

Sustainability at the ITOCHU Group



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Our Founder Chubei Itoh and “Sampo-yoshi”

The foundation of ITOCHU Corporation traces back to 1858, the year in which Chubei Itoh set out from Toyosato Village, in Shiga Prefecture, to Nagasaki as a traveling linen merchant.

The base of Chubei Itoh’s business was the spirit of “Sampo-yoshi”, which was a management philosophy of merchants in Ohmi, a province where he was born. The philosophy started in the shogunate era. Due to the merchants’ contributions to the society, they were permitted to promote business activities in the region. Since then, not only good for the seller and the buyer, but also for the society became the management philosophy. This can be said to be the roots of today’s idea of sustainability, which requires corporations to balance their business activities with the interests of a variety of stakeholders. That spirit is evident in Chubei Itoh’s personal motto, “Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of the society.”



Our founder Chubei Itoh
(1842 - 1903)



Ohmi merchants
(Photo courtesy of Archival Museum for the Faculty of Economics
at Shiga University)

The Roots of a Management Philosophy Inherited Since the Foundation

Our founder Chubei Itoh established a “store law” in 1872, and adopted a meeting system. The store law was a set of house rules covering what in modern parlance called management philosophy, a human resources system and employment regulations, which subsequently became the foundation of ITOCHU Corporation’s management philosophy. Emphasizing communication with employees, Chubei Itoh chaired meetings himself. Moreover, he incorporated a series of what were at the time groundbreaking management systems, including the codification of “sharing of profit by three parties”^{*} and western bookkeeping methods. Those initiatives built the foundations of mutual trust between the store owner and the employees. Since that era, we have based our corporate management on sustainability.

^{*} Sharing of profit by three parties: In a predominately feudal era, this was an extremely progressive philosophy of sharing profits with employees. The store’s net profit was divided among three parties: the store owner, the store’s reserve fund, and store employees.



A daifukuchō ledger from the time of ITOCHU's founding

160 Years of History and Sustainability

Why were we able to keep developing for such a long period of time? We believe that it is because we have put into practice the spirit of “Sampo-yoshi” for over 160 years, which is the root of sustainability. At the same time, as the business environment has changed with the times, we have established a corporate culture that anticipates changes and turns it into opportunities.

Since the foundation, ITOCHU Corporation has consistently thrived despite the turmoil it has faced in different eras, including two world wars and economic volatility. Starting as a trading company mainly handling textiles, we have fulfilled the role of a trading company that has responsively changed according to the demands of each generation. Furthermore, while significantly changing its products and business portfolios, we have expanded our sphere of influence from upstream raw materials to downstream consumer sales. ITOCHU Corporation has evolved into a general trading company, and from there into a globally integrated corporation.

We are convinced that our history has continued for more than 160 years because we have surely upheld and passed on the spirit of “Sampo-yoshi” while remaining an essential component of society by responding to changes, in its expectations in different eras.



The headquarters with modern amenities built in 1915

"Sampo-yoshi" Capitalism

To realize a sustainable society, we embrace an approach to capitalism with greater emphasis on serving all stakeholders. Through our business activities, we will contribute to the achievement of SDGs in such ways as maintaining the foundations of everyday life and protecting the environment.

Based on the spirit of ITOCHU Mission "Sampo-yoshi," which is also the founding spirit, we have identified seven Material Issues that incorporate the perspectives of the environment, society and governance (ESG) as shown in the diagram below.

We are steadily implementing initiatives through our core businesses to address these Material Issues. In the new medium-term management plan that begins in FYE 2022, in particular, we will actively promote "Business expansion in accordance with a decarbonized society," "Leading development in the recycling businesses," and "Sustained growth through strengthening the value chain."



Policy & Basic Approach

The ITOCHU Group Sustainability Policy

ITOCU Group, conducting business globally under the spirit of “Sampo-yoshi”, the management philosophy of merchants in the Ohmi province of Japan (present-day Shiga Prefecture) which is our Corporate Mission, considers that addressing global environmental and social issues is one of the top priority issues in its management policy. We contribute to the realization of a sustainable society based on The ITOCHU Group Code of Ethical Conduct, in order to achieve the goals of The ITOCHU Group Corporate Guideline of Conduct, “I am One with Infinite Missions.”

1. Identification of material issues and promotion of businesses that address the social issues

As a member of the international community, we will identify and assess material issues where we can create the most social and environmental value for that can enhance the sustainable growth of both society and our business.

2. Establishment of mutual trust with society

We will take necessary measures to ensure that we disclose accurate and clear information and maintain a communicative relationship with our stakeholders. In doing so, we aim to be receptive and responsive to the expectations and demands of society.

3. Strengthening supply chain and business investment management to lead to sustainable use of natural resources with respect for human rights and consideration for the environment

While engaging in business activities, we respect the legal systems of each country and international rules, and strive to prevent the occurrence of environmental pollution and/or human rights and labor issues that threaten our lives. In addition, we give due consideration to the mitigation of and adaption to climate change, the preservation of the global environment, such as through the conservation of biodiversity and ecosystems, and human rights issues.

We endeavor to understand how natural resources are utilized (such as air, water, land, food, minerals, fossil fuels, animals, and plants) and what consideration is given to human rights and labor issues, both in the businesses where we invest and in the supply chains related to the products we handle. We request our business partners to understand and implement our concept of sustainability, and aim to build a sustainable value chain.

4. Education and awareness of employees to promote sustainability

We believe that the promotion of sustainability starts with each and every employee. Therefore, we will take necessary measures to educate our employees on the material sustainability issues we have identified and nurture a sustainability mindset among the workforce. Every employee is expected to adhere to this policy by executing respective action plans drafted in alignment to this policy.

April 2020

Fumihiko Kobayashi

Member of the Board

Executive Vice President

Chief Administrative Officer

Reference Guidelines and Principles for Promoting Sustainability

In promoting sustainability, we refer to international guidelines and principles such as The Ten Principles of the United Nations Global Compact and Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015. The guidelines and principles we refer to are listed below.

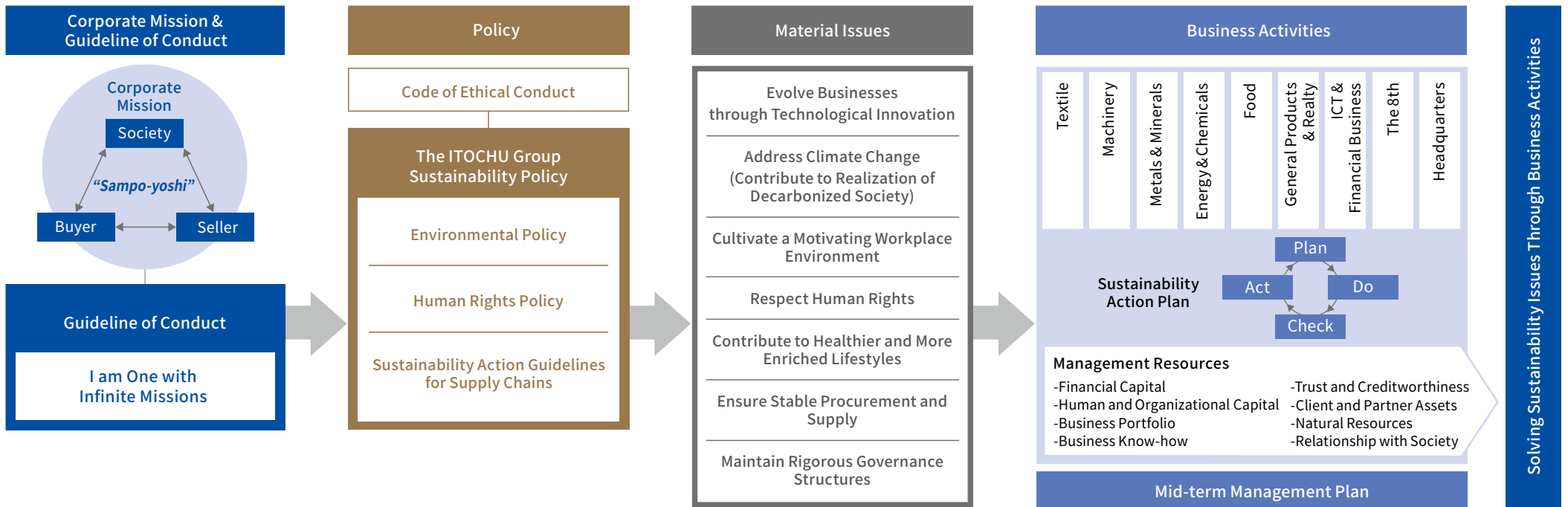
- The Ten Principles of the United Nations Global Compact
- GRI Standards (2016)(2018)
- International Integrated Reporting Framework (IIRC)
- ISO 26000 (Social Responsibility)
- TCFD Recommendations
- Universal Declaration of Human Rights (UDHR)
- UN Guiding Principles on Business and Human Rights
- Sustainable Development Goals (SDGs)
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Basic Principles on the Use of Force and Firearms by Law Enforcement Officials
- OECD Guidelines for Multinational Enterprises
- The Environmental Reporting Guidelines (2012)(2018) issued by the Ministry of the Environment
- Keidanren: Charter of Corporate Behavior
- Japan Foreign Trade Council: Shosha’s Corporate Environmental Code of Conduct, Supply Chain CSR Action Guidelines

Structure and System

Promoting Sustainability at ITOCHU Corporation

We established The ITOCHU Group Sustainability Policy (P10) to set ITOCHU Corporation's initiatives to further sustainability in accordance with our corporate mission and the dynamic environment in which we operate. Our implementation of the policy is organized and systematic. In the course of implementation, ITOCHU Corporation determines the Material Issues with priority need for a solution, then inserts the Material Issues into Sustainability Action Plans (P16). These plans guide operations in our trading and business investments as we carry out the policies in the mid-term management plan, thus helping to solve the aforementioned issues.

