

Our Vision and Promotion of the GC2021 Medium-Term Management Strategy

» Long-Term Direction of the Marubeni Group

In 2018, the year in which Marubeni commemorated the 160th anniversary of its establishment in 1858, the Group adopted Global crossvalue platform as a long-term vision to aspire toward. In simple terms, building a Global crossvalue platform will involve radical reform of Marubeni's businesses and organizational structure.

Until recently, Marubeni grew by creating and providing various solutions to society and customers while transforming its business model from trading to business investment. However, as evidenced by the current new coronavirus (COVID-19) pandemic, we started to experience a major sense of crisis in response to society's changing values, the digital revolution and drastic changes in the structure of industry and competitive landscape. Under our existing organizational structure based mainly on product verticals, we recognize that the potential exists to sooner or later lose the ability to provide solutions to problems. Moreover, the obsolescence of our existing business model itself and the

risk of asset holdings becoming stranded could call the Group's *raison d'être* into question.


The Global crossvalue platform represents the Marubeni Group's commitment to internal and external stakeholders —a clarification and reaffirmation of its *raison d'être* when launching reforms and a pledge to continually grow corporate value on a Groupwide basis.

The "platform" in Global crossvalue platform is a generator of new businesses based on the cross-pollination of various forms of value on a global scale. The Marubeni Group itself aims to integrate its wide variety of businesses into a single mega-platform, anticipate social issues and challenges of the times, and evolve vertically while expanding horizontally to create solutions for society and customers in an effort to increase corporate value in a lasting way. Looking beyond existing frameworks while transcending conventional wisdom, we will take on the challenge of uncovering new businesses. We will realize a Marubeni Group that boldly pursues new growth domains and new business models.

Long-Term Direction

Our vision: Global crossvalue platform

Value creation company going beyond the boundaries of the current Sogo Shosha



Global crossvalue platform
Marubeni

Pursue growth engines and create new business models by proactively addressing the challenges of customers and society through vertical evolution and horizontal expansion

Global Changes and Major Trends toward 2030

- Millennial generation and changing values
- Technological innovation, digital transformation
- Geopolitical risk and the shifting balance of world powers
- Transformation of the industrial structure
- New business ecosystems

Discontinuous changes, Disruptions to the status quo

Concurrent Opportunities and Threats

Opportunities

- New growth opportunities arising from changes

Threats

- Risk of existing business models becoming obsolete
- Limitations inherent in solutions based on product-oriented business lines

Ability to identify opportunities and threats, anticipate the future and drive change

» Basic Policy of Management Strategy

We formulated the GC2021 Medium-Term Management Strategy, a three-year roadmap that commenced in the fiscal year ended March 31, 2020, as a first step toward implementing our Global crossvalue platform. Under this strategy, our aim is to create long-term corporate value with our sights set on 2030.

In May 2020, the Marubeni Group took steps to review GC2021 in light of the significant loss incurred in the fiscal year ended March 31, 2020 and the deteriorating business environment triggered by the spread of COVID-19. Although we have adopted the two basic policies of "rebuilding and strengthening our financial foundation" while "enhancing business strategies," our basic growth strategy policy of "corporate value enhancement in the medium to long term by strengthening existing business and creating new business models" remains unchanged. Our basic policy under GC2021 is to simultaneously pursue both sustained growth by strengthening existing businesses and explosive growth by creating new business models with our sights set 10 years ahead, all predicated on building and maintaining a strong financial foundation as a cornerstone for growth. To do so, we have incorporated the new concept of three growth horizons into GC2021. These three growth horizons are one of GC2021's distinguishing features.

Horizon 1 supports sustained growth through the improvement of existing businesses. Specifically, we will

endeavor to grow earnings by maintaining or upgrading the value of existing businesses through capital expenditures* that, for example, extend the useful lives of existing assets.

Horizon 2 supports sustained growth through new investments that look to pursue the Group's distinctive strategies in existing business domains.

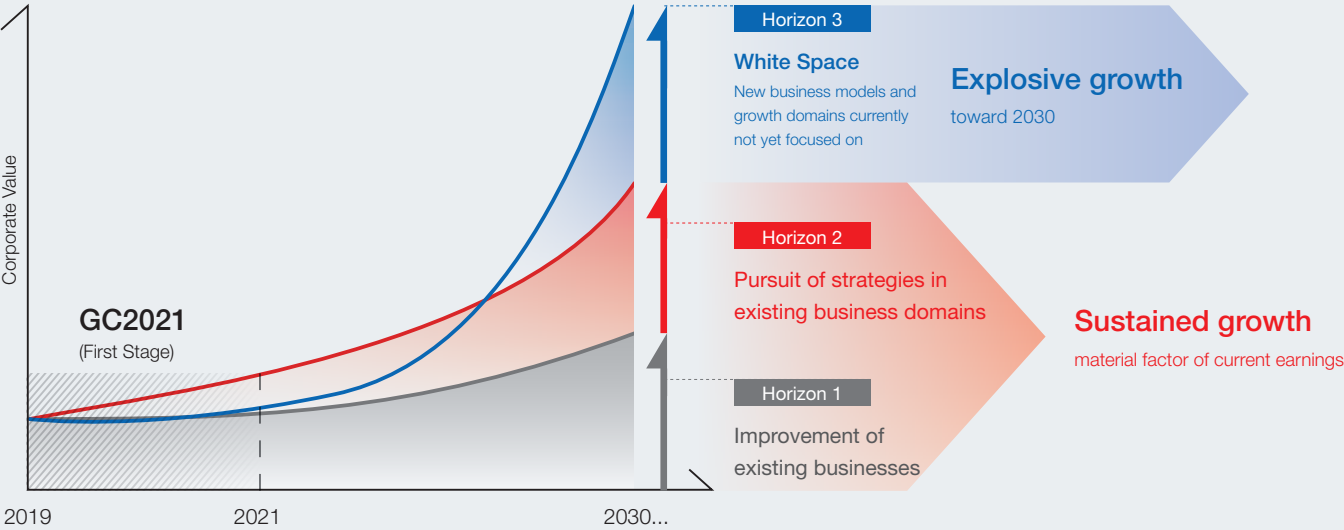
We have designated Horizons 1 and 2 as the Marubeni Group's core earnings drivers for achieving sustained growth during the GC2021 execution period.

Horizon 3 targets explosive growth toward 2030. To realize this explosive growth, we have identified a concept that we call White Space. White Space refers to new business models and growth domains that the Marubeni Group has yet to exploit. Because White Space represents a new frontier for the Marubeni Group, we recognize that Horizon 3 investments may not realistically contribute to earnings during the GC2021 period. Nonetheless, we will boldly engage in highly promising growth domains to achieve explosive growth toward 2030. Beyond the explosive growth stage, Horizon 3 businesses will be treated as Horizon 1 or Horizon 2 existing businesses. In this case, we will shift our focus toward further expansion and upgrade.

By always challenging new business models with different timelines corresponding to the three growth horizons, we will endeavor to become a "value creation company going beyond the boundaries of the current Sogo Shosha" and "pursue sustained growth in market capitalization."

* Capital expenditures are additional investments in existing assets to maintain or increase their value.

