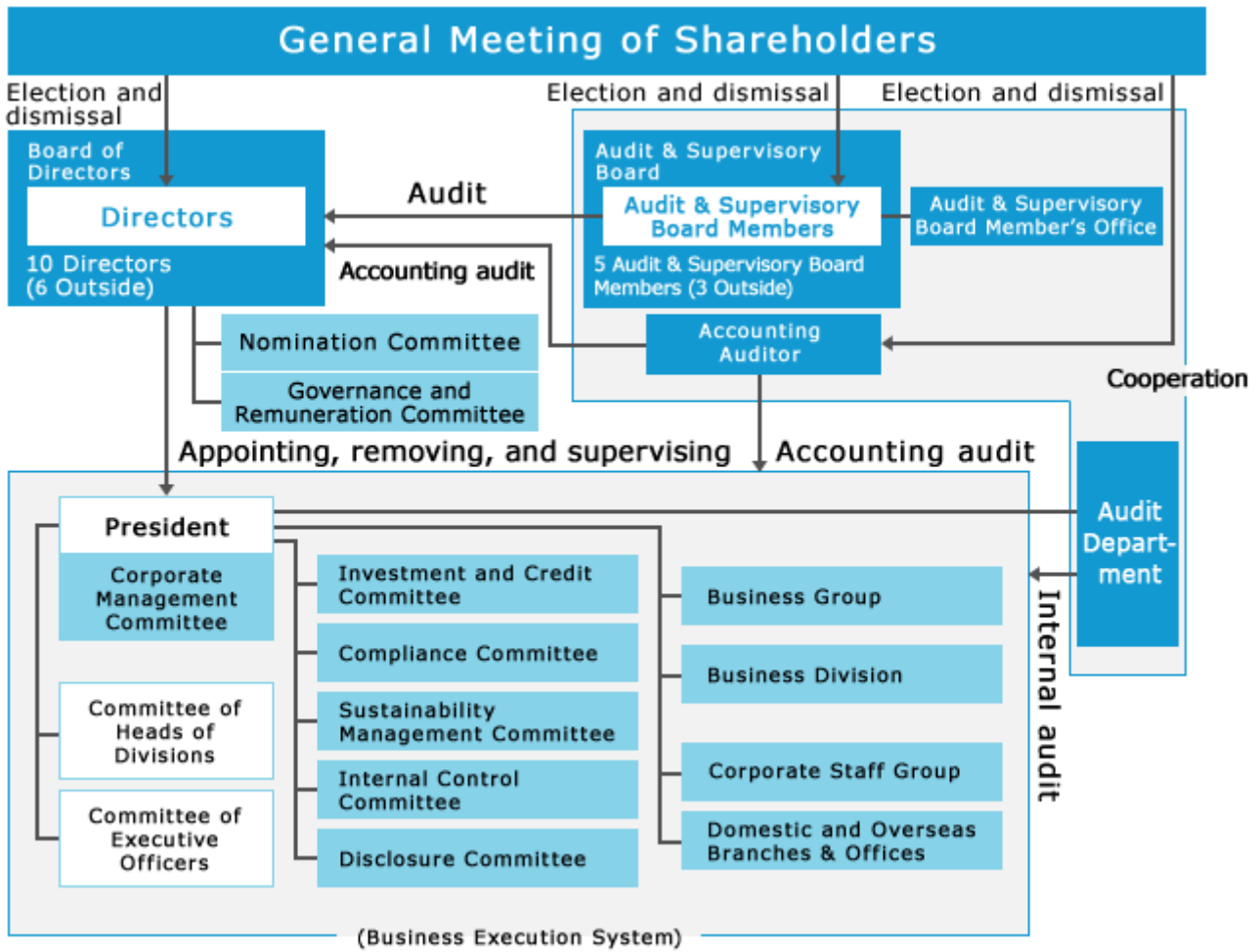
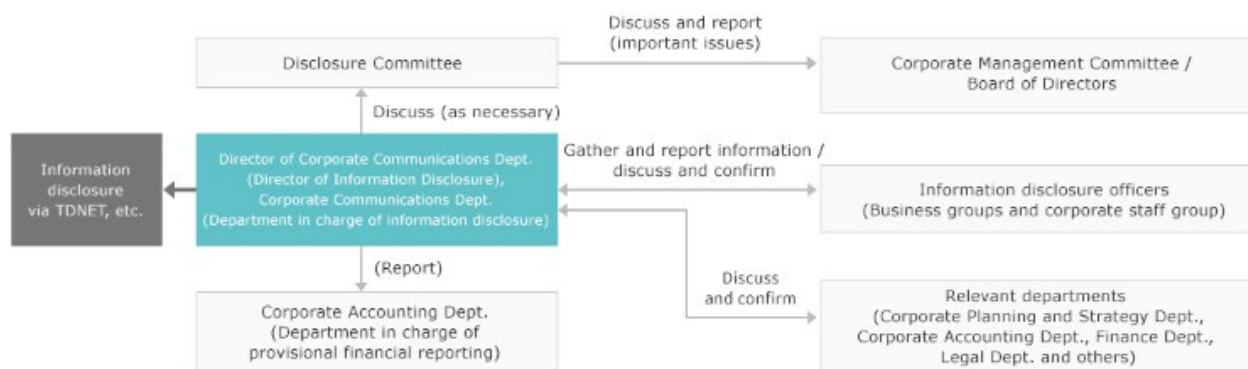


