Notification Regarding Marubeni’s Sustainability Management and Policies

Marubeni Corporation (hereinafter, “Marubeni”) has identified “Fundamental Materiality” and “Environmental & Social Materiality” as essential elements and issues necessary in order to re-clarify the Marubeni Group’s basic views on sustainability, as well as further strengthen and promote the Group’s sustainability activities. Marubeni has also newly formulated and revised related efforts and policies.

The information in this release has been approved by the Board of Directors after having been reviewed and revised more than 20 times by the Sustainability Management Committee, which was created in April 2018 under the direct control of the CEO, with the participation and input of external directors, external Audit & Supervisory Board members, and external advisors.

<Marubeni’s Views on Sustainability>

The Marubeni Group set the Global crossvalue platform as its vision for the future of the company in order to proactively engage in the world’s environmental and social issues, and create innovative solutions to those issues (the Global crossvalue platform is compatible with both “vertical evolution”, which will further fortify our traditionally strong businesses, and “horizontal expansion”, which will combine the internal and external strengths of the Marubeni Group). In doing so, the company strives to create a richer future for the world, and surpass the expectations of society and stakeholders.

Under the company creed “Fairness, Innovation, Harmony”, the Marubeni Group believes that sustainability is the practical application of its Management Philosophy, “In accordance with the spirit grounded in “Fairness, Innovation, Harmony”, the Marubeni Group is proudly committed to social and economic development and safeguarding the global environment by conducting fair and upright corporate activities.”

Global environmental and social concerns like climate change, deforestation, and human rights issues are salient problems that threaten our environment and society’s ability to survive. The Marubeni Group believes that clarifying and executing its mid-long term policies with respect to these problems is directly connected to the improvement of non-financial value and company value.
We have determined that “Fundamental Materiality”, specifically “Human Capital with High Social Value”, “Robust Management Foundation”, and “Governance for Coexistence with Society”, are the most important elements for the foundation of promoting sustainability, and for running business activities that will drive sustainable growth for the Marubeni Group.

The Marubeni Group places a high value on its people. “Human Capital with High Social Value” does not just people who are important to the company, but people who are important to and valued by society.

To us, Human Capital with High Social Value means:

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

We will nurture Human Capital with High Social Value, and thereby bring about innovation and provide solutions.

The Marubeni Group will draw out the abilities of its human capital to the fullest extent, by further strengthening its already sturdy management foundation which is the foundation of human capital itself and has a healthy financial structure; improving its tremendous brand recognition and trust; fostering a company environment and culture that gives Human Capital with High Social Value a sense of purpose; and cultivating the diversity & inclusion that breathe life into this organization.

Furthermore, given the expectations and needs of society, the Marubeni Group will deepen its engagement with its diverse stakeholders, improve the effectiveness of the Board of Directors’ oversight function and the transparency of company management. Through these things, we will strengthen our governance in order to coexist with society.

<Environmental & Social Materiality>
The Sustainable Development Goals (SGDs)*1, adopted by the United Nations in September 2015, are goals and targets shared by governments, the private sector and civil society for achieving sustainability and leaving the world a better place for future generations. In recognition of this, the Marubeni Group has identified the following categories of Environmental and Social Materiality in which it can truly make a valuable contribution.:  
・ Climate Change  
・ Sustainable Forestry  
・ Human Rights & Co-development with Communities  
・ Sustainable & Resilient Value Chains

*1 Sustainable Development Goals (SDGs): As a first step, in 2001 the UN established the Millennium Development Goals (MDGs) with a target date of 2015. Subsequently, in September 2015 the UN Sustainable Development Summit established the SDGs under the 2030 Agenda for Sustainable Development. They are a set of international goals covering the period from 2016 through to 2030, and consist of 17 goals and 169 targets.
The first category identified is, “Climate Change”. Climate change is a threat to all of humanity, and its influence is significant for each person living on this planet. Therefore, every global citizen should do what they can, with what they have, to seriously combat the issue of climate change. As a “citizen” of the Earth, the Marubeni Group will engage in the fight against climate change through its business activities. As one part of those activities, in September of last year, Marubeni released its “Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business)”. Furthermore, the Marubeni Group will focus on businesses that contribute to the fight against climate change, and increase its trading volume with such businesses (Green Revenue) from 700 billion yen in FY2017, to 1,300 billion yen in FY2023.

Lastly, the Marubeni Group recognizes the importance of climate-related financial disclosures. As new measures to counter climate change, in addition to affirming the recommendations of the TCFD*, we will endeavor to better understand the financial impact of both the risks and opportunities brought about by climate change, and also engage in improved climate-related financial disclosure.

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

The Marubeni Group, which has developed a vast variety of paper pulp related businesses, also feels a great sense of duty to contribute to sustainable forest management and conservation. Currently, the Group holds 140,000 hectares of tree plantation business throughout the world in countries like Indonesia and Australia. The Group demonstrates, both internally and externally, its foundational policies towards tree plantation business including anti-deforestation, consideration of impact on indigenous species, and sourcing forest products that has been produced from properly managed forests. In doing so, the Marubeni Group will help to protect the irreplaceable forests of the Earth, providing various benefits to all forms of life.

Furthermore, the Marubeni Group will respect human rights in every facet of its business, work towards co-developing with communities in countries around the world, and create sustainable and resilient value chains along with its many business partners. As a part of this plan, based on the UN’s “Guiding Principles on Business and Human
Rights”, Marubeni has adopted the “Basic Policy on Human Rights”, and revised the “Basic Supply Chain CSR Policy” which was established in 2008; the Group has also established the new “Basic Supply Chain Sustainability Policy”. The Marubeni Group will broaden new business opportunities by reinforcing the sense of trust that says, “With Marubeni, You’re in Good Hands”.

The world is changing at an ever faster pace. Moving forward, we will continue to revise our process for “Building a Better Tomorrow”, while also contributing to the conservation of the global environment and the continuous development of the society.

Today, Marubeni released the English version of the “Sustainable Development Report” on the Marubeni Homepage. This report defines the company’s basic stance on sustainability, as well as related efforts, endeavors and policies. Until now, Marubeni has used its Integrated Report and Homepage to release sustainability information, but from now on this information will also be released in the Sustainable Development Report. The Marubeni Group’s sustainability efforts and activities are evolving every day. Therefore, the Sustainable Development Report will be periodically updated and released in an easy to understand manner.

Lastly, the report that we released today contains only this company’s basic stance on sustainability and related policies and activities. More specific information, including data and research, is scheduled to be released in May, 2019.