



Marubeni



2022 Marubeni's Sustainability

Marubeni Sustainability Information
Session FYE 3/2022

April 2022
Marubeni Corporation



Outline of Today's Meeting

2022
Marubeni's
Sustainability

Topics

Sustainability of the Marubeni Group

- Initiatives to Improve Corporate Value
- Strengthening the Foundations for Value Creation

Presenter

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CSDO (Chief Sustainable Development Officer)
CFO

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Hello, my name is Furuya. Thank you very much for participating in today's event.

I would like to introduce the Marubeni Group's sustainability initiatives to you all today. When we disclosed the Long-Term Vision on the Climate Change, we held this session in March 2021. Today I will focus progress and status in our initiatives for sustainability in FYE 3/2022.

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1 . Introduction

■ What is Sustainability for the Marubeni Group?



First, let me explain what sustainability means to the Marubeni Group.

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

As you can see, sustainability is our way of putting our Management Philosophy into practice.

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

In terms of the relationship with corporate value, we regard the creation of environmental and social value as a trade-on relationship that will lead to the sustainable growth of the Company and the improvement of corporate value.

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



2. Initiatives to Improve Corporate Value

■ Disclosure of the Long-Term Vision on Climate Change in March 2021

The ideals that Marubeni Group aims for : **Net Positive**

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

① Achieve net-zero GHG emissions by 2050

② Contribute to low-carbon/decarbonization through our businesses

Net ZERO Emissions

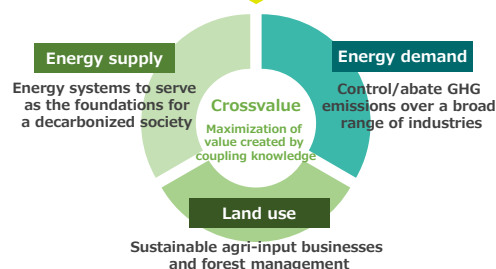
● **Action Plans towards 2030**

- Halve the CO₂ emissions of FYE 3/2020, about one million tons of CO₂, emitted by Marubeni and its consolidated subsidiaries (Scope 1 and Scope 2)
- Accelerate our goal of cutting FYE 3/2019 coal-fired power net generation capacity in half by 2030 to 2025, aim for zero capacity by 2050.
- Reduce by one-fifth the CO₂ emissions of FYE 3/2020, about 36 million tons of CO₂, emitted by associate investees of the Marubeni Group (Scope 3, Category 15 (Investments))
- Expand the volume of carbon stocks in our forests and expand the sequestered volume of carbon through the multi-purpose utilization of afforested assets

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

- Initiatives for decarbonization in Coal-fired Power Generation Business (P8)
- Initiatives to expand the volume of carbon stocks and create of negative emissions in forestry business (P9)
- Climate Change-Related Metrics and Targets (P10)

Positive Impact



- Formulated our “Green Strategy” generating positive impact and improving corporate value in **Medium-Term Management Strategy GC2024(P11~16)**

I will explain our initiatives to improve corporate value, Net Positive.

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

Our long-term vision envisages two pillars: first, to achieve net-zero GHG emissions by the Marubeni Group; second, contribute to the transition to a low-carbon or decarbonized society through business activities. By proceeding with both at the same time, we aim for Net Positive to generate positive impact on climate change and grow as a corporate group.

“Net ZERO Emissions,” the first pillar, we formulated Action Plans heading towards 2030 to abate our FYE 3/2020 emissions by one-fifth over the total scope covered by our net-zero GHG emissions goal.

Today I will update you on our initiatives for the decarbonization of coal-fired power generation business, and initiatives to expand the volume of carbon stocks and create negative emissions in forestry business.

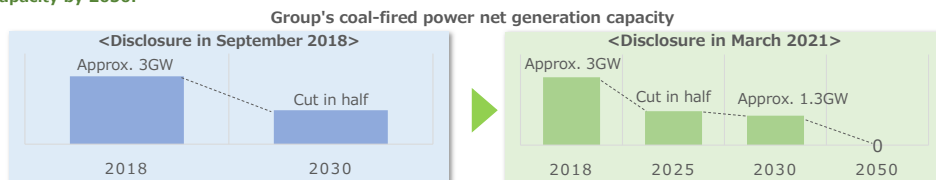
“Positive Impact,” the second pillar, identified energy supply, energy demand, and land use as key opportunities for the Company. In our Medium-Term Management Strategy GC2024, announced in February 2022, we formulated a “Green Strategy” to further embody our positive impact. In Green Strategy, we contribute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

■ Initiatives for Coal-fired Power Generation Business

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

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

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



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

November 2021 COP26:

"Global Coal to Clean Power Transition Statement"

- Rapid expansion of clean power generation and energy efficiency measures
- Phased transition away from coal-fired power generation without reduction measures (by 2030s for major economic powers, by 2040s globally) etc.