Figure 2: Specialty and experience of Members of the Board and Audit & Supervisory Board Members

Position	Name	Responsibilities / Main career and qualifications	No. of years in office (cumulative No. of years in office)	Specialty and experience						
				Corporate management	Finance and accounting	Legal, compliance and risk management	Science & Technology /DX	International experience	Public institutions	
Director	Full-time	Fumiya Kokubu	Chairman of the Board	11 years (12 years and 9 months)	○				○	
		Masumi Kakinoki	President and CEO	5 years (5 years and 9 months)	○				○	
		Akira Terakawa	Senior Executive Vice President; Chief Executive Officer, Consumer Products Group	2 year (4 years)	○				○	
		Takayuki Furuya	Senior Managing Executive Officer, CFO	3 years	○	○			○	
	Outside	Kyohei Takahashi	former CEO, Showa Denko (currently, Resonac)	7 years 2 years as Outside Audit & Supervisory Board Member*	○				○	
		Yuri Okina	Formerly with Bank of Japan; Chairman, The Japan Research Institute	6 years		○		○	○	○
		Masato Kitera	Former Deputy Minister, Ministry of Foreign Affairs; Former Ambassador to China; Former Ambassador to France	3 years					○	○
		Shigeki Ishizuka	Former Vice Chairman, Representative Corporate Executive Officer, Sony (Currently, Sony Group)	2 years	○			○	○	
		Hisayoshi Ando	Former Vice-Minister of Economy, Trade and Industry	1 year					○	○
		Mutsuko Hatano	Former Chief Researcher, Hitachi; Professor, School of Engineering / Senior Aide to the President, Tokyo Institute of Technology	—				○	○	○
Audit & Supervisory Board Member	Full-time	Takao Ando	Former Managing Executive Officer / Former General Manager, Risk Management Dept. of the Company	—			○		○	
		Toshiaki Kida	Former General Manager, Audit Dept. of the Company	2 years			○		○	
	Outside	Tsuyoshi Yoneda	Former Commissioner General, National Police Agency	6 years			○	○		○
		Yoichi Kikuchi	Former Head of Hiroshima High Court, Attorney-at-law	3 years			○		○	○
		Shigeru Nishiyama	Certified Public Accountant; Professor, Waseda University Graduate School	3 years		○			○	

* Number of years served as Outside Audit & Supervisory Board Member of the Corporation before assuming office as Member of the Board

Figure 3: 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 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 the 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.

Total of Remuneration And Other Payments for Directors and Audit & Supervisory Board Members in FY2022

(a) The total of remuneration and other payments for Directors and Audit & Supervisory Board Members in FY2022 are as follows:

Category	Number of recipients	Total amount of payment (Millions of yen)	Breakdown (Millions of yen)					
			Basic compensation*	Performance-based compensation*	Restricted Stock	Market Capitalization-linked Performance Share Units	[Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions	
Directors	Internal Directors	11	1,136	295	529	170	93	50
	Outside Directors	7	104	104	—	—	—	—
	Total	18	1,240	399	529	170	93	50
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members	2	80	80	—	—	—	—
	Outside Audit & Supervisory Board Members	3	51	51	—	—	—	—
	Total	5	131	131	—	—	—	—

* The amounts presented for “basic compensation” and “performance-based compensation” are the total amounts of cash compensation and do not include “Restricted Stock.”

Note 1. The amounts below 1 million yen are rounded off.

Note 2. “Basic compensation” includes “bonuses” and “individuals’ evaluation-based compensation.”

Note 3. The above-stated number of recipients includes 8 Directors (including 1 Outside Director) who retired by the last day of FY2022. As of March 31, 2023, the Corporation had 10 Directors (including 6 Outside Directors) and 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members). Directors’ total amount of payment above includes the amount charged to expense, etc., during FY2022 regarding Market Capitalization-linked Performance Share Units that will be allocated in FY2024 or later and “[Former plan] stock-compensation-type stock options subject to market capitalization-based exercisability conditions” that was allocated in FY2019, as listed in Notes 6 and 7 below.

Note 4. The Corporation will revise performance-based compensation from FY2023. In the performance-based compensation before the revision of the compensation plan, performance evaluation was based on business performance in the previous business year, but will be changed to a manner in which compensation based on performance evaluation in the fiscal year corresponding to the period of execution of duties will be paid in a lump-sum after the close of the relevant fiscal year as performance-based compensation, aiming to match the periods of execution of duties and performance evaluation. As a transitional measure for the revision of the said plan, the difference that compensation for FY2023 (based on the business performance in FY2022), which is calculated by a calculation method of performance-based compensation before the revision (including the amount that will be paid by Restricted Stock), exceeds the compensation for FY2022 (based on the business performance in FY2021) will be

additionally paid as compensation for FY2022 by August 2023, within the approved total amount of remuneration up to a maximum of 1,100 million yen per year (including a maximum of 120 million yen for Outside Directors, and excluding employee salaries paid to Directors who concurrently serve as employees) as resolved at the 96th Ordinary General Meeting of Shareholders held on June 19, 2020. The above-stated performance-based compensation amounts include the said compensation amounts. The Governance and Remuneration Committee has deliberated appropriateness and reasonableness of the said transitional measure, and provided reports to the Board of Directors for its determination.

