

Society



Society

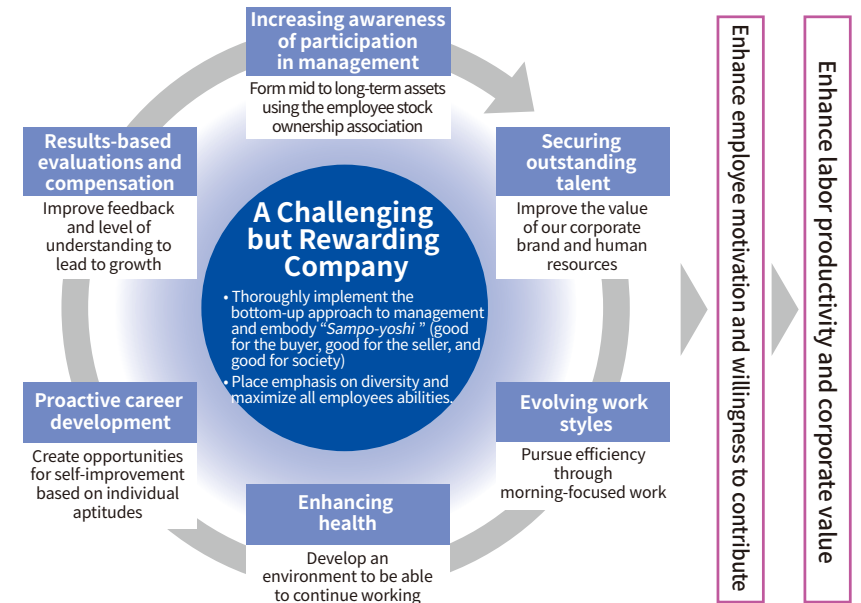
Labor Practices: Employment and Benefits

Policy and Basic Concept

In running a global business in a wide range of domains, consolidated group companies join together to operate as the ITOCHU Group. ITOCHU has more than 110,000 consolidated employees as of the end of FYE 2023. ITOCHU is implementing various initiatives that aim to create a working environment where our diverse body of employees can reach their full potential. Some of our notable initiatives include: enhancing our early morning-focused work system to promote workstyle reforms, the establishment of various systems to support employees with caring duties, and the promotion of social activities among employees at our recreational facilities.

ITOCHU's Code of Ethical Conduct stipulates respect and consideration for human rights and the development of a rewarding work environment. Furthermore, ITOCHU's labor standards have been formulated in accordance with the principle of "Elimination of Discrimination in Respect of Employment and Occupation" of the International Labour Organization (ILO)'s "Declaration on Fundamental Principles and Rights at Work (and its Follow-up)".* For this reason, ITOCHU adheres to the statutory minimum wage and applies a consistent compensation system for the same qualifications and position level (equal pay for equal work).

* The ITOCHU Group expresses its support to the Declaration through its Human Rights Policy, Section 2. Endorsement of International Agreement.



Targets and Action Plan

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	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Head-quarters		Labor Practices	Improving operating efficiency and preventing long working hours through work style reform	Human resources affairs	We will aim to improve labor productivity and employee engagement by promoting varied work styles.	<ul style="list-style-type: none"> Conduct regular monitoring of employees' work situations. Conduct employee engagement survey. Promote the percentage of taking employee acquiring paid leave. 	<ul style="list-style-type: none"> Compliance to labor laws. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. Paid leave acquisition rate at 70% or higher. 	<ul style="list-style-type: none"> Conducted monitoring of employee's working hours and working environment so as to prevent unpaid overtime work. The positive answer rate to the "employee engagement" in employment survey which conducted in FYE 2022 was 71%. Percentage of taking employee acquiring paid leave; 62.2% in FYE 2023.

* Percentage of taking employee acquiring paid leave; 58.8% in FYE 2022, 52.6% in FYE 2021.

Labor Practices: Employment and Benefits

Structures and Systems

When Group companies in Japan and overseas develop business in their respective domains and regions, the Division Companies of ITOCHU Corporation, the parent company, take the lead depending on the business area. The company presidents secure human resources and put the right person in the right position in accordance with laws/ordinances under the human resource strategy based on the management strategy. Furthermore, ITOCHU supports the creation of a management structure for ensuring that Group companies provide optimal labor environments for their employees.

Risk Assessment for Labor Practices in Business Investments and Financing Projects

When assessing potential investment and financing projects, in addition to economic aspects, ITOCHU uses an ESG checklist to identify and assess key ESG (environmental, social, governance) concerns relevant to the project, which includes topics related to labor practices – e.g. working conditions, occupational health and safety and stakeholder dialogue. We also monitor the progress and performance of our existing investment and financing projects and take necessary measures to make improvements.

For further details, please refer to the ESG Risk Assessment for New Business Investment Projects (P152).

Ensuring Compliance to Labor Standards

At ITOCHU, it is mandatory for employees upon recruitment to complete training on working conditions, which includes issues related to salary, working hours and holidays, occupational safety and health, benefits, and service regulations. We are working to ensure all employees comply with the labor standards of ITOCHU by making them available at all times on the Intranet in both Japanese and English. For domestic and overseas group companies, in addition to supporting the development of optimal work environments, we are also promoting the adoption of labor standards equivalent to ITOCHU standards.

In addition, ITOCHU continues to dispatch HR staff every year to the Tokyo Labor University Lectures held by the Japan Institute for Labor Policy and Training, an affiliated organization of the Ministry of Health, Labour and Welfare. Based on the current situation regarding human resources and labor management in general, including skill development, working hours and compensation, the course systematically teaches the structure of wages, the current issues of the modern labor market with its increasingly diverse employment patterns and the state of labor-management relations from the perspective of labor economics.

Employee Engagement

ITOCHU Corporation believes that continuing to raise the level of Employee Engagement (the degree to which employees with a strong desire to contribute to ITOCHU can capitalize on their own abilities optimally at their own initiative) will improve corporate value.

We conduct a large-scale engagement survey once every three to four years. In the latest survey conducted in December 2021, the positive answer rates for Employee Engagement and Employee Enablement were among the highest for all Japanese companies. These results represent an ongoing trend since the previous survey (conducted in FYE 2019). This indicates that many employees are proud of working for ITOCHU Corporation and engage in work with strong motivation to contribute to the company and with the aim of achieving better-than-expected results on a voluntary basis. We are also adopting new measures through workstyle reforms and independent career development support to respond to the issues identified through this survey. We are verifying the effectiveness of these measures and building a structure to promptly take countermeasures.

■ Engagement Survey Score

	FYE 2015	FYE 2019	FYE 2022
Employee Engagement	78	76	71
Employee Enablement	67	64	67

* The score is affirmative response (%)

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Promotion of Work-Style Reforms

As a business managed by a small group of people, ITOCHU Corporation believes that employees are its greatest asset, and that individual employees exerting their full potential will lead to improvement in corporate value. Since FYE 2011, we have aggressively promoted workstyle reforms as we implement various measures aimed at creating an environment that allows all employees to apply their unique traits and feel secure as they focus on their work.

Evolving Our Morning-Focused Work System / Managing Work Time

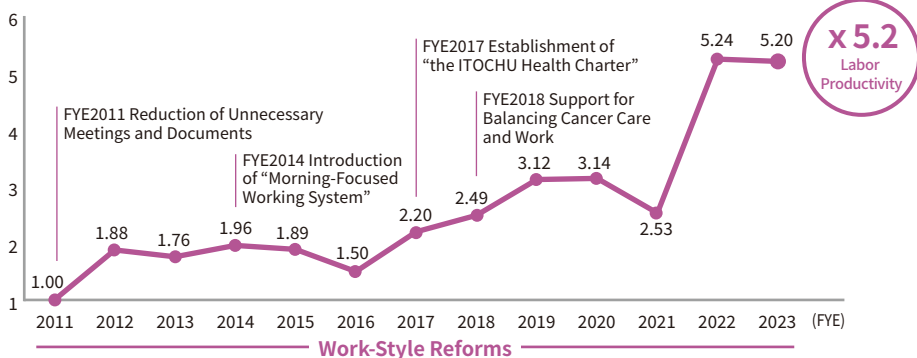
The morning-focused work system we adopted in October 2013 has promoted workstyles that reflect the ITOCHU philosophy by encouraging a mindset among employees: leaving work early in the evening and coming to work early in the morning leads to more efficient work. This also had a significant impact on society by serving as a positive case study for the government's initiatives related to reducing long work hours.

The results of the employee engagement survey conducted in December 2021 pointed out a need for further initiatives related to supporting diverse workstyles. In response, in May 2022 we adopted a morning flex-time structure. We also adopted telecommuting. These initiatives enable early work start and end times, allowing free time to be used towards self-improvement, child care, and family care. We hope these initiatives will help increase employee motivation and lead to improvements in work productivity and in our corporate value.

In addition to ensuring compliance with labor union agreements and relevant laws, we will promote further workstyle reforms as a method of reducing total work hours.

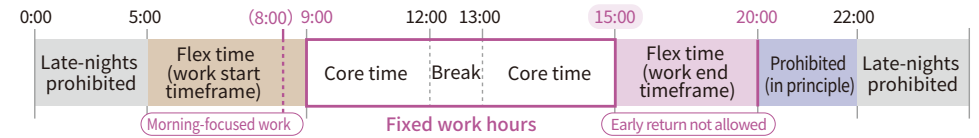
ITOCHU believes its initiatives as a pioneer in work-style reform will both empower individual employees to change their approach to work, and promote balanced operational reforms. In this way, the Company is striving to achieve a work environment that enhances operational effectiveness, helps maintain and improve employee health, support the activities of employees who face time constraints from raising children or caring for family members in poor health and allows a more diverse set of employees to make full use of their capabilities.

Change in Labor Productivity with FYE 2011 as a Value of 1



Outline of Initiatives

■ Morning-Focused Work System Diagram



- In principle, prohibit work between 8:00 pm and 10:00 pm and shift any remaining work to the next morning. 5:00 am to 8:00 am is the recommended timeframe for starting early morning work.
- For employees who start work before 7:50 am, up to 9:00 am pay the same overtime rate (25%) as employees who work overtime as an incentive.
- Work between 10:00 pm and 5:00 am is prohibited.
- We distribute three snacks to employees who arrive at work before 8:00 a.m.



Providing 3 light meals to employees who arrived at office before 8:00.

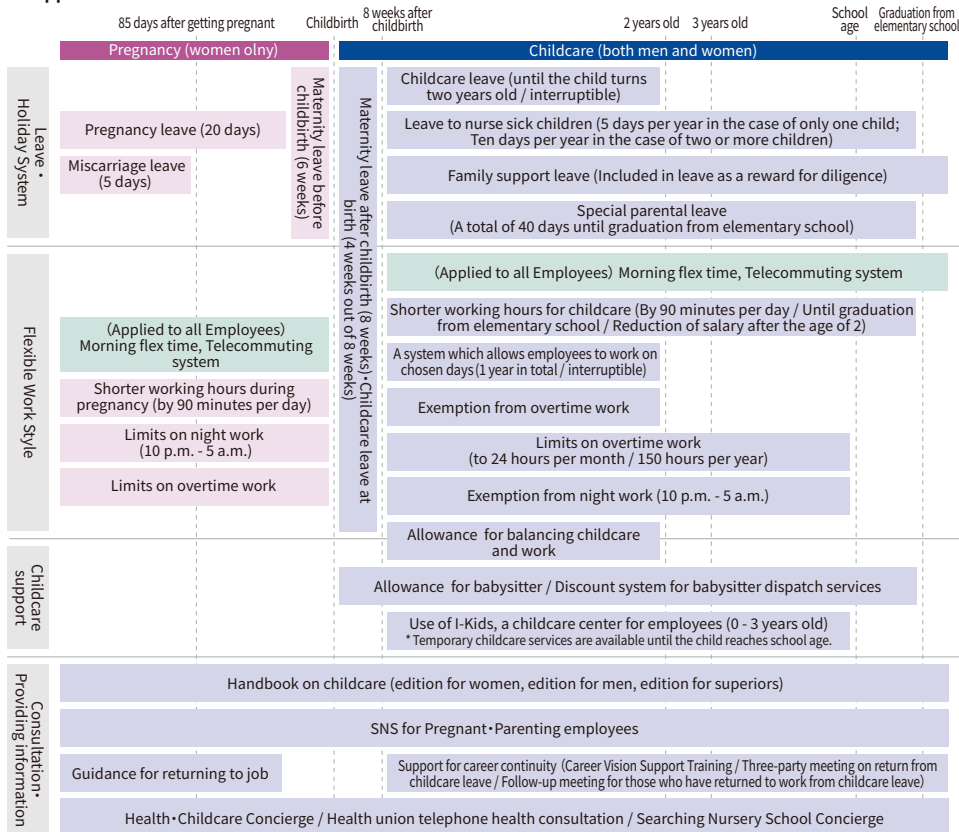
Labor Practices: Employment and Benefits

Balancing Work with Childcare and Nursing Care

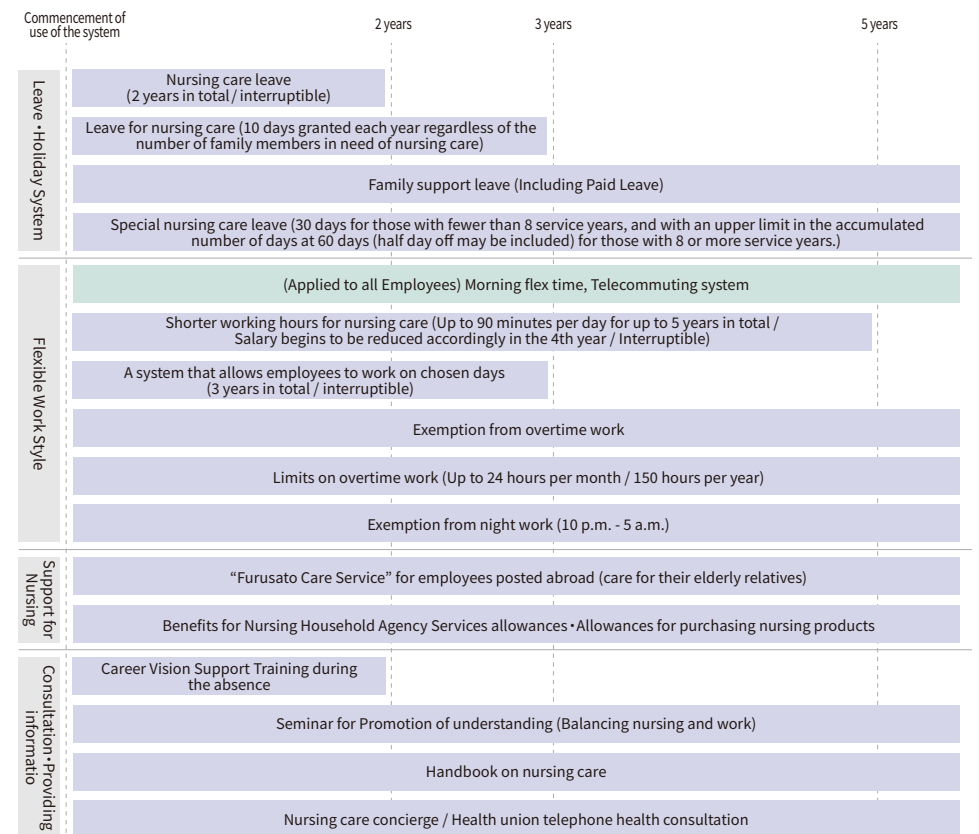
ITOCHE Corporation goes above and beyond the requirements of the law to arrange programs regardless of gender that help employees balance work with their childcare and nursing care obligations. This allows them to continue making full use of their skills during their careers at the company, while resting assured they can handle stages of life where they must take care of children or elderly family members at home. In FYE 2017, the rate of male employees who used childcare leave exceeded 50% and we saw an increase in the number of male employees who took medium- and long-term childcare leave of one month or longer. Meanwhile, in FYE 2017 we introduced a telecommuting program which employees who meet certain conditions can take advantage of. Eligible employees include those with time constraints due to childcare or nursing care obligations, as well as those who face difficulty making the commute to work due to pregnancy, illness or other such reasons. We expanded the program to make all employees eligible to take advantage of it from May 2022. In addition, we continue to hold nursing care seminars every year in light of the fact the importance of preparing for nursing care has also become a social problem. At the same time, we introduced a service to provide nursing care information online in FYE 2018. We then introduced a one-stop nursing care assistance service to meet the needs of those seeking advice in April 2019.

Support Programs for Balancing Work with Childcare & Nursing Care

■ Support for Childcare



■ Support for Nursing Care




Labor Practices: Employment and Benefits

Use of Childcare & Nursing Care Programs★

For details, please refer to ESG Data (P166).

Reemployment System

Regardless of whether male or female, if an employee who chose to leave the company to accompany his or her spouse relocating for work wishes, he or she can register with our reemployment system for three years (five years in the event an extension is permitted). During the registration period, we devise ways in which to keep that employee in contact with our company. For example, we provide opportunities for self-improvement, send bulletins, and inform him or her of the system status and updates.



Reemployment System
3 years
 (five years in the event an extension is permitted)

ITOCHU Kids Day for Visiting Mom & Dad at Work

Since 2014, we have regularly invited employees' elementary-age children to ITOCHU Kids Day for Visiting Mom & Dad at Work. The children come to work early in the morning with their parents. They then participate in the event after eating a morning snack provided by the company. This event gives them an experience of morning-focused work. Moreover, they get business cards made especially for the event, which they exchange with employees at their parents' workplaces. They also attend a mock meeting in the executive meeting room and eat lunch in the employee cafeteria. These activities provide the children with a deeper understanding of the company where their parents work. The response from employees has been very positive for instilling an interest in what the children's parents do at their job and for sparking a desire to work at ITOCHU in the future. As we consider this an incredibly meaningful event for building family bonds and teaching children about ITOCHU, we plan to continue holding it.

* We have canceled this event since FYE 2021 to prevent the spread of COVID-19.

Employee Benefits

ITOCHU Corporation employs a variety of welfare facilities and schemes to stimulate communication between employees and provide opportunities for exchange. Stimulating communication helps foster a sense of belonging and job satisfaction in individual employees. It also helps to invigorate the organization as a whole.

Employee Cafeteria

We have taken steps to make the cafeteria a more attractive space for employees. These include introducing a Wellness Cafeteria menu created under the supervision of Kagawa Nutrition University* which aims to help employees improve their health. We have revised our menus based on employee feedback as well. Furthermore, we offer a seasonal event menu every month to make coming to the cafeteria fun. We also provide collaborative menus so that employees can easily enjoy the taste of famous restaurants in the cafeteria. The employee cafeteria is used by many employees.

* Kagawa Nutrition University is a pioneering force in nutrition education. The menu it helped create focuses on daily specials with healthy dishes that fulfill different nutritional requirements. These include an energy value of around 600 kcal, salt content of 3 g or less, and vegetable servings of 140 g or more. (Currently suspended since FYE 2021 due to COVID-19 prevention measures.)

* Can be used by both full-time and part-time employees

Cooldown Rooms

In June 2012, ITOCHU Corporation introduced Cooldown Rooms on the first floor and first basement floor of its Tokyo Headquarters. These rooms seek to help beat the summer heat by keeping visitors comfortable inside the building and giving employees a comfortable place to work. To help fight global warming and save electricity in summer when demand for power is high, ITOCHU stipulates that air conditioners in the building not be set lower than 28 degrees Celsius. However, the Cooldown Rooms have lower ceilings than other rooms and can be cooled more efficiently. Cool air is supplied at 15 degrees Celsius to keep room temperature below 20 degrees. This makes them great spaces for visitors to the building and employees returning from sales activities to cool down on hot summer days. We also established a permanent history exhibition corner called "ITOCHU History" so that many people can learn about the founding principles of our company while effectively utilizing the Cooldown Rooms.

* Can be used by both full-time and part-time employees

Labor Practices: Employment and Benefits

Shower Lounge and Shower Room

In the summer of 2016, ITOCHU installed a shower lounge on the third floor of our Tokyo Headquarters, and a shower room on the second basement floor. Their goal is to help create a workplace environment that encourages job satisfaction. The seeds of this idea were accounts from employees who often found airport shower rooms crowded when returning from business trips on early morning flights. Many reported using external facilities (such as gyms and saunas) on their way to work. In response to this feedback, ITOCHU established shower facilities at Headquarters so that employees returning from business trips can be more comfortable as they begin work. The facilities are equipped with overhead shower heads, which warm the body quickly in winter, and amenities like towels, hair driers, shampoo, and conditioner. The facilities have been well received, with employees reporting they are able to work in comfort. The facilities now stay open longer and can also be used by employees who exercise to improve their health. They are also open to employees of affiliate companies.



* Can be used by both full-time and part-time employees


The Hiyoshi Dormitory

In March 2018, ITOCHU Corporation opened the Hiyoshi Dormitory in the Kohoku ward of Yokohama, Kanagawa prefecture. The dormitory has approx. 360 units to house unmarried employees. It brings together unmarried male employees who had been scattered across four locations in the Tokyo Metropolitan area. The design concept for the dormitory is “under the same roof,” as opposed to positioning it as a mere welfare facility. Accordingly, it is equipped with a variety of common areas designed to bring residents together and deepen communication across boundaries like age and department. These include a dining room with shared kitchen, a multi-purpose meeting room, a large bathroom with a sauna, and communication spaces on each floor (including study areas and an open terrace).

The dormitory is aiming to create an environment in which employees voluntarily reform their work styles and improve their health based on the corporate policies such as health management. For example, it serves nutritionally balanced breakfasts and dinners in the cafeteria, it provides exercise opportunities in partnership with a nearby fitness club, and it prohibits smoking throughout the building, including private rooms, except in designated smoking areas.

Moreover, this dormitory is designed to function as a secondary office for the Tokyo Headquarters and is vital to our business continuity plan (BCP) for disasters. It uses the same Internet environment as our offices and we have installed emergency generator equipment. We have also stocked the dormitory with food, water, emergency supplies and other items.

* Intended only for full-time employees


Opened The Hiyoshi Dormitory
 Offering Approx. **360** Units (March 2018)

“SOGO-KAI” Associations

“SOGO-KAI” associations are groups where fellow employees can assemble to enjoy the same sports or cultural activities. Spreading out from Tokyo and Osaka, there are more than thirty such associations active within the company nationwide. They boast a combined membership of more than 1,000 employees. The associations are not limited to current ITOCHU Corporation employees. Many former employees and Group company employees also take part. These associations use sports and cultural activities to promote exchange and communication across different generations and organizations.