Statement supported by: the UK, the EU, Poland, Singapore, Vietnam, Indonesia, the Philippines, etc.

Vietnam and Indonesia have declared carbon neutrality by 2050 and 2060, respectively.

Marubeni Group's Initiatives

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

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

Abate GHG emissions through biomass and ammonia co-combustion

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

I will explain the initiatives for Coal-fired Power Generation Business concerning activities towards Net Zero Emissions.

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

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

"Global Coal to Clean Power Transition Statement" was announced in COP26 held in November 2021. In the statement, Asian countries made commitments to reach carbon neutrality; Vietnam and Indonesia have declared carbon neutrality by 2050 and 2060, respectively.

In this context, the Company will continue to consider its management policies regarding coal-fired power generation projects that have already been contracted in order to fulfill its responsibilities to host countries and other stakeholders.

At the same time, the Marubeni Group will accelerate its decarbonization process by contributing to energy policies of host countries aimed at achieving decarbonization.

To be specific, we will introduce renewable energy power sources utilizing excess space on the sites of Group-owned power plants, and contribute to reducing dependence on coal-fired power generation by increasing the ratio of renewable energy in each host country.

In addition, we will abate GHG emissions through biomass and ammonia co-combustion.

We will then consider proactive decarbonization/low-carbonization measures at our owned assets by making maximum use of private sector funds and programs that support coal-free transition in developing economies provided by OECD member countries, international financial institutions and so on.

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

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

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

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

Aim to increase PT. MHP's forest growing stock based on Nippon Paper Industries' genetic analysis technology, breeding and propagation technology, and other technical guidance.

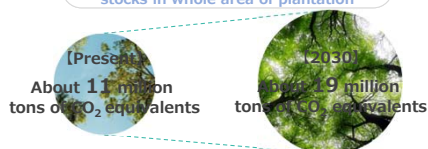
■ Organize the "Marubeni Forest Innovation Business Contest" in Western Australia

WAPRES invited the public to submit new ideas for solving social issues through the use of forest resources based on the company's plantation as a platform.

39 applications from 11 countries were received and one was selected after the selection process.

PoC to be implemented in the field starting in FYE 3/2023.

Expand the volume of carbon stocks in whole area of plantation



② Consider projects for forest-derived negative emission

■ Indonesia/PT. TEL BECCS project

Signing a memorandum with PT. Pertamina, an Indonesian state-owned company, on Bio-energy with Carbon Capture and Storage project at PT. Tanjungenim Lestari Pulp and Paper, our pulp manufacturing company.

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

With an eye on expanding the market for forest-based carbon credits, began considering forest projects for carbon dioxide sequestration, as well as the leveraging of funds.

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Next, I will explain about our initiatives to expand the volume of carbon stocks and create negative emissions in forestry business.

Firstly, ① Initiatives to expand the volume of carbon stocks in existing forestry resources.

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

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

In addition, starting in June 2021, we began working with WAPRES, a subsidiary that operates a forest plantation business in Australia, to conduct the Marubeni Forest Innovation Business Contest. The projects selected for this contest are scheduled to be demonstrated on site starting in FYE 3/2023.

Through these measures, we aim to expand our current volume of carbon stocks of about 11 million tons of CO₂ equivalents to about 19 million tons of CO₂ equivalents by 2030, which in turn will lead to the creation of negative emissions.

Next, I will talk about ② projects for forest-derived negative emissions.

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

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

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

■ Climate Change-Related Metrics and Targets

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

Initiatives for abatement of GHG emissions

- **Scope 1 + 2** **[Marubeni Corporation]** Starting with the supply of 100% renewable electricity to Marubeni's new head office building, we will make the electricity purchased at all domestic branches and offices virtually carbon-neutral from FYE 3/2022. (Assumed reduction: approximately 7,200 tons of CO₂)
[Group Companies] Promote the shift to renewable energy for purchased electricity. Plan to promote energy conversion of major facilities and decarbonize owned vehicle fleet (change to EVs).
- **Scope 3** Closely monitor policy trends in countries/regions generating emissions. See P8 for reduction efforts in coal-fired power generation projects.