Note 5. The Corporation allocates “Restricted Stock” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to expenses during FY2022. During FY2022, based on the resolution by the Board of Directors on June 24, 2022, 128,455 shares of common stock of the Corporation were issued to 4 Directors (excluding Outside Directors) by setting a no transfer period.

Note 6. The Corporation allocates “Market Capitalization-linked Performance Share Units” to Directors (excluding Outside Directors) as non-monetary compensation. The above-stated amounts are the amounts charged to expenses during FY2022 by calculating the estimated amount of monetary remuneration claims corresponding to the estimated number of shares to be granted in FY2024 and FY2025. This compensation plan was introduced in FY2021, and the first evaluation period will end in July 2024. Therefore, there are no results for FY2022 regarding the performance indicators.

Note 7. “[Former plan] stock-compensation-type stock options subject to market-capitalization-based exercisability conditions” was non-monetary compensation allocated as the remuneration of FY2019. It is a stock acquisition right of which the number of exercisable shares will be determined in accordance with the growth rate of the market-capitalization-based exercisability conditions during three years of the evaluation period after the grant. The above-stated amount is the amount charged to expenses during FY2022 for the stock acquisition rights of which the exercisable number was confirmed during FY2022 after three years of the evaluation period. The actual record of the Corporation’s growth rate of the market-capitalization-based exercisability conditions used to calculate the number of exercisable stock acquisition rights for stock-compensation-type stock options subject to the market-capitalization-based exercisability conditions of which the evaluation period is completed during FY2022 is 183%. After its introduction in FY2019, the remuneration system was abolished, excluding those already granted due to the introduction of Market Capitalization-linked Performance Share Units in FY2021.

Note 8. The agenda to abolish the retirement remuneration plan at the close of the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007, and make a final payment of retirement remuneration was duly resolved. 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. Regarding Directors/Audit & Supervisory Board Members eligible to receive a final payment in relation to the abolition of the retirement remuneration plan, no retirement remuneration was paid in FY2022.

(b) Individuals to whom the total amount of compensation paid exceeded 100 million yen in FY2022 are as follows:

(Millions of yen)

Name	Category	Total amount of payment	Breakdown				
			Basic compensation	Performance-based compensation	Restricted Stock	Market Capitalization-linked Performance Share Units	[Former plan] Stock-compensation-type stock options subject to market-capitalization-based exercisability conditions
Fumiya Kokubu	Director	291	72	142	46	20	11
Masumi Kakinoki	Director	346	87	168	55	24	13
Akira Terakawa	Director	203	59	98	32	14	-
Takayuki Furuya	Director	149	43	72	24	10	-

Note. For details of the amounts, basic compensation, Restricted Stock, Market Capitalization-linked Performance Share Units, and stock-compensation-type stock options subject to market-capitalization-based exercisability conditions, please refer to Notes to the table in (a) above.

Overview of the Corporation's Policy to Determine the Remuneration And Other Payments for Directors

Overview of the Corporation's policy from FY2023 to determine the remuneration and other payments for Directors is as follows:

1. Remuneration policy

The remuneration for Directors of the Corporation is determined based on the following policy.

- 1- The remuneration plan shall encourage Directors to face issues of society and customers and create new value with all stakeholders in accordance with the spirit grounded in the Company Creed of "Fairness, Innovation and Harmony" and reward them.
- 2- The remuneration plan shall place emphasis on the linkage with business results and shareholder value and encourage the enhancement of corporate value over the medium to long term.
- 3- The remuneration plan shall acquire, maintain and reward excellent human capital, the critical source of corporate value.
- 4- The remuneration plan shall be a fair and just system by which decisions are made based on a highly transparent process according to responsibilities and performance.

2. Remuneration framework

The target persons of each type of remuneration and other payments are determined by their expected role. Please refer to the table below for details.

A: Executive Director, B: Chairman of the Board, C: Outside Director

Type		Form of Payment		Description	A	B (Note 1)	C (Note 2)
Monthly remuneration	Basic compensation	Fixed		○Fixed compensation corresponding to each Director's position	•	•	•
	Bonuses			○Directors who have representative authority are paid representative director bonuses for their responsibilities ○Directors are paid director bonuses for their responsibilities	•	-	-
Short-term incentive remuneration (Note 4)	Performance-based bonuses	Variable	Monetary	○Remuneration and other payments for business performance of each business year • The evaluation indicators shall be consolidated net profit (profit attributable to owners of the parent) and core operating cash flow, which are important KPIs. • The amount of payment is calculated using the actual values of the coefficient by position and the evaluation indicators, and it fluctuates within the range between 0% and 230% of the basic compensation by position. • Business performance ranges are set between 170 billion yen and 700 billion yen for consolidated net profit and between 270 billion yen and 800 billion yen for core operating cash flow.	•	-	-
	Individuals' evaluation-based compensation			[Organization's performance evaluation] ○Remuneration and other payments according to the achievement of financial targets by headquarters for each business year • The evaluation indicators shall be net profit and core operating cash flow of each business division. • The amount of payment is derived by multiplying the ratio to reflect the evaluation determined by the Board of Directors based on the rate of achievement of evaluation indicators against the basic compensation by position.	- (Note 3)	-	-
				[Individuals' qualitative evaluation] ○Remuneration and other payments for new value creation looking toward the future • As commissioned by the Board of Directors, the President shall evaluate each Director's performance considering his/her contribution to the plans and efforts (sustainability measures including "Green Strategy," etc.) to create new value for the future of the Corporation during the fiscal year. • The amount of payment is derived by multiplying the ratio to reflect evaluation within the range determined by the Board of Directors against the basic compensation. • The Governance and Remuneration Committee checks whether the evaluation is appropriately conducted within the scope delegated by the Board of Directors and provides reports to the Board of Directors.	•	-	-
Medium and long-term incentive remuneration	Restricted Stock		Shares	○Remuneration and other payments to promote linkage and sharing with shareholder value • The Corporation's common stock of the number suitable to the standard amount determined for each position is allotted every year with restriction on transfer for the period from the date of stock allotment until the retirement from a position of Director and Executive Officer or other positions predefined by the Board of Directors of the Corporation or the resignation from the Corporation.	•	•	-