Basic Policy of Management Strategy
(Corporate Value Enhancement and Growth Horizons)





Revision of Medium-Term Management Strategy GC2021

—Management’s View of the Business Environment

The Marubeni Group incurred a consolidated net loss of ¥197.5 billion in the fiscal year ended March 31, 2020. This was a negative turnaround of ¥428.3 billion compared with the previous fiscal year. In specific terms, Marubeni posted one-time losses totaling ¥422.0 billion. After excluding one-time items, the Group’s results on a normal operating basis came in at an adjusted net profit of ¥225.0 billion for the fiscal year under review. Looking at a breakdown of these one-time items, the Group incurred impairment losses on its oil and gas E&P operations as well as Gavilon’s grain business, Chilean copper mining, overseas power and infrastructure-related, and Aircastle aircraft leasing businesses of ¥151.5 billion, ¥78.3 billion, ¥60.3 billion, ¥45.7 billion, and ¥39.2 billion, respectively.

As a result of the aforementioned one-time items, large amounts of impairment losses, the Company incurred a net loss in the fiscal year ended March 31, 2020. The decision to write-down concerned projects and remeasure the value of assets held was made in light of the deteriorating business environment including the spread of COVID-19 as well as the

decline in crude oil prices. The Group is confident that these measures have eliminated the risk of impairment in the future.

With a year having passed since our Medium-Term Management Strategy was first launched, we announced details of our Revision of GC2021 after taking into consideration the substantial loss incurred in this instance and the deterioration of the business environment attributable to the impact of COVID-19.

The COVID-19 pandemic is a threat to people’s livelihoods, safety, and a sustainable society, and could have an impact on every facet of life including the future of the economy, society, and values. With limited potential for an early medical breakthrough, and the likelihood that the global economy will come closer to an L-shaped recovery, given the extreme difficulty in realizing a V-shaped turnaround, we anticipate that the economy will be held to a modest recovery even in 2021.

Under these circumstances, Marubeni has positioned the safety of its Group employees, customers, and partners worldwide as its top priority. At the same time, the Group is committed to strengthening and re-establishing the management foundation bearing in mind the impact on its business activities for a lengthy period.

Downward revision of FYE 3/2020 results	<ul style="list-style-type: none">◦ With the deterioration of the business environment caused by COVID-19 combined with the fall of crude oil prices, the value of weaker businesses and assets of concern have been reassessed, removing the risk of future impairment loss.◦ Net loss of ¥197.5 billion (including one-time items of ¥422.0 billion)◦ Net D/E ratio slipped back to 1.16 times.
COVID-19 shock	<ul style="list-style-type: none">◦ COVID-19 has stopped the movement of people worldwide, leading to the worst financial crisis since World War II, and the first major one since the 2008 global financial crisis.◦ This situation threatens the life and safety of people, possibility of a sustainable society, and may have a huge impact on the economy, society, and values of the future.◦ An early medical breakthrough is unlikely. Rapid recovery (also called a “V-shaped recovery”) of the global economy is extremely difficult, and a worldwide recovery is expected to be sluggish (“L-shaped” recovery timeline). 2021 may also be a year of slow and moderate recovery.
⇓	
<ul style="list-style-type: none">• The safety of Marubeni Group’s employees worldwide, customers and partners is our top priority.• Brace for an expected long-lasting impact to our business environment and focus on rebuilding and strengthening our business foundation.	

—Two Basic Policies

Taking into consideration the harsh operating environment, the Marubeni Group identified two basic operating policies when revising GC2021.

The first policy is **“rebuilding and strengthening our financial foundation.”** In specific terms, our top priority is to focus on cash flow management in order to rebuild and strengthen our financial foundation. Under the GC2021 policy, we were looking to promote efforts aimed at both “strengthening our financial foundation” and “allocating capital to growth opportunities (undertake strategic investments in the three growth horizons).” In light of the deterioration in our financial foundation due to the substantial loss incurred in the fiscal year ended March 31, 2020 and the dramatic change in our operating environment as a result of the unprecedented economic crisis triggered by COVID-19, we recognize the important need to improve our financial foundation as quickly as possible. Taking the aforementioned into account, we have set the quantitative target of improving our net D/E ratio to around 1.0 times as of the March 31, 2022 fiscal year-end by maximizing free cash flow after the delivery of shareholder returns and prioritizing the repayment of interest-bearing debt.

The second policy is the **“enhancement of business strategies.”** The basic growth strategy policy of “corporate value enhancement in the medium to long term by strengthening existing business and creating new business models” under GC2021 remains unchanged. Assuming that the impact of COVID-19 on the real economy will be prolonged, more than ever before we will focus on preserving and improving existing businesses including cost reduction measures and establish a sustainable and stronger business foundation. In addition to proactively recycling assets and enhancing the value of assets while envisaging changes in the economy, social issues, growth domains, and business models, we will work to further enhance and strengthen our risk management practices in a bid to enhance corporate value.

Although there may be the possibility of a dramatic change in conventional wisdom throughout the world after COVID-19 dissipates, the theme of the Global crossvalue platform to which the Group as a whole aspires indeed remains the radical reform of its businesses and organizational structure. While taking up the challenge of new business models in each of the growth horizons explained earlier, we will clarify our *raison d’être* and work in unison to create value.

Rebuild and Strengthen the Financial Foundation	<ul style="list-style-type: none">◦ As a result of the huge loss in the fiscal year ended March 31, 2020, our top priority is to focus on cash flow management in order to rebuild and strengthen our financial foundation◦ Prioritize repayment of debt by accumulating positive free cash flow after the delivery of shareholder returns during the GC2021 period and endeavor to achieve net D/E ratio of around 1.0 times as of the end of March 2022
Enhancement of Business Strategies	<ul style="list-style-type: none">◦ Maintain the Basic Policy under GC2021◦ Pursue corporate value enhancement in the medium to long term by strengthening existing businesses and creating new business models• Focus on preserving and improving existing businesses including cost reduction measures and establish a sustainable and stronger business foundation• Envisage what a post-COVID-19 world would look like, including the economy, social issues, growth domains, and change of business models; proactively recycle assets and enhance the value of assets• Assess past business and investment performance to further enhance and strengthen risk management practices

—Shareholder Returns Policy

As far as the payment of dividends during the GC2021 period is concerned, we will maintain our current dividend policy and target a consolidated dividend payout ratio of 25% or more with the minimum set as the forecast announced at the beginning of each fiscal year. Under GC2021 announced in May 2019, we stated that the Company would flexibly buy back shares as an additional shareholder returns policy after achieving a net D/E ratio of approximately 0.8 times. To prioritize the rebuilding and strengthening of our financial base, which is the basis for allocating capital for new growth investments and shareholder returns, however, we have decided not to buy back shares during the GC2021 period. In order to enhance corporate value over the medium to long term, we will promptly rebuild and strengthen our financial foundation.

» Business Policies SPP

As part of GC2021, we have formulated a trio of new business policies we call SPP —Strategy × Prime × Platform — as basic principles common to all of the Marubeni Group’s business models.

Strategy policies involve closing the gap between the status quo and our vision. It expresses our renewed commitment to staying intensively strategy-focused.

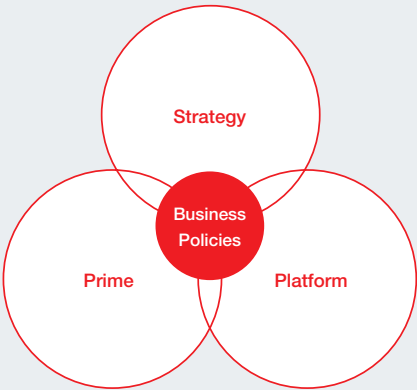
Prime policies involve proactively executing strategies across all Marubeni Group businesses. If we were to merely invest in businesses, we would have much fewer opportunities to create solutions to the challenges and issues facing society and customers. We would also have less growth potential. We have accordingly made a commitment in the form of our Prime policy, which means proactively formulating and executing with the aim of increasing the value of our businesses. Rather than limit investments to projects in which we will hold a majority stake, we will take the initiative to add value to these businesses by teaming up with like-minded partners in mutually complementary strategies in the case of large deals.