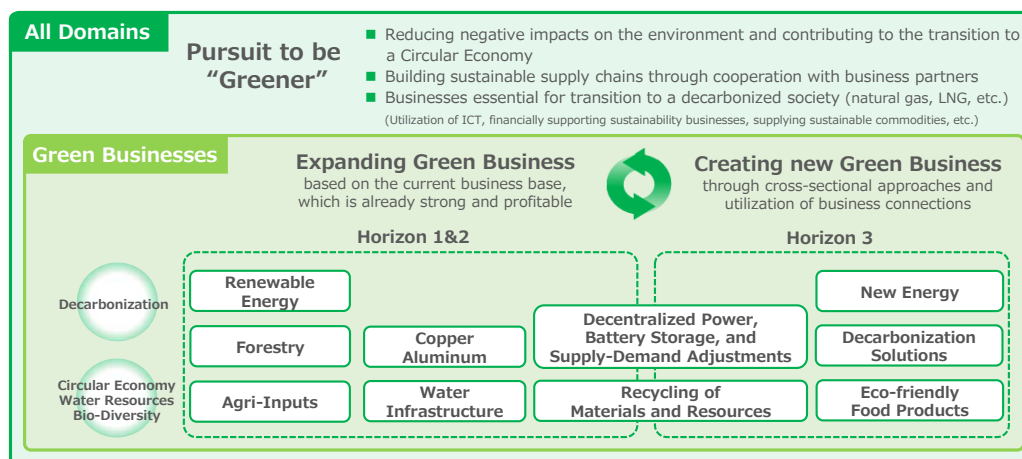
In this page I will explain the progress in FYE 3/2022 to climate change-related metrics and targets we set.

Of these, progress in expanding the ratio of renewable energy sources is approximately 15% in FYE 3/2022. We are steadily strengthening and broadening our renewable energy business by the commencement of commercial operation of the Rantau Dedap geothermal power project in Indonesia, the successful bid for seabed leasing rights in Scotland, U.K., to develop a floating offshore wind farm with a maximum installed capacity of 2,600 MW, and the conclusion of a partnership agreement with BP of the U.K. for the development of offshore wind project business.

■ Our **Green Strategy**, one of the basic policies for Medium-Term Management Strategy GC2024

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

Forerunner in Green business



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

Continuing on, I will explain our Green Strategy.

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

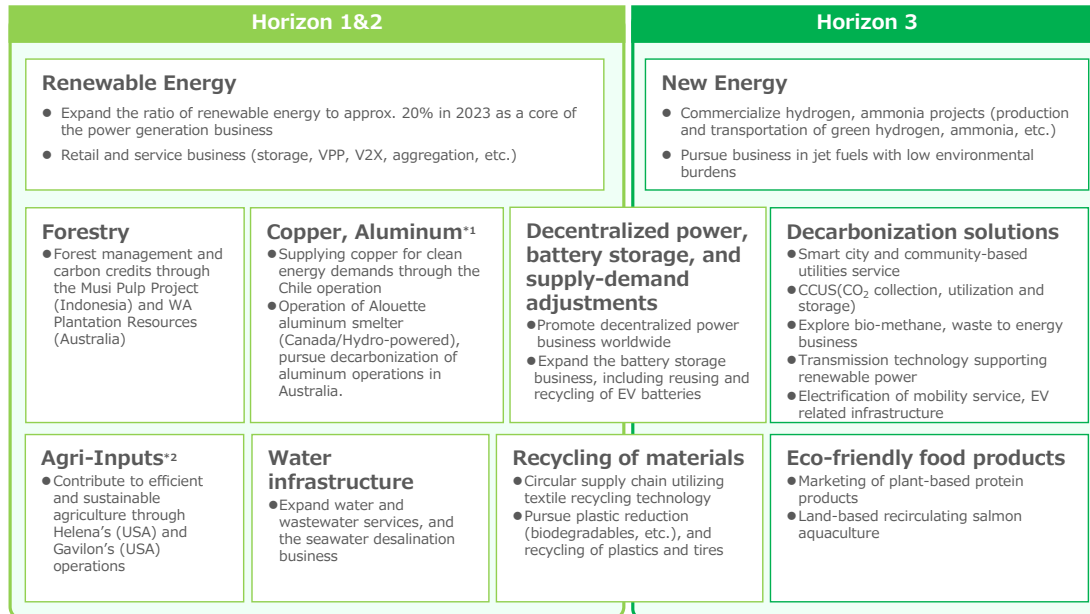
Sustainability initiatives such as decarbonization, the transition to a circular economy, protection of water resources and bio-diversity, promotion of human rights, and so on, are related to social issues that need to be solved and is an obligation for all companies to fulfill. By collaborating with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

We aspire to become the forerunner in green business by “strengthening our green business” and “promoting the greening in all business domains.”