Type		Form of Payment		Description	A	B (Note 1)	C (Note 2)
Medium and long-term incentive remuneration	TSR-linked Performance Share Units	Variable	Shares	<ul style="list-style-type: none"> ○ Remuneration and other payments for enhancing corporate value over the medium to long term • Relative TSR is used as the evaluation indicator. Relative TSR is calculated using the following formula by which the Corporation's Total Shareholder Return (TSR) for a period of three years (evaluation period) is compared with the TOPIX Dividend growth rate for the same period. Relative TSR = the Corporation's TSR for the evaluation period / TOPIX Dividend growth rate • The number of standard units corresponding to the base amount determined by position is allotted every year, and the Corporation's common stock is allotted according to the magnitude of achievement of relative TSR during the three-year evaluation period. Restriction on transfer is set on the allotted Corporation's common stock from the date of share issuance to the time of retirement from a position of the Corporation's Director, Executive Officer or other position predetermined by the Corporation's Board of Directors, or resignation from the Corporation. • The number of allotted shares fluctuates within the range between 0% and 150% of the number of shares corresponding to the standard unit according to the magnitude of achievement of relative TSR. <ul style="list-style-type: none"> 1) If relative TSR is 150% or above: 150% 2) If relative TSR is 50% or above and below 150%: Same percentage as relative TSR 3) If relative TSR is below 50%: 0% <p>Note, however, that if the Corporation's TSR is 100% or below, the maximum shall be 100% even when the relative TSR is 100% or above.</p>	•	•	-

Note 1. Remuneration and other payments for the Chairman of the Board consist of the monthly remuneration as the basic compensation and the medium- and long-term incentive remuneration, considering that the Chairman of the Board is in the position to substantially contribute to the enhancement of corporate value over the medium to long term through leveraging the business expertise gained through managing the Corporation on supervision.

Note 2. Remuneration and other payments for Outside Directors consist entirely of the monthly remuneration as the basic compensation (including remuneration for responsibilities as the chairperson, member, etc., of each respective committee), considering that Outside Directors are in the position to supervise management with independence.

Note 3. The Executive Officer & Chief Operating Officer of business division is eligible to receive the individuals' evaluation-based compensation based on the organization's performance evaluation, and currently there is no Executive Director eligible for the payment.

Note 4. Short-term incentive remuneration will be paid in a lump sum at the end of each fiscal year.

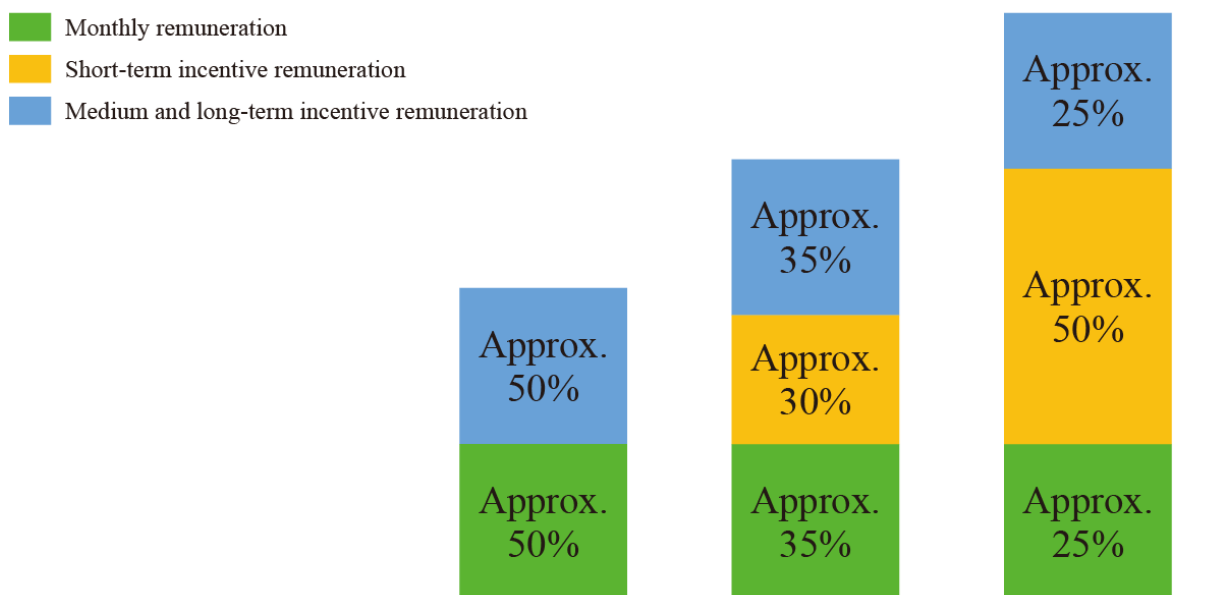
3. Remuneration levels and composition ratio

To ensure that remuneration levels of Directors are competitive so as to secure and maintain excellent human capital, the remuneration levels are examined by comparing them with objective research data on remuneration provided by outside specialized organizations and other sources to determine the appropriate remuneration levels.