* Both full-time and part-time employees can join



Performance Data

- Employee Status (as of March 31 for each respective year) (P165)
- Employees by Operating Segment (as of March 31, 2023) (P165)
- Overseas Bloc Employees by Region (as of March 31, 2023) (P165)
- Average Years Employed and Voluntary Resignation Rate (Non-Consolidated) (P166)

* ITOCHU Corporation has a long average number of years employed of 18 years and only around 1.8% of employees voluntarily resign. It is a company where many employees choose to stay for the long-term.



Labor Practices: Labor Union

Policy and Basic Concept

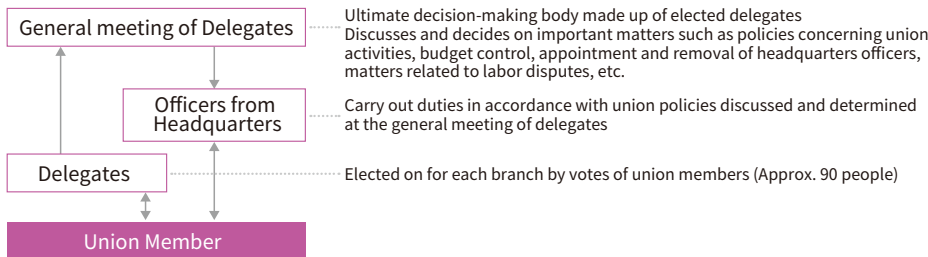
ITOCHU Corporation hopes to achieve an environment in which employees can leverage their individual talents and concentrate on their work without worry. To this end, we maintain a system of rich employee benefits and employee welfare facilities. Our original employee welfare measures include a morning-focused work style and health management. These have met with praise both inside and outside the company, and have contributed to increased employee motivation.

ITOCHU has established a labor union with which we hold constructive discussions to improve the working conditions as well as economic status of its constituents.

Structures and Systems

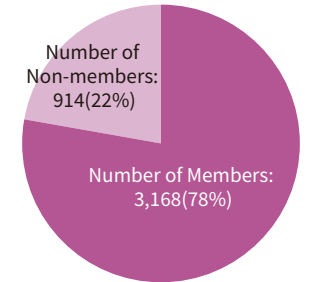
ITOCHU Corporation has had a labor union since its founding. The objective of the Labor Union is to improve labor conditions and other economic concerns of its members. The Labor Union carries out all required operations to fulfill this objective. (Article 3, Rules of the ITOCHU Labor Union)

- Headquarters: General meeting of delegates and officers at headquarters
- Branch: Four branches (Tokyo, Osaka, Nagoya, Tohoku)



The company is prohibited from taking any of the following actions:

1. Providing disadvantageous treatment to a worker because the worker is a union member, or on similar grounds
Example: Discharging or transferring a worker because the worker has gone on strike as a union member, or on similar grounds
2. Refusing to bargain collectively without justifiable cause
Example: Refusing to come to the bargaining table or sending someone without authority as a representative to attend a collective bargaining session as a representative
3. Interfering with or providing financial assistance for the organization or operation of a labor union
Example: Interfering with or interrupting the union's events or providing financial support for union operational expenses
4. Providing disadvantageous treatment, such as dismissal, to a worker in response to an allegation made by the worker to the Labor Relations Commission
Example: Providing treatment, such as dismissal or wage reduction, to a worker in response to an allegation made by the worker to the Labor Relations Commission, or to a similar action by the worker



Ratio of ITOCHU Labor Union Members as of April 1, 2023

Initiatives Together With ITOCHU Labor Union in FYE 2023

April 2022 to March 2023 (Monthly)	Health Committee
May to September 2022	Evolution of flexible work styles (measures to support balancing childcare with work)
May to December 2022	Introduction of a morning-focused flextime system (including a trial)
June 2022	Account Settlement Meeting with the CFO and CSO
December 2022	Management Meeting with the Metals & Minerals Company
March 2023	Exchange of opinions with the General Manager of Human Resources & General Affairs Division on Women's Advancement

Activities by the Headquarters of the Labor Union in FYE 2023

April 2022 to March 2023 (Twice a Week)	General Meeting of Officers
April, June, November and December 2022, April 2023	General Meeting of Delegates
December 2022	Meeting attended by Three Top-ranking Officers from Each Branch
April 2022 to March 2023	Activities by the Headquarters Advisory Committee (side work and clerical work), Career Development Support

Labor Practices: Labor Union

Comments from the ITOCHU Labor Union President



Aki Okuyama
President,
ITOCHU Labor Union

My name is Aki Okuyama. I will serve as the ITOCHU Labor Union President in FYE 2024. I am fully committed to working towards achieving three missions I value most: To protect union members, to improve the company, and the mission I adopted last fiscal year, to create opportunities.

This fiscal year, I want to focus on the following five points.

1. Dialogue and checks with management and improvement and governance of working environment
2. Realization of wage and personnel systems that are convincing to union members
3. Promotion of work style reforms, support for career development, and promotion of wellbeing
4. Improvement in the treatment of expatriates, secondees, and union members working at branch offices
5. Rebranding union organizations

I will do my best this fiscal year to make this a company where all union members can work with enthusiasm.

The missions, action guidelines and vision of the labor union is as below.

• Missions of the Union (= the Meaning of the Existence of the Union and the Values at the Basis of Our Activities):

“To protect union members,” “To improve the company,” and “To create opportunities”

• Action Guidelines (= the Key Phrases We Value in Our Daily Work):

- Stay Ahead: Proactively adopt advanced concepts and work styles to ensure the organization constantly strengthens
- Engage in Dialog: Conduct proposal-based and joint development-based activities while emphasizing dialogue with union members and management
- Be Reliable: Build a relationship of trust with union members and use that as the basis to perform activities with a sense of unity

• Vision (= Ideal Future State):

We are aiming to achieve a virtuous cycle of corporate management by improving the labor environment and the economic status of our members.

((1) An improvement in the labor environment thanks to the activities of the union accelerates the virtuous cycle of (2) active participation by union members, (3) improved company performance, (4) improved employee treatment, (5) improved morale and then back to (2) again)

We will aim to formulate a mid-term activity plan for 2030 based on the challenges faced by the ITOCHU Labor Union in FYE 2023. We will rebrand the union and strengthen our organizational structure and financial constitution through dialog with union members and delegates representing workplaces.



Dialogue with the Labor Union

ITOCHU Corporation discusses a wide range of issues with the ITOCHU Labor Union in order to achieve our corporate mission “*Sampo-yoshi*.” In FYE 2023, we held a total of three sessions of management meetings: an account settlement meeting with the CFO · CSO, a management meeting with the Metal Company President, and an exchange of opinions with the General Manager of Human Resources & General Affairs Division on women’s advancement. Recurrent, active discussion between labor and management makes both cognizant of the challenges facing the company and keeps them on the same page. This builds a healthy relationship that enables them to consider and implement measures for improvement.

Dialogue with the President

ITOCHU proactively establishes opportunities for the President and employees to engage in direct two-way dialogue. In FYE 2023, we proactively engaged in dialogue with employees by creating nearly 100 opportunities to connect with employees, including visits to local plants and offices. The President had the opportunity to speak with employees directly in his own words about our management policy and effort needed to achieve that vision. At the same time, employees had the opportunity to present opinions and questions to the President. These were important opportunities that helped enhance two-way communication.

Dialogue with the Division Company President

ITOCHU proactively establishes opportunities for the company president and corporate officers to engage in dialogue with employees. Normally, all the employees under the control of an organization are gathered together once every half a year. The top management of that organization then speaks in their own words about the company-wide management policy, organization targets and strategies toward target achievement. It is possible for employees to give their opinions and ask questions at these dialogue meetings. These are valuable opportunities for all employees, including the top management, to think about what we should personally do to further grow the organizations to which we belong.

Labor Practices: Diversity

Policy and Basic Concept




ITOCHU views diversifying consumer needs with a market-oriented approach. We believe accepting and utilizing diversity (D&I: diversity and inclusion) is essential to provide new value.

ITOCHU Corporation respects human rights and prohibits all forms of discrimination, including that based on race, gender, religion, nationality and age. We are creating an environment where employees do not fall victim to power harassment or sexual harassment (including unfairly disadvantaging or otherwise harassing employees who are sexual minorities) in the workplace and where we accept diverse values. This is an environment in which each of our employees is motivated to work and can demonstrate their abilities to the fullest through flexible work styles and individual support (E: equity). We use a diversity month organized by the Human Resources & General Affairs Division and organization manager training to raise awareness about the importance of diversity and publicization of support systems.

Additionally, we are establishing a workplace environment where discriminatory remarks about sexual orientation/gender identity and comments premised on subconscious gender stereotypes are not tolerated. Employees also have access to consultation services.

We are linking an environment where employees with diverse values can play an active role utilizing their unique qualities to growth of our employees, enhancement in our organizational capabilities and an expansion in our earnings power. We are aiming to achieve our corporate philosophy of “*Sampo-yoshi*” (good for the buyer, good for the seller and good for society) through such initiatives.

Targets and Action Plan

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Head-quarters	  	Labor Practices	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 race, gender, religion, nationality and age, and respect human rights. We will accept diverse values and create an environment where each employee maximize their ability with flexible working style and other supports.	<ul style="list-style-type: none"> Continue fair and equitable recruitment and promotion. Create a work environment in which employees accept and leverage diverse values. In anticipation of an increase in dual-income couples, enhance support for balancing childcare, nursing care, fertility treatment and similar circumstances with work (including utilization of flexible working style). Individual support according to the life stage and career of each individual Support for Seniors' Success (over age of 60) Promote understanding and acceptance of LGBTQ 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"> Achieve the following plans by the end of FYE 2024 <ol style="list-style-type: none"> Female employees as a percentage of new employees: 25% Female employees as a percentage of workforce: 25% Female employees as a percentage of employees in managerial positions: 9% Percentage of male employees who take childcare leave: Over 50% Compliance to rate of the employment of those with disabilities which designated by law (1) to (4) are stipulated in the General Employer Action Plan under the Act on Promotion of Women's Participation and Advancement in the Workplace 	<ul style="list-style-type: none"> Progress of the Performance Indicators <ol style="list-style-type: none"> The percentage of female employees as a percentage of new employees: 32.1% in FYE 2023. The percentage of female employees as a percentage of workforce: 24.3% as of March 2023. The percentage of female employees in managerial positions: 8.6% as of March 2023. The percentage of male employees who take childcare leave: 52% in FYE 2023. The percentage of employment of those with disabilities over our entire group: 2.5% as of March 2023 (Includes ITOCHU Uneedus Co., Ltd. and ITOCHU Human Resources & General Affairs Services Inc.) Introduced the following measures as a result of discussions at the Women's Participation Promotion Committee <ol style="list-style-type: none"> Broad options for work styles after childbirth and introduce a “childcare support allowance” (from October 2022) Evolution of work-style reforms, such as the introduction of a “morning-focused flexible time system” and “working from home” for all employees (from January 2023) Introduced the “Health and Childcare Concierge”, an anonymous consultation desk by a midwife advisor that can be used by employees and their families, including those living overseas (from January 2023)

Labor Practices: Diversity

Diversity, Equity and Inclusion

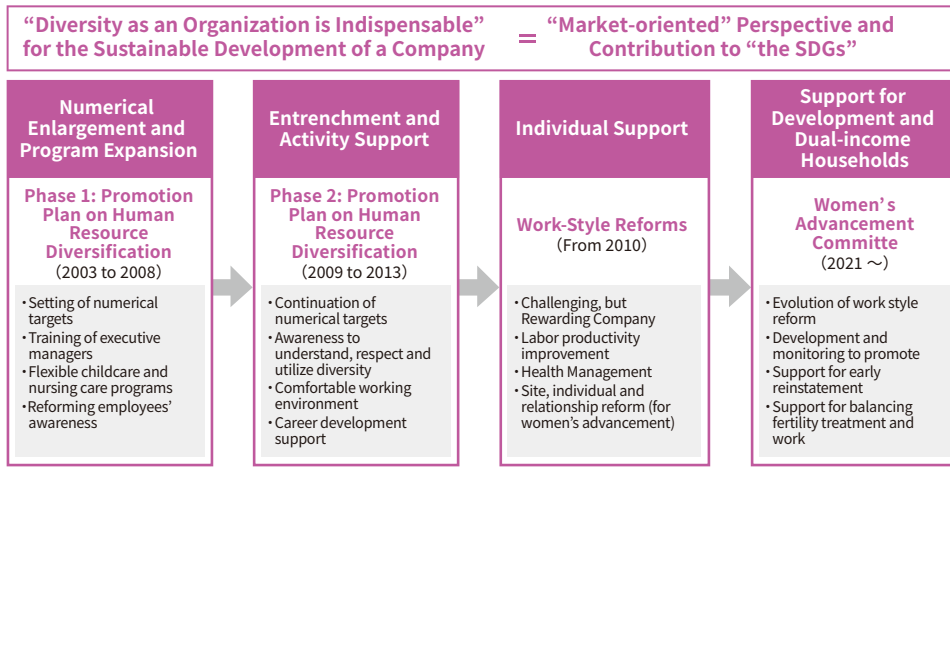
ITOCHU views diversifying consumer needs with a market-oriented approach. We believe accepting and utilizing diversity is essential to provide new value. We have been supporting the expansion, retention and active participation of diverse human resources, including women, since an early stage. We now provide individual support which grasps the site and individual circumstances in addition to uniform systems which support balancing of childcare and work.

We will continue to support the autonomous career formation of each individual employee. We will promote the building of a strict but rewarding corporate culture in which diverse values are respected and in which all our employees can demonstrate their abilities to the maximum.

We have held “Diversity Month” every December since FYE 2019 (called “Diversity Month” until FYE 2022). We provide a variety of information, training sessions and workshops for all employees to deepen understanding of diversity, equality and inclusion.

For more details, please refer to Support for Diversity, Equity & Inclusion. (P168)

Transition of Our Human Resource Diversification Initiatives



Support for Female Employees

ITOCHU has expanded systems to further the diversification of its talent including female employees and to entrench that diversification with the Plan for Promotion of Human Resource Diversification. We have tackled initiatives such as morning-focused work, health management and measures to support working while undergoing cancer treatment since FYE 2011. This is based on work style reform to raise labor productivity by all employees working in good health with high motivation. Those initiatives have led to the formation of a working environment where all our employees can demonstrate their abilities not just employees with time constraints such as female employees.

Currently, the generation with an increased number of female hires has entered an important stage when those employees become candidates for managerial positions. We are providing meticulous individual support according to the life stage and career of each individual by utilizing systems which support a work-life balance beyond the level required by law as a safety net in anticipation of an increase in dual-income households. In addition, we are looking to contribute to the SDGs (e.g., gender equality) not only for our company but for Japan. We are doing this by fostering an internal culture in which diverse employees can be a success and by declaring our endorsement of measures to promote the success of women in the workplace by government agencies and economic bodies.

Moreover, we established the Women's Advancement Committee in October 2021 as a voluntary advisory committee of the Board of Directors to accelerate the pace of our support for the success of female employees. An Outside Director serves as the chair of the committee. We have built a structure in which outside officers account for more than half of the total number of committee members with the Board of Directors supervising important measures. The committee is working together with the management to support the success of women. We will continue to move through the cycle of (1) hold discussions with sites, (2) hold discussions in the Women's Advancement Committee and (3) report to the Board of Directors after grasping sites and individual circumstances in the future. We will then incorporate the results into effective measures.

Women's Advancement Committee (As of the end of March 2023)



Please refer to our action plan stipulating specific targets and initiatives moving forward.

* Action Plan Based on the "Act of Promotion of Women's Participation and Advancement in the Workplace" and the "Act on Advancement of Measures to Support Raising Next-Generation Children" (https://www.itochu.co.jp/en/csr/pdf/action_plan.pdf)

Labor Practices: Diversity

Measures to Support the Success of Female Employees

Stage	Environment & Issue Recognition	Specific Action
Initial Hiring (1989-2003) Legally required	<ul style="list-style-type: none"> Hiring of women required by the Equal Opportunity Law for Men and Women enacted in 1986 	<ul style="list-style-type: none"> Continuous hiring of several career-track women (every year) Transfers from clerical positions Introduce child-care support program
More Female Employees & Programs (2004-2011) Welcoming company for career-track women	<ul style="list-style-type: none"> Hiring more women and providing duties throughout the company is essential to proactively promoting women to leadership positions To entrench women in the company, providing an environment where they can balance work with child/elder care 	<ul style="list-style-type: none"> Set numerical targets (abolished) Introduce of mentoring program (abolished) Expand child-rearing support program Introduce leave for employees whose spouses are transferred overseas (replaced to rehiring program) Set up an in-house daycare Hold various forums
Programs Review & Promotion of Talent Advancement (2012-) Work Style Reform • Increase in Dual-income Households Strict, but rewarding company	<ul style="list-style-type: none"> Abolished numerical targets and focusing on supporting measures Bulk of career-track women enter their 30s, with major life events to follow Individual support to women who independently develop their careers with challenge. Laws and regulations against harassments Required the disclosure of Human Capital Promotion of men's parental leave (e.x paternity leave) Support for work-life balance for increasing dual-income households <p>Establish a company-wide system for utilizing diverse human resources</p> <ul style="list-style-type: none"> Correction of long working hours and promotion of morningfocused working system Health improvement programs and "Support Measures for Balancing Cancer Care and Work" Harassments prevention trainings etc. 	<ul style="list-style-type: none"> Stricter operation of childcare program Switch to rehiring program Support overseas postings (for employees transferring overseas with children without spouses) Identify and develop candidates for promotion Subcommittee gathers opinions from women in the workplace Foster career awareness (forums etc.) Guidance before maternity/childcare leave and three-party meetings before returning from the leave Interviews before and after overseas postings Introduce work-from-home system Career Workshop for clerical employees Transfer from clerical positions (earlier year of eligibility, transferee follow-ups) Promotion of childcare leave for men employees Women's career and health seminars Provide alternative options of work-style after childbirth Fertility treatment holiday, introduction of Fertility treatment support program Introduction of concierge for health • childcare

Support for LGBT and Other Sexual Minorities

We installed a multipurpose restroom on the internal meeting room floor in 2018. This can be used by everyone who visits our building as well as our employees. We also established a consulting desk exclusively for inquiries relating to LGBT and other sexual minorities in addition to our existing employee consulting desks in FYE 2021. This means we have set up a structure that allows employees to consult with experts anonymously about how to interact with colleagues and business partners in addition to handling inquiries from LGBT and other sexual minority employees.



Examples of Support for LGBT and Others 1.
Installed Multipurpose Restrooms (FYE2019)



Examples of Support for LGBT and Others 2.
Established a Consulting Desk for LGBT and Other Sexual Minorities (FYE2021)

Diverse Consulting Desks for a Work-Life Balance

We respect the diverse values of our employees and their families. We are creating an environment where all our employees can demonstrate their abilities with peace of mind.

Name	Main Contents	Overview
Concierge for health • childcare	General	Employees in Japan and abroad and their families can anonymously consult online with a counselor in charge (a nurse and a midwife certified as a public health nurse) who understands ITOCHU System about their mental and physical health and childcare concerns.
Fertility Treatment Support Program	Fertility treatment	Employees and their families can receive fertility treatment through coupons for affiliated gynecological clinics and videos promoting understanding.
Searching Nursery School Concierge	Searching Nursery School Concierge	Explains basic knowledge about how to search and select licensed nursery schools. Help to estimate the selection index for licensed nursery schools, lists neighboring nursery schools, and provides one-stop information.
Nursing Concierge	Nursing	A one-stop service and consultation service from temporary response to problem resolution by a our company specialist counselor. Specific problem resolution includes introduction of our company system, introduction and arrangement of care managers, introduction and arrangement of nursing homes, coordination and arrangement of nursing insurance applications, etc.
Consultation desk for LGBTQ	LGBTQ	Consult outside experts anonymously for concerns about sexual orientation and gender identity. Available to all parties.
Border - Less Medical Concierges	Lifestyle Disease	Each employee, whether domestic or foreign, is tutored by a public health nurse or nurse in close collaboration with a specialist in their particular lifestyle disease.

Labor Practices: Diversity

Working Together with Persons with Disabilities

To provide persons with disabilities with a workplace that is motivating and rewarding, we established ITOCHU Uneedus Co., Ltd., our first special subsidiary, in Yokohama, Kanagawa Prefecture in 1987. The employment rate for persons with disabilities in ITOCHU is 2.48% as of March 2023 (the statutory employment rate is 2.30%). We are promoting an expansion in the recruitment and range of work of persons with disabilities in anticipation of an increase in the statutory employment rate in the future.

Initiatives by ITOCHU Uneedus Co., Ltd.

ITOCHU Uneedus Co., Ltd. is involved in businesses such as dry cleaning, printing, document digitization, photograph services, mail collection and delivery, and laundry and cleaning with persons with and without disabilities coming together as one to support each other. To expand business as well as to create a more welcoming workplace environment for employees with disabilities, in November 2015 the company relocated to new offices in Yokohama's Tsuzuki Ward with the latest equipment in a universal design. The company is currently involved in business in four locations: its Aoyama Office, Hiyoshi Office and a dry-cleaning service store called Yotsuba Cleaning (Asahi-ku, Yokohama) in addition to its head office in Yokohama's Tsuzuki Ward. It will continue to proactively encourage social participation by people with disabilities and to provide value to society through its work with the aim of creating a work environment where it is possible to feel the joy of working in the future.



Head office building of ITOCHU Uneedus Co., Ltd. (Tsuzuki-ku, Yokohama)

* <http://www.uneedus.co.jp/> (Japanese only)



Work in the cleaning department



Work in the print service department

Support for Seniors' Success

ITOCHU employs all those who so desire under the Employment Extension System after they reach retirement age at 60 years old from the perspective of the decreasing birthrate and aging population in Japan and activity support for diverse personnel. This means we are developing an environment in which middle-aged and older employees can continue to work utilizing the wealth of knowledge and experience they possess even after they have reached the retirement age. We also hold training such as life planning seminars for employees at the age of 58 years old and future course selection briefings for employees. Therefore, we are supporting work styles and money plans after the extension of the employment of employees. Furthermore, we hold career design training for career-track employees who are 40 and 48 years old and for clerical employees who are 35 and 45 years old. Those employees take an inventory of their own career and skills and then visualize their experience and strengths. Upon that, we provide them with the opportunity to consider re-learning career skills(re-skilling) they will need in the future. We even have some employees who continue working with us after they reach the age of 65 years old. We will do yet more to create an environment where middle-aged and older employees can continue performing motivating and rewarding work. In addition, we have built a platform to support our former employees. We support the activities of our former employees even after they have left our company. This initiative includes providing opportunities for social contribution activities and volunteers, management staff of KIDS PARK operated by our company, and Japanese language instructors for our overseas national staff.