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

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

■ Strengthening Marubeni's Green Business



*1 Contributing to decarbonization by supplying critical minerals used for EVs and other clean technologies
 *2 Contributing to climate change measures and protection of bio-diversity by supporting efficiency of land use in agriculture

The policies for these “strengthening our green businesses” in individual areas are as shown on P12.

■ Promotion of the Greening in All Business Domains

■ Reducing negative impacts on the environment and contributing to the transition to a Circular Economy

■ Building sustainable supply chains through cooperation with business partners

■ Businesses essential for transition to a decarbonized society (natural gas, LNG, etc.)

(Utilization of ICT, financially supporting sustainability businesses, supplying sustainable commodities, etc.)

Carbon-free products/Services

- Sales of carbon neutral aluminum ingot
- Carbon neutral ethylene and its transportation, etc.

Waste recycling

- “edish” Upcycled Tableware
- “Bottle to Bottle Project” producing recycled products using plastic bottles
- Solar panel recycling
- Reuse and recycling of lithium-ion batteries, etc.

Eco-friendly new materials

- New material using radiant cooling technology “SPACECOOL®”
- Sales of cellulose nanofiber-based environment improvement material for hen houses and sneakers, etc.

Transition to decarbonized society

- GHG abatement and energy consumption efficiency in development/production(operation)/processing/transportation/sales/disposal, etc.

Sustainable procurement

(includes respecting human rights and strengthening of occupational health and safety systems)

- Establishment of sustainable supply system through thorough quality control framework and support for suppliers in trade activities
- Handling of certified sustainability-related products (such as marine products, textile raw materials, forest-derived products), etc.

Utilize ICT/DX

- Reform the supply chain of the Japanese publishing industry to become more sustainable (Optimization of supply chain by DX technologies)
- Visualization of GHG emissions associated with corrugated boxes procurement

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Next, I will explain the policies for “promotion of the greening in all business domains.”

In addition to strengthening our green business, we aim to promote the greening in all of our Group’s business domains and pursue differentiation and high value-adding in the business itself.

As noted on P13, promotion of the greening is an essential component of efforts to reduce environmental impact, transit to a circular economy, build a sustainable supply chain in collaboration with customers and partners, and move toward a decarbonized society.

To be more specific, we will not only abate GHG emissions, improve energy consumption efficiency, and reduce environmental impact for transition to a decarbonized society, but we also see “Green” as an opportunity for growth and innovation, and will seek to create added value by promoting the greening in various fields and business domains of our Group, including developing carbon-free products and services, recycling waste, and transition to eco-friendly materials, as shown in the examples here.

In summary, we will consider the progress of these Green Strategies so that they can be shared with our stakeholders in some form or another.

■ Promotion of the Greening/Initiatives for Respecting Human Rights

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

① Establish a human rights policy



- FYE 3/2019: we formulated the “**Marubeni Group Basic Policy on Human Rights**” and revised the “**Basic Supply Chain Sustainability Policy**.”
- FYE 3/2021- FYE 3/2022: communicate **and promote awareness to suppliers and contractors** of consolidated subsidiaries (notice a total of **approximately 20,000 suppliers and contractors** of “Marubeni Group Basic Policy on Human Rights” (see P16)

② Establish and conduct human rights due diligence (human rights DD)



- **Assessment of sustainability risk and mapping** to establish the process of human rights DD
- Conduct human rights DD on **all new projects** (covers **100%** continuously)
- **Conduct human rights DD on existing projects** through surveys for consolidated subsidiaries
- **Expand human rights DD to the supply chain** through future surveys of **Tier 1 suppliers**

③ Establish and operate a grievance mechanism



- Establish an in-house system for handling human rights complaints as a grievance mechanism; system has been in operation since FYE 3/2022

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

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Next, I would like to update you on our human rights and supply chain initiatives, which are a fundamental prerequisite for promotion of the greening.

In terms of human rights, Europe is leading the way in terms of human rights legislation and guidelines; Japan is scheduled to release human rights guidelines in 2022.

As explained at last year's presentation, there is no change in the Company's approach to human rights in the three areas of (1) establishment of a human rights policy, (2) human rights due diligence, and (3) grievance mechanisms.