As for the composition ratio of remuneration and other payments, it shall focus on the medium- and long-term improvement of corporate value by increasing the composition ratio of the medium- and long-term incentive remuneration. For the President & CEO, its composition ratio of monthly remuneration/the short-term incentive

remuneration/the medium- and long-term incentive remuneration shall be set as 1:1:1 when consolidated net profit is 400 billion yen and core operating cash flow is 500 billion yen. For other internal Directors, based on the remuneration composition ratio of the President and CEO, the Corporation shall set up the ratio considering the role and responsibilities of each position.

[Composition of remuneration for President and CEO]



Consolidated net profit	170 billion yen or below	400 billion yen	700 billion yen or more
Core operating cash flow	270 billion yen or below	500 billion yen	800 billion yen or more

Note: Excluding individuals' evaluation-based compensation and when the payment coefficient of TSR-linked Performance Share Units is 100%.

4. Malus and Clawback

The short-term and the medium- and long-term incentive remuneration shall be the subject of the clauses that allow the Corporation to reduce or cancel the remuneration (Malus) and request the return of the paid remuneration (Clawback) based on the resolution of the Board of Directors when there was an adjustment of financial results after an announcement due to a significant revision of financial statements or there was a significant violation or breach of internal rules by an officer.

5. Method to determine the remuneration and other payments for individual Directors

As for the policy to determine the remuneration and other payments for Directors (including the method to determine individual payments. Hereinafter referred to as the "Determination Policy"), the Governance and Remuneration Committee chaired by an Outside Director with the majority of its members consisting of independent Outside Directors/Audit & Supervisory Board Members deliberates on the Determination Policy, including the appropriateness of the remuneration levels, and provides reports to the Board of Directors for its determination of the Policy.

As for the determination of individual payments for Directors, the Governance and Remuneration Committee confirms the conformity to the Determination Policy and provides reports. Within the range of the maximum amount of remuneration resolved at a General Meeting of Shareholders, the payments are resolved at a meeting of the Board of Directors. However, as for the individual evaluation remuneration of the short-term incentive, the determination of payment for individual quantitative evaluation is commissioned to the President because it is judged that the person at the head of business execution is the most appropriate person. To improve the objectiveness, fairness and transparency, as for the amounts to be paid, the Governance and Remuneration Committee shall confirm that the evaluation has been conducted within the scope commissioned by the Board of Directors, and report them to the Board of Directors.

(Supplementary matter)

The process regarding remuneration for Executive Officers who do not concurrently serve as Director is the same remuneration framework and determination process as those for Directors.

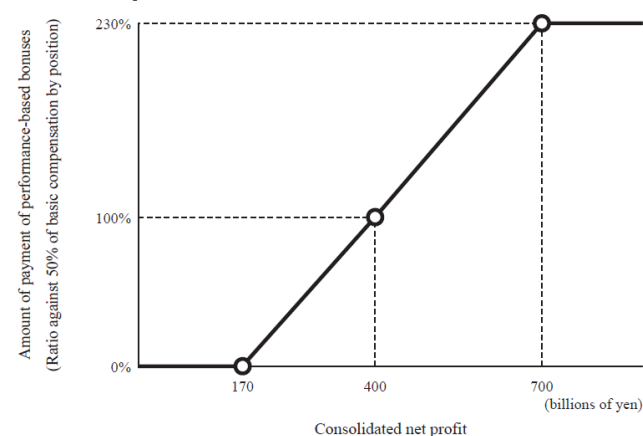
Reference: Performance-based compensation, Restricted Stock, and TSR-linked Performance Share Units

1. Overview of Performance-based compensation

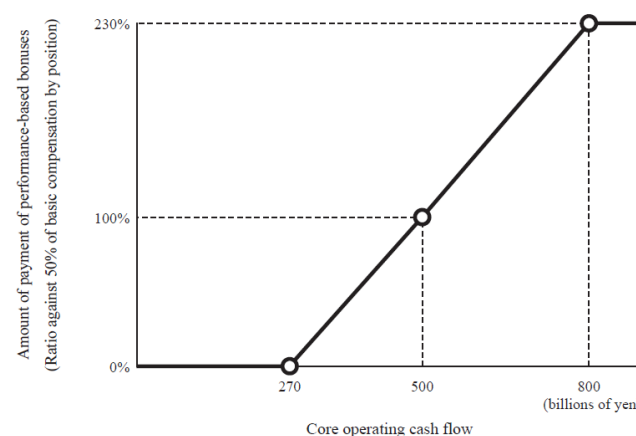
Performance-based compensation is a monetary compensation granted to the Corporation's eligible Executive Directors, the amount of which is calculated based on the evaluation indicators of each fiscal year. The evaluation indicators shall be consolidated net profit (profit attributable to owners of the parent) and core operating cash flow, which are important KPIs for each fiscal year. The amount is calculated using the actual values of the coefficient by position and the evaluation indicators, and it fluctuates within the range between 0% and 230% of the basic compensation by position. It will be paid in a lump sum at the end of each fiscal year.