Sustainability Promotion Flow

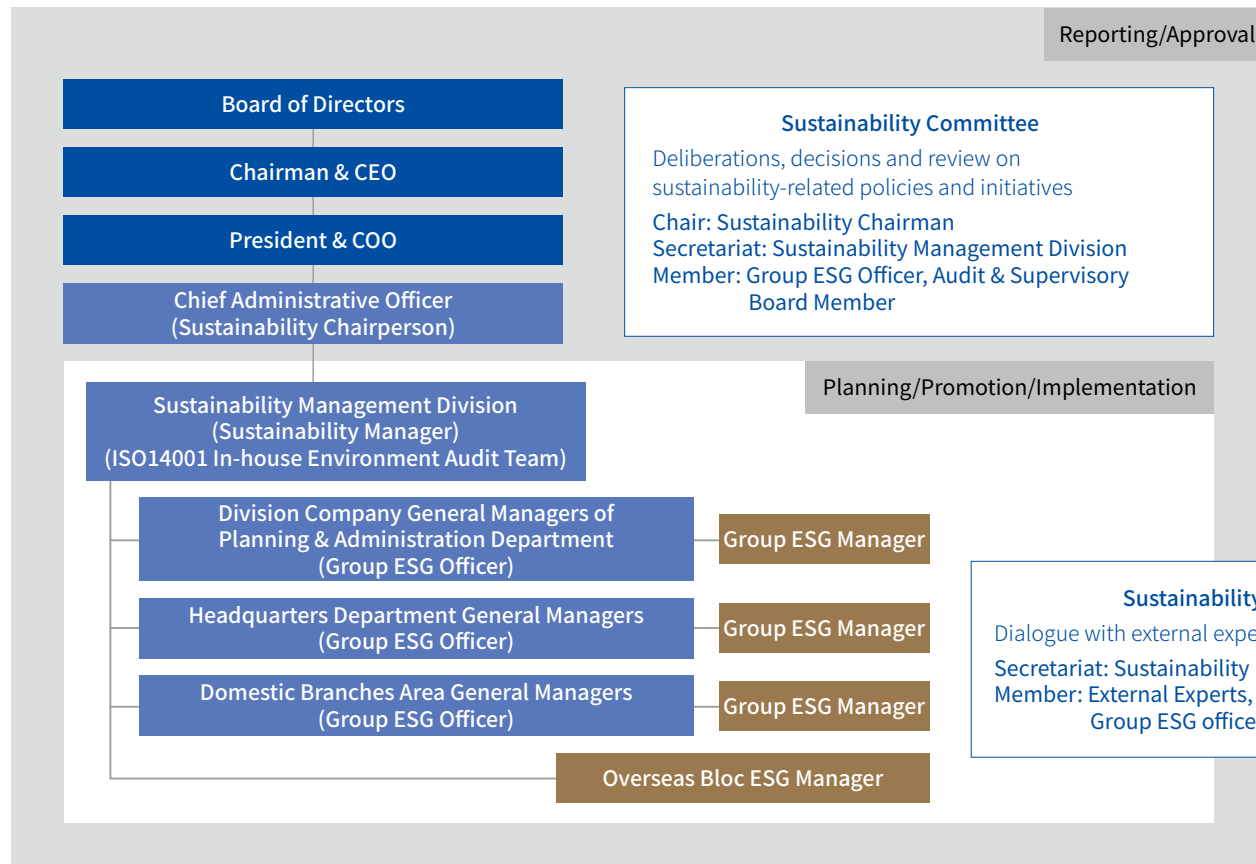


Structure and System

Structure for Promoting Sustainability

The Sustainability Management Division plans and formulates company-wide action to further sustainability at ITOCHU Corporation, which the Sustainability Chairperson served by the Chief Administrative Officer finalizes. Meanwhile, the ESG Officers and Managers in each unit carry out sustainability actions. The Sustainability Committee, one of the company's key committees, holds deliberations and makes decisions concerning policy formulation and important matters. In addition to a role in heading the Sustainability Committee, the committee's chair joins meetings of the Board of Directors, the HMC and the Investment Consultative Committee, and also engages in decision-making based on the company's impact on the environment and society by reporting regularly to the Board of Directors to brief them on our promotion of sustainability. We furthermore engage in dialog with stakeholders within and outside the company. One example of this is our regularly convened advisory board. This dialog provides an understanding of what society expects of and desires from the company, which we can then apply to our initiatives at advancing sustainability.

■ Sustainability Promotion Framework (FYE 2022)



■ FYE 2021 Sustainability Committee

Members	Chair: CAO Members: General Manager of the Corporate Planning & Administration Division, General Manager of the Corporate Communications Division, General Manager of the General Accounting Control Division, General Manager of the Human Resources & General Affairs Division, General Manager of the Finance Division, General Manager of the Legal Division, General Manager of the Sustainability Management Division, General Manager of the Investor Relations Division, General Managers of the Planning & Administration Departments of each Division Company, Corporate Auditors
Primary Purview	<ul style="list-style-type: none"> • Sustainability Action Plan Review • ISO14001 Environmental Management Review • Report on Human Rights Due Diligence in FYE 2021 • SDGs Bond Framework Assets

Initiatives: Material Issues

In April 2018, ITOCHU put forth material sustainability issues that incorporate an ESG perspective. Addressing these issues through its main business will help ITOCHU accomplish its previous Medium-Term Management Plan's goal of achieving ongoing growth through ITOCHU Mission, the spirit of "Sampo-yoshi". ITOCHU's sustainability initiatives, which aim to fulfill our responsibilities for the society of today and the future, also contribute to the achievement of the Sustainable Development Goals (SDGs)* adopted by the United Nations in 2015.

* Sustainable Development Goals (SDGs): Targets for sustainable development to achieve by 2030, adopted in September 2015 by member states of the United Nations

- Identification and Review Process for Material Issues (P14)
- Risks and Opportunities Pertaining to Each Material Issue (P15)
- Sustainability Action Plans (P16)

Evolve Businesses through Technological Innovation

We create new value by proactively exploring new technologies as we adapt to a transforming industrial establishment by venturing beyond the framework of our existing business.



Address Climate Change (Contribute to Realization of Decarbonized Society)

As we endeavor to adapt to climate change's impact on business, we further business activities that contribute to a decarbonized society and work to reduce greenhouse gas emissions.



Cultivate a Motivating Workplace Environment

We provide a setting where employees are proud and motivated, and where we can leverage diversity so they can fully exhibit their capabilities.



Respect Human Rights

While showing respect and consideration for human rights in our operations, we bring stability to our business and contribute to the development of local communities.



Contribute to Healthier and More Enriched Lifestyles

With the intention of raising quality of life for all people, we help make healthy, bountiful living possible.



Ensure Stable Procurement and Supply

With aspirations for a recycling-oriented society, we give consideration to biodiversity and other important aspects of the environment to engage in effective use and steady procurement and supply of resources in line with their demand in each country.



Maintain Rigorous Governance Structures

We ensure proper and efficient execution of operations through the Board of Directors' independent, objective and highly effective oversight of management and highly transparent decision-making.

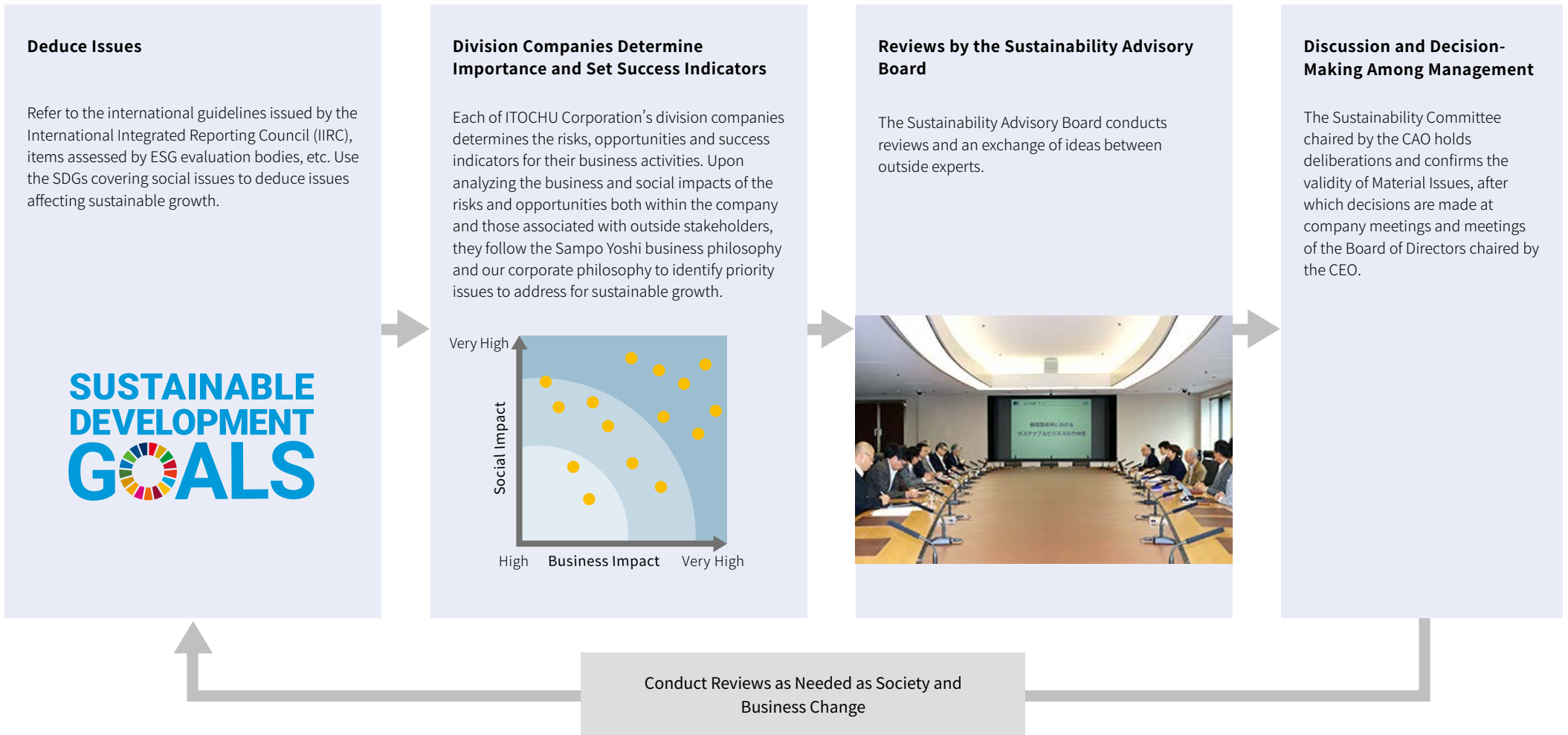


SUSTAINABLE DEVELOPMENT GOALS



Initiatives: Identification and Review Process for Material Issues

Since ITOCHU Corporation first identified Material Issues in 2013, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders. In FYE 2019, when the previous Medium-Term Management Plan kicked off, we identified seven new Material Issues based on the recent adoption of the SDGs, the Paris Agreement on climate change coming into effect and other social developments and changes affecting business and are following them in the current Medium-Term Management Plan “Brand-new Deal 2023”.