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

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

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

■ Promotion of the Greening/Initiatives for Supply Chain Management

① Expanded and deeper focus on supply chain management



② Sustainability Risk in Supply Chain

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

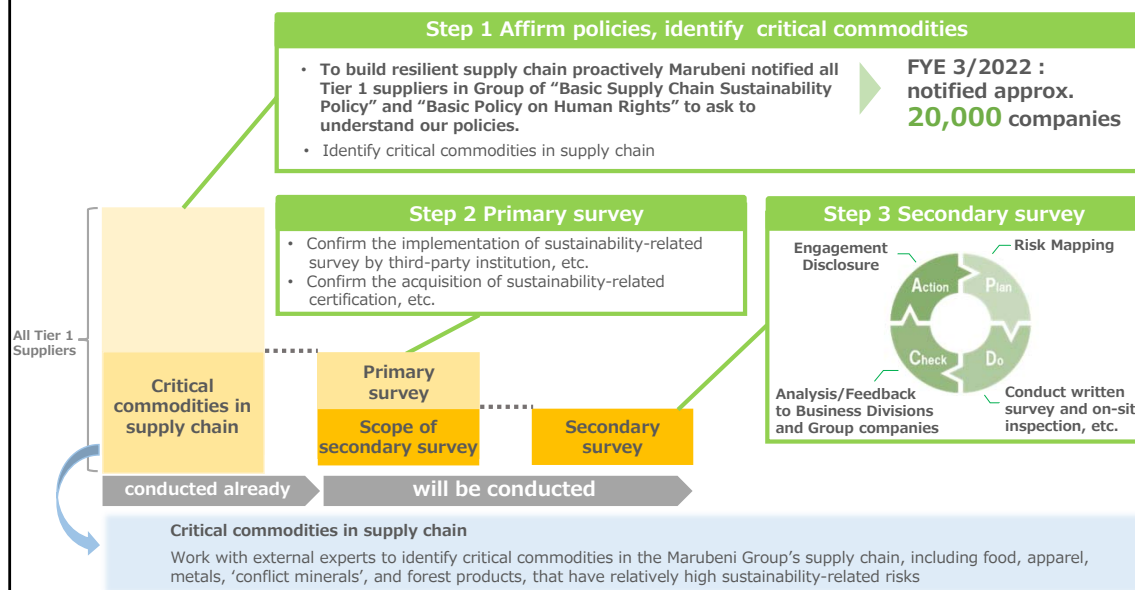
Environmental	Health & Safety	Social
<ul style="list-style-type: none"> Climate change Environmental pollution Bio-diversity Resource management Mitigation measures and administrative procedures 	<ul style="list-style-type: none"> Machine safety Fires and explosions Toxic substance exposure Infection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

Next, I will explain our initiatives for supply chain management.

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

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

③ Tier 1 Supplier Survey (Consolidated Basis)



④ Establish Policies for Individual Commodities

- Establish procurement policies for palm oil and beef in FYE 3/2022, in addition to procurement policy for forest-derived products

Next, I would like to briefly touch on the specific process of the Tier 1 supplier survey, as we have received several questions about it during our conversations with investors.

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

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

In Step 3, For the secondary survey, we intend to implement a PDCA cycle that includes risk mapping to identify the location of risks, implementation of written survey and on-site inspection using methods specific to those risks, analysis and feedback of survey results, and consideration and disclosure of engagement methods. This will be part of our process to strengthen sustainability in our supply chain, including our Tier 1 suppliers.

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

Human rights and the supply chain constitute one of our Environmental and Social Materialities, and we will continue to strengthen this area as we consider it a prerequisite for the promotion of our Green Strategy.

■ Disclosure in Line with the Recommendations of the TCFD/September 2021
(more details on [disclosure](#))

- We performed scenario analysis to study the 10 businesses that will be relatively more susceptible to the impacts of climate change. We use this process to consider related business conditions, risks and opportunities under baseline and transition scenarios.

10 Businesses selected for scenario analysis

- Power generation · Energy resource investment (oil/gas/LNG) · Alternative energy · Coking coal mine investment
- Iron ore mine and copper mine investment · Aircraft leasing (Aircastle) · Ship · Grain (North America)
- Agri-input (North America) · Forestry

■ Issuance of USD-denominated Senior Unsecured Green Bonds/September 2021

- Issue US\$500Million of Senior Unsecured Bonds to raise funds for projects that help solve environmental problems.

The Green Bonds limit its use of proceeds to four business areas within the Marubeni Group's various Green Businesses.

- ①Renewable Energy ("Energy Supply") ②FSC/PEFC certified afforestation ("Land Use")
- ③Magnesium Refining ("Energy Demand") ④Water Supply and Sewage

■ Participation in the TNFD Forum/March 2022

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

■ All-hazard type Marubeni Group BCP/April 2022

- Introduction of the all-hazard type Marubeni Group BCP*, replacing the previous BCP based on individual crisis events.
- Establishment of a new organization dedicated to building and promoting a BCM* structure to ensure effective functioning of the BCP.
- When a crisis occurs, the Emergency Response Headquarters and BCM Office will work together to establish a crisis response structure.