[Performance-based bonuses / Incentive curve]

<Amount of payment of performance-based bonuses according to the results of consolidated net profit>



<Amount of payment of performance-based bonuses according to the core operating cash flow>



2. Overview of Restricted Stock

The Corporation's common stock of the number suitable to the standard amount determined for each position is allotted to the Eligible Directors every year with restriction on transfer. The Eligible Directors will receive the issue

or disposition of the shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation. In addition, the grant of the shares is subject to the execution of an allotment agreement between the Corporation and the Eligible Directors, which contains the terms and conditions for free acquisition by the Corporation, etc., and the shares granted are subject to a transfer restriction period from the date of stock allotment until the retirement from a position of Director and Executive Officer or other positions predefined by the Board of Directors of the Corporation or the resignation from the Corporation.

3. Overview of TSR-linked Performance Share Units

The plan of TSR-linked Performance Share Units grants to the Eligible Directors a number of reference units equivalent to the reference amounts separately determined for each position each year, and according to the degree of achievement of the relative TSR over a three-year period (the “Evaluation Period”), grants thereto after the end of the Evaluation Period shares of common stock of the Corporation for which a certain transfer restriction period is provided. The Eligible Directors will receive the issue or disposition of the shares in exchange for a contribution in kind of all of the monetary remuneration claims to be paid by the Corporation according to the achievement of the relative TSR. In addition, the grant of the shares under this plan is subject to the execution of an agreement between the Corporation and the Eligible Directors with contents equivalent to the allotment agreement pertaining to Restricted Stock, and the shares granted are subject to a transfer restriction accordingly.

(1) Method of calculating the amount of monetary remuneration claims

The amount of monetary remuneration claims for the grant of the shares to be paid to the Eligible Directors (in this (1), including persons who, during the Evaluation Period, come to hold the position of Directors or Executive Officers of the Corporation, or any other position predetermined by the Board of Directors of the Corporation) is calculated by multiplying the number of the shares ultimately to be allotted to the Eligible Directors (the “Final Number of Allotted Shares”) by the value that is not particularly favorable to the Eligible Directors based on the closing price of the Corporation’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors to be held after the end of the Evaluation Period determining the issue or disposition of shares for the allotment.

Method of calculating the Final Number of Allotted Shares

1- The Final Number of Allotted Shares shall be calculated by multiplying the number of reference units corresponding to the reference amounts determined by the Board of Directors in advance for each position by the ratio corresponding to the degree of achievement of the relative TSR during the Evaluation Period as follows:

Final Number of Allotted Shares = the number of reference units multiplied by the following ratio

2- The ratio shall be determined according to the achievement of relative TSR as follows:

Relative TSR	Ratio
150% or above	150%

50% or above and below 150%	Same percentage as relative TSR
Below 50%	0%

Note, however that if the Corporation's TSR is 100% or below, the maximum shall be 100% even when the relative TSR is 100% or above.

3- Relative TSR is calculated using the following formula by which the Corporation's Total Shareholder Return (TSR) for the Evaluation Period is compared with the TOPIX (including dividends) growth rate for the same period.

$$\text{Relative TSR} = \frac{\text{the Corporation's TSR}}{\text{TOPIX (including dividends) growth rate}} = \frac{(B + C) / A}{E / D}$$

A: The average of the closing price of the Corporation's common stock on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the Evaluation Period

B: The average of the closing price of the Corporation's common stock on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Evaluation Period

C: The total amount of dividends per share of the Corporation's stock corresponding to the dividend record date during the Evaluation Period

D: The average of the closing price of the TOPIX (including dividends) on the Tokyo Stock Exchange on each day for the three months immediately preceding the day before the first date (inclusive) of the Evaluation Period

E: The average of the closing price for the TOPIX (including dividends) on the Tokyo Stock Exchange on each day for the three months immediately preceding the last date (inclusive) of the Evaluation Period

(2) Terms and conditions of allotment of the shares to Eligible Directors

The Corporation will allot the shares of the Final Number of Allotted Shares to the Eligible Directors after the end of the Evaluation Period if the Eligible Directors meet all of the requirements in the following items or if the Board of Directors of the Corporation deems it necessary to achieve the purpose of the TSR-linked Performance Share Units Plan:

- (i) The Eligible Directors held the positions of Director or Executive Officer of the Corporation, or other positions predetermined by the Board of Directors of the Corporation on an ongoing basis during the Evaluation Period; and
- (ii) There was no certain misconduct as determined by the Board of Directors of the Corporation.

If the Eligible Directors resign or retire from their positions prescribed in advance by the Board of Directors of the Corporation due to expiration of their terms of office, death, or other justifiable reasons during the Evaluation Period, the Corporation may reasonably adjust the number of the shares to be allotted to those who resigned or retired (or their successors in the event of resignation or retirement due to death) in light of such factors as their terms of office.

4- The maximum total amount of remuneration and other payments for Directors and that for Audit & Supervisory Board Members for and after FY2023

The maximum total amount of remuneration and other payments for Directors and that for Audit & Supervisory Board Members for and after FY2023 are determined as follows by the resolutions at the 99th Ordinary General Meetings of Shareholders held on June 23, 2023.