Platform policies involve leveraging the Marubeni Group’s platform to substantially grow its businesses. We treat businesses with promising prospects of geographic, market or product-line expansion as platforms. We will pursue expansion of such businesses through M&As and/or organic growth with the aim of long-term earnings growth. In addition, we will employ the Group’s knowledge, know-how, and assets as platforms to create new value by synergistically combining a wide variety of internal and external expertise.

While it has been one year since they were first identified, these new SPP business policies are now well entrenched as values common to all personnel, including both employees and management. As a result, we are working on strategic projects based on SPP, which are expected to contribute to the future growth of the Marubeni Group.

Looking ahead, we will work to maximize the value of the Marubeni Group’s overall portfolio businesses by selectively making new investments, strengthening existing businesses and expediting recoupment of previous investments and asset turnover.

New Business Policies (SPP):
Strategy × Prime × Platform



See the “Special Feature: Business Strategies Based on SPP Business Policies” on PP.39-43 for more details on specific SPP projects.

Message from the CDIO & CSO



We will take on the challenge of growth domains and new business models with our sights set 10 years ahead.

Kenichiro Oikawa

Managing Executive Officer, Member of the Board
Chief Digital Innovation Officer (CDIO);
Chief Strategy Officer (CSO);
Regional CEO for East Asia;
Regional CEO for Japan Business;
Vice Chairman of Investment and Credit Committee

Under our GC2021 Medium-Term Management Strategy, we have identified the goals of simultaneously pursuing sustained growth by strengthening existing businesses and explosive growth by creating new business models with our sights set 10 years ahead in order to enhance our long-term corporate value. While firmly cementing the foundations of our earnings through the pursuit of strategies in existing business domains, we will target growth in Horizon 3 by pursuing “White Space,” which is defined as new business models and growth domains that the Marubeni Group has not yet focused on. As far as this “White Space” is concerned, we will ensure that the Next Generation Business Development Division, newly established in the fiscal year ended March 31, 2020, works together with the 13 existing business divisions, and that every effort is made to promote cross-pollination of the Group’s internal resources with external functions in a bid to create new business models.

While we define “explosive growth” as multifold growth in corporate value within a 10-year timeframe, we do not intend to become involved in high-risk/high-return businesses.

The most important point here is to identify future growth engines by addressing and anticipating the challenges and issues of society and customers and proactively cultivating and growing businesses from a long-term standpoint. The aim is to significantly grow businesses that are capable of creating corporate value that is many times more valuable within a 10-year timeframe, even if they do not contribute to

earnings in their first years.

An example of one such specific initiative is our investment in TYTON Bio Sciences LLC (TYTON), a U.S.-based company that has unique products recycling technology that can, for example, recycle fabrics to textile materials. This type of business equity investment is distinctive in that it is designed to create new business models by combining the Marubeni Group’s global network with the latest technologies of start-up companies, while at the same time helping to solve social issues. Another example is the Group’s investment in PT Siloam International Hospitals Tbk (Siloam), the largest private hospital group in Indonesia, which is being handled through the Next Generation Business Development Division. The healthcare business is an area in which the Marubeni Group has not been fully engaged until now. However, due to the increased prominence of such social issues as growth in and the aging of the world’s population, we believe that the creation of a business model that can contribute to the resolution of these issues has great potential to help further enhance corporate value.

Looking ahead, we will also endeavor to capitalize on our collective platform that encompasses expertise, know-how, assets, and other resources, in a bid to realize our vision of becoming a Global crossvalue platform. In this manner, we will continue to work on the creation of new business models and take on a variety of new growth opportunities that are not currently available to us.

See “Special Feature: Business Strategies Based on SPP Business Policies: Textile Products Recycling Business” on P.42 for more details on the Group’s investment in U.S.-based TYTON BioSciences LLC and “Business Strategy Overview Next Generation Business Development Division Examples of Initiatives That Embody the GC2021 Business Strategy” on P.95 for more details on the Group’s investment in PT Siloam International Hospitals Tbk.

GC2021 Group HR Strategy

To help build a better tomorrow, the Marubeni Group has identified “Human Capital with High Social Value” as an essential category of Fundamental Materiality. We see human capital as one of our most important assets. We define “Human Capital with High Social Value” as highly regarded individuals who are essential to society and customers.

The Group HR strategy incorporated into the GC2021 Medium-Term Management Strategy aims to create a “Marubeni HR Ecosystem” promoting the involvement of every Marubeni Group employee in the creation of new value as part of the “Global crossvalue platform.”

The key concepts underpinning the “Marubeni HR Ecosystem” are “Human Capital with High Social Value,” “Diversity & Inclusion,” and a “Culture for Individuals’ Development and Productivity.” Creation of new value is driven by “Human Capital with High Social Value,” referring to employees who are highly regarded and essential to society and customers. A focus on “Diversity & Inclusion” enhances our value-creation capabilities. Building a “Culture for Individuals’ Development and Productivity” helps to integrate internal and external ideas, promoting open innovation. To realize these concepts, we are formulating and implementing various policies and measures to make HR systems more closely aligned with management strategies; construct a framework to foster development of diverse human capital; and create an environment going beyond the boundaries of companies and organizations.

Marubeni Group HR Strategy

Execute Marubeni Group HR strategy where every single Marubeni Group employee is involved in creating new value as part of “Global crossvalue platform”

Priorities

- HR systems strongly aligned with management strategy
- Employee development & Workplaces for diverse human resources

- Health and productivity management & Workstyle reforms
- Environment going beyond the boundaries of companies and organizations



① Human Capital with High Social Value

- Creating new value
- Highly regarded and essential to society and customers

② Diversity & Inclusion

- Respect for diverse values
- Value creation capabilities utilizing various individual abilities and experiences

③ Culture for Individuals’ Development and Productivity

- Workplace environments for invigorating human resources
- Open innovation to bring together internal and external ideas

Message from the CAO



We are building a “Marubeni HR Ecosystem” to help develop, incentivize and connect human capital with high social value.

Mutsumi Ishizuki

Senior Managing Executive Officer,
Chief Administrative Officer (CAO); Senior Operating Officer, Audit Dept.;
Senior Operating Officer, Executive Secretariat;
Senior Operating Officer, New Office Building Project Dept.;
Vice Chairman of Investment and Credit Committee;
Chief Compliance Officer (CCO); Chairman of Internal Control Committee;
Chief Information Officer (CIO)

In building the “Marubeni HR Ecosystem” that is the goal of the Group HR strategy incorporated into the GC2021 Medium-Term Management Strategy, our aim is the continual development of “Human Capital with High Social Value” – highly regarded employees who are essential to society and customers. The most vital element of this is to foster conditions enabling creation of new value via mutual respect for diversity; dynamic, motivating workplaces; and through organic connections.

Since the fiscal year ended March 31, 2019, we have pursued “Human Capital × Mechanisms × Time” initiatives* aimed at developing human capital with high social value while at the same time creating new value, including Marubeni Academia, the External Personnel Exchange Program, the Business Plan Contest, and the 15% Rule.