Performance Data

- Number of Hires by Gender and Adoption Rate for Mid-Career (P166)
- Employee Status (as of March 31 for each respective year) (P165)
- Share of Women in Career-track / Managerial / General Managerial / Executive Positions (as of March 31 for each Respective Year) (P165)
- Gender Pay Gap (as of March 31, 2023) (P165)
- Use of Childcare & Nursing Care Programs (P166)
- Employment of Disabled Persons (as of March 1 for each Respective Year) (P166)

Accolades for ITOCHU Corporation

ITOCHU Corporation's initiatives in "Creating Environments that Bring Out the Best in Employees" have won much praise.

We won the Ministerial Award for Women Empowering Companies in FYE 2021. In FYE 2022, we were selected as a Nadeshiko Brand. This is an initiative run jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

For more details, please refer to Evaluation by Society (Diversity) (P205).

Human Resources Development

Human Resources Development Policy

The ITOCHU Group works together as one to provide each employees with opportunities to pursue spontaneous learning and take on new challenges to gain robust business experience. By doing so, we push ahead with human resource development and provide career building assistance in a way that is aligned with the diverse skills and aptitudes our employees possess. In addition, Human resource development expenses were, in FYE 2000, repositioned by the Company as investment in human capital essential to supporting sustainable improvement in corporate value. Therefore, we regularly review these expenses on a Company-wide basis and direct investment to achieve the best possible outcomes in terms of human resource development. Through these Group-wide initiatives, we develop Merchants capable of fulfilling “Infinite Missions” and adapting to changes in the social environment and customer needs, with the aim of realizing “*Sampo-yoshi*,” the ITOCHU Group’s corporate mission.

Targets and Action Plan

Based on our employee training policy, ITOCHU Corporation works to achieve the following goals.

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Head-quarters		Labor Practices	Sustainable development of employees' capabilities	Human resources affairs	We will develop training programs on a global basis and provide opportunities to learn proactively that respond to the changing times and business needs with a market-oriented mindset to foster employees who can constantly change their business to meet their needs while inheriting the corporate philosophy. 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"> Annual training-related expenses exceeding one billion yen. The number of employees who joined human development program (cumulative total number) 50,000 or more. 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"> Annual training-related expenses forecast: 1.63 Billion yen in FYE 2023. The number of employees who joined human development program (cumulative total number) 48,044. Overseas dispatch rate for career-track employees in up to their eighth year since joining the company: 89.4%.

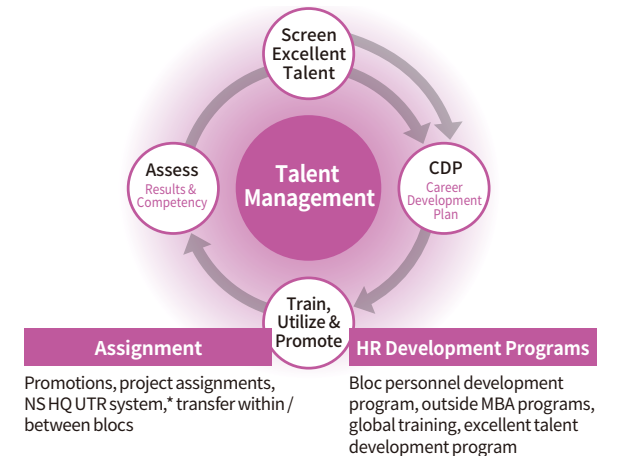
Structures and Systems

ITOCHU Corporation implements a global personnel strategy. Specifically, in FYE 2011, we established leadership standards and we constructed the Talent Management Process to hire, develop, utilize and promote excellent talent who will expand overseas revenues worldwide.

We also reflect the corporate philosophy and values we have inherited since the foundation of our company not only in our recruitment standards but in our evaluation and training systems. With this, we are recruiting and training people who match the values of ITOCHU Corporation on a global basis. We provide a selective online training program as support for career formation according to diverse values. This program enables employees to take about 3,000 courses anywhere. It is utilized by about 1,000 overseas bloc employees every year. We have so far stationed a total of about 100 overseas bloc employees in our headquarters from the perspective of career formation. The purpose is to deepen their understanding of the corporate philosophy, to acquire knowledge and experience through the headquarters' business, and to build a human network. Currently, there are about 700 overseas bloc employees among management personnel (equivalent to managerial positions). We will continue to work with each company and overseas bloc to proactively train and promote excellent employees in the right place regardless of their nationality. This will lead to a further business expansion overseas.

* We have created the ITOCHU Global Classification (IGC). The IGC is a global grading system based on positions and duties at all levels worldwide. We use it to place, promote and train personnel regardless of nationality.
 * We have set behavioral requirements that leaders should possess on a global basis. We use these in the recruitment standards and evaluation standards.
 * Relevant data: Overseas Bloc Employees by Region (P165)

Talent Management Process



* Program to accept overseas bloc employees at Tokyo Headquarters

Human Resources Development

Training System

The ITOCHU Corporation training system consists mainly of selective training for future management personnel and selective training for career development based on meetings with superiors in addition to mandatory training when an employee is appointed an organizational manager or is posted overseas. There is a wide range of training opportunities at various levels, not only for Headquarters employees, but also for those at certain overseas bloc companies and Group companies.

Overseas blocs arrange their own training systems to teach the skills and expertise required for their business and markets. In combination with the headquarters training system, they develop management talent capable of global success.

	ITOCHU Employees				for Group Company Employee	Global Development Program (NS)
	Mandatory	Selection	Selective	Career training		
Officers	Training for Appointed Officers				Training for Appointed Officers	
General Manager	Training for Newly Appointed General Managers	GEP Training			Training for Managers	Leadership in Action (P3)
Section Manager	Training for Newly Appointed Section Managers	Business Transformation Workshop	Coaching 1 on 1 Training			GLP
Mid-career	Lead Employee Training	Short-term Business School Business Administration Training (Advance) Business Administration Training (Basic)	IMBA		Business Innovation Course Lead Employee Training Training for Clerical-Specialist	GNP Advanced GNP NS UTR Training
Junior		Dispatch to Specific Foreign Language Course/ English Master Course			8th Year Training 4th Year Training	
New Graduate	Courses for Basics Onboarding for New Employees				Onboarding for New Employees	
Clerical Staff	Lead Employee Training Onboarding for New Employees	Career Workshop	Courses for Basics		Career Design Training Training for New Appointed Grade B2 Employees 6th Year Training	
Temp Staff	Onboarding for Temp Staff					
Prospective Staff	Onboarding for Prospective Staff				Training for prospective employees	

Human Resources Development

Training Results

- Relevant data: Time/Cost Allotted for Employee Skills Development Training (P167)
- Relevant data: Attendance in Major Training (P167)

Key Points for Better Training

In FYE 2014, we created a training scheme for talent who shoulder administrative responsibilities at Group companies from the perspective of group management. Specifically, in FYE 2015, we started Business Management Training for young employees to learn about accounting work efficiently in a short period of time through practice to strengthen the acquisition of basic knowledge on business management and risk management techniques. Additionally, we have a replete lineup of Group company employee trainings so that domestic Group company employees can upgrade their skills and expand their networks within the Group.

Furthermore, we conduct trainings in the Global Development Program and the Short-Term Business School Dispatch to develop global management talents with an overseas perspective. Meanwhile, we were among the first to offer a short-term overseas dispatch system in 1999. This program is designed to improve the English language skills of young employees at the headquarters and foster a global mindset. Chinese and other special language programs dispatch employees to emerging markets such as China and etc. These are the core programs for our initiatives to foster specialists in each market.

Our employees take stock of their strengths/weaknesses and career every year from the perspective of independent learning. They meet with their superiors to discuss the development of their abilities (re-skilling) and their vision for the future. Our employees can choose to take more than 100 training courses we have prepared as Career Vision Support Training.

For our training with an emphasis on practical on-the-job skills, we conduct independent training programs that are based on each company or Headquarters administrative division's talent strategy and tailored for various objectives to develop industry professionals with diverse values.

Most recently, we have been providing our employees with opportunities for training and lectures aimed at studying cutting edge business model cases and acquiring IT expertise according to our Mid-term Management Plan. The aim of these training programs is to develop personnel to put into practice digital transformation focused on profitability to drive evolution of business.



Global Development Program

- Relevant data: Number of Overseas Local Employee Management Personnel (March 31, 2023) (P165)

Talent Synergy with CPG & CITIC

In January 2015, ITOCHU Corporation formed a strategic business and capital tie-up with Charoen Pokphand Group Company Limited (CPG) and CITIC Limited (CITIC), which are some of the leading conglomerates in Asia and China, respectively. Thereafter, in January 2016, the three-company group signed a memorandum to strengthen talent synergies as the foundation for producing medium- to long-term business synergies and raising enterprise value. According to the memorandum, the goal for the future is to build a robust network of talent between the three companies and construct a foundation that will support their strategic partnership. This will be accomplished by dispatching and exchanging talent between the three companies from the short-term to the long-term, dispatching trainees to join training programs at other companies, and conducting new joint training.

In FYE 2017, the three companies held their first joint training in Tokyo. We held this combined training seminar for the second time in Beijing, where CITIC is based, in FYE 2018 and for the third time in Thailand (Khao Yai and Bangkok), where CPG is based, in FYE 2019. In FYE 2020, we held this training for the fourth time in Tokyo. We select employees who match the business themes established in advance from the three companies. The participants come to fully understand each other's management policies, values, history and main business. They then thoroughly discuss the creation of business synergy. With this, the aim is to build a solid personnel network as partners.

The three firms are also steadily accepting trainees into their existing programs through short- to long-term talent dispatch and exchange arrangements.

In addition, the strategic business and capital tie-up was accompanied by the FYE 2016 startup of a project to develop 1,000 Chinese-speaking employees, who account for one-third of all career-track employees. The project has made progress in laying a solid linguistic foundation. By the end of FYE 2018, we reached our goal of 1,000 people. We continue developing those employees even after that. The total number of trainees as of the end of FYE 2023 was 1,293. We will continue to build the foundations to further promote the expansion of business in China and the rest of Asia in the future.



The 4th Three Companies' Combined Training Program (Tokyo) (July 2019)

Human Resources Development

ITOCHU Morning Activity Seminar

In September 2016, we began conducting early-morning training sessions and presentations as one measure to encourage shifts beginning in the early morning. The themes of these seminars are focused on the next generation of business and health. We held these seminars a total of 3 times with the participation of 864 people in FYE 2023. We received comments from the participants like the following: “I was able to hear stimulating stories before work, so I felt very positive.” We plan to hold these seminars on a periodic basis in the future.



An ITOCHU Morning Activity Seminar



■ Morning Activity Seminar Results for FYE 2023

Date	Theme	Speaker
January 2023	What Should We Do Now after COVID-19? Focusing on Autonomic Nerves and the Intestinal Environment	Hiroyuki Kobayashi, Professor in the Faculty of Medicine at Juntendo University
October 2022	Work Style Reform Arising from Experiencing Childcare Leave Three times: 100 Work Styles for 100 People	Yoshihisa Aono, CEO of Cybozu, Inc.
August 2022	Entrepreneurial Spirit in the Reiwa Period (2019 Onward): Taking on the Unprecedented Challenge of the Space Business	Nobu Okada, Founder & CEO of Astroscale Holdings Inc.

HR Appraisal & Assessment System

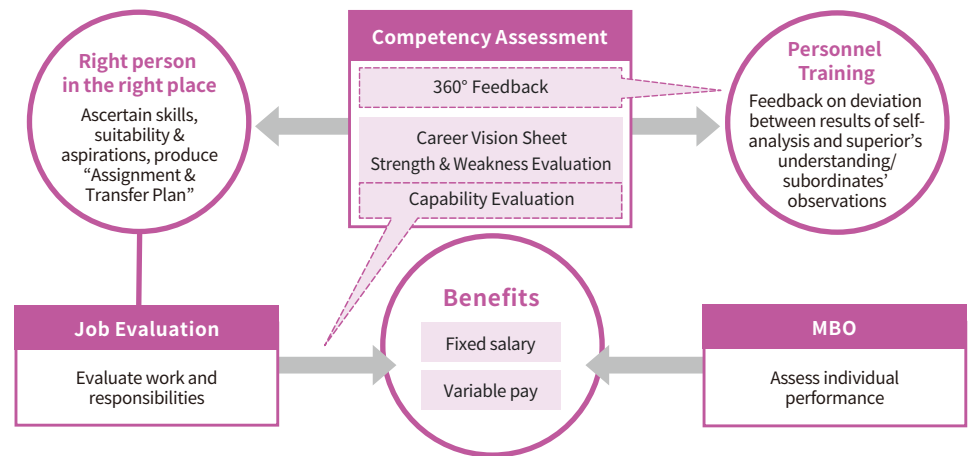
The HR Appraisal & Assessment System is a core part of the human resources organization that helps employees fully demonstrate their capabilities in a motivated and rewarding manner. It covers all ITOCHU Corporation employees. One part of the system is Management By Objectives (MBO), by which we assign individual employees with targets that match up with the management plan, then confirm execution. This approach helps us carry out business strategies.

We determine bonuses by reflecting company performance in addition to individual performance assessments based on MBO. This has led to an increase in employees' awareness to participate in management. In addition, we comprehensively grasp individual employee's competencies, expertise, past career, aspirations and suitability. We have established a human resources assessment system that we utilize in placement and transfer planning and an employee commendation system that recognizes employees who have made significant contributions in quantitative and qualitative terms and teams that have produced results based on the corporate action guidelines.

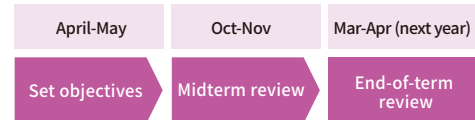
In order for these components of the HR Appraisal & Assessment System to function, we believe it is critically important that superiors conduct fair and impartial evaluations and meet with their subordinates to provide feedback. 360° feedback* assessor training and one-on-one interviews enlighten superiors so that they will encourage employees to develop and grow.

* Multifaceted observation: A system by which feedback from observations by the organization managers themselves and subordinates are used to review everyday personnel management that the organization manager typically does not notice, followed, if necessary, by initiatives to make improvements or upgrade capabilities. We make sure to apply this approach every year.

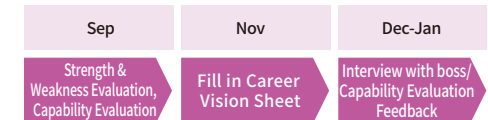
■ Overall Picture of the Personnel Evaluation Systems



■ Management By Objectives (MBO) Flow



■ Competency Assessment Flow



Human Resources Development

Career Support

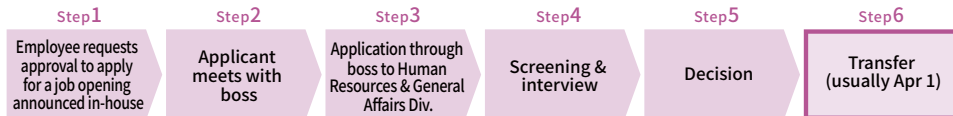
Career Counseling

The Career Counseling Center provides wide-ranging counseling and support services for the diverse careers of all employees. We have established a self-career dock system that provides opportunities for career counseling together with the training held at each milestone after an employee joins the company. All the center's counselors are nationally certified career consultants. They support the independent initiatives of those seeking advice about balancing work with childcare and nursing care, communication in the workplace, and other areas in addition to future career according to the situation of each employee. The counselors also support mid-career hires to smoothly adapt to life at ITOCHU and assist with the success of middle-aged and older employees. There are over 800 consultation visits to the center each year. Here, visitors are provided complete confidentiality so they can feel at ease conversing with a counselor. The center's aim is for employees to develop an awareness about how to independently shape their career.

Formal Introduction of the Challenge Career System

We have introduced the Challenge Career System as a measure to increase the mobility of personnel for career-track employees (excluding organization managers) and clerical employees working in Japan. With the system, employees can check a list of job openings announced on the company intranet, then inform their superior of their desire for a transfer. With the superior's approval, the system will try to match the employee with the desired division and, if successful, may make a transfer between Division Companies or Headquarters administrative divisions. The aim of this system is to strengthen organizational capabilities by motivating employees and supporting them to independently develop their careers with the provision of career selection opportunities. 13 people transferred in FYE 2023 following on from 13 people in FYE 2021 and 16 people in FYE 2022. We will increase the number of opportunities to apply to join this system to twice a year in FYE 2024. We will further promote support for our employees to independently develop their careers.

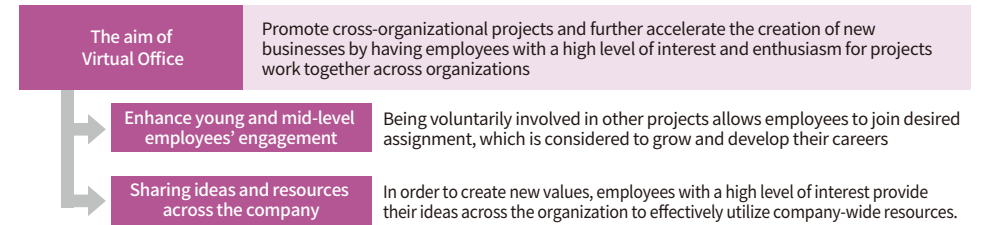
■ Challenge Career System Process



Virtual Office

We introduced the Virtual Office in FYE 2024. The aim of the Virtual Office is to promote business by sharing ideas and resources across organizations and to support the growth and career development of our employees. It is a mechanism which solicits cross-organizational projects company-wide. Employees themselves can then use small blocks of spare time outside of their main work to engage in the projects in which they have a high level of interest and enthusiasm.

We conducted a trial of the Virtual Office with a total of five projects in FYE 2023. Employees with different work locations, ages and duties gathered from across the company to work on the projects. According to a questionnaire we conducted on the participants in the trial, 91% of employees said that the activities of the Virtual Office led to their own growth and job satisfaction.



Promotion of Rotation

We have formulated rotation guidelines for young career-track employees. The aim is to assist the activities of personnel in the next generation who will support management in the future. We have determined the training and transfer policy for each organization under the premise that young career-track employees will have finished their basic education by their second year in the company and will have experience of an overseas deployment within eight years of joining the company as a general rule. In addition, organization managers explain this training policy to young career-track employees and employees in clerical positions and then hold career meetings to exchange opinions with them. With this, we have developed an environment in which it is possible for young employees to tackle the work in front of them while looking to the future. We have also created a mechanism so that they can achieve diverse careers by reviewing their transfer requests and rotation results every year.

ITOCHU Internship

ITOCHU provides an internship to students which allows them to tackle various challenging issues based on past business cases. We do this so that they can think about their careers in terms of working in a general trading company. ITOCHU Website for students (<https://career.itochu.co.jp/student/information/seminar.html>) (Japanese only)

Occupational Safety and Health Management

Policy and Basic Concept

Occupational Safety and Health Management for our Employees

ITOCHU believes improving employee health is a cornerstone supporting the enhancement of its human resource capabilities which will, in turn, enable the fulfillment of its Guideline of Conduct, “I Am One with Infinite Missions.” Based on this concept, the Company has established the ITOCHU Health Charter. Moreover, we have developed a robust health and safety management structure aimed at, for example, helping employees who strive to balance cancer care and work. In addition, our industrial physicians support our group companies such as by providing information on occupational health and safety. With the health of each of our employees as our top priority, our entire group will strive to realize a workplace aim to realize a working environment where our employees can work with peace of mind in the future.

ITOCHU Health Charter (Enacted in June 2016)

1. Taking Responsibility for Employee Health

ITOCHU will take responsibility for the good health of each employee by actively supporting initiatives they take to maintain or improve their health.

2. Contributing to Society by Maintaining Good Health

ITOCHU will develop soundly over the long term based on an understanding that the good health of its employees is the foundation of the happiness of the employees themselves as well as their families, customers and wider society.

3. A Legacy for Future Generations

ITOCHU will carry out its infinite variety of missions as a company in which healthy employees who are fulfilled both spiritually and physically unleash their individual strengths.

Going forward we will pioneer various initiatives that lead the way toward work-style reform and health management. And we will build an environment that allows employees to find meaning in their work.

Occupational Safety and Health Management along the Supply Chain

Beyond our employees, ITOCHU Corporation also implements comprehensive measures to ensure the occupational safety and health of the stakeholders within our supply chain, including the companies we invest in and contractors. In 2013, we established ITOCHU Corporation’s Sustainability Action Guidelines for Supply Chains to communicate our expectations for partners along the supply chain. The Guidelines covers key safety and health related issues such as “Management of working hours”, “Management of health and safety”, and “Management of employee health”.

We believe it is important to gain the understanding and cooperation of all of our suppliers and contractors regarding our procurement-related policies. In keeping with this belief, in FYE 2014 we followed up on the Guidelines with approximately 4,000 suppliers with whom we have continuing relationships, in order to raise awareness and understanding of our expectations. In January 2015, we have made it a mandatory procedure to inform all new suppliers and contractors of the Guidelines. We anticipate that these activities will lead to an enhanced understanding among our business partners regarding our approach to sustainability.

Safety and Health Related Risk Assessments for Investment Projects

ITOCHU Corporation considers ESG (Environmental, Social, and Governance related) aspects to be crucial in assessing potential risks for investment projects. In addition to financial risks and opportunities, our due diligence and risk assessment process for prospective investments therefore includes the use of a comprehensive ESG Checklist, which covers seven core subjects aligned with the ISO26000, as well as 33 sub-issues. One of the core subjects concerns Labor Practices, which includes sub-topics covering safety and health-related issues, such as labor standards, occupational safety and health, and stakeholder engagement to enhance health and safety practices. Our assessment of safety and health related risks for investment projects does not simply end at the initial investment. We conduct continuous management assessments and ensure that we monitor companies in our portfolio, ultimately to contribute to as much enhancement of business practices among investees as possible.

For more details, please refer to ESG Risk Assessment for New Business Investment Projects. (P152)

Combating Global Health Issues

ITOCHU Corporation has operations worldwide, with about 800 employees stationed overseas. As such, global health issues including HIV/AIDS, tuberculosis, and malaria, which are widely recognized as three of the deadliest infectious diseases today, are a major concern to our business, and we have implemented various initiatives in response.