* BCP : Business Continuity Plan/BCM : Business Continuity Management

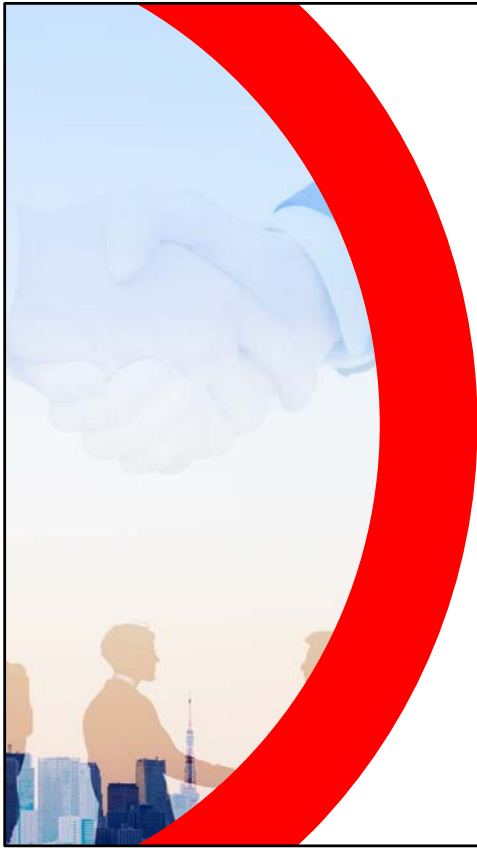
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In FYE 3/2022, we expanded disclosures in line with the TCFD recommendations and issued US\$500 million in dollar-denominated green bonds.

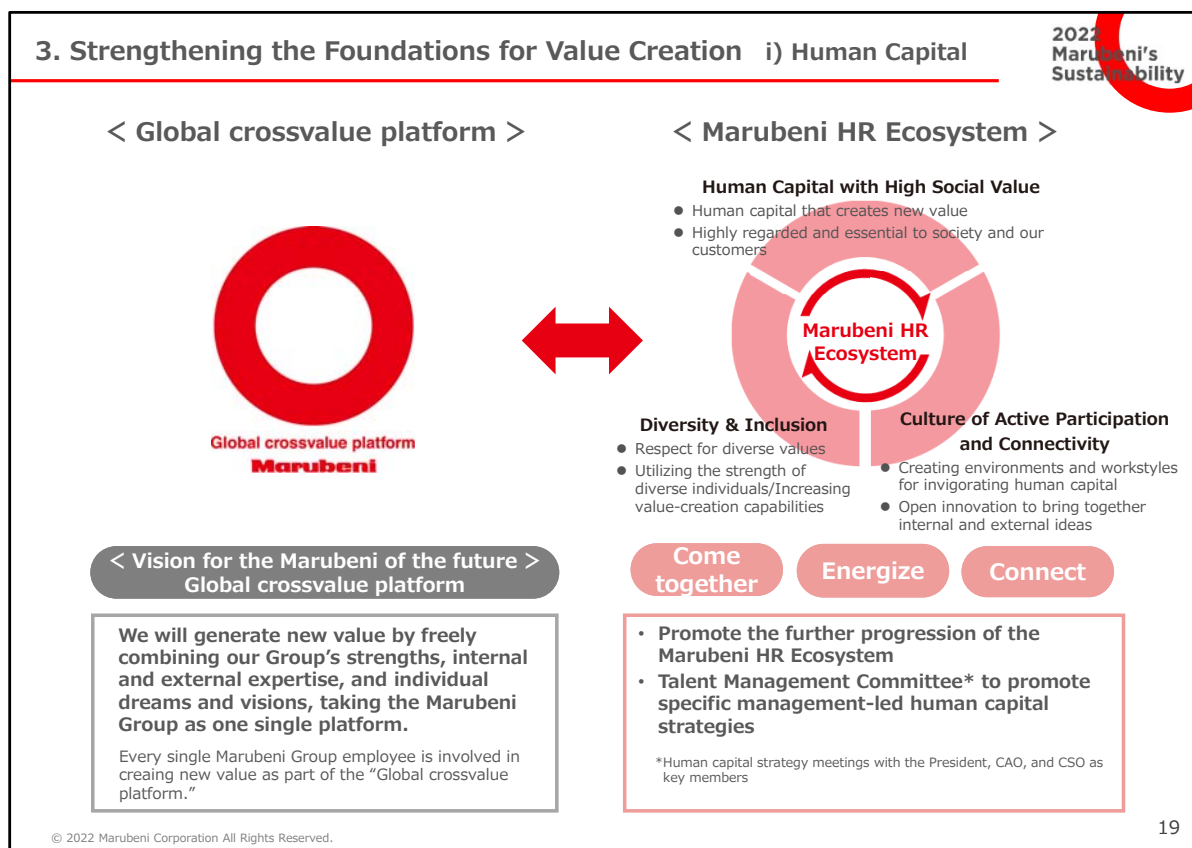
In FYE 3/2023, we will take advantage of our participation in the TNFD Forum on bio-diversity conservation to promote enhanced disclosure and response.