Initiatives: Risks and Opportunities Pertaining to Each Material Issue

Material Issues	Risks	Opportunities
Evolve Businesses through Technological Innovation	<ul style="list-style-type: none"> • Obsolescence of existing business models resulting from the emergence of new technologies, such as IoT and AI. • Labor shortage in developed countries, loss of excellent human resources in businesses in which efficiency improvement is delayed. 	<ul style="list-style-type: none"> • Creation of new markets and provision of innovative services. • Utilizing new technologies for optimizing human resources and logistics, increasing competitiveness by promoting work style reform.
Address Climate Change (Contribute to Realization of a Decarbonized Society)	<p>Transition Risk</p> <ul style="list-style-type: none"> • Reduction in demand for fossil fuels due to business restrictions on greenhouse gas emissions. <p>Physical Risk</p> <ul style="list-style-type: none"> • Damage to business due to the increase in abnormal weather (e.g., droughts, flooding, typhoons and hurricanes). 	<ul style="list-style-type: none"> • Increase in renewable energy and other business opportunities which will contribute to alleviating climate change. • Retention and acquisition of customers by strengthening supply structures that can adapt to abnormal weather.
Cultivate a Motivating Workplace Environment	<ul style="list-style-type: none"> • Decline in labor productivity, loss of excellent human resources, missed business opportunities, increase in health-related expenses, and other events that would result from failure to take appropriate measures. 	<ul style="list-style-type: none"> • Improvement of labor productivity, health and motivation, securing of excellent human resources, enhanced capability of responding to changes and business opportunities, and other events that will result from providing a motivating workplace environment.
Respect Human Rights	<ul style="list-style-type: none"> • Business delay or business continuity risk resulting from the occurrence of a human rights problem in business activities that expands (geographically). • Decline in credibility that may result from defects in the social infrastructure services we provide. 	<ul style="list-style-type: none"> • Stabilization of business or securing of excellent human resources resulting from harmonious coexistence with local communities. • Establishment of safe, stable supply system for product enabled by the consideration of human rights and improvement of work environment in the supply chain.
Contribute to Healthier and More Enriched Lifestyles	<ul style="list-style-type: none"> • Decline in credibility that would result from the occurrence of consumers and service users' safety or health issues. • Impact on business of destabilization of the market or social security system based on policy change. 	<ul style="list-style-type: none"> • Increase in demand for food safety and security and health improvement. • Expansion of information, financial and logistics services resulting from an increase in consumer spending or penetration of the internet.
Ensure Stable Procurement and Supply	<ul style="list-style-type: none"> • Impact of opposition movement resulting from the occurrence of an environmental problem and worsening relationship with local communities. • Structural exhaustion of the overall industry caused by the occurrence of price competition, mainly in the consumer-related sector. 	<ul style="list-style-type: none"> • Increase in resource demand attributed to an increase in population and improvement of living standard in emerging countries. • Winning customer trust or creating new businesses with a stable supply of environmentally friendly resources and materials.
Maintain Rigorous Governance Structures	<ul style="list-style-type: none"> • Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control. 	<ul style="list-style-type: none"> • Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.

Initiatives: Sustainability Action Plans

As a concrete initiative to address the Material Issues we have identified, we embed these issues into the Sustainability Action Plan for each business sector. Each company deduces the risks and opportunities associated with critical sustainability issues in each business sector, formulates a Sustainability Action Plan that stipulates the approach and success indicators to achieve their medium- and long-term commitments, and holds semi-annual review meetings for each unit affected by the plan. This implementation of the PDCA cycle advances sustainability.

In addition, each unit—headquarters administrative divisions, domestic branches and offices, overseas locations,


etc.—formulates a Sustainability Action Plan according to its business and function, the goal being to further entrench the foundations supporting business activities.

After the Materiality is identified, we reflect it in sustainability action plans in each business area as specific measures for contributing to the solution of social issues.

We promote sustainability by defining the Commitment, which shows how we achieve medium- and long-term growth and provide value to society, and specific approach and performance indicators for achieving the Commitment.

Evolve Businesses through Technological Innovation





Risks	Opportunities
<ul style="list-style-type: none"> • Obsolescence of existing business models resulting from the emergence of new technologies, such as IoT and AI. • Labor shortage in developed countries, loss of excellent human resources in businesses in which efficiency improvement is delayed. 	<ul style="list-style-type: none"> • Creation of new markets and provision of innovative services. • Utilizing new technologies for optimizing human resources and logistics, increasing competitiveness by promoting work style reform.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company		Improving and increasing the efficiency of business processes	Textile products in general	We will strive to sustain and improve the textile industry by promoting the digital transformation of our entire group.	Contribute to an increase in the efficiency of business processes, the optimization of inventory and the strengthening of customer relationship management in group companies by utilizing IT and data and promoting RFID.	Promote the digital transformation of group companies and then aim to increase profits, improve the efficiency of business, cut costs and reduce inventory/disposal losses by utilizing IT and data.	We established the new Digital Strategy Dept on July 1, 2020. We are now promoting the digital transformation of management in general. We introduced RFID tags (2.5 million) developed by our group company Sankei into JOI'X CORPORATION and then started reforming business in stores and product centers.
Metals & Minerals Company		 Next-generation business Development	<ul style="list-style-type: none"> • Mining business • Resource-related business • Logistics business 	We will contribute to improving business efficiency and eliminating concerns about skilled worker availability while fully considering the health and safety of on-site employees.	<ul style="list-style-type: none"> • Promote an increase in efficiency of mine operations and facility management utilizing digital transformation. • Promote conversion to the automatic operation of mining equipments such as underground mining equipments and dump trucks. 	Promote efforts that contribute to an improvement in the health and safety of employees at operation sites and in the overall business efficiency.	* Because of new commitment, review will be conducted from the next fiscal year.
Food Company			Overall food-related businesses	<ul style="list-style-type: none"> • We will aim to improve productivity and increase business efficiency in the overall food-related field by promoting systemization of RPA and AI. • We will aim to create innovative services and new business by integrating resources and new technologies of the ITOCHU Group. 	<ul style="list-style-type: none"> • We will aim to improve productivity and increase business efficiency by introducing and utilizing new systems and new technologies focused on the food distribution field. • We will create unique new value by combining the wide ranging product lineup, functions and expertise of our group based on retail customer needs. 	<ul style="list-style-type: none"> • Continue to promote business reform with the introduction of AI, RPA and other systems. • Promote the development of new products and services through the food wholesale business developed by the ITOCHU Group. 	<ul style="list-style-type: none"> • We are currently promoting the digitalization of invoices, delivery statements and other similar documents in cooperation with group companies. • We are promoting an increase in the efficiency of logistics with the optimization of delivery routes and automatic ordering functions. • We are providing marketing tools to improve user-friendliness for consumers through the ITOCHU Group's food wholesale business.
ICT & Financial Business Company			Business incubation through venture investments, focusing on FinTech, IoT, AI and Remote technologies	Challenge to create new businesses by utilizing cutting-edge innovations and service models in the FinTech, IoT, AI and Remote technology sectors.	Seek opportunities to invest in and partnership with various startups, so as to develop new businesses.	Realization of new services and businesses.	Continuing on from the previous fiscal year, we have invested in over 10 venture companies inside and outside of Japan in the new technology and healthcare fields and some of them were invested via overseas funds. We are currently working with these companies to develop new businesses. Considering the declining birth rate and aging population in Japan, we invested in a labor saving technology that can be used in retail store and warehouse operations, aiming to contribute to sustainability and efficiency in this sector.
The 8th Company			Consumer related business	We will aim to create innovative services and new business by integrating assets and new technologies of the ITOCHU Group.	Increase contact with consumers by promoting the retail business in our efforts to understand consumer behaviors, and combine the wide range of products, functions, and expertise of the Group to create unique new value that will be profitable for consumers and communal society.	Aim to develop new businesses and cultivate new customers by taking full advantage of the business foundations possessed by the ITOCHU Group.	<ul style="list-style-type: none"> • We are currently promoting a digital strategy in FamilyMart - a group subsidiary. FamiPay, released in July 2019, has been downloaded more than 8 million times as of the end of March 2021. We have achieved labor saving in FamilyMart stores (e.g., shortening of cash register service times). We plan to add deferred payment and loan services that will serve as convenient micro-loan services to consumers with barcode payment 'FamiPay' from around the summer of 2021. • We have entered into a capital and business alliance agreement with Couger Inc. - a company which independently develops virtual human agents with advanced recognition technology. We are utilizing the technology of Couger Inc. to proceed with development that will support store manager operations in FamilyMart stores. • ITOCHU, FamilyMart, NTT Docomo and CyberAgent established Data One, an advertising distribution company, in October 2020. Data One sell new targeted advertising products based on actual purchase data in real stores. It is characterized by its provision of a streamlined service including purchase effect verification.