With regards to our employees and their families, we conduct detailed preparatory seminars regarding safety and medical practices prior to overseas dispatch, including information on said global health issues. We also provide employees stationed abroad and their families with mandatory vaccinations aligned to the recommendations published by local governments. Vaccinations are administered by our Health Administration Center or a nearby travel clinic. Once dispatched, our employees and their families have access to specialized health care service companies that we partner with, which can provide information on local hospitals, details on how to avoid infection, and emergency treatment of illnesses.




In terms of community involvement, we have strived to enhance partnerships that can maximize our contribution to combatting global health issues. Since 2017, we are supporting Friends of the Global Fund, Japan (FGFJ) (<http://fgfj.jcie.or.jp/en/>) through our membership in the Japan Center for International Exchange (JCIE), which is responsible for the operation of FGFJ. We also work with Dole Philippines, one of our subsidiaries, to combat global health issues including HIV/AIDS, tuberculosis, and malaria, in the local communities. We will continue to expand initiatives in this area to fulfill our social responsibility as a global company.

Occupational Safety and Health Management

Targets and Action Plan

Based on our policies regarding the management of occupational safety and health, ITOCHU Corporation aims to achieve zero workplace accidents and death incidents involving employees and contract employees* in FYE 2024 as well, and will work toward the following underlying targets.

* Contract employees are those who work in offices managed by ITOCHU

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Headquarters								
Develop a Rewarding Work Environment		Labor Practices	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"> Reach the percentage of employees who receive regular medical checkups in Japan to 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote support system for balancing cancer care and work. Encourage support for smoking cessation treatment. Continue to provide special programs for employees at a high risk for lifestyle-related diseases. Conduct stress check every year. 	<ul style="list-style-type: none"> Percentage of employees who receive regular medical checkups in Japan: 100%. Percentage of employees who receive specific health guidance: 55%. 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"> Percentage of employees who receive regular medical checkups in Japan: 91.7%. Percentage of employees who receive specific health guidance: 47.0%. Rate of employees found to have a high level of stress in the stress check at 5.0% in FYE 2023.
Metals & Minerals Company								
Respect and Consider Human Rights Ensure Stable Procurement and Supply	 	Mining Electric Power•Mining•Oil and Gas Fields	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. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (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 seven 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.

* For more details about strengthening employee health, please refer to "Initiatives for Health Management." (P123)

Occupational Safety and Health Management

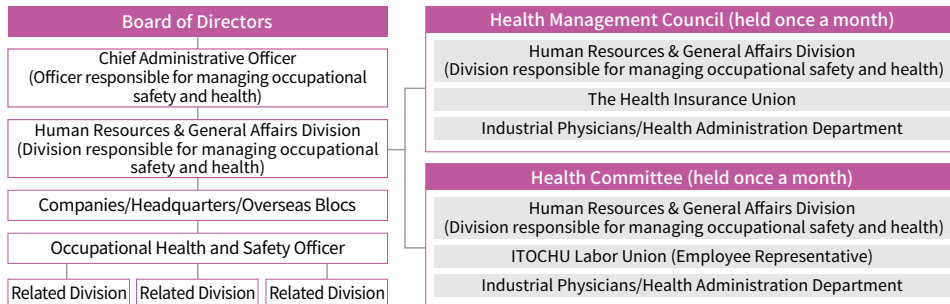
Structures and Systems

ITOCHU Corporation considers employees to be assets. One of the company's vital responsibilities is to ensure health and safety in the workplace so that employees can reach their full potential. We have built a robust system led by the President & Chief Operating Officer, not just for incidents, accidents, disasters and other emergencies, but also health management. This ensures that both ITOCHU Corporation employees working around the world and their families stay healthy and safe.

To implement our corporate mission of being "Sampo-yoshi," ITOCHU Corporation also discusses the content of efforts and the implementation situation of occupational health and safety with the ITOCHU Labor Union, which counts approximately 80% of employees as members. (see "Labor Union" (P107)). The Labor Union also collects opinions and identifications relating to health and safety in the workplace from employees. Including the content of those, recurrent, active discussion between labor and management makes both cognizant of the challenges facing the company and keeps them on the same page. This builds a healthy relationship that enables them to consider and implement measures for improvement.

See here (P168) for the number of employees who have undergone training on health and safety standards.

■ Overview of Itochu Corporation's Occupational Health and Safety Management Organization



We have a standard management and escalation procedure for all matters regarding occupational safety and health, both domestic and abroad. For each of our Companies, Headquarters, and Overseas Blocs, we have appointed an Occupational Health and Safety Officer, who is responsible for overseeing the execution of relevant initiatives. These Officers also serve as contact points to which workplace incidents and death incidents are reported to within their related divisions.

Officers are also expected to relay and escalate these reports to the head office's Human Resources and General Affairs Division. This division identifies dangers in those reports and conducts surveys relating to accidents. It determines and executes corrective measures if necessary.

The Human Resources and General Affairs Division meets with industrial physicians about important matters relating to health (e.g., the infectious disease situation and preventative measures) and risks in working hours and working environments. The Health Committee then meets once a month to share information between labor and management.

With regards to Health Management related initiatives and concerns, we hold a monthly Health Management Council to share progress and any concerns or risks regarding occupational health and safety.

Any critical issues identified in the Health Committee or the Health Management Council are escalated

via the Human Resources and General Affairs Division to the Chief Administrative Officer (CAO), who holds the highest level of responsibility regarding health and safety. The CAO is responsible for reporting highly important issues to the Board of Directors and the Chairman & CEO. Matters that are not urgent are reported to the Board of Directors once a year, through the same reporting process.

In addition, we periodically report matters relating to health management and labor health and safety to the Board of Directors. We improve our initiatives relating to occupational health and safety based on instructions with respect to health management and occupational health and safety reports from the Board of Directors and operational issues identified by the Health Committee.

Operation of Occupational Safety and Health Management based on the International Guidelines and Standards

Operation based on the EHS Guidelines

The Metals & Minerals Company has established and is operating Environment, Health and Occupational Safety (EHS) Guidelines for its metal and mineral, coal and uranium mining businesses. EHS guidelines supports us to work on sustainable mining development leading to the stable supply of resources.

It is our obligation to avoid and reduce the EHS risks such as environmental pollution, health hazards of workers and operational accidents caused by our business activities (e.g., exploration, development and production). To that end, we have prepared EHS guidelines as technical reference documents summarizing the EHS issues and recommendations for risk management. For throughout implementation of the guidelines, we also utilize checklists available in Japanese and English.

EHS Guidelines apply to new investments, as well as projects in which we are already participating. We communicate intensively with our partners for consultation and improvement on resource development with greater consideration for EHS aspect. In FYE 2023, we performed checks on seven existing projects and one other resource-related project. We then set items requiring continuous follow-up.

We have prepared guidelines in line with global standards such as the International Finance Corporation (IFC) and standardized processes with checklists. Meanwhile, we continuously review the processes so that we can operate the guidelines flexibly to suit the individual risks of each project.

Most of all, it is important that organization members have an in-depth awareness of the importance of EHS compliance. Accordingly, we aim to thoroughly share information on this throughout our organization by conducting awareness activities using concrete case studies every year. We held internal training courses for supervisors and company employees belonging to sections engaged in resource development in FYE 2023. The attendance rate of those subject to this training was 100%.



Subsidiaries that have ISO 45001 Certifications

Our Group companies also maintain occupational health and safety by establishing and operating management systems in accordance with ISO 45001, the international standard for occupational health and safety management systems. As of March 31, 2023, six (accounting for 1.3%) of our company's domestic and overseas consolidated subsidiaries had acquired ISO 45001 certification.

Occupational Safety and Health Management

Health Administration Center

The Health Administration Center serves as the clinic for our headquarters in Tokyo and employs a total of 20 medical specialists, as well as x-ray technicians and pharmacists. For more than 30 years public health nurses have acted as “border-less medical concierges” who provide individual health guidance customized to the situation of every employee, both in Japan and overseas. This is based on close cooperation with medical specialists for various lifestyle-related diseases. In this way, the center supports ITOCHU Corporation health management through individual health management for each employee. Specifically, in addition to the specialized disease management, the center provides general practice medicine (internal medicine, orthopedic surgery, psychiatry and dentistry), checkups (regular medical checkups, half-day complete checkups, cancer checkups and medical checkups for employees traveling overseas or returning from abroad on a temporary or permanent basis), various vaccinations such as for COVID-19, and examinations. It also offers medical counseling and provides information. We achieve a rate of regular medical checkups for employees in Japan of almost 100% every year.

Mental Health

Concerning mental health, we have set up a stress management room in the company and offer counseling by a clinical psychologist. Employees can also seek counseling from a company physician or see a psychiatrist in-house. Our Health Insurance Union has set up a health consultation website called “Health & Mind Online” that enables employees to seek consultations by phone or over the net. In addition, we have been conducting stress checks once a year since 2015. The rate of those taking these checks has reached 98.2% (FYE 2023).

Safety Measures for Employees on Travel or Stationed Overseas

ITOCHU Corporation operates worldwide with roughly 800 employees stationed overseas. We also send as many as ten thousand people a year on overseas business travel (data before the COVID-19 pandemic). Therefore, we are also working to offer health management to overseas staff to establish an environment where they can demonstrate their abilities with peace of mind even in unfamiliar situations. Since close communication between overseas locations and Japan is vital to overseas security management, we have stationed overseas safety specialists at our headquarters. They regularly exchange information about politics, economics, public safety and other factors with personnel and general affairs representatives assigned to each of the seven blocs worldwide. They then disseminate appropriate measures internally and to group companies. We have also been taking measures to ensure the safety of employees through a meticulous response since the spread of COVID-19. For example, we have been obtaining information on the local medical environment – especially the local infection situation and the number of hospital beds – and also the operating status of international flights. We have also established a system to cover regions where information is more difficult to obtain through contracts with international security consultant firms. In addition, we have been conducting overseas crisis response training in-house since FYE 2020. We mainly provide this training to those who we plan to station in countries and regions with poor security and employees who we expect to frequently send on business trips to such countries and regions.

Measures to Address Medical Issues and Prevent Infectious Diseases

Prior to being dispatched, all employees stationed abroad are required to undergo mandatory vaccination in line with governmental recommendations for each international region/country. ITOCHU’s Health Administration Center provides employees with vaccination services – in case specific vaccinations are not available, we direct our employees to nearby clinics that specialize in vaccinations. All vaccination costs are also covered by the company. We provide both the employees and their families with thorough preparatory seminars on health and safety matters regarding the countries they are assigned to. Global health issues such as tuberculosis, malaria, and HIV/AIDS are especially crucial for certain countries. Therefore, we ensure that the preparatory seminars cover these issues, and also provide follow-up seminars following their return to Japan.

Once our employees and their families arrive in their assigned countries, we provide medical support in various ways, such as partnering with a specialized health care service company (International SOS (<https://www.internationalsos.com/>), Emergency Assistance Japan (<https://emergency.co.jp/english/>)), to provide information on any potential issues that may occur, information on how to address and manage health emergencies, and support during emergencies, such as those that require emergency transportation.

COVID-19 workplace vaccinations

We have been working hard on securing vaccines, doctors, nurses and volunteers, building a reservation system, and operating it on a daily basis to be able to provide vaccinations in the workplace to protect the health of our employees during the worldwide COVID-19 pandemic in recent years. We are providing three vaccinations to all employees who desire them. Moreover, we have widely disclosed the manual for workplace vaccinations we created in-house and our response to operational issues to serve as a useful tool for regional communities and other companies.

- First and second vaccination: COVID-19 workplace vaccination public records (https://www.itochu.co.jp/en/about/covid_info/index.html)
- Third vaccination: COVID-19 workplace vaccination information disclosure (https://www.itochu.co.jp/ja/about/covid_info/2022.html)
- Fourth vaccination: COVID-19 workplace vaccination information disclosure (https://www.itochu.co.jp/ja/about/covid_info/202210.html)

Occupational Safety and Health Management

Basic Health Management Support

- **Border-Less Medical Concierges:** Employees and their families can reach out via e-mail or phone call to occupational health nurses supported by specialized physicians, and receive advice on health-related issues as necessary.
- **Introduction of Local Medical Facilities:** We are able to introduce reliable local medical facilities in the countries we operate in, where employees can receive necessary medical services.
- **Routine Health Checkups:** In addition to pre-dispatch comprehensive medical examinations, we provide employees and their families with annual health checkups. These checkups can either be conducted upon short-term return to Japan, or in the countries where they are stationed in – including surrounding countries.
- **SECOM Furusato Care Service:** We provide support for the elderly family members remaining in Japan of employees we have stationed overseas. Our support covers a medical care system run by SECOM, which can be accessed year-round, at any time of day. The service allows for elderly family members to receive phone-based health support from a specialized nurse center.
- **Provision of a Fitness App:** We provide an app for smartphones and tablets to allow employees and their family members stationed overseas all around the world to enjoy exercising while listening to audio guides and popular music. Many cities have implemented restrictions on going out due to the spread of COVID-19. Against this background, the provision of this app has led to solving the issues of a lack of exercise and stress for those stationed overseas.

Health-Related Emergency Support

- **International SOS, Emergency Assistance Japan:** This is a service that we provide employees and their families to support them in addressing acute medical conditions. The service provides access to a multi-language call-center where users can inquire about any local issues regarding safety, including terrorism, social disturbances, and medical concerns. Additionally, if our employees or their family members encounter any emergency such as injuries or acute medical conditions, they can access International SOS to request relevant support, which includes arrangements for appropriate transportation, accompanying doctors and nurses, as well as access to medical institutions that are equipped to address the emergency.

Addressing Health and Disease Related Issues in Local Communities

ITOCHU Corporation engages in community investment in the Philippines to address global health concerns. This is conducted mainly through the Mahintana Foundation Inc. (MFI), an NGO that was developed by the Dolefil* SR Division of Dole Philippines, one of our subsidiaries. Along with MFI and local municipalities, ITOCHU has engaged in comprehensive development initiatives for over 40 years, including the creation of industries and labor markets, environmental conservation and reforestation, education, provision for basic needs, enhancement of employee benefits, and health and safety. Specifically regarding health and safety, global health concerns such as HIV/AIDS, tuberculosis, and malaria are particularly crucial, and we have implemented the initiatives listed below to prevent outbreaks of infectious diseases among employees and the local community:

* Dole Philippines's Pineapple Division

Social Issues	Initiatives
Infectious Diseases	Vaccinations, education and training for dengue fever prevention, disseminating insecticide-treated nets (ITNs), extermination of insects, and promotion of vitamin A consumption
Healthcare	Promotion of vitamin A consumption, provision for pregnancy support, dental services, and education and training on adolescent health issues

Regarding malaria, the positive impacts of these prevention initiatives are continuing to spread, with an increasing number of surrounding regions reporting to be free of malaria infections.

Performance Data

Safety initiatives in Japan incorporate countermeasures against large-scale disasters like earthquakes. These include creating a business continuity plan, preparing disaster supplies such as drinking water, food, and toilets, conducting emergency drills, and training employees to use our safety confirmation service. We encourage employees to prepare for large-scale disasters by making sure they have a way to contact their families in the event of an emergency, keeping a pair of comfortable walking shoes at work, and being sure they know their way home on foot.

- Occupational Health and Safety Data (P167)
 - Performance Benchmarking Against Industry Average (Wholesalers and Retailers with Over 100 Employees) (P167)
- Attendance in Training Related to Health and Safety Standards (P168)
- FYE 2023 Number of Employees that Received Our Main Health and Safety-related Trainings (P168)

Occupational Safety and Health Management

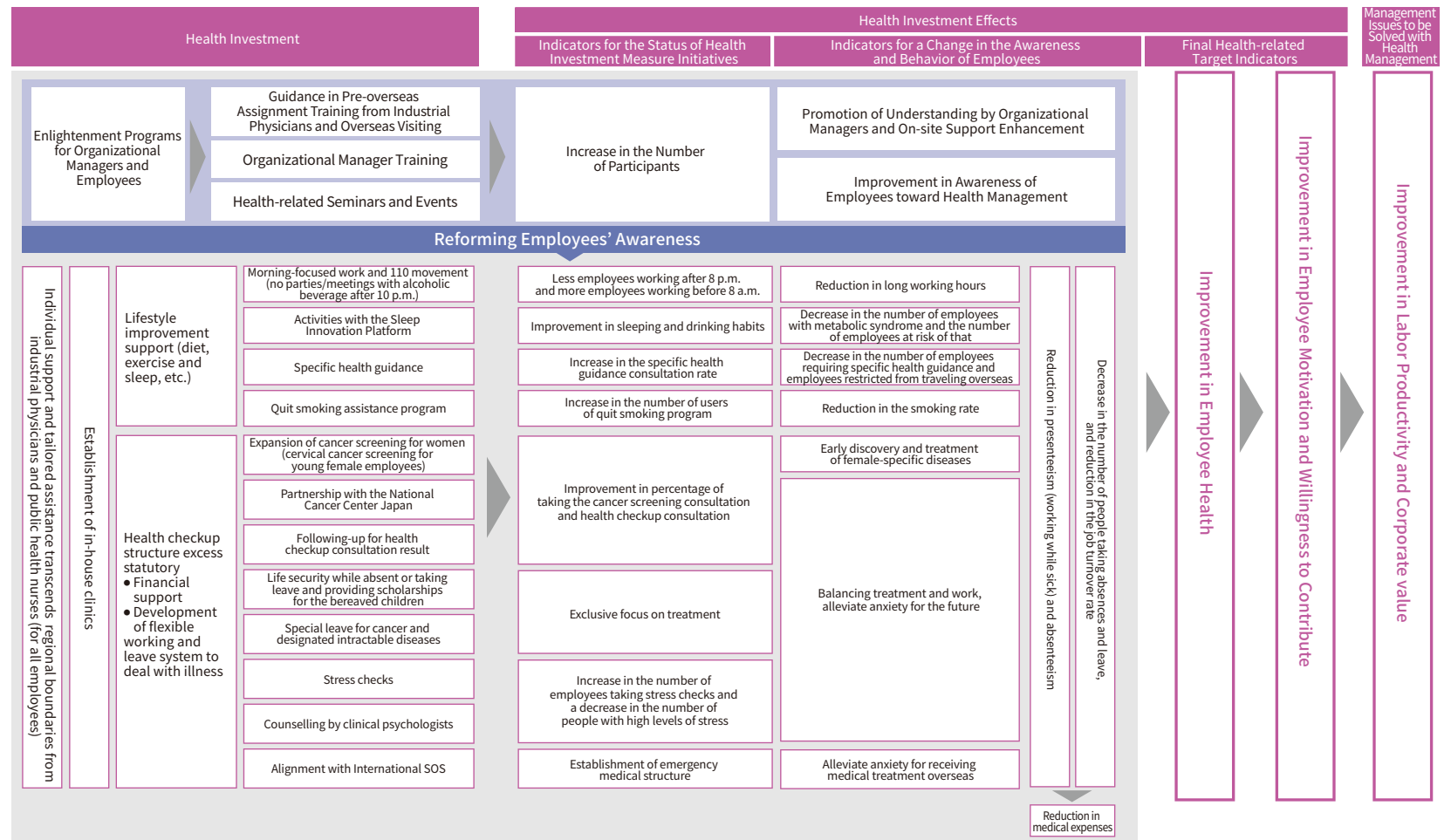
Initiatives for Health Management

We established the ITOCHU Health Charter in FYE 2017. The charter states that each employee is responsible for maintaining and improving their health, that ITOCHU will actively support their efforts to do so, and that the good health of our employee is the foundation of their happiness as well as their families, customers and society more broadly. ITOCHU has set up Health Administration Centers at its Tokyo and Osaka Headquarters and is distinguished by the “conciierge” assistance it extends to individual employees with the involvement of industrial physicians and health nurses in a way that transcends regional boundaries. We are aiming to raise the health awareness of each employee with the ITOCHU Health Navi (Health Management System) we introduced in February 2021. This system allows all employees to view health checkup results via a PC or smartphone and permits centralized management of lifestyle data, such as the number of steps walked in a day, weight, blood pressure. In addition, we created the Strategy Map for Health Management in ITOCHU in August 2021. This map visualizes the positions and effects of various measures. These steady initiatives have been recognized. We received the Minister of Health, Labour and Welfare Prize during the Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control sponsored by the Ministry of Health, Labour and Welfare in February 2018. We have also been highly praised such as by being selected as a Health & Productivity Management Outstanding Organization (White 500) every year since FYE 2017 when we started applying to the program.

The relevant laws and ordinances (e.g., the Industrial Safety and Health Act and Health Promotion Act) form the basic premise of all our initiatives. We comply with laws and ordinances – from the implementation of regular health checkups and stress checks to the protection of personal information.

The Strategy Map for Health Management

ITOCHU recognizes that employees, our irreplaceable management resource, are diverse in terms of their race, gender, religion, nationality and age. We promote health management focused on the following initiatives so that each of our employees achieves their infinite missions and so that we realize a permanent improvement in our corporate value.

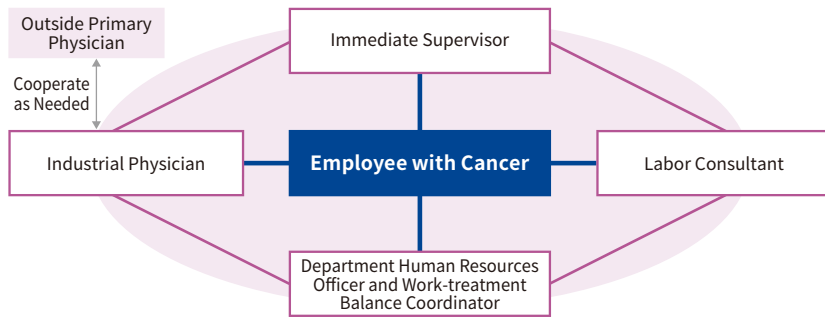


Occupational Safety and Health Management

Support for Balancing Cancer Care and Work

We have been working from the three perspectives of prevention, treatment and coexistence as support for balancing cancer care and work since FYE 2018. The aim of this is to build workplaces where employees can truly feel at home even if they have cancer and where they can continue to work with peace of mind. Furthermore, in addition to conducting periodic special cancer examinations in partnership with the National Cancer Center, we also provide scholarships along with employment at ITOCHU group companies to bereaved families of employees who had such diseases. These initiatives are leading to an improvement in the sense of security felt by our employees.