From the fiscal year ending March 31, 2021, to build on the momentum already created, we are looking to reform our HR systems from the three viewpoints of remuneration structures, talent management, and workplace environments.

With remuneration, the goal is to motivate all employees to set high targets and take on tough challenges. To delegate organizational and HR management authority to each division, we are making radical reforms based on mission and contribution to our appraisal, compensation and qualification systems. We are also introducing new rewards to incentivize employees to make contributions to other

divisions of the organization than their own via the 15% Rule, for instance.

With talent management, our aim is to optimize HR deployment to increase our organizational capacity to implement strategy while promoting growth in human capital. We are upgrading our HR management systems in various ways, such as utilizing assessment-based visualization of human capital, promoting better job matching in our external and internal recruitment, and providing stronger career support for seniors.

In terms of workplace environments, we are promoting health management since employee health and safety is our foremost priority. In addition, we are upgrading systems to support connections between people beyond company and organizational boundaries, and to facilitate self-directed careers and styles of work. These moves include relaxing bans on side-jobs, using alumni networks to forge connections between retirees, and introducing flextime and remote working arrangements to boost flexibility.

Human capital is our most valuable asset. We are maximally focused on creating the conditions to develop, incentivize and connect human capital with high social value.

* See PP.18-19 for more details on “Human Capital × Mechanisms × Time” initiatives.

HR Development

To build Marubeni's global competitiveness via the development of individual employees, we are upgrading the Group's HR development programs. These consist mainly of on-the-job training supplemented by off-the-job training.

On-the-job training includes assigning hands-on experience and recommending young employees for overseas assignments to build professionalism early in their careers. The Marubeni Group training curriculum that supports off-the-job training has been revamped since the fiscal year ended March 31, 2017. Established to help realize the Marubeni Group's HR strategy, the Marubeni Global Academy (MGA) is being upgraded. We plan to roll out its HR development programs at the global and group levels to continue building human capital across the Marubeni Group.

Developing new value creators



Initiative #1

Cultivating global leaders

Marubeni Academia

Under the Marubeni Academia initiative, we select personally distinguished individuals with diverse careers from across the Marubeni Group worldwide with the aim of developing them into innovation leaders capable of driving Marubeni's future global growth. Over the course of a year, the program guides participants from conceptual discussions of innovation to realizing practical innovation. They are expected to play a leading role in the Marubeni Group's innovation initiatives as evangelists. In each of the first two years (fiscal years ended March 31, 2019 and March 31, 2020), 25 participants from eight countries took part in the program, practicing innovation to take maximum advantage of the diverse assets within the Marubeni Group's platform.

Initiative #2

Growth through hands-on experience

External Personnel Exchange Program

We are further expanding and upgrading our system of personnel exchanges with top firms in various industries via the External Personnel Exchange Program to enable participants to spend a few years in another company. These exchanges bring perspectives from outside the Marubeni Group into the company, thus adding dynamism, while assigning employees to other firms helps not only to build networks, but also see the Marubeni Group from outside in ways that support the discovery of original value and function. Promoting HR development can thus translate into new business development.

Creating mechanisms to support innovation



Initiative #1

Stimulating the entrepreneurial spirit

Business Plan Contest ("Bizcon")

Bizcon is a program to attract new business development ideas from across the Marubeni Group as part of trying to foster a dynamic and innovative Group culture. Ideas collected from every part of the Group are considered with the aim of commercializing winning entries. In its second year in 2019, the program attracted 114 entries, with three



Bizcon 2019

granted commercialization rights. We plan to hold a third edition of Bizcon in the fiscal year ending March 31, 2021 as part of continuous efforts to promote change within the Marubeni Group.

Post-Bizcon developments
The proposal to launch the Maternal and Child Health Handbook in Indonesia ("DiaryBunda" business) that gained commercialization rights in the first edition of Bizcon launched in the fiscal year ended March 31, 2020. By digitizing the handbook utilizing a smartphone app, the DiaryBunda business gives reliable information during pregnancy and the child-rearing period, and records growth status and vaccinations. By promoting widespread use of the app, we hope to address a societal issue in Indonesia, where about 31% of the roughly 5 million children born each year suffer from growth impairment.

Initiative #2

Business model visualization

Business Model Canvas

Creating innovation starts with "knowing the Marubeni Group." One of the mechanisms we use is the Business Model Canvas, a website displaying the Marubeni Group's assets and business models. The site classifies the Group's businesses into roughly 300 different business models and analyzes them, and provides data on the various assets, transactions, network connections, earnings model and competitors of each business. We also have set up the Idea Box for employees to propose business ideas based on new ways of utilizing or combining the assets and business models of the Marubeni Group. Some Idea Box proposals are submitted to Bizcon as well, providing a mechanism for linking together the various initiatives.

Creating time for innovation



Initiative #1

The "15% Rule": providing space to take up the challenge

Even with adequate "Human Capital" and "Mechanisms," facing new challenges requires time. To address this, Marubeni has adopted the 15% Rule as a "Time" initiative to grant each employee time within working hours to come up with ingenious ideas for improving business practices or creating future-oriented business models. With the aim of creating the time to develop high-value-added processes, we have also conducted a business process improvement project focused on internal systems revision and process standardization or automation.

Initiative #2

Targeting higher organizational productivity

"Work Anywhere" (telework) and flextime systems

By providing employees with greater choice about where and when to work to support more autonomous working styles, we are aiming to bolster the productivity and performance of our entire organization. Our new telework system "Work Anywhere" allows employees to work from home or using a shared satellite office space. In the fiscal year ending March 31, 2021, we also introduced a partially revised flextime system to allow each part of the organization to set its core working hours in response to local circumstances.

In the COVID-19 outbreak, these frameworks and IT infrastructure enabled many employees to work from home and allowed us to keep our essential operations running. To support those employees forced to work non-standard hours, we engaged an external counselling service as part of measures to help relieve worker stress.

Going forward, we will focus on developing styles of work to maintain and improve levels of individual performance while ensuring the health and safety of employees and affiliates.

Diversity & Inclusion within Our Organization

Promoting Diversity Management

Diversity is an important aspect of the Group HR Strategy within the GC2021 Medium-Term Management Strategy. Aiming to become a stronger Marubeni Group where diverse individuals play active roles, we are promoting diversity to build a corporate culture and workplace environment that utilizes the strengths of diverse individuals with different personalities, experiences, capabilities and values.