Initiatives: Sustainability Action Plans

Address Climate Change (Contribute to Realization of Decarbonized Society)

Risks	Opportunities
<p>Transition Risk • Reduction in demand for fossil fuels due to business restrictions on greenhouse gas emissions.</p> <p>Physical Risk • Damage to business due to the increase in abnormal weather (e.g., droughts, flooding, typhoons and hurricanes).</p>	<ul style="list-style-type: none"> • Increase in renewable energy and other business opportunities which will contribute to alleviating climate change. • Retention and acquisition of customers by strengthening supply structures that can adapt to abnormal weather.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	 	Taking countermeasures against climate change	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	<ul style="list-style-type: none"> • We continue to operate wind power projects in foreign countries (Butendiek and Cotton Plains). • We continue to develop projects with Winch Energy Limited., a U.K. established company. Winch Energy Limited. specializes in handles small-scale solar power generation and distribution systems in non-electrified regions (e.g., Africa). • We invested in wind farms consisting of Kimball Power Plant (Minnesota, U.S.) and South Fork Power Plant (Nebraska, U.S.) in March 2020. • We acquired all equity interests in Bay4 Energy Services, LLC in December 2020. Bay4 Energy Services, LLC operates, maintains and provides asset management services for to approximately 1,400 solar power plants with a total capacity of 1.6 GW in the U.S. • Our ratio of renewable energy as a percentage of our total net generation capacity is equivalent to based on our power generation business equity capacity is currently 14.1%.
			Zero emission vessels	We will contribute to reduce greenhouse gas emissions in the shipping and maritime transportation fields by promoting integrated project that include the development, owning, operation of ammonia-fueled vessels and development of supply chain of ammonia fuel.	Aim to materialize the pilot project which includes the development, owning and operation of ammonia fueled vessel led by Japanese industry players and development of supply chain of ammonia as an alternative marine fuel.	<ul style="list-style-type: none"> • Build a value chain centered on ammonia fuel through the owning and operation of ammonia fueled vessels and establishing fuel supply chain. • Reduce carbon emissions from the maritime industry by promoting the spread of ammonia-fueled vessels from 2025 onward. 	* Because of new commitment, review will be conducted from the next fiscal year.
			Sales of passenger cars and commercial vehicles	We will achieve the eco-friendly mobility society by strengthening businesses of electric vehicles (EVs), hybrid vehicles (HVs), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco-friendly vehicles by increasing business of eco-friendly and high-efficiency products, such as EVs, HVs, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	<ul style="list-style-type: none"> • We have been participating in a small electric truck demonstration experiment since January 2019 in Japan. • We are deepening efforts with a company into which we invested in FYE 2018 in China where electric vehicles are spreading rapidly - Dishangtie Car Rental, an electric commercial vehicle rental and maintenance service. • We have invested in a ride sharing service company called Via (2019). This is a convenient and cost-effective means of transportation. At the same time, it also contributes to alleviating urban congestion and reducing CO2 emissions. We have been conducting a ride sharing service demonstration experiment on approximately 2,500 ITOCHU employees since October 2019 in Japan. In addition, we have introduced a system focused on transportation operators and logistics operators. We are currently promoting collaboration with a major logistics company (providing a system for new logistics services). This is improving the efficiency of movement and transportation to contribute as an aid in reducing our environmental burden.
	 	Improving water and sanitation infrastructures	Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and reduce the burden on the environment.	Expand and diversify the investment portfolio in the water and environment field.	<p>Water Field We are developing have developed a water supply service business in the U.K. and seawater desalination business in Australia and Oman. We aim to continue contributing to stable water supply in regions through seawater desalination, and water supply/ and sewerage businesses. At the same time, we are looking to be involved in solutions-based business for water issues in each industrial sector across a range of industries.</p> <p>Environmental Field</p> <ul style="list-style-type: none"> • We operate four municipal solid waste incineration and power generation plants (waste to energy plant) in the U.K. • We are currently constructing a municipal solid waste incineration and power generation plant (waste to energy plant) and a new leachate-controlled landfill in Serbia. We aim to start full commercial operations in 2022. • We acquired a 20% stake in Environment Development Company Ltd. (EDCO) in November 2020. EDCO is providing integrated hazardous waste management services in Jubail Industrial City in Saudi Arabia. We are aiming to enhance the functions of our efforts that to capture strong demand for waste management services in light of intensifying environmental regulations in each the industrial sector and the growing awareness of ESG and SDGs more generally in the same way as in the water field.





Initiatives: Sustainability Action Plans

Address Climate Change (Contribute to Realization of Decarbonized Society)

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Metals & Minerals Company	7 13	Taking countermeasures against climate change	<ul style="list-style-type: none"> Resource recycling business Mining business Environmental business Materials-related business 	<ul style="list-style-type: none"> We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials. 	<ul style="list-style-type: none"> Take the lead in developing recycling-orientated business. Promote efforts for the social implementation of hydrogen and ammonia as next-generation resources and raw materials in client industries (e.g. steel and power). Promote businesses to contribute to the stable supply of nickel, PGM and other materials necessary in the manufacture and supply of hydrogen, green materials and energy, and storage batteries. Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gas emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Promote efforts to completely withdraw from thermal coal mine interests while continuing to realize stable resource supply as our social mission and responsibility through trading in regards to our coal business. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper). 	<ul style="list-style-type: none"> Promote recycling-orientated business. Promote efforts for the social implementation of hydrogen and ammonia as next-generation resources and raw materials in client industries (e.g., steel and power). Promote examination toward technological development and commercialization to contribute to a reduction in greenhouse gas emissions, including hydrogen, green material and energy production, and carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Strive to withdraw from thermal coal mine interests. Realize efforts in businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper). 	<ul style="list-style-type: none"> We decided to conduct a commercialization survey of a by-product hydrogen project in northern Kyushu together with NIPPON COKE & ENGINEERING CO., LTD. and a Belgian maritime transportation company Compagnie Maritime Belge B.V. for the early social implementation of hydrogen. We are promoting a collaborative examination on the manufacturing of metal resources in an environmentally-friendly scheme with a major resource supplier. We are continuing to conduct a large overseas demonstration project to culture of euglena together with euglena Co., Ltd. as an effort to contribute to the promotion of carbon dioxide capture and utilization (CCU). We undertook this as a New Energy and Industrial Technology Development Organization (NEDO) project in October 2020. We are promoting the examination of other carbon dioxide capture, utilization and storage (CCUS) technologies and various efforts that will lead to a reduction in CO₂ emissions. We are continuing to examine a development plan to realize the Platreef project in the PGM/nickel business where demand is expected to grow significantly due to the worldwide spread of electric vehicles and fuel cell vehicles. We are contributing to the effective utilization of limited resources and the supply of environmental materials by promoting 3R+W (reduce / reuse / recycle + waste management) through our supply chains toward the realization of a sustainable society. Specifically, we are steadily promoting efforts in venous industries. This includes the reuse and recycling of FamilyMart store facilities and fixtures, the expansion and increase in sophistication of metal scrap and waste treatment, and strengthening of cooperation with the REVER HOLDINGS CORPORATION general recycling company we invested into last year. We conducted a continuous review of our thermal coal mine interests, based on our thermal coal business efforts policy that we announced in February 2019. As a result, we decided to divest our Drummond thermal coal mine interests in Colombia that accounts for the majority of the ITOCHU's thermal coal interests. We did this based on our new policy to completely withdraw from thermal coal mine interests with a perspective of strengthening contribution and efforts to SDGs as per the Outline of Medium-Term Management Plan that we announced in January 2021. We are currently promoting business in North America with Nikkeikin Aluminium Core Technology Company, Ltd. which we invested into in FYE 2020 for the manufacturing of aluminum parts for automobiles. In addition, we will continue to promote aluminum raw material and product trading to contribute to the development of lighter-weight vehicles.
	7 13	Stably supplying energy taking into account climate change and the environment	Oil/gas interests and liquefied natural gas (LNG) projects	We will produce resources (transition fuels) taking into account a reduction in greenhouse gases. We will provide a stable supply of energy to contribute to the development of industry and the construction of infrastructure.	Work on resource development projects in collaboration with superior partners who have advanced technical capabilities and abundant experience.	Pursue opportunities to participate in LNG projects with a relatively low environmental burden in fossil fuels while keeping in mind the stable supply of energy in the transition phase toward the realization of a sustainable society.	We are continuing to hold discussions with superior partners to realize participation in new LNG projects.
	7	Efforts to optimally and continuously supply renewable energy	<ul style="list-style-type: none"> Energy Storage System Power & Environmental Solution 	<ul style="list-style-type: none"> We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular. 	We will continue to sell Energy Storage System equipped with optimal charging/discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	<ul style="list-style-type: none"> Number of storage batteries sold. Use of recycled and reused batteries. 	<ul style="list-style-type: none"> We have sold a cumulative total of approximately 43,000 units (430 MWh) of energy storage systems as of the end of March, 2021. Our customers are making the maximum use of the solar power they generate in their homes for their own consumption with our grid share service (AI control) that we have been equipping as standard and selling in systems since November 2018. We started an effort to collect and resell rare metals (e.g., nickel and cobalt) contained in failed batteries in collaboration with an external recycling company. This is currently at the demo plant level. However, we are continuing to promote it with a view to commercialization. We procured approximately 1,300 kWh and are currently building a reuse scheme in this fiscal year in our reuse battery utilization business.
7 13	Working on new fuel efforts toward the realization of a carbon-neutral society / recycling-orientated low-carbon society	Production and supply of hydrogen and fuel ammonia, and procurement and supply of renewable fuels	We will aim to build a production and supply structure for new fuels to contribute to the reduction of greenhouse gases on a life cycle assessment basis toward the realization of a sustainable society.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	* Because of new commitment, review will be conducted from the next fiscal year.	