■ ITOCHU Corporation Support System for Balancing Work and Cancer Treatment



■ Overview of “Support Measures for Balancing Cancer Care and Work”

Prevention	Treatment
<ul style="list-style-type: none"> • Alliance with the National Cancer Center Research Institute (early detection through special checkups, contribution to research) • Fostering awareness of preventing lifestyle diseases • Subsidies for smoking cessation treatment costs • Checkups for various cancers through regular health screenings 	<ul style="list-style-type: none"> • Alliance with the National Cancer Center Research Institute (immediate collaboration with medical specialists and access to leading-edge treatments) • Providing Full Company Assistance for Expense for Advanced Cancer Treatment (Not Covered by Insurance) • Assignment of medical specialists to health management offices
Coexistence	
<ul style="list-style-type: none"> • Construction of Support System for Balancing Cancer Care and Work <ul style="list-style-type: none"> • Establishment of coordinator (consultation desk) • Creation of a guidebook and education of organization heads • Reflection in Evaluation Indicators of the Balancing of Cancer Care and Work • Reduction of anxiety about the future <ul style="list-style-type: none"> • Fund for education of children up to graduate school graduation • Support for bereaved spouses via the provision of employment opportunities at the ITOCHU Group • Development of Flexible Work and Leave Programs <ul style="list-style-type: none"> • Shortened work hours, selection of work days, working from home • Special leave: 18 days per 3-year period • Payment of Illness Allowance during Leave of Absence 	

Application to Group Companies

Due to our consolidated management, our initiatives with regards to occupational health and safety, and safety management, cover not only our employees (including contract employees) but also those of our group companies.

Specifically, Group companies also conduct things like stress checks, safety initiatives in Japan, information on safety measures overseas, collaboration with overseas security and medical service companies, and seminars prior to overseas assignments. Group companies are increasingly adopting a morning-focused work style, and the group overall is striving to reduce the total number of working hours and promote employee health. In addition, we are working to strengthen the labor management of the overall ITOCHU Group by regularly conducting workshops that hone the knowledge and expertise of our personnel, and assessments of labor and human resources.

Details of Personnel and Labor Support Provided to Group Companies in FYE 2023

- Labor management case study workshops**
 These workshops focus on case studies that highlight possible labor management cases including mental health problems and working hours management. Participants gain specialized knowledge and learn how to handle these types of problems. In FYE 2023, we held seminars on topics of high interest such as side jobs in addition to these workshops. There were approximately 100 participants (July to December).
- ITOCHU Group Human Resources and General Affairs Liaison Council**
 This council aims to allow those in charge of human resources and general affairs from our Group companies to exchange information and strengthen relationships. Activities include discussing the latest trends in human resources and general affairs, sharing information about ITOCHU Corporation measures and support situation, and updating one another about the content of revisions to laws. In FYE 2023, the council met on the theme of mental health measures. Industrial physicians and lawyers explained about practical measures from their respective viewpoints. There were 195 participants.
- Human resources and labor management assessments**
 These are health assessments aimed at checking whether rules, systems, and management related to overall personnel and labor affairs are operated in an appropriate manner. These include labor contracts, internal rules, occupational health and safety, and time management. We have conducted assessments of 64 companies since starting this initiative in FYE 2017.
- ITOCHU Group Human Resources and Labor Management Portal Site**
 We provide a portal site to share the regulations and expertise of ITOCHU with group companies. The aim of this site is to strengthen the human resources and labor management in group companies.

Occupational Safety and Health Management

External Appraisal/Assessment

ITOCHU received the Minister of Health, Labour and Welfare Prize during the 2017 Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control, which is sponsored by the Ministry of Health, Labour and Welfare. The award was granted in recognition of our Support Measures for Balancing Cancer Care and Work, which began in FYE 2018. We were selected as a Company with Outstanding Cancer Control Promotion in the initial year in the Companies with Outstanding Cancer Control Promotion Recognition Program that was newly established in FYE 2021. We also **won an award of excellence, during the Tokyo Metropolitan Government awards commending companies that implement excellent initiatives to help cancer patients balance cancer treatment and work.**

Moreover, our Balancing Cancer Care and Work Support System was acknowledged in FYE 2019. We received the Award of Excellence in the Corporate Human Resources category at the Nihon no Jinjibu HR Awards 2018. The Nihon no Jinjibu HR Awards are awards that honor innovators in fields such as human resources, personnel development and labor management. We also received the Gold Award at the 1st gan-ally-bu Awards. The gan-ally-bu Awards are awards aiming for workplaces and a society where it is possible to work actively while receiving cancer care.

In FYE 2016, ITOCHU Corporation was selected as a Health and Productivity Stock for two years in a row in 2016 and 2017 in the Health & Productivity Management Outstanding Organization Recognition Program that is chosen by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition to honors such as those, we have been **selected as a Health & Productivity Management Outstanding Organization (White 500) for seven years in a row** up until FYE 2023 since FYE 2017 when we started applying to the program.

We succeeded in these areas thanks to positioning work-style reforms and Health and Productivity Management as important management strategies. We introduced a morning-focused working system ahead of other companies, and cooperated with industrial physicians and the Health Insurance Union to promote aggressive measures for improving health throughout company.

For more details, please refer to Evaluation by Society (Occupational Safety and Health Management) (P206).

Respect and Consideration for Human Rights

Policy and Basic Concept

Respect and consideration for human rights is an important issue for ITOCHU as we deploy our business activities in various regions around the world. ITOCHU also asks all our stakeholders to approve, understand and put into practice the human rights policy of ITOCHU in addition to education for employees to respond to this important issue.

The ITOCHU Group Human Rights Policy

The ITOCHU Group has adopted the “ITOCHU Group Human Rights Policy” (hereinafter “the Policy”), drafted based on our Corporate Mission, Guideline of Conduct, Code of Ethical Conduct, and The ITOCHU Group Sustainability Policy. This Policy iterates our commitment to respect the human rights of our stakeholders and address negative impacts that may arise from our business activities.

1. Policy Scope and Our Expectations Toward Business Partners

This Policy applies to all worldwide executives and employees of the ITOCHU Group, including contractors and temporary employees. The ITOCHU Group also expects business partners and other relevant stakeholders to comply with this Policy.

2. Endorsement of International Agreement

The ITOCHU Group supports international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, which we have been a signatory to since 2009. We will also implement measures aligning to the United Nations Guiding Principles on Business and Human Rights.

3. Legal Compliance and Respect for Internationally Recognized Human Rights

The ITOCHU Group will comply with the laws and regulations in the respective countries and regions where we perform our business activities in addition to Japan. If there is a contradiction between internationally recognized human rights and the laws and ordinances of a country or region, we will pursue a method to maximize respect for international human rights principles.

4. Management Approach

The ITOCHU Group will build structures to realize this Policy. The Sustainability Officer will bear the responsibility to oversee the compliance and implementation situation of this Policy.

5. Human Rights Due Diligence

Based on the United Nations Guiding Principles on Business and Human Rights, the ITOCHU Group will implement human rights due diligence in order to identify, prevent and mitigate negative impacts on human rights and fulfill our commitment to accountability.

6. Remedy and Rectification

If the business activities of the ITOCHU Group induce a negative impact on human rights or if involvement in such becomes clear, we will strive to remedy and rectify that through appropriate procedures and dialogue.

7. Dialogue and Consultations

The ITOCHU Group will leverage external human rights expertise in its implementation of human rights due diligence and will engage in dialogues and consultations with our stakeholders – especially those potentially subject to adverse impacts from our business activities.

8. Education and Awareness

The ITOCHU Group will provide appropriate education to all executives and employees (including contractors and temporary employees) and strive to raise human rights awareness in order to incorporate and implement this Policy in our business activities.

9. Communication on this Policy and Our Relevant Initiatives

This Policy will be approved by senior executive in charge of sustainability and be reported to our Board of Directors and we will widely publish it to the public. We will also report on our human rights initiatives based on this Policy on the ITOCHU website and in our ESG Report.

Fumihiko Kobayashi
 Member of the Board
 Executive Vice President
 Chief Administrative Officer

Established in April 2019
 Revised in April 2020

• Code of Ethical Conduct (https://www.itochu.co.jp/en/about/ethical_conduct/index.html)

Respect and Consideration for Human Rights

Individual Policy

Response to Modern Slavery and Human Trafficking

ITOCHU is committed to initiatives to ensure that there is no modern slavery or human trafficking in our supply chain and business activities. We are participating in the United Nations Global Compact. Together with this, we are reflecting the concept of the United Nations Guiding Principles on Business and Human Rights in our business activities. Our existing principles contain initiatives to ensure that modern slavery and human trafficking do not occur in our sales activities and supply chain across the world.

■ Status of Initiatives at ITOCHU Europe PLC. (Slavery and Human Trafficking Statement)
<https://www.itochu.com/uk/en/sustainability/society/#ModernSlavery>

Consideration for Foreigners

If foreign workers, interns and trainees are accepted in our supply chain, we pay full attention so that we comply with the labor related laws and ordinances in the country concerned and so that we do not commit acts contrary to the purpose of that acceptance system. We do this from the point of view of respect for human rights and relief because such people are liable to become the target of illegal acts due to their low social and economic status.

Respect for the Rights of Children

ITOCHU supports the United Nations Convention on the Rights of the Child and Children's Rights and Business Principles. We respect the four pillars of the United Nations Convention on the Rights of the Child - a child's right to life, development, protection and participation.

ITOCHU has adopted the development of the future generation as one of the ITOCHU Group Basic Activity Guidelines on Social Contribution. We perform activities to support the healthy development of the young people who will be responsible for the future generation.

■ Growth of Future Generations (<https://www.itochu.co.jp/en/csr/social/future/index.html>)

Security Company Appointment Concept

The United Nations adopted the Code of Conduct for Law Enforcement Officials in December 1979. This aims to ensure that member states thoroughly implement and promote the appropriate roles of law enforcement officials (e.g., the police and military authorities) and respect and protect the dignity of humans while carrying out their duties. ITOCHU supports the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials in which the United Nations has established the principles on the use of firearms by law enforcement officials under that code of conduct. We select security companies according to the content of that.

Respect for the Rights of Indigenous People










We recognize that indigenous people have their own culture and history when we conduct business activities in regions where indigenous people live as part of our commitment to respect human rights. We respect and take into consideration the rights of indigenous people established in the laws of the countries and regions where we perform our business activities and international agreements (e.g., the Declaration on the Rights of Indigenous Peoples and the International Labour Organization (ILO) Convention 169). When examining new business investment projects, we also strictly enforce prior checks concerning the impact on the rights of indigenous people by that business.

Job Creation and Employment Concept

The ITOCHU Group works to make local contributions by local hiring during the diverse business activities we engage in around the world. We strive for coexistence with the local regions in which we operate and to contribute to the development of international society. We comply with the statutory minimum wage and strive to pay at least a living wage when we hire local employees. Doing so leads to human resource development in the region and helps stimulate local economies. Moreover, we believe this contributes to sustainable development. When an ITOCHU Group company in Japan or overseas engages in business activities in a particular region, as the parent company, ITOCHU supports to formation of a management structure for ensuring that the company complies with relevant laws and provides an optimal labor environment for its employees. (Group companies report to division companies based on their operating domain and the division company provides direct support.) The ITOCHU Group is comprised of some 300 companies in Japan and overseas, and works to balance business and regional development by hiring and training local staff.

Respect and Consideration for Human Rights

Targets and Action Plan

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. 			
Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company								
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 		Supply Chain	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.	Textile Company conducted human rights due diligence in FYE 2023. We screened domestic and overseas suppliers for all businesses, obtained questionnaire responses from 105 companies, and conducted on-site surveys at 4 companies. As a result, it was confirmed that there were no specific matters related to human rights issues. In the next fiscal year's supplier survey, we will continue to monitor the companies which do not yet have established internal manuals or regulations.
Machinery Company								
Respect and Consider Human Rights		Supply Chain	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.	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								
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 	 	<ul style="list-style-type: none"> Mining Electric Power Mining Oil and Gas Fields 	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 operating projects to be possessed in long term 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 existing and operating projects to be possessed in long term (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 seven 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								
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 	 	Supply Chain	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. <p>2030</p> <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"> Coffee beans: Regarding FYE 2023, our quantitative target 15% or more was achieved with the result of 28%, and its target for FYE 2024 should be 20% or above. In addition, from June 2022, we partially started disclosing BtoB level digital traceability information to our customers by using Farmer Connect (Coffee traceability platform). Cacao beans (traceable products): achieved 66% (5,975MT of traceable beans out of 9,025MT total.) Palm oil: Check supplier's sustainable palm oil sourcing policies through regular surveys, and continue purchasing based on our procurement policies. At the same time, we continue to publicize the ratio of RSPO certified Palm Oils and Traceable To Mill etc. Ratio of RSPO Certified Palm Products/Oleo chemicals <ul style="list-style-type: none"> Palm Oils 24% Oleo Chemical Products 65%
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 	  	<ul style="list-style-type: none"> Forest Stable Supply of Resources 	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"> Employment: about 1,800 as of 2023 March. 2022 Pineapple Production Estimate: 12,000tons.

Respect and Consideration for Human Rights

Structures and Systems

ITOCHU promotes the formulation and implementation of action plans with respect and consideration for human rights serving as one of our key issues. Under the sustainability promotion structure, the person responsible for this issue is the Sustainability Officer while the Sustainability Management Division serves as the secretariat to constantly prevent negative impact on human rights in collaboration with the persons responsible for ESG in each division. The secretariat establishes this system and performs a review every year together with the ESG officers in each division. This content is deliberated on and reported to the Sustainability Committee. Important matters are also discussed and reported to the Board of Directors.

Structure for Promoting Human Rights: Sustainability Promotion Structure Chart (P15)

Human Rights Due Diligence

The ITOCHU Group is fulfilling our responsibility to respect human rights based on The ITOCHU Group Human Rights Policy established in April 2019. Specifically, we continuously identify and assesses the negative impact from the corporate activities of the ITOCHU Group on human rights that may affect society. We then work to prevent and mitigate such impact by taking the appropriate steps. Therefore, following the procedures detailed in the UN Guiding Principles on Business and Human Rights, we establish a human rights due diligence mechanism to assess a wide range of human rights issues, including four core labor standards (Forced labor, Child labor, Discrimination, Freedom of Association and Collective Bargaining) set out in “The ILO Declaration on Fundamental Principles and Rights at Work.” In addition, we disclose information on the progress and results of our action.



Impact and Assessment on Human Rights

Targeting business areas in our company, we identified salient human rights issues on which we should focus our efforts to prevent any negative impact by referring to international guidelines and indicators, such as SA 8000, with the cooperation of the external professional organization, and conducted several risk mapping.

Identified Issues

Child Labor, Forced Labor, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration

Implementation Process:

- Country Risk Mapping: Assessment on identified issues in the countries of the Suppliers' location
- Business Area Risk Mapping: Study on human rights items to consider, including identified issues

Issues	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th
Child Labor	■		■		■	■		
Forced Labor	■		■		■	■		
Health and Safety	■	■	■	■	■	■		■
Freedom of Association and Right to Collective Bargaining	■		■		■	■		
Discrimination	■		■		■	■	■	■
Disciplinary Practices	■		■		■	■		
Working Hours	■	■				■	■	■
Remuneration	■				■	■		
Migrant Workers	■	■	■	■		■		■
Human Trafficking	■		■			■		
Indigenous Human Rights		■	■			■		
Impact on Local Communities and Residents		■	■	■		■		
Land Acquisition and Resettlement		■	■	■				

- Merchandise Risk Mapping: Survey of merchandise risk levels by country

The following merchandise should be handled with particular consideration.

Selected Merchandise: cotton, clothing, palm oil, coffee, tuna, natural rubber, wood products

In our company, we continuously take into account country, business area and merchandise risk, and promote responsible procurement in consideration of human rights.

Respect and Consideration for Human Rights

Implementation Status

We have started conducting human rights due diligence for each business sector based on the impact on and assessment of human rights as described above, starting with the Food Company in FYE 2021. We have confirmed that there were no significant negative impacts in the business fields in which we have carried out assessments in the past. In the next few years, we plan to implement human rights due diligence sequentially in all business sectors.

- Progress of Human Rights Due Diligence FYE 2023
 (https://www.itochu.co.jp/en/csr/pdf/du_e_diligence_en_2022.pdf) 
- Progress of Human Rights Due Diligence FYE 2022
 (https://www.itochu.co.jp/en/csr/pdf/human_rights_due_diligence_en_2021.pdf) 
- Progress of Human Rights Due Diligence FYE 2021
 (https://www.itochu.co.jp/en/csr/pdf/human_rights_due_diligence_en_2020.pdf) 

At the same time, in order to mitigate human rights and labor risks in the supply chain, we continuously conduct supply chain sustainability surveys to major business partners in all business areas every year.

• Supply Chain Sustainability Survey Initiative (P148)

New Business Investment Projects

For more details, please refer to “ESG Risk Assessment for New Business Investment Projects” (P152).

Existing Business

When entering into business with new suppliers, ITOCHU informs all applicable suppliers in advance of the Sustainability Action Guidelines for Supply Chains. If a matter in violation of the purpose of this policy is confirmed, we seek corrective measures from that supplier. At the same time, if it is judged that correction is difficult even though we have made continuous requests for correction, we deal with this under a stance of reviewing our business with that supplier.

We also perform due diligence with the seven core subjects of ISO26000 serving as the mandatory survey items (including modern slavery and human trafficking) when making new investments with major suppliers. We conduct additional due diligence with external specialist organizations for investment projects requiring a professional point of view.

Supply Chain Management

For more details, please refer to Sustainability in the Value Chain (P148) and Response to Suppliers in Violation of this Policy (P151).

Risk Assessments

We conduct risk assessment on human rights including modern slavery and human trafficking. We do this through group company fact-finding surveys in which we visit sites together with external experts as appropriate. This is in addition to our supplier surveys in due diligence. We have also established policies and responses for procurement by product in regards to products with a significant impact on society and the global environment. This is an attempt to reduce the risks in our supply chain.

• Human Rights Audits in the Poultry Industry in Thailand (P150)

Grievance Mechanism

The ITOCHU Group has multiple points of contact for receiving concerns and complaints from stakeholders. In case that we are found to be involved in a negative impact on human rights, we take appropriate measures to remedy the situation.

Consultation Desk for Supply Chains

ITOCHU is a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides the “Engagement and Remedy Platform” in accordance with the United Nations Guiding Principles on Business and Human Rights. This platform allows any stakeholder in the supply chain to report violations or suspected violations of international and national codes of conduct. By accepting grievances through third-party channels, we strive to ensure fairness and transparency, promote dialogue and redress more than ever, and remedy identified affected parties. When receiving reports, we ensure the anonymity of the person making the report and the confidentiality of the report.

• JaCER Grievance Platform (<https://jacer-bhr.org/en/application/index.html>)

Periodic updates of information in response to the report through JaCER, including the nature of the report and its status, will be disclosed on the website of JaCER while ensuring the anonymity of whistleblowers.

Respect and Consideration for Human Rights

Consultation Desk for Employees

We have established an employee consultation desk called 7830 (Nayami Zero) to respond to worries and consultations from each individual employee. We have also posted the HR Help Guide Book on the Intranet and have widely informed employees about the consultation desk. This means we have established a structure in which it is possible for employees to consult with us.



HR Help Guide Book on the Intranet

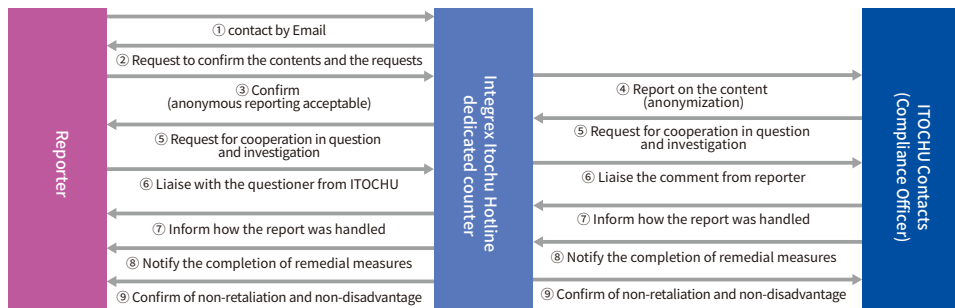
Career Counseling Center

ITOCHU established Career Counseling Center ahead of other companies. This center accepts workplace culture, human relations, treatment and harassment related consultations in addition to consultations on individuals' careers by telephone, fax and e-mail. Full-time career counselors with national qualifications as career consultants deal with these consultations.

Hotline

In addition to a direct hotline to those responsible for compliance in each division, we have also established multiple whistleblowing contacts both in Japan and overseas (including external whistleblowing contacts that utilize specialized company and external lawyers). We accept reports from employees who have an employment relationship with ITOCHU, those who have been dispatched to ITOCHU under a worker dispatch contract from a company that has entered into that contract with ITOCHU (temporary employees), and employees of group companies. It prohibits the unfavorable treatment (e.g., retaliation) of whistleblowers and allows whistleblowers to provide information anonymously.

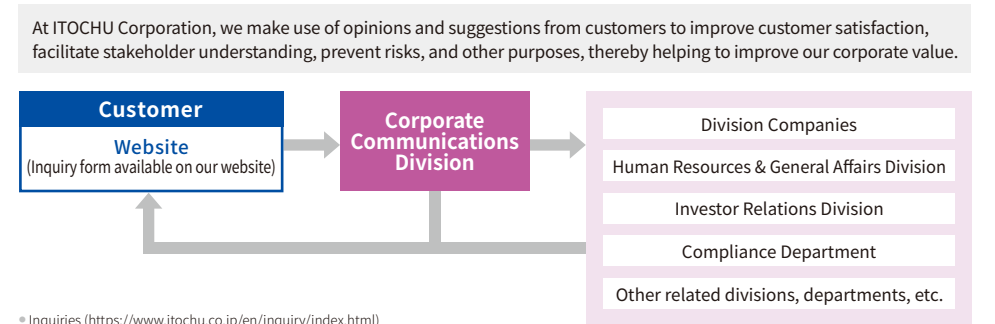
Flow When Received a Report by the Japanese External Report Reception Desk (Integrex Inc.)



ITOCHU Corporation applied for recognition under the Whistleblowing Compliance Management System (Phase 1: self-declaration of conformity), which was newly introduced by the Consumer Affairs Agency of Japan. Our conformity with certification standards was confirmed and our registration was accepted as of April 10, 2019 (first to be registered in this system in Japan).

Consultation Desk for the General Public (including Stakeholders)

ITOCHU Corporation has established a system to accept opinions, proposals, and grievances and to accept inquiries from the general public and all our stakeholders, as described below.