Eligible Persons	Type	Resolution	Number at the time of Resolution
Directors	Monthly remuneration	Up to 650 million yen per year (Outside Directors; Up to 150 million yen per year)	10 Directors (including 6 Outside Directors)
	Short-term incentive remuneration	Up to 700 million yen per year	3 Internal Directors
	Restricted Stock	Up to 200 million yen per year Up to 450,000 shares per year (*)	4 Internal Directors
	TSR-linked Performance Share Units	Up to 850 million yen per year Up to 650,000 shares per each Evaluation Period(*)	
Audit & Supervisory Board Members	Maximum total amount of remuneration and other payments	Up to 170 million yen per year	5 Audit & Supervisory Board Members

(*If any event arises that requires an adjustment of the total number of shares of common stock of the Corporation to be issued or disposed of, such as a stock split, gratis allotment, or consolidation of shares of common stock of the Corporation, such total number shall be adjusted to the extent reasonable.)

External Recognition

[Inclusion in Leading ESG Investment Indices/ESG Ratings](#) ▾[External Certifications/Evaluations](#) ▾

Inclusion in Leading ESG Investment Indices/ESG Ratings

FTSE4Good Global Index Series*¹

The FTSE4Good Global Index Series was developed by FTSE Russell, 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 (as of June 2023).



➤ [Click here to view the FTSE4Good web site.](#)

FTSE Blossom Japan Index*¹, FTSE Blossom Japan Sector Relative Index*¹

Marubeni has been selected as an index constituent of FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index (as of June 2023).

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.

The FTSE Blossom Japan Sector Relative Index is designed as a sector neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan. In order to facilitate the transition to a low-carbon economy, only those companies with particularly high greenhouse gas emissions that are recognized for their improvement efforts by the TPI Management Quality Score are included.

These indices have been adopted as passively managed ESG indices by Japan's Government Pension Investment Fund (GPIF). Marubeni is a constituent of all six indices*⁴ adopted by GPIF for ESG investments in Japanese companies (as of August 2023).



➤ [Click here to view the web site.](#)



➤ [Click here to view the web site.](#)

*¹ 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 the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI Japan ESG Select Leaders Index*³, MSCI Japan Empowering Women Index (WIN)*³

Marubeni Corporation has been selected for continued inclusion in the constituents of the MSCI Japan ESG Select Leaders Index, achieving the highest rating of AAA in June 2023, following on from the same rating in January 2023. MSCI is a financial services provider based in New York, USA, and is one of the world's leading providers of ESG indices. Marubeni has been also selected as constituent of MSCI ESG Leaders Indices*².

The MSCI Japan ESG Select Leaders Index is composed of companies from each industry sector among listed Japanese stocks which have been selected for their strong Environmental, Social and Governance (ESG) performance.

The MSCI Japan Empowering Women Index is composed of Japanese companies which perform well within their industries for gender diversity, based on the gender diversity scoring system developed by MSCI.

These indices have been adopted as passively managed ESG indices by Japan's Government Pension Investment Fund (GPIF). Marubeni is a constituent of all six indices*⁴ adopted by GPIF for ESG investments in Japanese companies (as of August 2023).



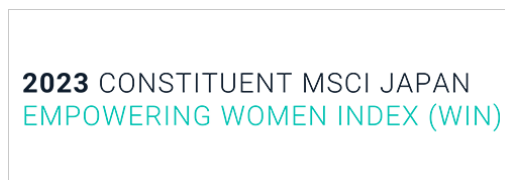
[Click here to view the web site.](#)



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



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



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

*2 THE USE BY MARUBENI CORPORATION OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF MARUBENI CORPORATION BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

*3 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.

*4 Six indices:

- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index

CDP

CDP*5 (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 2022 Marubeni continued from the previous year to receive A-grades in the areas of climate change and forest protection by CDP. And the Company was selected as A-list company in their water security program.



*5 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 more than 680 investors representing over US\$130 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 2022, nearly 20,000 organizations around the world, including more than 18,700 companies worth half of global market capitalization and over 1,100 cities, states and regions, 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.

➤ [CDP A-List and other published scores can be found here](#)

iSTOXX MUTB Japan Platinum Career 150 Index

In March 2023, Marubeni Corporation was selected as an index constituent of the iSTOXX MUTB Japan Platinum Career 150 Index developed by Mitsubishi UFJ Trust and Banking Corporation and STOXX Ltd. (a part of Deutsche Börse Group).



The index evaluates three aspects of the company: long term view, active learning and social contribution. The Index tracks the performance of 150 Japanese companies that actively contribute to employee career development from approximately 560 companies. Our company's proactive efforts to help employees build their careers were highly evaluated.

External Certifications/Evaluations

Marubeni Selected as a Nadeshiko Brand

The Nadeshiko Brand initiative introduces TSE-listed companies that are outstanding in terms of encouraging women's empowerment in the workplace as attractive stocks to investors who place emphasis on improving mid- to long-term corporate value. This initiative further encourages investments in such companies and accelerates company efforts towards the active participation of women in the workplace. Since FYE 3/2013, the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly select companies as Nadeshiko Brands.

Marubeni was selected as a Nadeshiko Brand in 2015 and 2017 and a Semi-Nadeshiko Brand in 2019.