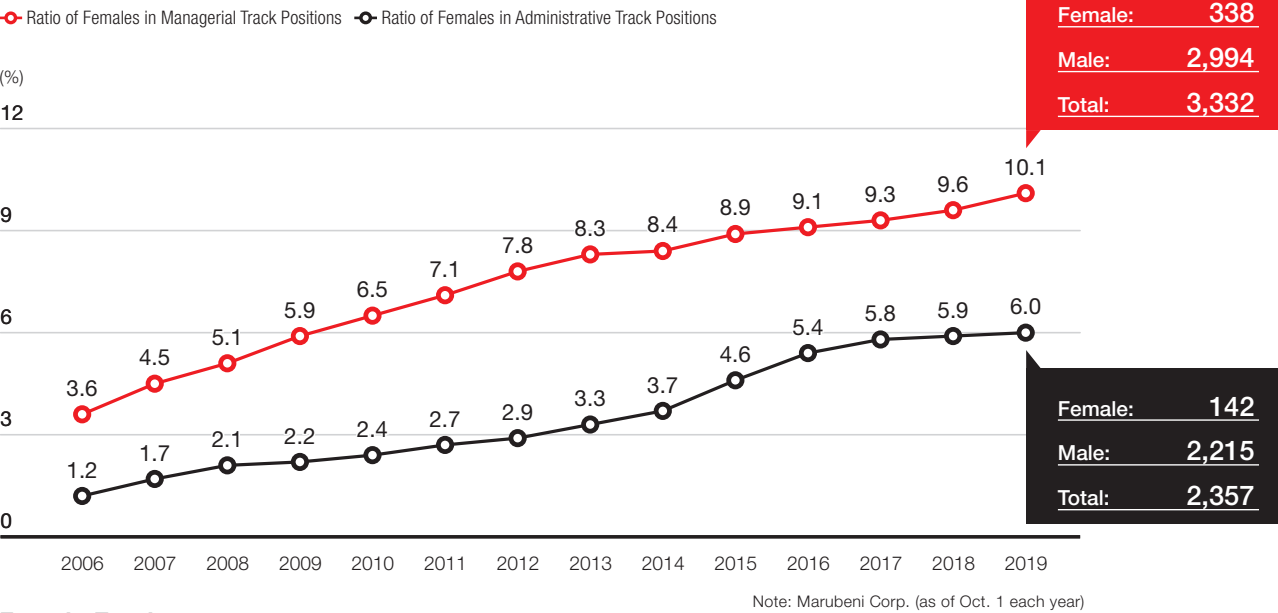
Promotion of Work Life Management

We are promoting work life management as a way to help employees from a varied range of backgrounds achieve results. Our aim is to support continuous career development and performance irrespective of one's stage in life. Every work life management measure is designed so that employees can access the required system when they need it.

Female Empowerment at Work

Marubeni has been recruiting more women for career-track positions since April 2006. From the fiscal year ended March 31, 2015, we also introduced the “BENInnovation Program” a program aimed at encouraging women in career-track positions to take on greater challenges, while promoting diversity management. This training program also builds awareness among early-career female managers and immediate superiors. We continue to promote female empowerment by strengthening the recruitment and training of career-track women, actively assigning more women to overseas postings, and creating conditions to ensure women can thrive at work regardless of other events in their life.

Female Ratios for Managerial and Administrative Track Positions



Female Employees on Overseas Assignments

(as of Apr. 1, 2020):

40

For more details, see the “Work Environment for Diverse Individuals” section of our website.
<https://www.marubeni.com/en/sustainability/social/diversity/>



Health and Productivity Management

Identifying human capital as one category of Fundamental Materiality, the Marubeni Group places utmost priority on the health and safety of employees to help maximize their potential. To this end, we are conducting various health management initiatives within the Marubeni Group. Among related external accolades, we were chosen for inclusion in the Brand of Companies Enhancing Corporate Value through Health and Productivity Management Selection (Health & Productivity Stock Selection) in 2015, operated by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). Since 2018, we have been certified for three years in a row as an Outstanding Organization in Health and Productivity Management in the large enterprise (White 500) category by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



Marubeni Group Health Declaration

- Employees are a vital asset for the Marubeni Group, and their health is of paramount importance. The Group has therefore positioned maintaining and promoting employee health as a top management priority.
- The Marubeni Group supports employees’ success by working to create an environment where each individual can autonomously and proactively take steps to maintain and promote his or her health. These efforts will lead to the growth of the Marubeni Group.

Marubeni Health Promotion Structure

Marubeni has established the Marubeni Health Promotion Structure, under the responsibility of the CAO. The system promotes health and productivity management through the coordination of four groups: occupational physicians (Internal Medical Clinics), the Health Insurance Association, the Human Resources Department, and health and productivity management promotion officers selected from among the Company’s employees.

For more details, see the “Promote Work Style Reforms” section of our website.
<https://www.marubeni.com/en/sustainability/social/workstyle/>



Message from the CSDO



Efforts to anticipate social needs while growing and evolving together with society will lead directly to sustainable improvements in our corporate value.

Takayuki Furuya

Managing Executive Officer, Member of the Board
CFO;
Chief Operating Officer, Investor Relations and Credit Ratings;
Chairman of Investment and Credit Committee;
Chief Sustainable Development Officer; Chairman of Disclosure Committee

The Marubeni Group established the Sustainability Management Committee in order to strengthen the Group’s initiatives aimed at the sustainable enhancement of corporate value in April 2018. In outlining its view on sustainability, the Group identified three categories of “Fundamental Materiality,” namely “human capital,” “management foundation” and “governance,” as well as “Environmental and Social Materiality” in February 2019. To ensure the efficacy of its efforts in each of these categories, the Group is deepening discussions at the management level on environmental and social issues, including climate change measures, and their impact on management. At the Sustainability Management Committee, which I chair, we are taking steps to implement our policy on environmental and social materiality while promoting the development of implementation plans. We have also initiated steps to better grasp current conditions in order to build a sustainable supply chain across the Group’s diverse business lines. We are working to enhance the Marubeni Group’s corporate value by lifting the reliability of our supply chain.

The Group is currently taking on the challenge of a self-transformation as it works toward its long-term Global crossvalue platform vision. We believe that our mission is to anticipate the needs of society, evolve our business model, and continue to grow together with society.

The spread of COVID-19 has posed a major global threat to social and economic activity, while at the same time exposing the fragility of short-term financial value. As new challenges arise for companies, including the incidence of fragmented supply chains and digitalization as a form of crisis management, we believe that the need to put in place a sustainable society in a post-COVID-19 society will only get stronger together with the change in people’s values. In an era of unprecedented uncertainty, I believe that general trading companies have an important role to play in anticipating and providing solutions to social issues. In line with the long-term direction envisioned by the Marubeni Group, we will create value and ensure that this value leads to the Group’s sustainable growth by confronting the challenges of society and customers and creating new business models.

The source of the Group’s value creation is its human resources, a corporate culture that makes the most of these human resources, a financial foundation that supports its business, and governance that provides the discipline and direction required for the aforementioned. By strengthening each of these elements as a whole, we will further reinforce the foundation for value creation. At the same time, we will listen to the voices of our diverse stakeholders and engage in highly transparent management that coexists with the environment and society.

Fundamental Materiality

Sustainability for the Marubeni Group means anticipating environmental and social demands, proactively providing solutions, and putting the Management Philosophy into practice. The Marubeni Group has identified three categories of Fundamental Materiality as the three most important fundamental elements in building a better tomorrow and promoting sustainability.

Three categories of Fundamental Materiality

Human Capital with High Social Value

The sources of value creation for the Marubeni Group are the insight, the ability to predict, and the ability to self-transform to anticipate environmental and social demands and to proactively provide solutions. These capabilities are derived from human capital. We will develop and strengthen human capital with high social value and lead to sustainable growth.

See PP.16-21 for details of the GC2021 Group HR Strategy.

Robust Management Foundation

Enabling human capital to use our management foundation to the fullest will ultimately lead to maximizing corporate value. Marubeni’s innovation is based on the corporate culture that fosters value creation, as well as the strong brand presence and sales foundation we have built up through our business and the financial footing that support our operations.

See PP.34-38 for details of revitalization and reinforcement of the financial base; PP.18-19 on initiatives to promote innovation; and P.20 for more on Diversity & Inclusion.

Governance for Coexistence with Society

By deepening our engagement with diverse stakeholders, enhancing the effectiveness of oversight by directors, and targeting greater management transparency, we are working to achieve sustainability based on a governance framework that allows for improved coexistence with society.