* Inquiries (<https://www.itochu.co.jp/en/inquiry/index.html>)

Initiatives

Implementation of Fair Recruitment

Human resources are the greatest management resources for ITOCHU – a company deploying a variety of businesses globally. ITOCHU conducts activities to recruit those newly graduating from universities and graduate schools every year.

* Relevant data: Number of Hires by Gender and Adoption Rate for Mid-Career (P166)

We also offer internships (work experience workshop) every year separate to our recruitment activities. The aim of these internships is to provide support to university and graduate school students in forming their careers. We provide opportunities to deepen knowledge about the business of trading companies and about working in a trading company.

ITOCHU recruits employees chiefly on the basis of their personal character. We recruit employees fairly and impartially without concern for their race, gender (including sexual minorities such as LGBTQs), religion, nationality, age or otherwise. We have provided human rights education with lecturers from the Tokyo Metropolitan Human Rights Promotion Center and have also reflected that content in our interviewer education. We have also established a watchdog system in which employees are selected and notified to serve as watchdogs to establish a fair recruitment screening system.

Respect and Consideration for Human Rights

Training Programs

We raise awareness about the relationship between our corporate activities and human rights in our various internal training programs. We develop the mind to respect human rights that should be possessed as an ITOCHU person in our new employee training. For example, we hold training to acquire consideration for race, gender (including sexual minorities such as LGBTs), religion, nationality and age from the basic concept of human rights and points of concern. We raise the problem of sexual harassment (including discriminatory behavior and harassment toward sexual orientation and gender identity) and abuse of authority in internal training aimed at organizational heads. We provide education and instruction for measures when harassment has actually occurred and when we have received reports of such. We strive to create an environment that does not allow harassment on a daily basis. Through these initiatives, we are aiming for a thorough understanding toward human rights. We are also striving to raise awareness in various regions by looking at consideration for human rights in our supply chain in pre-overseas assignment training. There were 685 participants in our human rights training in FYE 2023.

• Relevant data: FYE 2023 Human Rights Training Record (P167)

In addition to the above training, we provide opportunities for officers and employees of ITOCHU all over the world to learn about business and human rights with online general sustainability education.

• Sustainability Awareness Activities at ITOCHU (P18)



Sustainability Seminars

We have continued to hold internal seminars since FYE 2008 on human rights issues. The aim of this is to adopt insight and opinions from those outside the company. We made business and human rights (in the supply chain) a theme in FYE 2019. We then looked at the fact consideration for human rights is becoming even more important as a trend in society surrounding sustainability in FYE 2020 and FYE 2021.

We are continuing to conduct awareness activities for business and human rights. The purpose of these is to learn about the latest trends concerning corporate activities and human rights problems and to make use of that in our business as a general trading company which deploys various businesses across the world and which plays an important role in the supply chain.

• Seminar Details (P18)

Various Publications

We are endeavoring to raise awareness of human rights. The aim of this is to ensure that human rights violations do not occur in the workplace. We are doing this through various publications that we distribute to all our employees and publish on the Intranet.

- We convey our basic concept on respect for human rights through The ITOCHU Group Code of Ethical Conduct and The ITOCHU Group Human Rights Policy to all our employees.
- We call on our employees not to induce human rights violations in business in our compliance handbook. We do this by establishing pages on respect for human rights and harassment with concrete examples.
- We have described checkpoints in a handbook on communication with our suppliers. This is so that those in charge of surveys can understand the actual state of the management of human rights and labor practices in suppliers even more clearly and so that they can then offer advice on making improvements. This ensures that the supply chain sustainability survey mechanism functions. At the same time, we utilize this in keeping those in our company informed.

Countermeasures against Harassment

ITOCHU is raising awareness on the importance of making systems well-known and engaging in communication through organizational head training. We are doing this so that pregnant employees and employees persevering with their work while being engaged in childcare and nursing care can also contribute to their workplaces with a sense of their work being worthwhile. This is without employees in the workplace being subjected to abuse of authority or sexual harassment (including disadvantaging and harassing employees who are applicable to sexual minorities). Superiors encourage employees with restrictions due to balancing their work with childcare or nursing care to make use of the related systems appropriately. In addition to this, we are also ensuring employees are fully informed about the importance of reviewing work content, work division and work styles over the entire workplace. Furthermore, we have thoroughly established a workplace environment which does not allow discriminatory remarks relating to sexual orientation or gender identification and remarks made under unconscious assumptions of gender segregation. We have also established a desk to receive consultations from employees.

The following are clearly defined as prohibited acts in human rights violations under the work regulations: discrimination relating to work by race, gender, religion, creed, nationality, body, illness, age or any other irrational reason; sexual harassment (including discriminatory behavior and harassment relating to sexual orientation and gender identity); and workplace bullying. The regulations stipulate disciplinary action to be taken against such behavior.

Respect and Consideration for Human Rights

Foreign Technical Intern Trainee Survey on Working Environment

ITOCHU Modedal, a subsidiary to ITOCHU under the Textile Company, conducted a survey on its domestic production contractors, which constitutes of 211 sewing factories. The survey inquired whether or not the contractors were employing foreign technical intern trainees, and if the contractor answered affirmatively, continued to ask how it manages legal compliance to labor standards and health and safety standards specifically regarding the foreign trainees. The latest survey results showed that there are no cases of non-compliance to relevant laws and regulations.

In order to facilitate the survey and enhance its results, ITOCHU's head office Sustainability Management Division held a seminar for sales representatives and production managers prior to sending out the questionnaire. The seminar, entitled "Sustainability Promotion and Foreign Technical Intern Trainees", aimed to enhance participants' understandings of human rights risks and how to mitigate them.

ITOCHU will continue to make Group-wide initiatives in identifying risks along the value chain that can potentially lead to human rights violations, and strive to uphold its commitment to respecting human rights.

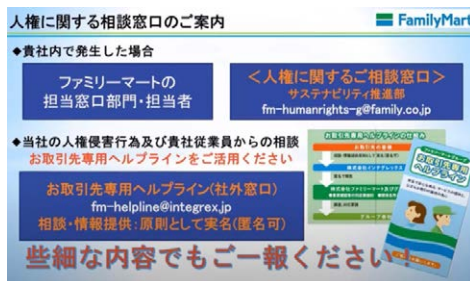


Seminar on "Sustainability Promotion and Foreign Technical Intern Trainees"

Human Rights Training for Ready-made Meal Manufacturers

FamilyMart, a group company, holds Meetings to Share Information on Human Rights Issues in the Supply Chain for managers involved in the hiring of ready-made meal manufacturers who supply products to FamilyMart stores and the formulation and implementation of labor-related policies. The aim of these meetings is to prevent human rights risks and to promote understanding of those risks.

The ITOCHU Group will continue to work to reduce human rights violation risks across the entire value chain in our Group.



Information of Consultation desks for human rights is provided in the training

Meeting Details

Speaker	Kazuo Tase, SDG Partners, Inc.
Details	<ul style="list-style-type: none"> • Responsibility of companies for human rights • Prevention of human rights problems and dealing with such problems when they occur • Question-and-answer session

Pineapple Production Business Promoting Local Employment, Supporting Living Infrastructure, and Improving Productivity

For more details, please refer to Community Contribution. (P164)

An Oil Project in the Caspian Sea, which Ensures a Stable Resource Supply and Contributes to Local Communities for Harmonious Cooperation

For more details, please refer to Community Contribution. (P164)

Cooperation with Stakeholders

Participation in Workshops on Human Rights Issues

- Business and Human Rights Training: Effective Stakeholder Engagement
- Supply Chain Labor and Human Rights Audit (Practical) Training (LRQA Sustainability K.K.)
- Human Rights Education Subcommittee (GCNJ)

Responsibilities to Customers

Policy and Basic Concept

ITOCHU, which engages in multifaceted corporate activities in a wide range of fields in various regions around the world, believes that meeting the expectations of society through our business activities will maintain sustainability and lead to further growth.

ITOCHU has limited direct access to consumers in much of our business due to our characteristics as a trading company. Nevertheless, we recognize the importance of quality and safety management. We fulfill our responsibilities to customers by promoting initiatives to ensure this concept penetrates into the value chain.

Product Safety

ITOCHU complies with our obligations as stipulated in safety related laws and ordinances for the products we handle. We are striving to ensure safety by formulating product safety manuals for each company based on our policy of providing even safer products with greater peace of mind to our customers. We will continue to work on providing safe products with peace of mind in the future. We will do this while promoting internal education, setting up departments responsible for product safety, establishing information transmission routes and reviewing our response in the event a product accident does occur. For related initiatives, please refer to “Sustainable Procurement: Policies and Initiatives by Product Type” (P153).

Responsible Marketing

We engage in responsible advertising and marketing that fully takes into account our social responsibility. We do this under our Corporate Mission “*Sampo-yoshi*”, the ITOCHU Group Corporate Guideline of Conduct, “I am One with Infinite Missions,” and our Code of Ethic Conduct. We accept expectations and requests from society through two-way dialogue with stakeholders. We then put them into practice.

Advertising

We have unified the visual image of ITOCHU to improve and ensure the penetration of our brand image to customers. Internal regulations have been developed to advertise and perform publicity with the appropriate expressions, content and media. We also give due consideration to slander, discriminatory expressions, exaggerations and false representations, religious and political beliefs, the environment, third party privacy, personal information and intellectual property rights. This is done in accordance with our sustainability policy. We promote appropriate advertising and publicity initiatives by sharing knowledge on advertising and publicity activities through regular meeting for our group companies.

Marketing

We are thoroughly committed to creating content and expressions that do not cause misunderstanding and which do not infringe upon the rights, credibility and honor of others. This is done under relevant laws and ordinances, our internal regulations, various internal training programs and our company-wide compliance structure. We carry out responsible marketing activities by emphasizing dialogue with the various stakeholders around us in the diverse business activities we deploy on a global scale.

Individual Policy

Safety of Food Products

The Food Company is engaging in food safety management based on the following mission and activity guidelines.

Philosophy

FOR THE NEXT GENERATION

Mission

1. To contribute to the sound development of society while gaining strong trust from consumers
2. To provide health and happiness to people by realizing rich food lifestyles through the stable supply of safe food
3. To contribute to the interests of consumers, business partners, shareholders and employees through fair corporate activities

Activity Guidelines

The following serve as the concrete activity guidelines to achieve our basic philosophy and mission. We comply with laws and ordinances and the ITOCHU Group corporate mission and code of ethical conduct. We then thoroughly inform all relevant employees in the Food Company about these. Upon doing that, we engage in food safety management and fair business which form the basis of trust from consumers.

The Food Safety and Compliance Management Office gives instructions and guidance on the above in the Food Company Group.

Responsibilities to Customers

Responsible Food Business: Commitments and Policies

The ITOCHU Group aims to support people's lives by providing various products and services. In doing so, we aim to ensure the best quality in our offerings by comprehensively managing the entire supply chain of our products and services, from the procurement of raw materials to the retailing of finished products. In keeping with this business approach, our Food Company consists of three divisions: the Provisions Division, the Fresh Food Division, and the Food Products Marketing & Distribution Division. The three divisions are designed to allow us to develop a value chain that caters to consumer needs, is ensured to add top-quality value, and seamlessly connects various processes, from the development of food resources, the supply of raw resources, production and processing, midstream distribution, and retail. Our Food Company synergizes these business aspects throughout the Japanese, Chinese, and greater Asian markets. At the same time, by continuously improving and refining our management and controls around food safety, we aim to become a leading company in the global food industry.

ITOCHU Group takes a market-oriented approach, incorporating the needs and expectations of the market and consumers as an integral part of our business model. Our food retailing business, which includes FamilyMart, is no exception. We first and foremost consider the needs of our customers, and based on key insights we draw from market and consumer trends, we build our strategy and approach. This allows us to build a value chain that adds value from the procurement and production of raw materials, to the development and manufacturing of products.

As for our food business, we identify the issues noted in the table below as material topics that especially require our careful management to provide safe and reliable food products. It is subsequently our policy to commit to addressing each of these issues.

Material Issue	Description	Management Approach
Reducing Negative Product Impact of Food Products on Customers	Ensuring the safety of imported food products, processed foods, and fresh food products (E.G., Coping with biological, chemical and physical hazards)	<ul style="list-style-type: none"> Self-management system for food safety Assessments for supplier's management systems in place to ensure food safety (factory inspections and audits)
Responsible Advertising, Marketing, and Promotion of Food Products	Provision of information regarding food allergies and additives.	<ul style="list-style-type: none"> Management rules for the registration of food labels Improvement initiatives regarding inspection skills of label contents
Responsible Advertising, Marketing, and Promotion of Alcoholic Beverages	Provision of information regarding the prevention of drinking among persons under 20 years of age and pregnant women	Internal education programs on the liquor tax law
Access to Better Nutrition	Providing nutritiously balanced solutions to the elderly	Cooperation with regional hospitals and nutritionist organizations

Improving Access to Better Nutrition

As part of its commitment to realize a high-value-adding business, one of our major concerns in the food business area is access to nutrition.

In developed countries, aging society is a pervasive issue. Elderly populations with unbalanced nutrition or lack of nutrition are increasing, straining medical budgets as well as caregivers. Furthermore, for conditions such as acute forms of diabetes and liver disease that require home care, there is a widespread need to secure nutrition balances that are healthy, nutritious, and prevent obesity.

At one of our subsidiaries, FamilyMart, we apply our unique ON/OFF approach to strengthen the development of ready-made meal that support health. ON represents products that provide (ON) the body with nutrition in the form of vegetables, lactic acid bacteria, and dietary fiber. Examples include products that use super barley and whole grains, which provide bountiful amounts of dietary fiber. On the other hand, we also offer products that reduce (OFF) certain ingredients, such as salt and sugar, without reducing the flavor of the product. These products have been highly popular with consumers looking for a balance of delicious taste and health.

Furthermore, we recognize that in developing countries, hunger and malnutrition are socially important issues caused by various elements including poverty. At ITOCHU Group, in order to take action in solving these issues we have implemented various initiatives. For example, we provide financial support to the World Food Programme (WFP) and working with Table for Two (TFT), which aims to alleviate the dietary inequality between developed and developing nations. In this way, we aim to provide high quality, nutritious food solutions to the children of developing countries.

Throughout the initiatives introduced above, we provide products and services and engage in community investment activities to support the nutrition and health of people in and out of Japan. We will commit to continuing these initiatives to enhance self-care, reduce medical expenditure, and provide healthy food options to children living in poverty, to contribute to solving issues of access to better nutrition among underprivileged groups.

Safety of Pharmaceuticals and Responsible Marketing

Pharmaceutical Quality and Safety

We contribute to the fulfillment of medical needs by delivering a stable supply of pharmaceutical raw materials and products at the level of quality required of pharmaceuticals. Additionally, we will satisfy latent medical needs by working on clinical development in new drug development to enable treatment of heretofore difficult-to-treat diseases. Our main market is Asia, including Japan, but we will also work on procurement and sales in Europe and the United States. We ensure safety in product supply and clinical development in accordance with Pharmaceuticals and Medical Devices Act.








Pharmaceutical Ads and Labels

Final pharmaceutical products are sold only to licensed companies. We do not engage in advertising. We are taking necessary measures to ensure appropriate product labeling throughout the manufacturing and deployment process in legal compliance with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices.

Responsibilities to Customers

Targets and Action Plan

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. 	<ul style="list-style-type: none"> Increase in demand for food safety, security and health improvement.

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Food Company								
Contribute to Healthier and More Affluent Lifestyles		Food Safety	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) or in-house qualification holders related to factory audit.
Machinery Company								
Contribute to Healthier and More Affluent Lifestyles	   	Food Safety	<ul style="list-style-type: none"> Address Climate Change Develop a Rewarding Work Environment Respect and Consider Human Rights Contribute to Healthier and More Affluent Lifestyles Stable food procurement and supply 	DENBA products and related business	We will contribute to the reduction of food loss by utilizing freshness preservation technology, DENBA and to the improvement of nutritional condition by the availability of fresh food through Food Bank and children's cafeteria. Furthermore, we aim to increase the working opportunity of persons with disabilities and supply of agricultural products utilizing the hydroponic farming.	Installation of DENBA technology to food supply chain and familiarizing the combination of hydroponic farming with disabled employment.	Expand sales of DENBA products in the food supply chain (more than JPY300mil sale in FYE 2024), maritime chamber (more than 200vessels in FYE 2024) and refrigerated containers for children's cafeteria (more than 5cases in FYE 2024). Opening hydroponic farming plant with disabled employment (one pilot project in FYE 2024).	<ul style="list-style-type: none"> Continuously supporting sales of DENBA, in particular DENBA Fryer which enables to reduce cooking oil amount of professional electric fryer. It realizes substantial reduction of waste oil. Total number of sales of DENBA Marine for maritime chamber achieved 200units. Until 2022 more than 10 use cases of Refrigerated containers with DENBA's freshness preservation units for children's cafeteria have been accomplished. More and more operators of children's cafeteria are approaching to DENBA so further use cases will be seen in 2023.
Energy & Chemicals Company								
Contribute to Healthier and More Affluent Lifestyles		Medical Health	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 generics.	Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical, generics and other products of which we are engaged in supporting the development and place them on the market.	<ul style="list-style-type: none"> Continuing to support the development of generics by ITOCHU CHEMICAL FRONTIER Corporation, several types of pharmaceuticals have been launched. We have continued to sell a pain reliever in North America through ITOCHU CHEMICAL FRONTIER Corporation.
ICT & Financial Business Company								
Contribute to Healthier and More Affluent Lifestyles		Medical Health	Promoting good health among the people	<ul style="list-style-type: none"> Support pharmaceutical development projects Preventative healthcare-related business Medical healthcare IT business Sales of Cutting-Edge medical devices and provision of medical services 	<ul style="list-style-type: none"> 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 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. 	<ul style="list-style-type: none"> We will optimize healthcare utilizing medical data. Promote sales of advanced medical devices, and the business of supporting the operation of designated regional cancer care hospitals. 	<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.) Increase the penetration of advanced medical devices in Japan. 	<ul style="list-style-type: none"> ITC has formed a capital alliance with a medical data company in FYE 2023. MRI-guided radiation therapy systems The radiotherapy treatment system which we delivered to National Cancer Center Hospital, Saitama Medical University International Medical Center, and Edogawa Hospital are treating a cumulative total of 600 cancer patients including patients were difficult to treat with conventional methods. Edogawa Hospital as well as National Cancer Center Hospital (finished upgrade to latest system on June, 2022) has been treating intractable cancer and Saitama Medical University International Medical Center will be starting treatment at the end of March 2023. Also, Shin-Matsudo Central General Hospital will going to install the system by the end of this year. Scalp cooling therapy system for cancer patients The system has been highly evaluated by patients and medical professionals for its effectiveness in suppression of decreasing hair loss caused by anticancer drug treatment, mainly among breast cancer patients. In the end of FYE 2023, 80 system machines(Sales:43, Rental: 37) have been operated in 26 prefectures and treated a cumulative total of 2,000 patients at 64 facilities in Japan.

Responsibilities to Customers

Structures and Systems

Quality Management

With the diversification of dietary habits, the globalization of food distribution, and a growing awareness regarding health issues, consumers are increasingly paying attention to the safety and security of their food. At the same time, there have been cases of incidents and problems threatening food safety, such as those regarding violation of food labeling standards, residual pesticides, and the distribution of foods using unauthorized additives. Our Food Company addresses these concerns and ensures measures are taken to prevent issues by establishing a quality control system overseen by its Food Safety and Compliance Management Office. That office is responsible for addressing the following issues:

1. Advise to Company and their respective domestic and overseas subsidiaries in their initiatives to design a food safety self-management system.
2. Management of the labeling and safety-related issues of our food products.
3. Provision of education and training to employees regarding food safety.
4. Provision of training to members of our food safety management team in China.
5. Food safety audits and subsequent corrective guidance for subsidiaries and supplier factories.

In addition to the above, the Office is responsible for the management of compliance, trade and logistics, and environmental activities, occupational health and safety, and sustainability promotion.

Supplier Management Audits for our Food Business

Due Diligence for New Suppliers

When the Food Company conducts business with a new business partner, the Company is required to assess the potential supplier's management level of the manufacturing process, and whether it has received certification recognized by GFSI (Global Food Safety Initiative). In doing so, we use an internal assessment criteria that is designed to evaluate practices around food safety management.

Securing the Safety of Food through Regular Audits of Overseas Suppliers

ITOCHU established the Food Safety Management Office (now: Food Safety and Compliance Management Office) in the Food Company in FYE 2003. We are taking wide-ranging measures to ensure safety in the food business. As part of this, we have been conducting regular visits and audits of the food processing factories of overseas suppliers for imported processed food since FYE 2012.

The sales department is responsible for appointing an employee, local staff, or group subsidiary employee to perform site visits and audit the safety management system at least once a year. The frequency and timing as well as the specific sites subject to audits are agreed upon with the local factory, with consideration given to specific circumstances as the supplier's local laws, management capability, product, and hygiene-related risks associated to the manufacturing process.

Auditors are required to reference a Plant Audit Check Sheet that we have originally devised, which incorporates elements of well-known international food safety standards such as Codex HACCP, ISO 22000, and FSSC 22000. Any points of improvement identified through the checklist are appropriately addressed,

and necessary corrective measures are ensured to be communicated. In addition to the above, we set up a new China Food Safety Management Team in Beijing in January 2015. The aim of this is to strengthen the safety management of imported food. We have been dispatching a member of our Japanese staff with a wealth of practical experience in factory audits (IRCA* ISO 22000 auditor qualification holder) as a trainer. Through this, we have been building a management structure at a comparable level to that required in Japan. In addition to regular audits by Chinese supervisors, we are increasing opportunities for mutual confirmation through follow-up audits to ensure continuous improvement.



Food Audit

* International Register of Certificated Auditors

For overseas suppliers, our factory audit procedure and results are as follows:

Factory Audit Procedure

Process	Description
Target and Frequency Settings	The responsible sales department and the Food Safety and Compliance Management Office determines the frequency of audits for each relatively high risk factory identified as a manufacturing plant for processed food, in accordance with laws and regulations of the relevant country. The decision of the audit frequency considers specific circumstances such as the supplier's local laws, management capability, product, and hygiene-related risks associated to the manufacturing process.
Conducting the Factory Audits	The sales department is responsible for appointing an employee, local staff, or group subsidiary employee to perform site visits and audit the safety management system periodically based on the frequency setting – over 300 relatively high risk plants are currently subject to these site visits.
Issuing a Findings Report and Requesting Corrective Measures (as Per Necessary)	The final report must be created in line with the GFSI/Global Market Program factory audit framework (GMP + HACCP + management system + food defense).