- [Click here to view more information regarding Empowering Female Employees](#)
- [Click here to view more information regarding the Promotion of Work/Life Management](#)

Related News Releases:


- [Marubeni Selected as a Nadeshiko Brand 2017 Enterprise](#) [54KB]
- [Marubeni Selected as a Nadeshiko Brand 2015 Enterprise](#) [54KB]

Marubeni Certified as an “Eruboshi” Company


The Eruboshi Certification is awarded to outstanding companies for their initiatives towards empowering female employees. These companies create and apply action plans based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (Act to Promote Women’s Participation) enacted on April 1, 2016. Marubeni received the second highest rank out of three levels from the Minister of Health, Labour and Welfare in September 2017.



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

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that create an action plan and meet certain standards, such as achieving the goal of their action plan, receive a “Childcare Support Company” certification (Kurumin Certification) from the Minister of Health, Labour and Welfare.

In 2019, Marubeni received the Platinum Kurumin Certification as an exemplary company that offers a higher standard of employee childcare support.



Related News Release

➤ [Marubeni Corporation Receives “Platinum Kurumin” Certification in Recognition of Superior Support for Childcare](#)

Marubeni Selected for the 2023 Health & Productivity Stock Selection and Certified as a “White 500” Company

Marubeni has been selected as a brand for the 2023 Health & Productivity Stock Selection, jointly organized by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE).

This selection is for outstanding listed enterprises on TSE which approach health and productivity management*6 from a strategic business management perspective for their employees. 49 enterprises in 31 industries have been selected in 2023, and Marubeni was chosen as one of three companies in the wholesale trade category. This is the second time that Marubeni has been selected since 2015, and it is also the sixth consecutive year that Marubeni has been certified as a “White 500” company for its excellent health and productivity management. Employees are a vital asset for Marubeni, and their health is of paramount importance. Therefore, Marubeni is working to create an environment where each employee can autonomously and proactively take steps to maintain and promote their health. Marubeni will work on promoting health and productivity management as well as deepening human capital management into the future to support employees’ success, and these efforts link to the continued growth of the Marubeni Group.



➤ [Click here to view more information regarding Health and Productivity Management](#)

*6 “Kenkokeiei” (Health and Productivity Management) is a registered trademark of the NPO Kenkokeiei Kenkyukai.

Related News Release

➤ [Marubeni Selected for the 2023 Health & Productivity Stock Selection and Certified as a “White 500” Company for the Sixth Consecutive Year](#)

Third Prize at the 2023 Best Motivation Company Award

Marubeni received the third prize in the large corporation category (corporations with 2,000 or more employees) for the 2023 Best Motivation Company Award. Among all of the companies where Link and Motivation Inc. conducted an employee engagement survey in 2022, the top 10 companies with the highest engagement score received awards.



➤ [Click here to view more information regarding the Engagement Survey](#)

Award for Excellence at the 2018 HR Awards Organized by Nihon no Jinjibu

Nihon no Jinjibu's HR Awards focus attention on people and organizational initiatives that promote the growth of companies and individuals. The goal of these awards is to convey initiatives to HR professionals and help develop companies nationwide through HR initiatives. These awards are hosted by the HR Award Steering Committee and supported by the Ministry of Health, Labor and Welfare. Marubeni's "Human Capital," "Mechanisms," and "Time" strategies to transcend traditional frameworks received the Award for Excellence in the Corporate HR Category in 2018.

➤ [Click here to view more information regarding Promote Work Style Reforms](#)

Grand Prize at the 11th Japan HR Challenge Awards

The Japan HR Challenge Awards aim to promote the revitalization of Japanese society by recognizing companies where management and HR professionals actively take on challenges in HR. The awards are hosted by the Japan HR Challenge Awards Executive Committee and supported by the Ministry of Health, Labour and Welfare; the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME SUPPORT JAPAN); Toyo Keizai Inc.; Business Publishing, Inc.; and the HR Research Institute (ProFuture Inc.). In 2022, Marubeni received the grand prize for implementing and developing the Marubeni HR Ecosystem through comprehensive reform of its HR system.

➤ [Click here to view more information regarding the Marubeni HR Ecosystem](#)

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](#)  [176KB]

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 \(Sustainalytics\)](#)  [812KB]

Overview of the Green Bonds Issuance

Type of Bond	USD-Denominated Senior Unsecured Green Bonds due 2026
Total Amount of Issue	US\$500Million
Interest Rate	1.577%
Tenor	5 Years
Closing Date	September 17, 2021
Maturity Date	September 17, 2026
Use of Proceeds	Renewable energy; FSC ^{*1} or PEFC ^{*2} certified afforestation; water supply and sewage; and magnesium refining
News Release	Marubeni Announces Issuance of USD-Denominated Senior Unsecured Green Bonds  [77KB]
Framework	Green Bond Framework  [176KB]
Second Party Opinion	Second Party Opinion (Sustainalytics)  [812KB]
Reporting	Marubeni Green Bond Reporting  [787KB] Annual Review (Sustainalytics)  [194KB]

*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.

FSC® is not responsible for and does not endorse any financial claims on returns on investments.

*2 Certification by PEFC (The Programme for the Endorsement of Forest Certification) (PEFC/31-32-80): An international forest certification system, which endorses mutual recognition of forest certification systems of various countries.

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	📄 [12.0MB]	—	—
		Internal Whistle-blowing System	—	●	—
		Anti-Corruption	📄 [203KB]	—	📄 [370KB]
	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/>