See PP.44-61 for details of developing a better governance framework to realize our long-term management goals.

Sustainability Management Organization

- We have set up a Sustainability Management Committee that reports to the President and is chaired by the Chief Sustainable Development Officer (CSDO). To incorporate independent perspectives, several External Directors and External Audit & Supervisory Board members serve on this committee in an advisory role.
- The Sustainability Management Committee 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.
- Sustainability is promoted across the Marubeni Group via the appointment of Sustainability Leaders and Sustainability Managers.



Environmental & Social Materiality

The Sustainable Development Goals (SDGs)* adopted by the United Nations in September 2015 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.

Our categories of Environmental and Social Materiality are based on the 17 goals and 169 targets of the SDGs, and consider stakeholders’ expectations and interests along with the social and environmental impact of our business. By working on Environmental and Social Materiality by utilizing our Fundamental Materiality, we will contribute to achieving the SDGs and work toward building a better tomorrow.



* Sustainable Development Goals (SDGs): The UN Sustainable Development Summit held in September 2015 established the SDGs under the 2030 Agenda for Sustainable Development. Consisting of 17 goals and 169 targets to help realize a sustainable world, the SDGs cover the period from 2016 to 2030.

Process for identifying/reviewing Environmental and Social Materiality

- Extract existing/potential environmental and social issues
- Identify highly material sustainability-related issues for the Marubeni Group based on the following criteria
 - Importance to stakeholders
 - Impact and scope of our business activities on the environment and society
 - Impact on our earnings
- Reflect in operational goals/targets, implement and review periodically

- | FYE 3/2019 | FYE 3/2020 |
|---|--|
| <ul style="list-style-type: none">Environmental and Social Materiality identifiedRelated policies formulated/announced | <ul style="list-style-type: none">More in-depth materiality discussions heldPolicy execution methods formulated |

Climate Change

PP.25-27

Sustainable Forestry

PP.28-29

Four categories of Environmental and Social Materiality

Human Rights & Co-Development with Communities

P.30

Sustainable & Resilient Value Chains

P.31



Climate Change

Climate Change and Marubeni Group Value Creation

Climate change is an urgent global issue due to its broad impact on social and environmental sustainability, as seen in phenomena such as global warming, natural environmental changes and increasing damage due to natural disasters. Various industries are rapidly implementing reforms to help realize a decarbonized society, in line with the Paris Agreement that aims to cut greenhouse gas emissions through coordinated international action.

For the Marubeni Group, which has worldwide operations in a wide range of sectors including power generation and energy-related businesses, these movements present both risks and critical opportunities for growth. We see addressing climate change through business as supporting the sustainable growth of the Marubeni Group. We have set the following targets as part of our efforts to seize the opportunities while mitigating related risks.

The Process of Pulling out of Coal-fired Power Generation

Target

Cut coal-fired net generation capacity (of approximately 3GW as of March 31, 2019) in half by 2030

Progress

Approx. 2.7 GW (as of March 31, 2020)

See website for progress update released on October 4, 2019 (Notification Regarding Business Policies & Progress Pertaining to Sustainability (Update to Coal-Fired Power Generation Business and Renewable Energy Generation Business))

<https://www.marubeni.com/en/news/2019/release/201910041E.pdf>

Proactive Involvement in Renewable Energy Generation Business

Target

Expand the ratio of net generation capacity of renewable energy sources to approximately 20% by 2023

Initiatives

Expansion of the renewable energy generation business

- Start of commercial operation of Sweihan Photovoltaic IPP Project (gross generation capacity 1,177MW) in the United Arab Emirates in April 2019
- Start of commercial operation of Amin Solar PV IPP Project (gross generation capacity 105MW) in Oman in May 2020
- Loan agreements signed in December 2019 for Biomass Power Generation Project (gross generation capacity 44MW) in Gamagori City in Aichi Prefecture
- Power purchase agreement signed for Al Kharsaah Solar PV IPP Project (gross generation capacity 800MW) in Qatar in January 2020
- Loan agreements signed in February 2020 for Offshore Wind Farm Project (gross generation capacity 139MW) at Akita Port and Noshiro Port in Akita Prefecture

Promotion of greater use of renewable energy sources in wholesale/retail electricity markets

- Deploy operations in US and other countries by UK consolidated subsidiary SmartestEnergy Ltd.*
- Equity stakes acquired in WASSHA Inc. and Azuri Technologies Ltd, companies working to expand supplies of solar power to off-grid regions of Africa

* Established by Marubeni in the UK in 2001, SmartestEnergy Ltd. purchases primarily renewable generated energy from small to medium-sized independent power producers, which it then sells wholesale to the market, or retail to corporate buyers.

See PP.84-85 for information on our renewable power generation business and the business strategy of the Power Business Division.

Expansion of “Green Businesses”

Target

Expand “Green Revenue” streams to around ¥1.3 trillion by FYE 3/2024.

Result

Approx. ¥770 billion (FYE 3/2020)

We define “Green Revenue” from Marubeni Group operations as follows:

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

Disclosures in line with the Recommendations of the TCFD

See PP.26-27 for more information.



Full details of TCFD-related disclosures have been omitted from this report, but can be found on our website.
<https://www.marubeni.com/en/sustainability/environment/tcfd/>



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* in February 2019. We are endeavoring to evaluate risks and opportunities engendered by climate change and to enhance related disclosure.

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

Basic Stance on Climate Change

The Marubeni Group is striving to anticipate shifts in society linked to climate change and to create growth opportunities while mitigating related risks.

1	GHG emissions-reduction business creation	One aim of our growth strategy is to create new businesses to reduce emissions of greenhouse gases (GHGs), especially GHG emissions by other emitters*. At the same time, we are working to reduce the GHG emissions of the Marubeni Group. * GHG-emitting entities not in the Marubeni Group, notably business partners and suppliers of products and services
2	Flexibility to revise business portfolio	With businesses expected to face obsolescence or downward earnings pressure due to climate change, we will consider alternatives, including exiting the business. To avoid damaging corporate value, we aim to revise our business portfolio at the appropriate time and to change asset allocations accordingly.
3	A highly diversified business portfolio	The Group's business portfolio is highly diversified, providing a high degree of resilience to climate change. Potential impacts on the Group's finances due to the risks within specific industries or businesses are expected to be limited.

Governance

Our governance structure ensures adequate Board supervision of important climate change-related issues.

Specifically, the Sustainability Management Committee, an advisory body to the President, leads the assessment of any climate-related opportunities/risks and deliberation of related strategy. It reports at least annually to the Board of Directors. Important matters are deliberated and voted on by the Corporate Management Committee and by the Board of Directors.

Deliberation/ reporting FYE 3/2020 and FYE 3/2021 (as of August)	Board of Directors	Deliberations of Sustainability Management Committee and Corporate Management Committee reported
	Corporate Management Committee	ESG-related initiatives and policies, implementation of TCFD-related disclosures

Strategy and Specific Initiatives

We have identified the major climate-related opportunities and risks for the Marubeni Group by considering the potential impact on the 13 business divisions (excluding Next Generation Business Development Division) under the two global warming scenarios* of 1.5°C and 4°C. These are summarized below.

* The "1.5°C scenario" is based on the Special Report on the Impact of Global Warming of 1.5°C released by the Intergovernmental Panel on Climate Change (IPCC), referencing the Sustainable Development Scenario proposed by the International Energy Agency. The scenario sets out the elimination of net CO₂ emissions by 2050 based on initiatives to mitigate climate change.
Based on the IPCC's RCP8.5 scenario, the "4°C scenario" assumes no additional measures are implemented to mitigate global warming, resulting in a mean global temperature rise of 4°C by 2100. This would lead to more severe natural disasters, among other outcomes.