Regular Audits to Ensure Food Safety

	FYE 2021	FYE 2022	FYE 2023
Regular Audits (Number of Factories)	238	310	331
Regular Audits and Follow-up Audits in China (Included in the Above Number of Audits)	49	48	42

Responsibilities to Customers

Subsidiaries that have ISO22000 or FSSC22000 Certifications

Furthermore, we also ensure food-related safety among our direct subsidiaries by implementing a management system that aligns to well-known international frameworks on food safety, such as Codex HACCP, ISO22000, and FSSC22000.

- ITOCHU FEED MILLS CO., LTD.
- JAPAN NUTRITION Co., Ltd.
- DOLE ASIA HOLDINGS PTE. LTD.
- Provence Huiles S.A.S.
- WELLNEO SUGAR Co., Ltd.
- FUJI OIL HOLDINGS INC.
- PT. ANEKA TUNA INDONESIA
- SHOW-WA Co., Ltd.
- Prima Meat Packers, Ltd.
- PT. ANEKA COFFEE INDUSTRY

Staff Education and Training to Ensure Compliance to Responsible Advertising, Marketing, and Promotion Standards and Food Safety Standards

We provide e-learning as an education and training program to ensure responsible advertising, marketing, and promotion of food products, and compliance to food safety standards. We are looking to raise awareness and improve knowledge about responsible marketing, food safety, and compliance with relevant laws and regulations among employees. Furthermore, given the expansion of our food business and the subsequent increase in our auditing scope, we are also invested in training personnel capable of site audits.

Main Content	<ul style="list-style-type: none"> • Food safety and responsible advertising, marketing, and promotion • Compliance • Internal regulations and manuals • ESG
Target Persons	<ul style="list-style-type: none"> • All employees in the Food Company (including part-time workers, temporary workers, employees seconded from the company and employees seconded to the company) • All employees in the Food Management Support Corporation (subsidiary to complement the functions of the Food Company)

Attendance Record

	FYE 2021	FYE 2022	FYE 2023
Number of Trainees	771	766	770
Attendance Rate	100%	100%	100%

We will continue to provide this education and training with the aim of ensuring that knowledge becomes reliably entrenched.

Participation in Food Safety-Related Initiatives and Organizations

At ITOCHU Group, we aim to maintain and enhance our quality management to ensure that we supply safe and reliable processed foods. In doing so, we make sure to cooperate with external parties and are members to industry groups in order to engage in knowledge sharing and collaboratively work toward enhanced solutions.

Association for the Safety of Imported Food, Japan (ASIF) (Japanese only) (<https://www.asif.or.jp/>)

A group of concerned companies involved with importing, manufacturing, distribution, and sales formed ASIF in November 1988, beginning to work towards solving imported food safety issues. These activities led to the ASIF receiving permission from the Ministry of Health, Labour and Welfare in September 1992 to become an incorporated association. ASIF received authorization to become a public interest corporation on April 1st, 2011. ASIF is involved in a wide variety of activities to support food vendors in fulfilling the social responsibility of “delivering safe and secure imported foods.”

In order to promote food safety, the ITOCHU Group collects information on the safety of processed food and perishable food regarding imported food product – (e.g. Coping with biological, chemical and physical hazards) – from the Association for the Safety of Imported Food of Japan. This information is reflected in our voluntary food safety management system as well as our supplier food safety management system (which includes factory inspections and audit).

Japan Food Hygiene Association (Japanese only) (<https://www.n-shokuei.jp/>)

This association was established on November 1st, 1948 as a collaborative initiative between private companies in the food sector and administrative organizations regarding the food hygiene law in order to enhance self-regulation in the market. The establishment of the organization shortly followed the enactment of the food hygiene law in 1947, which was created to prevent any accidents or issues regarding eating and drinking, as well as improve public hygiene in Japan.

Ever since its establishment, the association has continued its initiatives to cooperate with organizations throughout Japan, and contribute to the enhancement of food safety and hygiene among private companies. The association participates in a wide range of purpose-led initiatives for public interest, and provides training regarding the self-regulation of food safety management, provides assessments and verifications of certain food products, promotes food sales legal liability insurance, holds seminars and events, issues and promotes food hygiene related books and reports, provides informative guidance to consumers, participated in international cooperation regarding food hygiene, and promotion of relevant research.

Based on advice received from the Japan Food Hygiene Association, the ITOCHU Group is taking necessary measures to continuously improve its food safety management system by identifying ways to improve food hygiene and our self-management system.

Japan Food Additives Association (Japanese only) (<https://www.jafaa.or.jp/>)

The Japan Food Additives Association (JAFa) was established in October 1982 with the Nippon Food Additives Group Leagues serving as the parent body to disseminate correct knowledge about food additives. It then transitioned to being a general incorporated association in April 2014. The association is engaged in various activities under the guidance of the Ministry of Health, Labour and Welfare’s Pharmaceutical Safety and Environmental Health Bureau. The aim of these activities is to seek a correct understanding from members about the manufacture, sale and use of food additives and from regular consumers about the safety and usefulness of food additives.

The ITOCHU Group collects information about food allergies and food additives through the JAFa. This information is useful in checking food labeling registration management rules and labels, improving the level of inspection management, and training personnel with qualifications in food labeling.

Responsibilities to Customers

Quality Management in our Pharmaceutical Business

Pharmaceutical undertakings require sector-specific expertise and is therefore primarily handled by designated group companies. We implement quality control to ensure quality in accordance with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. This includes, for example, assessing and confirming the quality of imported materials at our lab before it is sold.

Assessing Management Capabilities at our Pharmaceuticals-related Suppliers and Contributing to Improved Quality of Life (QOL)

Regular Site Visits for Foreign Suppliers

Not only do we implement quality control at our lab but we also visit our overseas suppliers regularly and perform inspections to make sure that the manufacturing process conforms to the Pharmaceuticals and Medical Devices Act.

Contribution to Improving QOL in the Pharmaceutical Field

We contribute to controlling the rise of medical costs by providing a stable supply of raw materials for generic drugs. We will also invest in companies that develop regenerative medicines and new drugs to alleviate the side-effects of cancer and work to raise the level of future treatments and improve patient quality of life.

Initiatives

Initiatives to Support Socially Vulnerable Groups

Handling Plant-based Milk (Oat Milk and Almond Milk)

ITOCHU is developing oat milk and almond milk among the plant-based milk products made from beans, nuts and other plant ingredients.

Plant-based milk is becoming popular as an alternative to cow's milk that can also be drunk by those with lactose intolerance who cannot digest lactose.

Oat milk and almond milk are especially healthy as they have lower fat and calories than cow's milk. They contain lots of dietary fiber and go well with coffee. Therefore, demand is also growing for them in the United States and Europe.

Furthermore, they can contribute to a reduction in the environmental burden in terms of CO₂ emissions, land and water usage compared to cow's milk. They are sustainable ingredients characterized by the ability to store them at room temperature and their long best before dates.

ITOCHU is building a raw ingredient import and domestic manufacturing structure to widely deliver to consumers this nutritional, healthy and environmentally-friendly plant-based milk. We are also proposing development that includes product design.

One of the basic policies in ITOCHU's Medium-term Management Plan is to contribute to and strengthen initiatives for SDGs. We will also proactively promote the development of plant-based milk in the future with a target of handling 5,000 tons of it in FYE 2026.



CP Foods (CPF): Handling of Plant-Based Foods

Plant-based foods are foods made from soybean, peas, wheat and other plant-based ingredients that reproduce the flavor and texture of animal-based foods (hamburger patties, nuggets and other meat products, cheese, butter and other dairy products, and tuna and other seafood products, etc.).

These foods are attracting attention for various reasons. Many plant-based food products contain less fat than animal-based products. Plant-based foods are ingredients which may solve the issue in modern society in that animal-based protein is expected to be in short supply for the entire population in the future. Furthermore, plant-based foods can contribute to reducing the environmental burden in terms of CO₂ emissions, land and water usage compared to animal-based foods.

We are working on the development of Meat Zero plant-based food products jointly with CPF that is a core company in the CP Group and one of the major suppliers of the Food Company. We are doing this so that we can also proactively promote plant-based foods with the above characteristics. We started selling chicken nuggets, hamburger patties and meat sauce in Thailand under the Meat Zero brand name in May 2021. We use the soy protein of the FUJI OIL company in our Group for some of the ingredients. We also utilize the knowledge of the ITOCHU Group to reproduce the look, texture and taste of real meat.

Thailand CPF has announced it is aiming to become the top brand in Asia and one of the top three brands in the world for meat substitute brands by 2026. In addition to the products we have jointly developed with CPF, ITOCHU is also proactively promoting and developing other products. Combined with the Try Veggie series (Prima Meat Packers) developed within in our Group, we are aiming to handle 10,000 tons of plant-based foods by 2025.



Responsibilities to Customers

FamilyMart

At one of our subsidiaries, FamilyMart, we engage in food retailing that first and foremost values the local community's needs. This means that we highly value the contributions we can make to socially vulnerable groups, and implement measures to address this issue throughout the FamilyMart business such as in the following ways.

1. Preventing the Sale of Alcohol and Tobacco to Persons Under 20

FamilyMart sells alcoholic beverages and tobacco. We thoroughly prevent the sale of alcoholic beverages and tobacco to persons under 20 years of age as a responsible business operator and as a response based on the Safety Station Activities Charter (Initiative to Improve the Environment for Youths) of the Japan Franchise Association to which FamilyMart belongs. We have created a Guidebook for Compliance with Laws and Regulations Concerning the Sale of Alcohol and Tobacco. This guidebook summarizes the matters which should be complied with when advertising, publicizing and selling alcohol and tobacco, and the method of educating employees. It is based on the concept that drinking alcohol under 20 years of age leads to the risk of developing acute alcohol addiction or alcohol dependence in the future. Furthermore, we provide the following education and awareness campaigns to company and franchise store employees and give warnings to customers. These efforts allow us to thoroughly ensure we do not sell alcohol and tobacco to persons under 20 years of age.

1. Warning to Customers

We give warnings to customers about the sale of alcohol and tobacco. We display products in the alcoholic beverages section so they can be recognized as such. In addition, we put up posters and sales promotional materials stating we will not sell alcoholic beverages to those whom we cannot confirm to be at least 20 years old.

Every week, store managers and supervisors in charge of sales guidance verify whether legally mandated display of alcoholic beverages at the store and their classifications are carried out properly and confirms the presence of posters and other items that prohibit persons under 20 years of age from drinking and smoking.



"Age Verification in Progress" Poster Sample



"Alcoholic Drink Sales Label" Product Display Case Board

2. Age Verification at the Register

In July 2017, we changed the cashier program so that when alcohol and tobacco products are scanned at the cash register, messages are displayed on the cash register screens of both store staff and customers at the same time as voice guidance to alert store staff and facilitate age verification of customers.

3. Training of Store Staff

We have created the Age Confirmation Guidelines and the Alcohol and Tobacco Sales Training Program to provide training to all employees working in our stores on the identification of alcohol and tobacco products and on the age-verification procedures at cash registers. When hiring employees who will operate cash registers, they receive training through the Alcohol and Tobacco Sales Training Program before serving customers. Additionally, they undergo Alcohol and Tobacco Sales Training twice a year (first half and second half of the year). Upon completion of the training program, we prepare a "Record of Alcohol and Tobacco Sales Training Implementation." This record is confirmed by the store manager and supervisor.

4. Advertising and Promotion of Private Brand Alcoholic Beverages

We label alcoholic beverages in the Famimaru private brand of FamilyMart based on the Voluntary Code for the Advertising and Marketing of Alcoholic Beverages and the Labeling of Alcoholic Beverage Containers established by the Japan Liquor Industry Council. Furthermore, FamilyMart stores which handle alcoholic beverages also handle non-alcoholic beverages as an alternative to alcoholic beverages for customers who are 20 years of age or older.

Development and Provision of Products and Services that Promote Health and Eliminate Negative Impacts

In an increasingly aging society, the demand for medical budgets and caregivers is rapidly increasing, becoming pervasive social issue in Japan. In light of this social issue, FamilyMart proactively sells products and services aimed at supporting the health of its customers. These initiatives aim to support the enhancement of healthy diets among customers, increase a self-care mindset among community members, and reduce medical expenditures. Furthermore, FamilyMart is developing products based on the concepts of "ON (plus)" and "OFF (suppression)": health appealing products that add vegetables, dietary fiber, etc. to the body, and health support products that eliminate specific ingredients, such as low-sugar products and low-salt products, from a health-conscious perspective without losing their flavor.

Responsibilities to Customers

1. A Product That Promotes Health by Adding Vegetables, Dietary Fiber, etc., to the Body

- Cumulative sales of food products containing super barley exceed 200 million meals (December 2021): We have sold food products containing the BARLEYmax® (hereinafter “Super Barley”) functional food ingredient since 2017. Cumulative sales of Super Barley have exceeded 200 million meals (as of the end of December 2021).

Furthermore, we started selling new products made with Super Barley such as Super Omugi-iri Daizu Meat Soboro / Tamago / Iwashita-no Shinshouga-iri (minced soy meat, egg and Iwashita sweet-sour pickled young ginger rice balls containing Super Barley) since January 2022. These rice balls contain MCT oil that is much talked about among those with a high health consciousness and the high-protein soy meat food product.

Super Barley contains about two times as much dietary fiber as regular barley and about seven times as much brown rice. It is possible to consume medium-chain fatty acids widely used in training and medical sites as a high-quality energy from MCT oil. Meanwhile, vegetable protein and dietary fiber can be consumed from soy meat. We provide products which support the PFC balance* of Japanese people that tends to be upset due to excessive sugar and a lack of protein as affordable rice ball products.

* PFC balance: This refers to the balance of consuming the three major nutrients of protein, fat and carbohydrates. The Ministry of Health, Labour and Welfare has set target amounts for these to prevent the onset of lifestyle-related diseases and their aggravation.



- Products Using Soy Meat: In January and June 2021, FamilyMart stores nationwide launched a total of nine products using soy meat across Japan. Soy meat has been attracting an increasing interest in recent years as next-generation meat. FamilyMart has been releasing products made with soy meat since April 2017. These have received a great deal of support mainly from health-conscious customers. With the spread of new lifestyles due to the impact of the new coronavirus and the change in awareness of environmental issues due to the growing focus on the SDGs, there has been a change in our daily dietary habits. In addition, interest in health-conscious and ethical products is rising. Above all, soybean meat, a processed soybean food, is attracting attention as an ingredient that takes into consideration the environment, health, and various food cultures. In addition, soybean is an ingredient rich in nutrients such as vegetable proteins; it is even called “the meat of the fields.” The demand for vegetable protein is increasing year by year due to the fact that it has less of an environmental impact in terms of water and energy required for growth compared to meat.

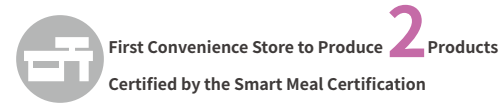


Products Using Soy Meat

2. Nutritionally-balanced Health Support Products That Suppress Specific Ingredients, Such as Low-salt Products, from a Health-conscious Perspective without Losing Flavor

- First convenience store to sell products certified by the Smart Meal Certification*: Aburiyaki Shake Makunouchi Bento (a boxed lunch containing grilled salmon) sold on a reservation basis received Smart Meal Certification – a first for a convenience store – as a nutritionally balanced meal in August 2018. Furthermore, Ajiwai Gozen (a boxed lunch) released in February 2019 has also been praised for its great balance of nine side dishes that take into consideration carbohydrates, fat, and protein. This has led to it being our second product to receive Smart Meal Certification.

* This certification scheme is managed by the Healthy Food and Food Environment Consortium, which is composed of 13 academic organizations that specialize in health-related issues such as nutrition, high blood pressure, and diabetes.



- “Low-salt Japanese-style Dressing” won the first Gold Prize at a convenience store: Our Reduced-Salt Japanese-Style Dressing in a small-pouch form sold separately from salads was awarded the Gold Prize at the Fifth JSH Reduced-Salt Food Products Awards (sponsored by the Salt Reduction Committee of the Japanese Society of Hypertension). It was the first time for a convenience store to win the Gold Prize. Since its launch, the dressing has been supported by many customers, as a product with 25% less salt* while retaining the rich flavor that brings out the taste of vegetables.

* Contains 25% less sodium than standard Japanese-style dressing based on Standard Tables of Food Composition in Japan - 2020 - (Eighth Revised Edition).

Please refer to the FamilyMart Co., Ltd. Sustainability Site (Providing Products and Services that Enrich Lives (https://www.family.co.jp/english/sustainability/material_issues/needs/added_value.html)) for details of the above initiatives.

Responsibilities to Customers

Food Safety and Reliability

At FamilyMart, we aim to provide ready-made meal such as rice balls, sushi, boxed lunches, delicatessen dishes, salad, and sandwiches that ensure safety and reliability for our customers. To achieve this, we have voluntarily enhanced our safety and quality requirements to build upon what is legally required. Throughout every each process of production, from procurement of raw materials and manufacturing to the logistics and sales of products, we make it mandatory to follow these strict requirements and have implemented support systems to ensure that this can be sustained. We also especially value the continuous improvement of hygiene management among contracted manufacturing factories for our ready-made meal and are implemented measures accordingly. Moreover, we are also invested in reducing additives in our food products and aim to ensure that the safety and reliability of our products are at a high level.

Process	Initiative
Ingredient Management	<ul style="list-style-type: none"> Ingredient reviews based on quality and hygiene management standards
Manufacturing and Quality Control	<ul style="list-style-type: none"> Bacterial tests (monthly) Factory inspections on all ready-made meal manufacturing sites (monthly and bimonthly) Quality product assurance meetings (weekly) Quality control supervisor meetings (semiannual)
Distribution Management	<ul style="list-style-type: none"> Distribution center facility management Storage and transportation by temperature zone – frozen, chilled, and fixed temperature
Store Management	<ul style="list-style-type: none"> Education on hygiene management at stores Implementation of hygiene management in accordance with HACCP

Community Engagement for a Brighter Future

As a member of the Japan Franchise Association, FamilyMart has been promoting the Safety Station Activities, an activity to help protect the safety of local communities, since 2000. This activity was launched by the National Police Agency, where initiatives, such as anti-crime measures, disaster prevention, safety measures, a thorough prohibition against the sale of cigarettes and alcohol to people underage to urge those people to go home at late night, are actively promoted in collaboration with the government, municipalities, and community people. As part of our Safety Station activities, we also provide protection to vulnerable groups such as children, women, and the elderly in case of emergencies, and provide guidance and support for youths to build an inclusive community.

Furthermore, at our stores, we also set up donation boxes as part of an initiative to contribute to the protection and development of future generations, as well as preserving the natural environment for these future generations.

WELLNEO SUGAR Co., Ltd. (<https://www.wellneo-sugar.co.jp/english/index.html>)

Achieving well-being by opening up the power and potential of sugar

At WELLNEO SUGAR Co., Ltd. we leverage the amazing properties of sugar, a natural plant-based food substance, to provide consumers with high-quality products that are both safe and worry-free.

ITOCHU Sugar Co., Ltd., a subsidiary of ours, is engaged in the production and sale of Kururu no Oishii Origoto, which is made from fructooligosaccharides derived from domestic sugar beets, as well as Okinawa & Amami Kibi Origo, which is made from fructooligosaccharides derived from domestic sugarcane. Fructooligosaccharides, which are known as prebiotics, reach the large intestine after ingestion without being digested and serve as a source of nutrients for intestinal bifidobacteria and other bacteria, thereby maintaining a good intestinal environment.

FUJI OIL HOLDINGS INC. (<https://www.fujioilholdings.com/en/>)

Development and Provision of Products and Services that Promote Health and Eliminate Negative Impacts

The FUJI OIL Group, one of our Group companies, develops products that promote consumers' health. At the same time, it develops products and services that eliminate negative impacts.

1. Initiatives to Reduce Trans-fatty Acid Content

The FUJI OIL Group started efforts to reduce trans fatty acids generated in the production of processed foods, as it was found that they increase the risk of heart disease. We are promoting research and commercialization of low-trans-fatty acid fats and oils using techniques such as transesterification which does not generate trans-fatty acids at the time of manufacturing.

Our initiatives to commercialize low- and non-trans acid oils and fats for chocolate and margarine production can contribute to providing delicious and healthy food ingredients for our customers and consumers in general. Under the supervision of the Chief Strategy Officer (CSO), we are promoting initiatives to reduce the trans-fatty acid content of our products, and plan to complete the reduction of trans-fatty acid content in all of our products to the WHO recommended level by 2023. Moreover, from FYE 2021, the Sustainability Committee (renamed from the ESG Committee)*, which is an advisory body to the Board of Directors, confirms the progress and results of these initiatives as a priority theme (materiality) for ESG management.

* Refer to the URL below for details of the ESG Committee. (<https://www.fujioilholdings.com/en/csr/approach/>)

* Reference: Targets, Performance and Progress in Product Improvement (https://www.fujioilholdings.com/en/sustainability/trans_fats/)

Responsibilities to Customers

2. Reduced Sugar Chocolate

Initiatives to eliminate excessive consumption of sugar to prevent obesity and lifestyle-related diseases are attracting worldwide attention. For example, the World Health Organization (WHO) published guidelines in 2015 recommending the daily sugar intake of adults and minors to be kept to less than 10% of daily energy intake.

The strength of the FUJI OIL Group lies in its research on vegetable protein ingredients which can serve as a substitute for some sugars as a B-to-B food ingredient manufacturer. The FUJI OIL Group is also developing and promoting the sale of sugar-free chocolate made without using sugar.

Prima Meat Packers, Ltd. (<https://www.primaham.co.jp/en/company/>)

Proactive Provision and R&D for Products Pursuing Good Health and Delicious Taste

As people become highly conscious of their health and lifestyle habits, more and more people are becoming concerned about consuming too much salt and sugar. Salt provides the effects of flavoring and improving shelf life, and reducing salt content will ruin those effects. A group company of ours, Prima Meat Packers, Ltd., has been conducting research and development for many years. The company has developed loin ham and bacon products with 30% less salt content and sugar-free while maintaining their taste and shelf life. These health-conscious products are sold under the Prima Healthy brand to make them easily identifiable and have been well-received in the market.