Initiatives: Sustainability Action Plans







Address Climate Change (Contribute to Realization of Decarbonized Society)

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
		Working on efforts in carbon dioxide capture and storage (CCS) business toward the realization of a carbon-neutral society and inclusive and sustainable economic growth	Building of CO ₂ capture chains using CCS	We will aim to build CO ₂ capture chains to contribute to the reduction of greenhouse gases toward the realization of a sustainable society.	Refine CO ₂ storage technologies - an application of petroleum development technologies - and enhance access to CO ₂ capture chains (e.g., collection and transportation) to link them to CO ₂ storage technologies.	Build a CO ₂ transportation and storage business model by uncovering CO ₂ capture needs at places where CO ₂ is emitted in client industries across our companies.	* Because of new commitment, review will be conducted from the next fiscal year.
Energy & Chemicals Company		Working on efforts to optimally and continually supply renewable energy	Renewable energy independent power producers (IPPs) / renewable energy-related materials procurement / dispersed power source efforts	<ul style="list-style-type: none"> We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power grid through the deployment of solar power dispersed power sources. 	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power plants (VPP).	<ul style="list-style-type: none"> Scale of our renewable energy assets Scale of our dispersed power sources 	* Because of new commitment, review will be conducted from the next fiscal year.
Food Company		Taking countermeasures against climate change	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	We will utilize green energy in our processed food business.	<ul style="list-style-type: none"> New boiler and power plant operating situation. Situation of the utilization of raw materials in boilers and power plants. (1) Situation of the utilization of all food residue generated in pineapple processing factories. (2) Situation of the utilization of non-standard products that cannot be sold as food, generated in banana plantations.	Starting of the plant operation was delayed due to restrictions of the movement of overseas engineers due to the COVID-19 pandemic. We expect full-scale operation to start at the beginning of 2022.
General Products & Realty Company		Taking countermeasures against climate change	Cement substitute material such as slag	We plan to expand the use of sustainable byproducts (slag) as a substitute material for the cement which is vital for construction and civil engineering.	Establish continuous, stable business between Steelworks as the supplier of slag and Users.	Consider investment, participation, etc. in the slag business and focus efforts on creating demand, especially in developing countries, with the aim of establishing continuous, stable business.	We are currently in discussions concerning investment and participation in the slag business.

Initiatives: Sustainability Action Plans

Cultivate a Motivating Workplace Environment

Risks	Opportunities
<ul style="list-style-type: none"> Decline in labor productivity, loss of excellent human resources, missed business opportunities, increase in health-related expenses, and other events that would result from failure to take appropriate measures. 	<ul style="list-style-type: none"> Improvement of labor productivity, health and motivation, securing of excellent human resources, enhanced capability of responding to changes and business opportunities, and other events that will result from providing a motivating workplace environment.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Headquarters		Improving operating efficiency through work style reform	Human resources affairs	We will aim to improve labor productivity and employee engagement by promoting varied work styles.	ITOCHU Corporation <ul style="list-style-type: none"> Promote appropriate working hour management and a morning focused working system. Conduct regular monitoring of employees' work situations. Promote work automation with IT tools, including robotic process automation (RPA), as well as mobile work. Promote projects for improving the operating efficiency at each organization. ITOCHU Group <ul style="list-style-type: none"> Efficient way of working, appropriate working hours management, and education and awareness-raising activities at the ITOCHU Group. 	<ul style="list-style-type: none"> Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. FYE 2024: Paid leave acquisition rate at 70% or higher. 	ITOCHU Corporation <ul style="list-style-type: none"> We have reduced annual average overtime hours by 11% compared to before the introduction of the morning-focused working system (achieved in FYE 2018). We have 5% of employees leaving the building after 8 p.m. (achieved in FYE 2018). We have 67% of employees acquiring paid leave (FYE 2019). We are operating 222 scenarios with RPA (as of February 2021). We have also introduced a data analysis tool (HANABI). We have built a portal-based application platform. We have made approximately 500 types of application form throughout the company paperless. The positive answer rate to the "employee engagement" item in the FYE 2019 engagement survey was 76%. <small>*We did not conduct a survey in FYE 2021. The latest data is for FYE 2019.</small>
	 	Improving the health of employees	Human resources affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	<ul style="list-style-type: none"> Keep the percentage of employees who receive regular medical checkups in Japan at 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote measures for helping employees create a balance between cancer treatment and work. Offer healthy dishes in the employee cafeteria. Promote the program for supporting smoking cessation treatment expenses. Utilize health management sites for employees (e.g., HSS and ITOCHU Health Navi) and continue to provide special programs for employees at a high risk for lifestyle-related diseases. 	<ul style="list-style-type: none"> Percentage of employees who receive regular medical checkups in Japan: 100%. FYE 2024: Percentage of employees who use health management sites (ITOCHU Health Navi and HSS) in Japan: 100%. FYE 2024: Percentage of employees who receive specific health guidance: 55%. FYE 2024: Rate of employees found to have a high level of stress in the stress check at 5% or lower. 	<ul style="list-style-type: none"> Regular medical checkup rate: 100% in FYE 2021. Rate of improvement in the health index (e.g., BMI) compared to FYE 2011: -1% in FYE 2020. Support for working while receiving cancer care: Job turnover due to cancer and long-term illnesses continues to be 0%. Rate of those found to have a high level of stress in the stress check: 2.5% in FYE 2021. Health management site utilization: introduced the new ITOCHU Health Navi and HSS systems company-wide. Measures for those with a high risk of lifestyle diseases: 2.1-fold increase in the percentage of employees receiving specific health guidance compared to the previous year (21% → 45%).
		Sustainable development of employees' capabilities	Human resources affairs	We will develop training programs on a global basis that respond to the changing times and business needs. We will also utilize training programs to continuously produce excellent human resources.	<ul style="list-style-type: none"> Continue to develop and provide training programs at all jobs levels. Continue and enhance overseas deployment of interns and language trainees. Offer diverse career path options and experience in diverse work through regular rotation. Foster career awareness among employees by enhancing personnel assessments, career vision training, career counselling systems and other programs/systems. 	<ul style="list-style-type: none"> FYE 2024: Annual training-related expenses exceeding one billion yen. FYE 2024: Percentage of career-track employees who acquire business-level English skills in their first eight years at the company at 100%. FYE 2024: Percentage of career-track employees who are deployed overseas in their first eight years at the company at 80% or higher. 	<ul style="list-style-type: none"> The positive answer rate to the "education and training" item from the FYE 2019 engagement survey was 71%. <small>*We did not conduct a survey in FYE 2021. The latest data is for FYE 2019.</small> We have been continually reviewing and developing training programs (e.g., the trial introduction of next-generation related training). We are running a trial to provide video content as part of career vision training with an eye on a learning environment that meets the diverse needs of our employees. <p>Below is the outlook current as of the end of February in FYE 2021</p> <ul style="list-style-type: none"> Annual training-related expenses forecast: Over approximately 1.1 billion yen. Acquisition rate of business level English skills for career-track employees in up to their eighth year since joining the company: 100%. Overseas dispatch rate for career-track employees in up to their eighth year since joining the company: 80%.
	 	Creating an environment that allows diverse human resources to exercise their potential	Human resources affairs	We will prohibit all types of discrimination, including those based on age, gender and nationality, and respect human rights. We will create an environment that will permit the active participation of employees whose work hours are limited due to childcare, nursing care, diseases or similar circumstances.	<ul style="list-style-type: none"> Continue fair and equitable recruitment and promotion. Create a work environment in which employees mutually accept and respect diverse values. Enhance support for balancing childcare, nursing care and similar circumstances with work (including utilization of telecommuting). Support the active participation of senior human resources over the age of 60 in the workforce. Expand individual support according to the life stage and career of employees. Promote understanding and acceptance of LGBT and other sexual minority employees (e.g., employee education). Give reasonable consideration to the work environment of employees with disabilities. 	<ul style="list-style-type: none"> FYE 2024: Achieve the following general employer action plan. <ol style="list-style-type: none"> Percentage of women hired among new graduates: 25%. Percentage of female employees over the whole company: 25%. Percentage of females in leadership positions: 9%. Percentage of men who take childcare leave: Over 50%. 	<ul style="list-style-type: none"> The percentage of female career-track employees among all career-track employees is 10.1% (as of February 2021). The percentage of female career-track employees those in leadership positions is 8.0% (as of February 2021). We have been applying IHGS as a special subsidiary in our group since February 2020. The three companies of ITOCHU, Uneedus and IHGS have achieved a 2.3% rate of the employment of those with disabilities in FYE 2021. We will continue to promote the employment of those with disabilities over our entire group.

Initiatives: Sustainability Action Plans

Respect Human Rights

Risks	Opportunities
<ul style="list-style-type: none"> Business delay or business continuity risk resulting from the occurrence of a human rights problem in business activities that expands (geographically). Decline in credibility that may result from defects in the social infrastructure services we provide. 	<ul style="list-style-type: none"> Stabilization of business or securing of excellent human resources resulting from harmonious coexistence with local communities. Establishment of safe, stable supply system for product enabled by the consideration of human rights and improvement of work environment in the supply chain.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	8 (Economic Growth) 12 (Responsible Consumption and Production)	Establishing a supply chain reflecting consideration for human rights and the environment	Textile products in general	We will promote dealings with companies which respect human rights and which engage in environmental management throughout their entire supply chains.	Strive to understand at an early stage the human rights, social and environmental risks in supply chains by continually conducting surveys on major suppliers.	Conduct on-site visit surveys and questionnaires at more than 50 major suppliers a year on an ongoing basis.	We conducted surveys and questionnaires on a total of 57 companies mainly in regions where the risk of COVID-19 had been lowered at an early stage (e.g., China and Vietnam) in light of the global pandemic in FYE 2021.
Machinery Company	8 (Economic Growth)	Establishing a supply chain reflecting consideration for human rights and the environment	Overall electric power and plant projects	We will contribute to improving the quality of life of all stakeholders in the supply chain and business investment destinations.	Set rules on due diligence related to social and business environmental safety for suppliers and business investment destinations based on the distinctive characteristics of each business, implement due diligence, and strengthen monitoring continuously.	FYE 2020: Aim to implement the due diligence described on the left in all new development projects.	We continue operations to check the core subjects in the guidelines on social responsibility using the company-wide ESG checklist in all development projects where we are investing for the first time. We conduct due diligence on individual development projects to check their social and environmental safety based on the unique characteristics of each business prior to investment.
Metals & Minerals Company	8 (Economic Growth) 15 (Life on Land)	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	<ul style="list-style-type: none"> We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education. 	<ul style="list-style-type: none"> Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	<ul style="list-style-type: none"> Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. <ul style="list-style-type: none"> EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. <ul style="list-style-type: none"> Carry out CSR activities in all projects in which we participate (100%). 	<ul style="list-style-type: none"> We held internal EHS (environment, health and occupational safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. We checked the proper compliance to the EHS guideline by one new project and eight existing projects in our mining business, and also by one another resource-related project. We carried out activities that contribute to the local community as part of each project we invest in.
Food Company	8 (Economic Growth) 15 (Life on Land)	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	<ul style="list-style-type: none"> We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries. 	<ul style="list-style-type: none"> Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 <ul style="list-style-type: none"> Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil. 	<ul style="list-style-type: none"> We have decided coffee bean and cacao bean procurement policies. Under these policies, we are promoting efforts to increase sustainability in producing areas. We are purchasing palm oil based on our procurement policy for it. We announce our progress on the rate of certified oil we handle in our palm oil procurement. We perform human rights due diligence on our coffee bean and palm oil supply chains. We announce the results on our website.
	8 (Economic Growth) 15 (Life on Land)	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	<ul style="list-style-type: none"> Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone. 	<ul style="list-style-type: none"> We are promoting an expansion in the planted area of pineapple plantations and the construction of processing factories. We are employing workers locally to operate our pineapple plantations.
Headquarters	11 (Sustainable Cities and Communities)	Urban development in the Jingu Gaien district	Rebuilding of our Tokyo headquarters by participating in the Jingu Gaien District City Area Redevelopment Project	We will strive to contribute to the community through the realization of prosperous complex urban development focused on sports, culture and communication.	Communicate appropriately with stakeholders and acquire permissions in the redevelopment study process.	Submit the necessary applications and acquire the necessary permissions (e.g., plan proposal, execution permission application and redevelopment execution permission).	We appropriately communicated with stakeholders in the examination of the redevelopment and conducted negotiations to obtain the necessary permissions. We plan to submit the application and acquire the permissions in FYE 2022 to FYE 2023.