Reference

The major business and service opportunities identified at business division level are classified by climate-related phenomenon.

1.5°C scenario	Adoption of renewables and other clean energy sources <ul style="list-style-type: none">• Large-scale offshore wind farms (Asia/Europe) and solar power plants (Middle East, etc.)• Community-based multi utilities service using distributed power generation• Renewable and distributed power generation facilities, supplying related materials and equipment, and related businesses• Installation/construction of renewable power generation, carbon capture and storage (CCS) and other facilities for a decarbonized future• Establishment of renewable energy funds or funds using green finance• Supplying copper essential to the spread of renewable energy and electrification• Supplying CO₂-free fuels such as hydrogen and ammonia	1.5°C scenario	Transition to circular economy <ul style="list-style-type: none">• Supplying facilities for recycling businesses, including waste material recycling operations• Supplying products offering alternatives to plastics• Supply of cellulose nanofiber• Supplying paperboard made from recycled materials• Textile products recycling businesses
	Transition to low-carbon or decarbonized forms of transport <ul style="list-style-type: none">• Sale and sharing of electric vehicles (EVs), clean energy vehicles and other low-carbon products• Supplying materials required for EVs such as lithium-ion battery materials, cobalt, nickel, and aluminum/lightweight materials• Supplying EV charging infrastructure facilities• Supplying tires and rubber products offering high environmental performance		Adoption of carbon pricing or emissions trading systems <ul style="list-style-type: none">• Acquisition of carbon fixation emissions rights via forest plantation business Promotion of energy saving/energy efficiency <ul style="list-style-type: none">• Supply of automated/smart construction-related services• Supply of construction machinery offering high environmental performance• More efficient power grid systems• Improved fertilizer efficiency from provision of precision agriculture and original products
		4°C scenario	Changes in climate patterns <ul style="list-style-type: none">• Supplying facilities for plant factory• Promotion of secure grain supplies based on an upgraded, diversified grain production portfolio

Each business division is analyzing operations and services identified as potential major risks and considering measures to mitigate these risks. Some of the risk impact assessment done at the business division level is outlined below.

Climate-related phenomenon		Projected impact on business	Risk mitigation countermeasures	Related division
Transition risks	Transition to renewable energy sources, with emissions-reduction policy measures	Adoption of renewables and the transformation to EVs could negatively impact earnings due to lower sales volumes of fossil fuels.	Develop new energy businesses such as hydrogen and ammonia	Energy Division
		The shift to renewables could impact earnings due to reductions in demand for construction machinery used in coal mining and oversized tires used in mining equipment, alongside big increases in procurement costs due to stricter emissions reduction regulations.	Pursue sales opportunities for distributed power sources and related business opportunities	Construction, Industrial Machinery & Mobility Division
	Shift to EVs	Earnings could be impacted negatively by the shift to EVs and other low-carbon vehicles due to higher upfront costs and reduced demand for existing parts and automobiles.	Respond to increased sales opportunities linked to EV adoption and growth in demand for battery-charging infrastructure, etc.	
Physical risks	Changing climate patterns	Failure of crop harvests in a major region such as North America due to changes in climate patterns could significantly impact the earnings of grain origination and agri-input businesses.	Develop agri-input products and services that help farmers increase productivity	Agri Business Division
	More extreme weather events (storms, floods, heavy rain)	Operations could be affected if more extreme weather events paralyzed logistical functions.	Develop more geographically diversified procurement/sales networks and production	

Risk Management

The Sustainability Management Committee undertakes the management and monitoring of the Marubeni Group's major opportunities and risks related to climate change.

- Risk management in internal processes

Sustainability risk assessments, including risks related to climate change, have been introduced as part of the risk analysis prior to investment decisions.

Metrics and Targets

- Cut coal-fired net generation capacity in half from end-March 2019 levels by 2030
- Increase ratio of renewable energy sources of net generation capacity to approximately 20% by 2023
- Expand "Green Revenue" to around ¥1.3 trillion by FYE 3/2024



Sustainable Forestry

Forests and value creation by Marubeni Group

Forests are a precious resource and enrich life on Earth in various ways. The Marubeni Group currently owns around 140,000 hectares of tree plantations across the world (total gross project area: around 310,000 ha), operated using sustainable forestry management methods. Managing these forests through coexistence and co-prosperity with local communities, we strive to create value by addressing social issues, based on the supply of sustainable forestry resources that meet the needs of consumers and business partners. We also aim to contribute to the establishment of a circular economy by fostering innovation in the utilization of forest resources while working to cater to the increasingly diverse environmental needs of society.

Wood resources have high socioeconomic value since they are recyclable and do not impair environmental value if they are properly managed. Through the sustainable management of forests, the Marubeni Group is working to promote forest conservation while increasing the value of our operations.

Forest Management Policy	We formulated the Forest Management Policy to drive our commitments to sustainable forest management and the protection of forests with high conservation value in our business activities.
Product Procurement Policy (Forest-derived Products)	We formulated the Product Procurement Policy to promote the procurement of timber and related products produced from appropriately managed forests, thereby realizing the sustainable use of forest resources.



For more details, see the “Sustainable Forestry” section of our website.
<https://www.marubeni.com/en/sustainability/environment/forest/>



Sustainable Forest Management

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.

The Marubeni Group will continue to manage the supply chain for manufacturing pulp and paper in a sustainable manner, encompassing everything from forest plantation through paper end-product sales.



Forest plantation business in south Sumatra (MHP)

Forest management and forestry certification at Marubeni Group

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	Australia	Forest plantation/wood chips production business	FSC® certification*3 <ul style="list-style-type: none">FM (Forest Management) certificationCoC (Chain of Custody, processing/distribution processes) certification Responsible Wood*4 <ul style="list-style-type: none">Sustainable Forest Management certification

*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.
*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.

Coexistence with Local Communities

The Marubeni Group strives to provide social and economic development of the areas where we operate forest plantations and woodchip and pulp manufacturing. In Indonesia, plantation manager MHP and our consolidated subsidiary PT. Tanjungenim Lestari Pulp and Paper (TEL), to which MHP supplies logs, together employ about 2,000 workers. The Musi Pulp Project has created 10,000 local jobs including at local affiliates. TEL is also involved in improving regional levels of education through the provision of scholarships and the operation of local schools at kindergarten, elementary and secondary level. Other efforts to stimulate the development of the region include support for production of traditional foods and cultivation of agricultural produce to help revitalize the economy, and the construction of infrastructure and public health facilities.

For the Marubeni Group, coexistence and co-prosperity with local communities are the foundation of forest management. We will continue to look for opportunities to create shared value with local communities.




Students at a TEL-operated elementary school

Initiatives related to Product Procurement Policy (Forest-derived Products)

In line with the Product Procurement Policy (Forest-derived Products), we investigate the environmental and social considerations of suppliers as well as their compliance with laws and regulations. We review business relationships with suppliers if our surveys identify any issues that need to be addressed. In the fiscal year ended March 31, 2020, we selected 14 companies in the Group’s supply chain for timber and related products based on certain quantitative and qualitative criteria and conducted

written surveys at those companies. No issues were identified within the scope of the survey. Procedures were reviewed at the end of the survey process as part of a continuous PDCA improvement cycle. Going forward, besides the regular disclosure of information on how our procurement policy operates, we will maintain appropriate communications with our suppliers and other stakeholders.