In addition, as a part of our efforts to strengthen sustainability and resilience in a broader context, we have introduced the all-hazard type Marubeni Group BCP in April 2022 and strengthen our BCM structure.

That's all I have to talk about the initiatives to improve corporate value through promotion of sustainability.



3 . Strengthening the Foundations for Value Creation



Moving on, I will describe the strengthening of our value-creation infrastructure. First is our human capital strategy; please refer to P19.

Human capital is the Group's greatest asset and the driving force of value creation. In the Medium-Term Management Strategy GC2024, we will further evolve the "Marubeni HR Ecosystem" set forth in GC2021 with the aim of further strengthening it.

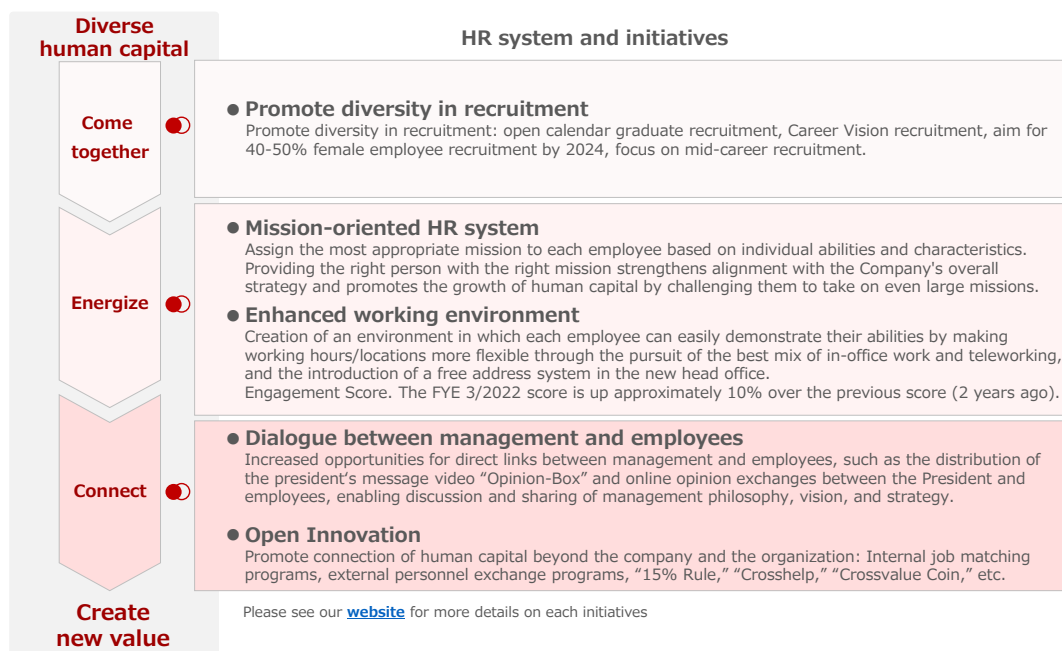
The "Marubeni HR Ecosystem" is a concept that forms the basis of our human capital strategy in order to realize our vision of a global crossvalue platform, and it represents the direction in which we are striving for change.

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

The Talent Management Committee, a human capital strategy committee consisting of the President, CAO, and CSO as key members, discusses and promotes the human capital strategies to achieve this vision.

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

■ Promote the Further Progression of the Marubeni HR Ecosystem



Please refer to P20 for a description of the main initiatives we are pursuing. Here, each measure is divided into three categories: "Come together," "Energize," and "Connect."

I would like to introduce a few of the topics that are included in these categories.