Initiatives: Sustainability Action Plans

Contribute to Healthier and More Enriched Lifestyles

Risks	Opportunities
<ul style="list-style-type: none"> Decline in credibility that would result from the occurrence of consumers and service users' safety or health issues. Impact on business of destabilization of the market or social security system based on policy change. 	<ul style="list-style-type: none"> Increase in demand for food safety and security and health improvement. Expansion of information, financial and logistics services resulting from an increase in consumer spending or penetration of the internet.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company		Promoting good health among people	Sales of Cutting-Edge medical devices and provision of medical services	We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly.	Promote sales of advanced medical devices, such as MRI-guided radiation therapy systems, and the business of supporting the operation of designated regional cancer care hospitals.	Increase the penetration of advanced medical devices in Japan, such as MRI-guided radiation therapy systems.	<ul style="list-style-type: none"> The radiation therapy devices we have delivered to the National Cancer Center and Edogawa Hospital have already been used by those facilities to treat a cumulative total of 350 intractable cancer and other cancer patients. We have also completed the upgrade to new MRI-equipped radiation therapy equipment in Edogawa Hospital. The hospital has been operating it since January 2021. We are currently undertaking joint research with the National Cancer Center to establish a Japanese-standard treatment to improve the survival rate from pancreatic cancer and other cancers by utilizing the feature that the radiation therapy machines have of being able to safely emit radiation.
Energy & Chemicals Company		Promoting good health among people	Pharmaceutical products	We will contribute to improve people's health and working environment through accelerating the development of pharmaceuticals and other products in fields with significant needs including cancer-related fields.	Actively promoting to support the development and marketing of new pharmaceutical and other products.	Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical and other products of which we are engaged in supporting the development and place them on the market.	<ul style="list-style-type: none"> We have expanded the sales areas of a non-absorptive liquid to protect against oral mucositis (a liquid that controls and relieves the pain of oral mucositis caused by chemotherapy or radiotherapy when treating diseases such as cancer) (since May 2018 in Japan, since July 2019 in China and since September 2020 in Korea). We have continued to sell a percutaneous absorption 5-HT3 receptor antagonist (therapeutic medication for nausea and vomiting during cancer treatment) in China (since March 2019). We have continued to sell a pain reliever in North America through group companies (since March 2018).
		Energy use that takes into consideration local communities and the environment	District heating and cooling	We will promote efforts toward environmentally friendly regional energy use.	Communicate appropriately with neighboring stakeholders in the Jingu Gaien district.	Maintain the stable operations of district heating and cooling in the Jingu Gaien district and promote the spread of it to neighboring areas.	We are continuing discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.
Food Company		Supplying safe, secure food	Overall food-related businesses	We will select and concentrate on suppliers to stably procure safe, secure food.	We will aim to strengthen the food safety management structures in our suppliers. We will do this by persons with certifications/qualifications related to the Food Safety Management System (FSMS) taking the central role in enhancing supplier audits and making requests for improvements.	Stably supply safe and secure food by enhancing the audits and guidance for suppliers mainly by the persons with certifications/qualifications related to the Food Safety Management System (FSMS).	We are continuing to stably supply safe and secure food. We are achieving this by continuing to enhance the audits and guidance for suppliers mainly by the persons with certifications/qualifications related to the Food Safety Management System (FSMS).
ICT & Financial Business Company		Promoting good health among the people	<ul style="list-style-type: none"> Support pharmaceutical development projects Preventative healthcare-related business 	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools.	We will optimize healthcare utilizing medical data.	<ul style="list-style-type: none"> Realization of new services and business development relating to medical data. Expansion of existing business. Data volume of the number of people subject to health checkup, to reach 1.2 million by the end of FYE 2022. 	<ul style="list-style-type: none"> With the gaining interest to maintain and promote health among company employees, the number of people subject to health checkup data management has been steadily increasing (currently over 1 million). We have conducted investments in the following areas: SaaS for dispensing pharmacies, dentistry-related data, genomic data and pharmaceutical data. We will contribute to improve the quality of life with highly efficient operations by utilizing the aforementioned data.
		Providing financial services	Domestic and overseas retail finance business	We work on expanding and creating the retail financial market and providing financial services to individuals to contribute to enriching people's lives.	Increase the number of customers and loan balance by expanding and creating the retail financial market.	Increase the number of customers and loan balance.	<p>We have started new efforts in retail finance business in the Philippines and the P2P lending business in Indonesia since FYE 2019. We also have improved the number of customers and loan balance in our other existing businesses, which are our KPI.</p> <p>Growth Rate of Outstanding Lendings:(Changes from end of December 2019 to end of December 2020)</p> <ul style="list-style-type: none"> UAF: 101% • EasyBuy: 101% • FRF: 113% • ACF: 195% *Operations initiated in FYE 2019. PDP: 166% *Operations initiated in FYE 2019.
		Maintenance of industrial, logistics, and transportation infrastructure	ICT infrastructure development business	We will contribute to realize safe secure, and highly convenient social infrastructure through providing various ICT solutions.	Maximize the added value of our ICT solutions by continuously sourcing new products and services.	Increase the number of partnerships.	In addition to providing ICT solutions for new normal under COVID-19, We have newly located nine sourcing companies to contribute to DC5 (Digital transformation, Cloud and 5G). This will allow us to contribute to build and realize highly convenient social infrastructures.
Headquarters		Energy use that takes into consideration local communities and the environment	District heating and cooling	We will promote efforts toward environmentally friendly regional energy use.	Communicate appropriately with neighboring stakeholders in the Jingu Gaien district.	Submit a plan proposal that gives our specific energy plan in the redevelopment to the Tokyo Metropolitan Government.	We are continuing discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.

Initiatives: Sustainability Action Plans

Ensure Stable Procurement and Supply

Risks	Opportunities
<ul style="list-style-type: none"> Impact of opposition movement resulting from the occurrence of an environmental problem and worsening relationship with local communities. Structural exhaustion of the overall industry caused by the occurrence of price competition, mainly in the consumer-related sector. 	<ul style="list-style-type: none"> Increase in resource demand attributed to an increase in population and improvement of living standard in emerging countries. Winning customer trust or creating new businesses with a stable supply of environmentally friendly resources and materials.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company		Reducing our environmental burden in manufacturing processes	Textile products in general	We will promote the building of value chains starting from raw materials focused on sustainable materials.	Promote the RENU project aiming to realize a circular economy in textile industry. Aim to further enhance and expand the handling of sustainable materials.	Contribute to fostering of environmental awareness and reducing our environmental burden by promoting the RENU project and further enhancing and expanding the handling of sustainable materials.	Several well-known brands have adopted the recycled materials of the RENU project we started in FYE 2020. Various media organizations also featured the project. We have contributed to fostering environmental awareness through this.
	 	Establishing a supply chain reflecting consideration for human rights and the environment	Textile products in general	We will promote dealings with companies which respect human rights and which engage in environmental management throughout their entire supply chains.	Strive to understand at an early stage the human rights, social and environmental risks in supply chains by continually conducting surveys on major suppliers.	Conduct on-site visit surveys and questionnaires at more than 50 major suppliers a year on an ongoing basis.	We conducted surveys and questionnaires on a total of 57 companies mainly in regions where the risk of COVID-19 had been lowered at an early stage (e.g., China and Vietnam) in light of the global pandemic in FYE 2021.
Machinery Company	 	Improving water and sanitation infrastructures	Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and reduce the burden on the environment.	Expand and diversify the investment portfolio in the water and environment field.	<p>Water Field We are developing have developed a water supply service business in the U.K. and seawater desalination business in Australia and Oman. We aim to continue contributing to stable water supply in regions through seawater desalination, and water supply/ and sewerage businesses. At the same time, we are looking to be involved in solutions-based business for water issues in each industrial sector across a range of industries.</p> <p>Environmental Field</p> <ul style="list-style-type: none"> We operate four municipal solid waste incineration and power generation plants(waste to energy plant) in the U.K. We are currently constructing a municipal solid waste incineration and power generation plant(waste to energy plant) and a new leachate-controlled landfill in Serbia. We aim to start full commercial operations in 2022. We acquired a 20% stake in Environment Development Company Ltd. (EDCO) in November 2020. EDCO is providing integrated hazardous waste management services in Jubail Industrial City in Saudi Arabia. We are aiming to enhance the functions of our efforts that to capture strong demand for waste management services in light of intensifying environmental regulations in each the industrial sector and the growing awareness of ESG and SDGs more generally in the same way as in the water field.
Metals & Minerals Company		Stable supply of industrial resources and materials	Mining business	We will contribute to the stable operation of various industries by maintaining and developing reliable supply chains for essential raw materials and fuels.	Acquire equity interests in superior projects to secure resources to form the basis for the steady supply of raw materials and fuels.	Acquisition of superior resource projects to pass on to the future generations, in addition to maintaining and expanding our existing portfolio of highly resilient mining projects.	For the purpose of acquiring superior interests that will lead to the next generation, we are continuing to steadily develop South Flank iron mine in Australia that we started developing in FYE 2019 and Longview coking coal mine that we invested into in FYE 2020.
	 	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	<ul style="list-style-type: none"> We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education. 	<ul style="list-style-type: none"> Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	<ul style="list-style-type: none"> Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. <ul style="list-style-type: none"> EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. <ul style="list-style-type: none"> Carry out CSR activities in all projects in which we participate (100%). 	<ul style="list-style-type: none"> We held internal EHS (environment, health and occupational safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. We checked the proper compliance to the EHS guideline by one new project and eight existing projects in our mining business, and also by one another resource-related project. We carried out activities that contribute to the local community as part of each project we invest in.