 Sustainable forest management in Indonesia and Australia and the implementation of the Product Procurement Policy (Forest-derived Products) are both aspects of the business operations of the Forest Products Division. See PP.72-73 for more details on the business strategy of the Forest Products Division.

Sustainable palm oil and the Marubeni Group

Various concerns surround palm oil, including environmental degradation and biodiversity loss caused in the process of cultivation, and human rights violations affecting workers. Demand is growing for “sustainable palm oil,” produced in a way that is conscious of the environment and other concerns such as RSPO*1 certification.

Marubeni became a member of the RSPO in 2015. In 2019, we joined the Japan Sustainable Palm Oil Network (JaSPON), an initiative that promotes the procurement and consumption of sustainable palm oil in the Japanese market. We are building a supply chain in Japan for palm oil-based fatty acids that is stable and meets demand for both large and small amounts to service underlying customer needs. We were the first company in Japan to begin warehouse sales of RSPO-certified fatty acids based on the SCCS (MB)*2 supply chain model.

Elsewhere, our US-based Group company, the agricultural product distributor Pasternak, Baum & Co., Inc., is working as a member of the RSPO and the ISCC*3 to procure and distribute products with low environmental impact to users. Nearly 30% of the palm oil and palm oil derivative products handled by the company are RSPO/ISCC-certified products.

We remain focused on expanding adoption of sustainable palm oil through procurement and distribution of certified products by Marubeni Group companies.

*1. The Roundtable on Sustainable Palm Oil (RSPO) is a non-profit organization that aims to promote sustainable palm oil production and utilization.
*2. The Supply Chain Certification Systems (SCCS) guarantees that palm oil products in the production and distribution processes meets the specified conditions. The Mass Balance (MB) supply chain model is used where sustainable palm oil from certified sources is mixed with ordinary palm oil throughout the supply chain under strictly controlled circumstances.
*3. The International Sustainability & Carbon Certification (ISCC) system is used to certify the sustainability of biomass and bioenergy.



Human Rights & Co-Development with Communities

Human Rights and Value Creation by Marubeni Group

The Marubeni Group conducts business from 136 locations*¹ across 68 countries and regions, employing more than 40,000 people*² from a diverse range of nationalities and ethnicities. We are active in a wide range of businesses and conduct global, multi-faceted activities. With serious human rights violations by the overseas operations of companies against local workers and residents now a burgeoning issue, we have a responsibility as a global enterprise to address these issues. We believe respect for the human rights of those people affected by our business activities is indispensable. Furthermore, we are obliged to take appropriate corrective measures if there is evidence that our business activities have had a negative impact, since failure to do so would pose a significant risk of impairing corporate value. The Marubeni Group seeks to create sustainable value by conducting business activities that respect human rights.

Basic Policy on Human Rights	The Marubeni Group Basic Policy on Human Rights incorporates three basic principles from the UN Guiding Principles on Business and Human Rights, namely: 1) respect for human rights, 2) due diligence on human rights, and 3) redress.
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For more details, see the "Respect for Human Rights" section of our website.
https://www.marubeni.com/en/sustainability/social/human_rights/



*1. As of April 1, 2020
*2. As of March 31, 2020

Sustainability Assessment and Human Rights Due Diligence

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, resilient and respect human rights. 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," "Safety and Health," 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 difficulty of remedy.

Human rights due diligence

Within the "Social" category of risks, we take a comprehensive stance to include items that relate to social, human rights or labor-related aspects of international standards associated with corporate social responsibility. We also include supply chain risk management items to reflect the UN Guiding Principles on Business and Human Rights and other guidelines. We have

introduced these risk assessment methods to internal processes, such as surveys of consolidated subsidiaries and risk analysis of new investments. Through these efforts, the Marubeni Group will continue to conduct human rights due diligence.

Risk assessment items by category

Environmental	Climate change / environmental pollution / biodiversity / resource management / mitigation measures and administrative procedures
Safety and Health	Machine safety / fires and explosions / toxic substance exposure / infection / hazardous operations / mitigation measures and administrative procedures
Social	Forced labor and human trafficking / child labor / working hours / wages and employment contracts / discrimination / harassment at work and disciplinary measures / respect for diversity / freedom of association / land issues / negative social impact on local communities / indigenous peoples and cultural heritage / conflict minerals / privacy / animal welfare / responsible marketing / mitigation measures and administrative procedures (supply chain)



Sustainable & Resilient Value Chains

Supply Chains and Value Creation by Marubeni Group

The Marubeni Group deals with thousands of suppliers to conduct transactions and operate a wide range of businesses on a global scale. At the same time, the Group supplies a huge range of diverse products to many business partners. Our view is that building sustainable and resilient supply chains, coupled with efforts to protect the global environment and promote sustainable development of society throughout the Group's supply chain, will directly strengthen the competitiveness and differentiation of the Marubeni Group.

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

Basic Supply Chain Sustainability Policy	We have formulated the Basic Supply Chain Sustainability Policy to promote sustainability in a highly effective way in cooperation with business partners.
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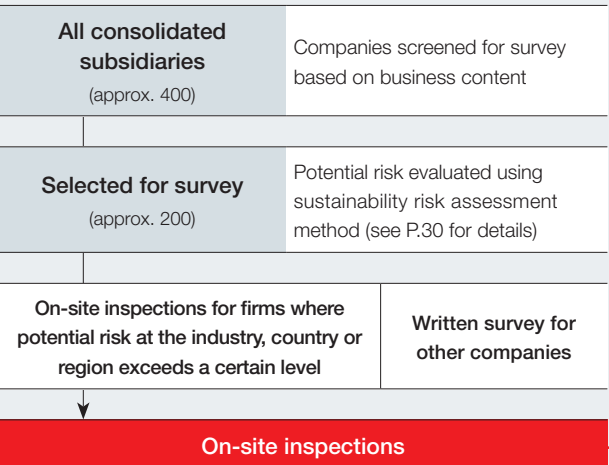
For more details, see the "Basic Supply Chain Sustainability Policy" section of our website.
https://www.marubeni.com/en/sustainability/social/supply_chain/



Supply Chains Start with Consolidated Subsidiaries

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. Recognizing that safeguarding the sustainability of these business operations is a first step and a critical element of building sustainable and resilient supply chains, we have instituted sustainability surveys for our consolidated subsidiaries. From the fiscal year ended March 31, 2020, we assessed potential risks according to the process outlined below. On-site inspections were conducted at four domestic consolidated subsidiaries.



* On-site inspections were suspended as of August 2020 due to the COVID-19 outbreak. Placing the safety of all concerned as our top priority, we plan to resume inspections once it is confirmed these can be conducted safely.

CLOSE UP

On-site inspection

Our on-site inspection of the Chiba terminal of Marubeni Ennex Corporation, which operates distribution terminals in Japan for petroleum products, LPG and petrochemicals, was done with an external consultant. The inspection was used to ascertain the management status of the business in terms of its environmental, safety and health, and social aspects, using interviews of management and on-site managers and a tour of the site while in operation. Lasting three days, the inspection confirmed the continuous good efforts of Marubeni Ennex Corporation on aspects such as environmental management, safety and health management, and disaster preparedness. It also identified opportunities for improvement and related follow-up items.

Aiming to develop supply chains preferred by our business partners, the Marubeni Group is collectively focused on strengthening efforts to promote sustainability at all our business sites.



On-site inspection in progress