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

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

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

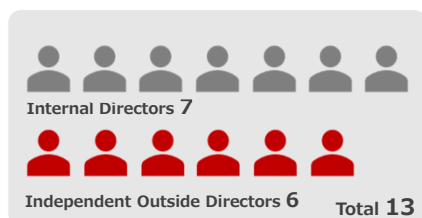
In this context, we are continually implementing various initiatives to enhance dialogue and communication between management and employees as well as promoting open innovation. In particular, the “Opinion Box” is an initiative in which the President himself sends out video messages on important topics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

In GC2024, we will continue to promote human capital strategies and efforts to strengthen our human capital, and we will also consider enhancing appropriate information disclosure.

■ Composition of Board of Directors

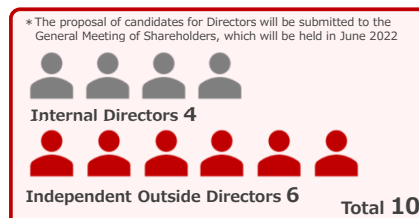
[FYE 3/2022]

Percentage of Independent Outside Directors 46%



[FYE 3/2023]

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



Enhance the function of the Board of Directors

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

Next, Corporate Governance. Please see P21.

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

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

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

The results of assessment of the Board of Directors effectiveness in FYE 3/2022 and the policy for FYE 3/2023 are shown on P22. For details, please refer to "Marubeni's Corporate Governance Code Initiatives" released on April 4, 2022.

<Closing>

That is my brief overall explanation. Finally, the Medium-Term Management Strategy GC2024 has been started in FYE 3/2023. We will continue to pursue further improvement of the Group's corporate value by strengthening the sustainability initiatives I have mentioned today.

Thank you all very much.

■ Evaluation of the Effectiveness of the Board of Directors

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

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

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

- **Medium-Term Management Strategy GC2024**
(Green Strategy, improving profitability, Marubeni Group HR strategy, capital allocation policy, shareholder returns policy, etc.)
- **Investment and financing projects**
(development of a floating offshore wind farm in Scotland; share transfer of subsidiary, which owns oil and gas fields in the UK North Sea; and the reorganization of Gavilon and transfer of Gavilon's shares, etc.)
- **Financial results and other finance related matters** (share repurchase, etc.), **remuneration for Directors/Audit & Supervisory Board Members**
- **Evaluation of the effectiveness of the Board of Directors, internal control related matters, how to enhance the corporate governance system** (to respond to Japan's Corporate Governance Code, etc.)

② Discussions regarding expectations from stakeholders

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

③ Discussions regarding the diversity of Board members

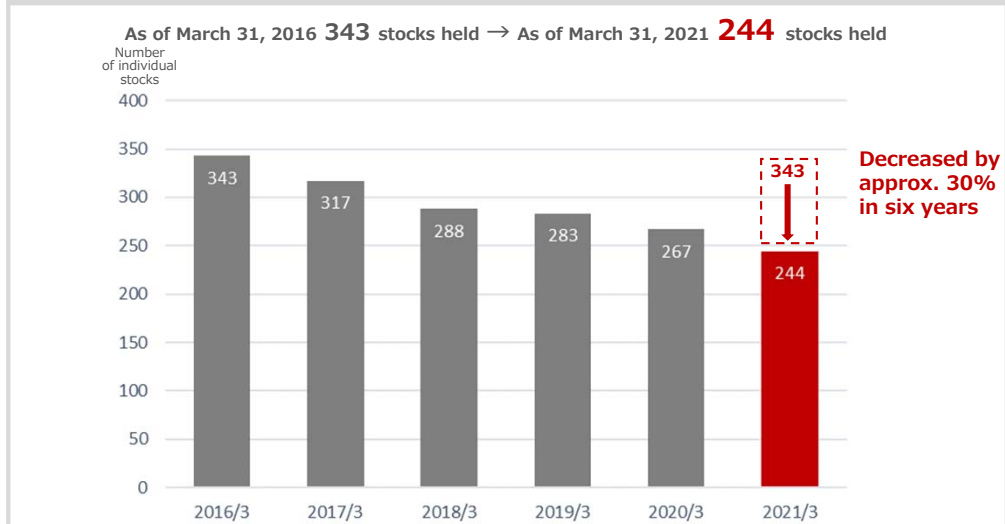
Policy for initiatives in FYE 3/2023

- ① Share awareness of changes related to the external environment and risks, etc., at Board of Directors meetings and enhance deliberations concerning critical management issues
- ② Discussions regarding HR strategy and allocation of management resources of human capital
- ③ Supporting the Outside Directors to further utilize their expertise

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

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

Status for cross-shareholdings (includes non-listed general investment shares)



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This material 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.

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