Initiatives: Sustainability Action Plans




Ensure Stable Procurement and Supply

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Stably supplying energy taking into account climate change and the environment	Oil/gas interests and liquefied natural gas (LNG) projects	We will produce resources (transition fuels) taking into account a reduction in greenhouse gases. We will provide a stable supply of energy to contribute to the development of industry and the construction of infrastructure.	Work on resource development projects in collaboration with superior partners who have advanced technical capabilities and abundant experience.	Pursue opportunities to participate in LNG projects with a relatively low environmental burden in fossil fuels while keeping in mind the stable supply of energy in the transition phase toward the realization of a sustainable society.	We are continuing to hold discussions with superior partners to realize participation in new LNG projects.
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Efforts leading to solutions to social problems	Plastic-related environmental response	We will contribute to solving social problems (e.g., marine plastics and waste plastics) that urgently require measures with a plastic-related environmental response.	Supply environmental materials and establish a recycling/reuse program in collaboration with brand owners.	Build a recycling-oriented-model by enhancing our handling of environmental materials and establishing a recycling/reuse program.	<ul style="list-style-type: none"> We announced plans to jointly market bioplastics with Borealis AG. (September 2020). We are currently developing this for adoption with brand owners and retailers. We have developed garbage bags and shopping baskets made with marine plastics (November 2020 and February 2021). We are continuing to promote project development and expansion of efforts. We announced development of recycling technology for multi-layer film packing materials in collaboration with Toyo Ink Group (December 2020). We are currently discussing future deployment with brand owners.
	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Working on new fuel efforts toward the realization of a carbon-neutral society / recycling-orientated low-carbon society	Production and supply of hydrogen and fuel ammonia, and procurement and supply of renewable fuels	We will aim to build a production and supply structure for new fuels to contribute to the reduction of greenhouse gases on a life cycle assessment basis toward the realization of a sustainable society.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouse gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	* Because of new commitment, review will be conducted from the next fiscal year.
Food Company	8 DECENT WORK AND ECONOMIC GROWTH 15 LIFE ON LAND	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	<ul style="list-style-type: none"> We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries. 	<ul style="list-style-type: none"> Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 <ul style="list-style-type: none"> Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil. 	<ul style="list-style-type: none"> We have decided coffee bean and cacao bean procurement policies. Under these policies, we are promoting efforts to increase sustainability in producing areas. We are purchasing palm oil based on our procurement policy for it. We announce our progress on the rate of certified oil we handle in our palm oil procurement. We perform human rights due diligence on our coffee bean and palm oil supply chains. We announce the results on our website.
			Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	<ul style="list-style-type: none"> Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone. 	<ul style="list-style-type: none"> We are promoting an expansion in the planted area of pineapple plantations and the construction of processing factories. We are employing workers locally to operate our pineapple plantations.
General Products & Realty Company	15 LIFE ON LAND	Using sustainable forest resources	<ul style="list-style-type: none"> Pulp Woodchips Wood products & materials 	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	We achieved, ahead of schedule, a 100% handling ratio of certified or high-level management confirmed materials that we targeted for 2025.
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND	Realization of sustainable supply of natural rubber	Natural Rubber	We shall use our best efforts to establish measures to identify any suppliers developing on High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland, in order to avoid procuring rubber from them.	We will establish a traceability system to make uncertain raw material procurement supply chain transparent.	We aim to procure raw materials with traceability and sustainability ensured in natural rubber processing business.	We have developed a traceability system using blockchains. We have been operating this system since the second quarter of FYE 2021.

Initiatives: Sustainability Action Plans

Maintain Rigorous Governance Structures

Risks	Opportunities
<ul style="list-style-type: none"> Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control. 	<ul style="list-style-type: none"> Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.

Division Company	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Headquarters		Ensuring compliance	Compliance	We will make employees more aware that ensuring compliance at any time is our contribution to the company and society.	Recognizing attitude of employees identifying issues and ensuring action plans to tackle the issues through periodic compliance attitude survey and direct communications.	Continuous direct communication with employees through face-to-face training programs whose contents shall be updated along with monitoring the measures according to risks, expectations from society and issues on site which will change with the time.	<ul style="list-style-type: none"> We registered with the Whistleblowing Compliance Management System (self-declaration of conformity) as of April 10, 2019, which had been renewed for FYE 2020. For FYE 2021, we got started on the renewal proceedings on February 17, 2021. We conducted the monitoring survey on compliance with the "Act on Prohibition of Private Monopolization and Maintenance of Fair Trade" and the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors" in ITOCHU Corporation and 62 ITOCHU group companies in the period of September through November 2020. During the course of such survey, we performed individual hearings and fact-finding investigations based on answers to questionnaire in certain prescribed format, as a result of which we found no serious concern on that. We provided e-learning on thorough information management for ITOCHU Corporation employees, temporary employees and seconded employees in total of approximately 5,300 individuals (in the period of July 13 through 31, 2020). The results of our on-site compliance training seminars in FYE 2021 are as follows (as of March 31, 2021): <ul style="list-style-type: none"> For ITOCHU Corporation: 2,925 employees (who all watched the training video); and For ITOCHU group companies: 12,903 employees in total (of which (i) the webinar sessions were provided for 72 companies in 90 occasions with 6,911 attendees; and (ii) the training video were provided for 32 companies with 5,992 viewers.
		Maintaining and reinforcing a governance system for achieving sustainable growth	Corporate governance	We will implement highly effective supervision over the management from an independent and objective standpoint and ensure the appropriate and efficient execution of business operations by improving the transparency of our decision-making, aiming to our sustainable growth as well as the medium- and long-term improvement of our corporate value.	<ul style="list-style-type: none"> Appoint several outside Directors, who have a high level of independence that fulfills our independence criteria and are expected to contribute to the company management with a high level of knowledge in their respective fields. Maintain a highly transparent and objective Directors' and officers' remuneration system, which can increase their motivation to contribute to our medium- and long-term improvement of our company's performance and the improvement of our corporate value. 	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of the Board of Directors.	<ol style="list-style-type: none"> We have maintained the diversity of the Board of Directors (always a one third or higher percentage of outside Directors; currently four out of 10 Directors) and the ratio of women (currently two out of 10 Directors). We have maintained a majority of the members of the Governance and Remuneration Committee and Nomination Committee coming from outside the company (four out of seven members). We have mostly completed the establishment of a structure in each listed subsidiary in accordance with our Policy on the Governance of Its Listed Subsidiaries.
		Maintaining and reinforcing a governance system for achieving sustainable growth	Risk management	We will build a system for group risk management and maintain it to manage the risk of loss and ensure the appropriateness of our corporate group's operations.	Conduct regular reviews of risk management systems that have been established, including internal committees and risk management departments, various rules and regulations, reporting and monitoring systems, as well as the effectiveness of such systems.	Maintain a firm governance system in the medium- and long-term by establishing a PDCA cycle, including development and implementation of action plans by the departments responsible for risk management, and monitoring and reviews by internal committees.	<ul style="list-style-type: none"> We reviewed the progress of the action plans of the first half of FYE 2021 submitted by each risk management responsible divisions. Including all issues dealt during the period, we reported to Internal Control Committee in October 2020 that Itochu's internal risk management system is active. We also reported the review of the second half of FYE 2021 and the action plans of FYE 2022 to the committee in April 2021.

Initiatives: Sustainability Advisory Board

FYE 2021 Sustainability Advisory Board Overview

The Sustainability Advisory Board convened at Tokyo headquarters in January 2021 to hold a dialog on sustainability issues between the ITOCHU Corporation management and outside stakeholders. The Sustainability Advisory Board was established to engage outside stakeholders in a dialog to determine whether the direction we are taking with regards to sustainability is aligned with the needs of society as ITOCHU Corporation’s business grows more diverse and widespread, and then to apply the insights to promoting sustainability.

In FYE 2021, we welcomed three experts on climate change with the latest trends in international society to hold a frank discussion. Each expert engaged in discussion from their relative positions in industry, academia, and government to provide honest opinions on the impact of climate change on society and recommendations based on trends seen in other companies. Participants expressed their support for ITOCHU’s initiatives: “The business operations of a trading company are a microcosm of the economy. In the discussion of climate change, it is clear that the trading companies that support supply chains have an incredibly large role to play, and we hope ITOCHU will continue contributing to increasing the value of Japanese companies.” We will reflect the opinions received in our future Group sustainability efforts.



Online Meeting FYE2021

Summary of Past Activities

Response to Climate Change

Sustainability Advisory Board Members (Job Titles at the Time)

- Ms. Yukari Takamura Professor of Institute for Future Initiatives, The University of Tokyo
- Ms. Fuyumi Naito Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment
- Mr. Hidemi Tomita Director, Lloyd’s Register Japan K.K.

ITOCHU Members (Job Titles at the Time)

- Fumihiko Kobayashi Member of the Board, Senior Managing Executive Officer, Chief Administrative Officer
- Noriyo Hashimoto General Manager, Planning & Administration Department, Textile Company
- Tatsuya Hirano General Manager, Planning & Administration Department, Machinery Company
- Yoshihiko Ogura General Manager, Planning & Administration Department, Metals & Minerals Company
- Isao Nakao General Manager, Planning & Administration Department, Energy & Chemicals Company
- Kuniaki Abe General Manager, Planning & Administration Department, Food Company
- Tsutomu Yamauchi General Manager, Planning & Administration Department, General Products & Realty Company
- Atsushi Hashimoto General Manager, Planning & Administration Department, ICT & Financial Business Company
- Tetsuya Mukohata Manager, Planning & Administration Section, The 8th Company
- Yoshihito Tabe General Manager, Sustainability Management Division (served as Moderator)

FYE 2021

Sustainable Business Direction in a Circular Economy

Sustainability Advisory Board Members (Job Titles at the Time)

- Mr. Eiji Hosoda Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University
- Ms. Mami Fukuchi Associate Professor of Graduate School of Interdisciplinary Information Studies, The University of Tokyo
- Mr. Hidemi Tomita Director, Lloyd’s Register Japan K.K.

