

Marubeni Corporation (Green Bond 2021)

Type of Engagement: Annual Review

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Introduction

In September 2021, Marubeni Corporation ("Marubeni") issued a green bond aimed at financing expenditures related to Renewable Energy, Environmentally Sustainable Management of Living Natural Resources and Land Use, Sustainable Water and Wastewater Management, and Pollution Prevention and Control (USD 500 million 5-Year Green Bond, hereinafter the "2021 Green Bond"). As of March 31, 2022, the proceeds have been allocated to projects in each of the four Eligible Categories. In June 2022, Marubeni engaged Sustainalytics to review the projects funded through the 2021 Green Bond and assess whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Marubeni Corporation's Green Bond Framework (the "Framework").¹

Evaluation Criteria

Sustainalytics evaluated the projects funded with proceeds from September 2021 to March 2022 based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on the impact indicators for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Eligibility Criteria and associated impact indicators for the Use of Proceeds category to which the proceeds were allocated.

Table 1: Use of Proceeds, Eligibility Criteria, and associated impact indicators

Use of Proceeds	Eligibility Criteria	Impact indicators
Renewable Energy	Renewable Energy Investment in or expenditures related to development, construction, management, and/or operation & maintenance from renewable energy with direct emissions of less than 100g-CO ₂ / kWh including: • Solar energy • Wind energy • Geothermal energy • Biomass energy (runs exclusively on wood pellets produced from externally certified wood and chip) • Small scale hydro energy (Maximum of 25 MW in installed capacity)	• Power generation capacity (MW) • Environmental impact such as the achieved reduction in CO₂ emissions (t-CO₂)
Environmentally Sustainable Management of Living Natural Resources and Land Use	Externally certified afforestation Investment in or expenditures related to tree planting, management, operation & maintenance, research & development from FSC/PEFC certified afforestation	• Planting area (ha)

¹ Marubeni Corporation's Green Bond Framework is available at the following link:
https://marubeni.disclosure.site/en/sustainability/pdf/greenbond/greenbond_framework_en.pdf

Sustainable Water and Wastewater Management	Water supply and sewage Investment in or expenditures related to development, construction, management, and/or operation & maintenance from water supply and sewage business including: • Water Supply-Related Facilities • Sewerage Management-Related Facilities • Facility/Equipment • Pipes	• Water management capacity
Pollution Prevention and Control	Magnesium refining Investment to or expenditures related to research & development and capital investment from magnesium refining business	• Magnesium smelting capacity (t)

Issuing Entity's Responsibility

Marubeni is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Marubeni's 2021 Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Marubeni employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by Marubeni with respect to the projects in the Eligible Categories. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Marubeni.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Marubeni's 2021 Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework. Marubeni has disclosed to Sustainalytics that the proceeds of the 2021 Green Bonds were fully allocated as of March 31, 2022.

² Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Evaluation Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the 2021 Green Bond from September 2021 to March 2022 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the 2021 Green Bond from September 2021 to March 2022 to determine if the impact of projects were reported in line with the impact indicators outlined in the Framework and above in Table 1.	All projects reviewed reported on impact indicators per Use of Proceeds criteria.	None

Appendix

Appendix 1: Allocation of Green Bond Proceeds

Use of Proceeds	Net Bond Proceeds Allocation (USD-mn)
Renewable Energy	228.8
Environmentally Sustainable Management of Living Natural Resources and Land Use	173.9
Sustainable Water and Wastewater Management	84.7
Pollution Prevention and Control	12.7
Total Net Bond Proceeds Allocated:	500
Total Net Bond Proceeds Unallocated:	0
Total Net Bond Proceeds from Green Bond issuance:	500

Appendix 2: List of impact indicators

Use of Proceeds	Impact indicators ³
Renewable Energy	- Power generation capacity: 572.8 MW - CO₂ reduction amount: 689,562.7 t
Environmentally Sustainable Management of Living Natural Resources and Land Use	Planting area : 88.0 thousand ha
Sustainable Water and Wastewater Management	Water management capacity: 109,637,929 m³
Pollution Prevention and Control	- Magnesium smelting capacity: 16,700 t - CO₂ emission intensity: 2.5 t/Mg t

³ Impact Reporting by Marubeni is available at: https://marubeni.disclosure.site/en/sustainability/pdf/greenbond/greenbond_reporting_en.pdf

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