FYE 2020

Climate Change

Sustainability Advisory Board Members (Job Titles at the Time)

- Mr. Kenichi Suganuma Ambassador Plenipotentiary and Extraordinary (in charge of climate negotiations), Ministry of Foreign Affairs
- Mr. Tsuyoshi Mizuguchi Professor of Economics, Takasaki City University of Economics
- Mr. Hidemi Tomita Director, Lloyd’s Register Japan K.K.

FYE 2019

Initiatives: Sustainability Awareness Activities at ITOCHU

While pursuing sustainable activities, ITOCHU raises awareness within the Company so as to further ITOCHU Group employees' understanding and to apply solutions to social issues in our business in a manner that conforms to the latest global trends.

Recent Sustainability Awareness Activities

The online Sustainability Basic Education and Employee Questionnaire are conducted every year for all ITOCHU Corporation executives and employees worldwide to further spread sustainability in the company and gauge our awareness of the subject.

	Theme	Participation
FYE 2021	Sustainability Trends (ITOCHU Group Material Issues, Risks, and Opportunities)	100.0%
FYE 2020	Global Sustainability Trends (ESG, SDGs, Climate Change, Supply Chains)	100.0%
FYE 2019	“ESG – Climate Change Response, Business & Human Rights”	99.9%
FYE 2018	“ITOCHU’s Further Growth – ESG Investment”	99.5%

Sustainability Seminars

We have been holding in-house sustainability seminars on a continuous basis since 2007 to bring in outside insights and ideas on various sustainability issues.

Recent Seminars

In January 2021, we invited Professor Norichika Kanie of the Keio University Graduate School of Media and Governance for a sustainability seminar titled, “Are the SDGs Profitable?” During the first half of the seminar, Professor Kanie provided a keynote speech on the state of and issues facing SDGs initiatives in corporate activities from the perspective of both global and Japanese markets. The second half of the seminar featured a lively Q&A session centered on issues directly related to the business environment such as evaluating how the SDGs should be incorporated into new and existing operations of ITOCHU Corporation. This seminar provided a wonderful opportunity for ITOCHU to reevaluate the responsibilities we must fulfill in each of our business endeavors.

FYE 2021	Are the SDGs Profitable?
FYE 2019	Business and Human Rights (in the Supply Chain)
FYE 2018	Business and Human Rights (Development)
FYE 2017	What Companies and Consumers Can Do to Create a Sustainable Society



Sustainability Seminar

Sustainability Trainings

We engage in various sustainability trainings for ITOCHU personnel so as to promote sustainability awareness within our Group. Details are as follows.

Training Title	Applicable Employees	Training Details	Participants in FYE 2021
Group ESG Managers Conference	Group ESG managers	Basic knowledge and explanation of work duties for ITOCHU Group ESG promotion supervisors	70
Training New Recruits	New employees	ITOCHU Group sustainability promotion	120
Training in Preparation for Overseas Assignments	Employees designated for overseas assignment	Points of caution related to ITOCHU Group sustainability and promoting sustainability overseas	213
Training for New Group Executive Officers	New Group executive officers	ITOCHU Group sustainability and importance of Group alliances	93
Sustainability Survey Workshop	Employees conducting sustainability surveys	Points of caution related to the Sustainability Action Guidelines for Supply Chains and sustainability surveys	121

Initiatives: Participation in Initiatives

We participate in the following initiatives to promote sustainability.

Involvement in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the United Nations Global Compact, a global initiative to achieve sustainable growth for the international community. ITOCHU will fulfill our corporate mission of “Sampo-yoshi” in accordance with the United Nations Global Compact’s 10 principles covering human rights, labor, the environment and anti-corruption.



United Nations Global Compact (<https://www.unglobalcompact.org/>)

The Ten Principles of the United Nations Global Compact

Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2	make sure that they are not complicit in human rights abuses.
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labour;
	Principle 5	the effective abolition of child labour; and
	Principle 6	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses are asked to support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility; and
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

Work with Global Compact Network Japan

ITOCHU Corporation is the corporate director of Global Compact Network Japan (GCNJ), the local network for the United Nations Global Compact in Japan. Our proactive participation in this work also includes sending employees to provide assistance with their activities.

The GCNJ learns from other companies' practices and academics, and also consists of subcommittees for deliberations and exchanging ideas on specific topics concerning approaches and initiatives for sustainability. In FYE 2021, ITOCHU participated in the following subcommittees.

- ESG Subcommittee
- Reporting Research Subcommittee
- Human Rights Due Diligence (HRDD) Subcommittee
- SDGs Subcommittee
- Environmental Management Subcommittee

TCFD Consortium

Please refer to P46 for details of our activities.

TCFD Consortium Membership List (https://tcfid-consortium.jp/en/member_list)

CDP (Climate Change)

Please refer to P46 for details of our activities.

CDP (<https://www.cdp.net/en/companies-discloser>)

RSPO (Roundtable on Sustainable Palm Oil)

Please refer to P142 for details of our activities.

RSPO Website (<https://www.rspo.org/>)

GPSNR (Global Platform for Sustainable Natural Rubber)

Please refer to P141 for details of our activities.

GPSNR Membership List (<https://sustainablenaturalrubber.org/our-members/>)

Climate Change Campaign “COOL CHOICE” led by Ministry of the Environment

Please refer to P46 for details of our activities.

COOL CHOICE Website (Japanese Only) (<https://ondankataisaku.env.go.jp/coolchoice/about/>)

KEIDANREN (Japan Business Federation)

- Global Environment Subcommittee of the Committee on Environment and Safety
- Committee on Responsible Business Conduct & SDGs Promotion
- Keidanren Nature Conservation Fund / Keidanren Committee on Nature Conservation
- Working Group on Global Warming Countermeasures, Committee on Environment and Safety
- 1% (One Percent) Club
- Council for Better Corporate Citizenship (CBCC)

Japan Foreign Trade Council (JFTC)

- Global Environment Committee
- Sustainability & CSR Study Committee
- Social Contribution & ABIC Committee

CSR Europe (Corporate Member)

CSR Europe (Corporate Member) (https://www.csreurope.org/#block-yui_3_17_2_1_1583920013766_98565)

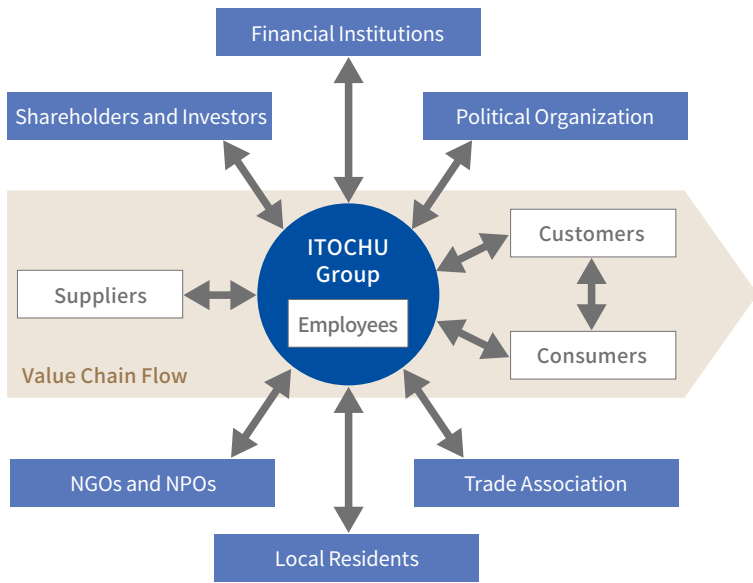
ESG Disclosure Study Group

EDSG Member List (Japanese Only) (<https://edsg.org/%e4%bc%9a%e5%93%a1%e4%b8%80%e8%a6%7/>)

Stakeholder Relations

Policy & Basic Approach

In our diverse range of corporate activities conducted worldwide, ITOCHU Group place strong emphasis on dialogues with various stakeholders. We provide information about the ITOCHU Group activities, and we value the opinions of our stakeholders, both expectations and concerns. For our sustainable growth, we reflect measures in our business activities to further advance sustainability on a company-wide basis.



* Besides those noted above, the list of our major stakeholders includes many other parties.

Stakeholders	Main Methods of Dialogue
Suppliers, Customers, and Consumers	<ul style="list-style-type: none"> Provision of information through the Annual Report and official website Notification of Sustainability Action Guidelines for Supply Chains Quality control and Sustainability Surveys on supply chains Contact for inquiries
Shareholders, Investors, and Financial Institutions	<ul style="list-style-type: none"> General meeting of shareholders Investors meeting on business results Provision of information through the Annual Report and official website Response to investigations and ratings performed by socially responsible investors Debt IR
Political Organization, Trade Association	<ul style="list-style-type: none"> Participation in the government, the ministries related committees and councils Activity through the trade association (Japan Business Federation, Japan Foreign Trade Council)
Local Communities, NGOs, and NPOs	<ul style="list-style-type: none"> Social contribution activities and volunteer activities Stakeholder dialogue Dialogue with residents of areas around project sites Regular communication with NGOs and NPOs Information dissemination support from ITOCHU SDGs STUDIO
Employees	<ul style="list-style-type: none"> Provision of information via the intranet and in-house magazines Communication via training sessions and seminars Provision of career counseling Establishment of a 24-hour employee consultation desk system Implementation of employee awareness surveys Labor-management meetings (including management meetings and settlement of accountings meetings) General employee meetings at each company

Reference Data FYE 2021		The Expense of Trade Association and Social Contribution	
Trade Association	5	Social Contribution (donation)	57 (57)
Economic Association	513		
Political Association	32		
Other Association	11		
Total	561		

(Unit: 1 million yen)