Initiatives to Ensure Responsible Labeling

The Food Company operates a food label registration management guideline, which provides a detailed framework for us to responsibly label our food products. To ensure compliance to the guidelines, we also provide training to staff that belong to relevant sales divisions and the Food Safety and Compliance Team. The training aims to enhance our staff's understanding of the food label registration management guidelines and their capability to conduct inspections and checks on appropriate food labeling. Given increasing importance for this issue and the increasing size of our food business, we are also aiming to leverage this training to increase the number of food labeling practitioners certified by the Food Labeling Certification Association, a Japanese industry organization. In this way, we maintain the necessary internal capacity to cooperate with specialized third party organizations to ensure compliance to our guidelines as well as legal requirements.

At FamilyMart, the responsible labeling of processed foods is especially important as our customers widely vary. For example, we recognize that we must ensure the safety of anyone with food allergies, and prevent the excessive intake of certain substances that can have heavy health consequences. In addition to the information we are required by law to give on the labels on the private-brand products sold at FamilyMart, we list a total of 28 items on the allergy labeling: the seven items mandated to be labeled by law plus 21 items recommended for labeling. We do this so that customers can purchase products with peace of mind. Furthermore, we also provide information that we believe our customers would like to know when choosing products (e.g., ingredients, nutritional ingredients, and preservation methods).

With regard to processed food and alcohol, we especially make sure that responsible labeling is thoroughly addressed. For example, we have implemented measures to simplify and clarify the warnings related to alcohol poisoning, alcoholism, and drinking under 20 years of age.

Involvement in Industry Initiatives to Ensure the Safety of Alcohol Consumption

It is important to our business that we thoroughly address issues regarding the potential negative impacts of alcoholic products such as alcoholism, alcohol poisoning, and drinking under 20 years of age. We also recognize that these negative impacts are also especially important with regard to vulnerable groups. Therefore, our subsidiaries that sell alcoholic products are members to industry organizations introduced below, in order to participate in knowledge sharing and be in tune with the latest market trends and best practices.

Tokyo Alcohol Wholesale Cooperative (Japanese only) (<https://tosyukyo.or.jp/>)

Tokyo Alcohol Wholesale Cooperative is an organization with corporate members that participate in the alcohol business, aims to elevate the level of social responsibility associated to acquiring an alcohol permit. For example, the organization promotes legal compliance, engages in awareness raising of the negative social impacts that must be managed across various product types, leads initiatives to maintain cultural traditions around alcohol, leads initiatives to enhance the current culture around appropriate amounts of alcohol consumption, and supports companies in achieving sustainable business models. Throughout these activities, the Tokyo Alcohol Wholesale Cooperative contributes to the health and wellbeing of the Japanese population, and promotes market competition that is fair and complies with high standards. The Cooperative highly values harmonious cooperation among member companies, and has supported the sustained management of businesses throughout the industry and has subsequently led the development of the industry in general. NIPPON ACCESS, INC. and ITOCHU SHOKUHIN Co., Ltd., ITOCHU subsidiaries, are members of this cooperative.

Contributive Initiatives to Alleviate Hunger and Poverty in Developing Countries

World Food Programme (WFP)



We have become a supporter contributor of the Japan Association for the World Food Programme. This is an official support organization of the World Food Programme (WFP) – a United Nations organization to provide food support. The aim of our participation is to eliminate world hunger and poverty problems as much as possible. We support various activities through this scheme.

In May 2022, we supported WFP's child hunger eradication campaign called "Walk the World." The annual global walk aims to raise awareness and funds, as well as encourage action to end child hunger. This campaign was held in Yokohama, Nagoya and Osaka. Approximately 200 employees of ITOCHU Corporation and ITOCHU Group companies, including their family members, participated in the event.



ITOCHU Employees Participating in the Walk the World Event

Responsibilities to Customers

Eliminating the Food Imbalance between Developing Countries and Advanced Countries: Table for Two

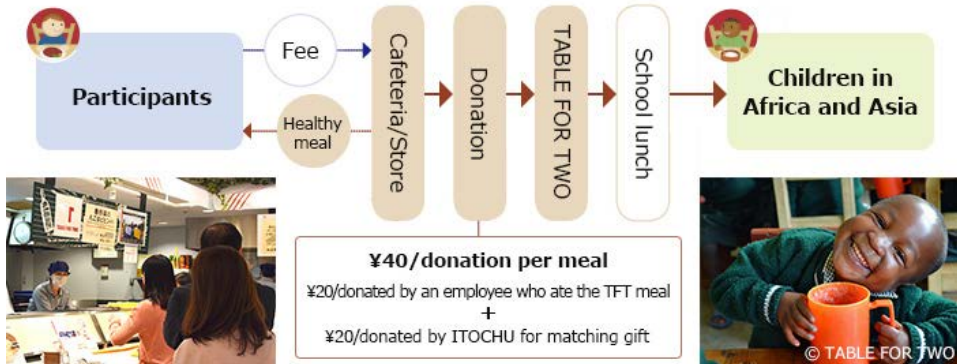


Table for Two is an international NPO that was founded by an affiliate of the World Economic Forum’s Young Global Leaders. The organization aims to right the imbalance between the 1 billion people in the world who suffer from undernutrition, and the 1 billion people in the world who suffer from obesity. The organization does so by implementing a “calorie transfer” program, where the organization partners with companies, universities, restaurants, and organizations throughout the world to provide more nutritious school meals to the former, and healthier meals to the latter.

Table for Two was founded in Japan in October 2007. Owing to ITOCHU’s long-standing commitment to social contribution, we were one of the first companies in Japan to partner with Table for Two and implement the calorie transfer program in our employee cafeteria at the Tokyo, Osaka, and Nagoya offices the following April.

More specifically, whenever one of our employees chooses a healthier TFT meal from our cafeteria menu, 20JPY is donated per meal. In addition, through a matching gift scheme, the company also donates the same amount of money as the employee, making the total donation 40JPY per meal. The donation contributes to providing nutritious school meals to children in developing countries.

Currently, our Tokyo Headquarters provides TFT meals.



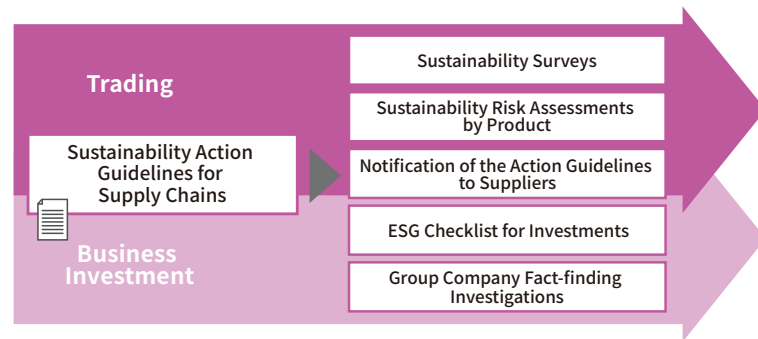
Sustainability in the Value Chain: Policy and Basic Concept

Supply Chains

ITOCHU also gives consideration to human rights, labor and the environment in our supply chain and business investments. We do this through sustainability management tailored to each business activity. Through this, we have built a sustainable value chain. This is leading to an improvement in the competitiveness and corporate value of the ITOCHU Group.

Notifying Suppliers of the Sustainability Action Guidelines for Supply Chains

We believe it is important to acquire understanding and cooperation from our suppliers for our procurement policies. Accordingly, we once again notified approximately 4,000 suppliers engaged in ongoing business of the Sustainability Action Guidelines for Supply Chains in FYE 2014. We also stipulated that new suppliers must be notified of these guidelines in advance when engaging in business with us from January 2015. We are promoting on our sustainability policy in this way.










Sustainability Action Guidelines for Supply Chains

ITOCHU adopted the “Sustainability Action Guidelines for Supply Chains” to clarify and communicate the sustainability concerns we expect our suppliers to address. We will take the necessary measures to communicate and cooperate with our suppliers to ensure responsible management of the following items. Suppliers shall comply as follows;

- 1. Abuse and Harassment**
Respect the human rights of all of its employees and not engage in inhumane treatment, including discrimination, harassment, abuse and corporal punishment.
- 2. Forced Labor and Child Labor**
Prohibit forced labor or child labor including the employment of children under the minimum working age.
- 3. Discrimination**
Prohibit employment discrimination based on characteristics including but not limited to gender, race, and religion.
- 4. Suitable Remuneration**
Comply with statutory minimum wages, strive to exceed living wages, and not unjustly reduce wages.
- 5. Freedom of Association and Collective Bargaining**
Respect the freedom of association and right to collective bargaining of its employees and ensure that labor-management discussions on working conditions and environment are held, as appropriate.
- 6. Working Hours**
Comply with statutory working hour restrictions. Properly manage its employees’ working hours, provide holidays and paid leave as necessary and strictly prohibit excessive overtime work.
- 7. Safe and Healthy Working Environments**
Take necessary measures to provide a safe, hygienic and healthy working environment to its employees.
- 8. Environment**
Consider potential and existing impacts on local communities and the environment with regards to its business activities – such as impacts on nearby biodiverse habitats or pollution of the local ecosystem. Take the necessary measures to reduce its consumption of energy, water and other natural resources, as well as its emissions of greenhouse gases and waste.
- 9. Anti-Corruption**
Comply with all applicable local and international laws and regulations. Ensure its compliance with fair business practices and anti-corruption.
- 10. Information Disclosure**
Disclose information on all items listed above in a timely and appropriate manner.

Sustainability in the Value Chain: Targets and Action Plan

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. 	<ul style="list-style-type: none"> Increase in demand for food safety, security and health improvement. Establishment of safe, stable supply system for product enabled by the consideration of human rights and improvement of work environment in the supply chain. Winning customer trust or creating new businesses with a stable supply of environmentally friendly resources and materials.

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company								
Ensure Stable Procurement and Supply		Supply Chain	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.	<ul style="list-style-type: none"> 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. Work for the goal of "Zero Fashion Loss" and "Carbon Neutrality" committed by Japan Sustainable Fashion Alliance to achieve by 2050. 	<ul style="list-style-type: none"> Started the clothing collection service "WEAR TO FASHION" along with investment to ECOMMIT Corporation. By reusing the collected clothes and using some of them as raw materials for "RENU", the "RENU" project will further promotes a circular economy. The Japan Sustainable Fashion Alliance made policy proposals to Consumer Affairs Agency, Ministry of Economy, Trade and Industry, and Ministry of the Environment for "zero fashion loss" and "carbon neutrality" this fiscal year.
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 		Supply Chain	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.	Textile Company conducted human rights due diligence in FYE 2023. We screened domestic and overseas suppliers for all businesses, obtained questionnaire responses from 105 companies, and conducted on-site surveys at 4 companies. As a result, it was confirmed that there were no specific matters related to human rights issues. In the next fiscal year's supplier survey, we will continue to monitor the companies which do not yet have established internal manuals or regulations.
Food Company								
Contribute to Healthier and More Affluent Lifestyles		Food Safety	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 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) or in-house qualification holders related to factory audit.
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 	 	Supply Chain	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. <p>2030</p> <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"> Coffee beans: Regarding FYE 2023, our quantitative target 15% or more was achieved with the result of 28%, and its target for FYE 2024 should be 20% or above. In addition, from June 2022, we partially started disclosing BtoB level digital traceability information to our customers by using Farmer Connect (Coffee traceability platform). Cacao beans (traceable products): achieved 66% (5,975MT of traceable beans out of 9,025MT total.) Palm oil: Check supplier's sustainable palm oil sourcing policies through regular surveys, and continue purchasing based on our procurement policies. At the same time, we continue to publicize the ratio of RSPO certified Palm Oils and Traceable To Mill etc. Ratio of RSPO Certified Palm Products/Oleo chemicals <ul style="list-style-type: none"> Palm Oils 24% Oleo Chemical Products 65%
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 	 	Supply Chain	Responsible Fisheries Procurement	Fresh food field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	Promote procurement in accordance with the supplier's own code of conduct in the country of origin of the tuna.	Develop a tuna procurement policy and promote procurement of products and certified products that comply with the policy.	<ul style="list-style-type: none"> We have acquired the MSC fisheries certification for six fishing vessels as of July 2022. ITOCHU and fishing companies are currently applying the second MSC fisheries certification for 19 vessels in addition to the above 1st MSC certification.

Sustainability in the Value Chain: Targets and Action Plan

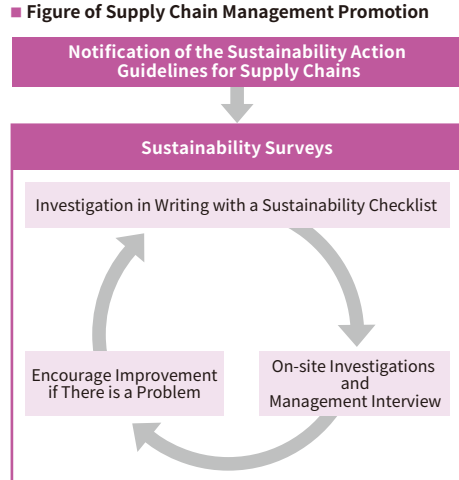
Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
General Products & Realty Company								
Ensure Stable Procurement and Supply		Forest	Using sustainable forest resources	<ul style="list-style-type: none"> 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.	In FYE 2023, 100% of our Pulp, Wood Products & Materials transactions and 97% of our Woodchips transactions were handled as certified material or were intensely managed.
<ul style="list-style-type: none"> Respect and Consider Human Rights Ensure Stable Procurement and Supply 	 	<ul style="list-style-type: none"> Forest Supply Chain 	Realization of sustainable supply of natural rubber	Natural Rubber	<ul style="list-style-type: none"> We will strive to establish measures to identify and avoid procuring rubber from any suppliers who dispossess indigenous people and develop High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland. We support or offer a training to improve yields and quality for natural rubber producers, especially smallholders. We also offer a risk-assessment education that includes modern slavery issue. 	<ul style="list-style-type: none"> We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative, named "PROJECT TREE (https://project-tree-natural-rubber.com/)". 	<ul style="list-style-type: none"> We aim to procure raw materials with traceability and sustainability ensured in natural rubber processing business. (Aiming to achieve 100% traceability for the natural rubber raw materials which we procure by 2025 through an original block chain-based traceability system.) We will increase the number of smallholders implementing sustainability training and education, and contribute to achieving sustainability in the natural rubber industry. 	<ul style="list-style-type: none"> In FYE 2023, traceability of the natural rubber raw materials' procurement reported by suppliers reached 100%. Traceability of the natural rubber raw materials' procurement using our system reached 4.5%. 4,128 of smallholders implemented sustainability training and education.

Sustainability in the Value Chain: Structures and Systems

Supply Chain

Against a backdrop of an expansion in our business areas, ITOCHU’s supply chain has become wider and more complex. There is now a further need for risk management concerning human rights, labor and the environment in the procurement of raw materials, producing areas, intermediate distribution and regions of consumption in addition to in the processes directly managed by us. We pay particular attention to the on-site management of suppliers who account for a relatively high share of our purchases. We view our consideration and sense of responsibility for these areas as matters of great importance to be addressed with high priority.

ITOCHU has established the Sustainability Action Guidelines for Supply Chains. We strive to prevent the occurrence of problems by conducting investigations and reviews as below. If we discover a problem, we aim for improvement through dialogue with the concerned supplier.



Sustainability Surveys

Since FYE 2009, we have set the seven core subjects of ISO26000 as essential survey items to realize a sustainable procurement and understand the actual conditions of suppliers. Following on from that, each company and applicable group company selects important suppliers based on certain guidelines (e.g., high risk countries, products handled and monetary value handled). The sales representatives of those companies and representatives from overseas subsidiaries and operating companies then visit those suppliers to conduct interviews. They also conduct sustainability surveys in a questionnaire format (sustainability checklist).

We conduct supply chain sustainability survey information seminar for employees who procure various products in a variety of countries ahead of the sustainability survey. We also provide training (buyer training) using the handbook to understand the Sustainability Action Guidelines for Supply Chains and ESG perspective that must be kept in mind in communication with suppliers.

Sustainability Checklist

The Sustainability Checklist is used to conduct supplier surveys on their management of relevant sustainability risks. The Checklist is based on the seven ISO26000 core topics (organizational governance, human rights, labor practices, environment, fair business practices, consumer issues, community involvement and development) and is supplemented by department and product specific issues that we identified as relevant to our business and by extension our suppliers (see table below for our list of supplementary topics). Furthermore, based on opinions provided by external subject matter experts, we have constructed the survey questionnaire to consist of 19 core items centered around human rights and labor and environmental topics particularly associated to high sustainability risks – these items are our priority in supplier engagements.



Supply Chain Communication Handbook

■ Outline of Sustainability Survey

Applicable Survey Criteria	<ul style="list-style-type: none"> • High risk countries • Over a certain amount of money • Handling of certain product groups
Main Questions Common to All Companies	<ol style="list-style-type: none"> 1. Organizational governance: Establishment of a responsibility-taking structure and internal report system 2. Fair Operating Practices: Prevention of corruption, information management, prevention of intellectual property right infringements and a sustainable procurement policy 3. Human rights: Risk assessments of human rights violations in business, abolition of child labor, forced labor, harassment and discrimination, and payment of appropriate wages 4. Labor practices: Working hour management, health and safety management, and worker health 5. Environment: Waste and drainage treatment, handling of hazardous substances, and climate change and biodiversity initiatives 6. Consumer and Local Communities: Quality control and traceability, Dialogue with consumers and neighboring residents 7. Certification: Environmental, quality, occupational management system

■ Department and Product Specific Supplementary Sustainability Items

Procured Resource Type	Additional Survey Items
Paper, Wood-chips, Timber	<ul style="list-style-type: none"> • Implementation of forest conservation measures • Third-party certification
Agricultural Crops	<ul style="list-style-type: none"> • Management of traceability and management of chemical fertilizers and pesticides
Meat Products	<ul style="list-style-type: none"> • Implementation of food safety measures • Management of traceability
Natural Marine Products	<ul style="list-style-type: none"> • Management of traceability and management of fisheries
Apparel	<ul style="list-style-type: none"> • Management chemical substance
Palm Oil	<ul style="list-style-type: none"> • Management of traceability • Development of Grievance mechanisms
Coffee Beans	<ul style="list-style-type: none"> • Management of traceability • Development of Grievance mechanisms

Sustainability in the Value Chain: Structures and Systems

We have also prepared a handbook on communication with suppliers. We are using this to inform our employees of how to communicate with suppliers. At the same time, we have set up a check system that enables employees to understand concretely the management situation in terms of the environment, human rights, labor practices and corruption prevention in important suppliers to give advice on making improvements. We will continue to conduct surveys and communicate with suppliers in the future to improve the awareness of our employees and to seek understanding and implementation from our suppliers.

Example Excerpt from the Handbook

Prohibition on forced labor

Companies must not force employees to work.

Forced labor means all labor forced on a person against his or her will. Examples include restrictions on an employee's freedom to leave his or her job until he or she repays a debt to the company or restricting an employee's freedom to leave his or her worksite under contract. Forced labor may be identified by asking employees what their work shifts are like, whether they have break times and whether they are able to eat meals. It may also be ascertained by observing their facial expressions. In a worst-case scenario, people are deprived of the freedom to live their lives; they have to live in a dormitory on the premises of the company's factory and are not allowed to go outside those premises. It is also effective to check whether there are employees who have come to work from areas far away or other countries in a company. Employers must be prohibited from taking the originals of passports, IDs and work permits because this can lead to forced labor.

Reference

It is necessary to check for forced labor in factories in Japan as well as in emerging nations. In recent years, Japan's Technical Intern Training Program (TITP) has been criticized by some from overseas. Accordingly, please also check whether suppliers in Japan employ anyone from overseas and whether there are problems in terms of working hours and wages.

FYE 2023 Sustainability Surveys

We conducted surveys on a total of 320 companies in FYE 2023. We did not discover any serious problems requiring an immediate response from those results. We have also checked the prompt improvement measures and countermeasures taken by our business partners on problems raised as concerns at the time of the survey. We will continue to seek understanding for the concept of ITOCHU from our business partners and to communicate with them in the future.

Number of Suppliers Surveyed

	All	Textile Company	Machinery Company	Metals & Minerals Company	Energy & Chemicals Company	Food Company	General Products & Realty Company	ICT & Financial Business Company
FYE 2023	320	105	9	20	31	104	48	3
FYE 2022	288	65	9	20	31	107	53	3
FYE 2021	310	57	9	21	29	104	87	3
FYE 2020	316	50	15	20	39	102	85	5
FYE 2019	343	49	13	19	39	110	108	5

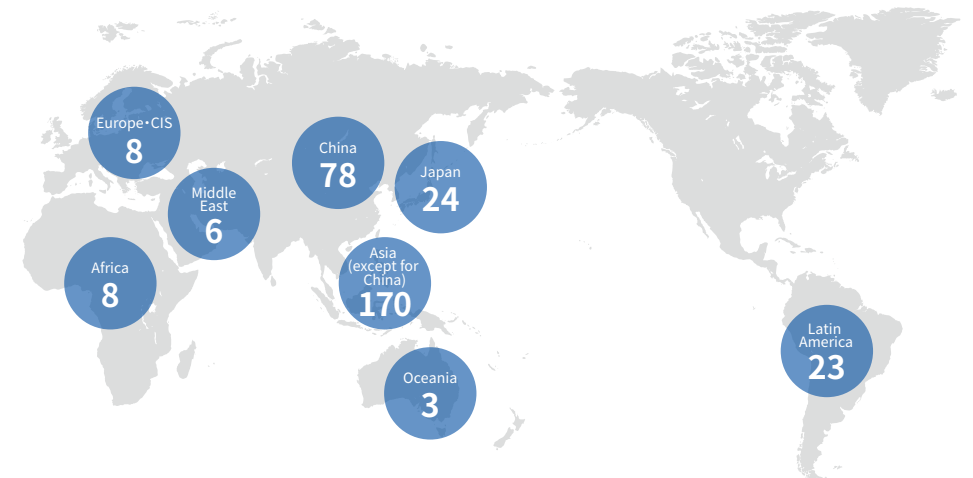
In addition to the supplier survey based on our Sustainability Checklist as introduced above, our Textile Company conducted a domestic supplier survey in FYE 2020 on their management of technical intern trainees. For more information, please refer to Foreign Technical Intern Trainee Survey on Working Environment (P133).

The Sustainability Management Division also visits and surveys important suppliers together with external experts as necessary.

Results of Survey for Department and Product Specific Supplementary Sustainability Items (Number of Suppliers Surveyed)

Procured Resource Type	FYE 2021	FYE 2022	FYE 2023
Paper, Wood-chips, Timber, Timber Products	66	37	38
Agricultural Crops	30	39	36
Meat Products	11	13	14
Natural Marine Products	33	29	28
Apparel	5	5	105
Palm Oil	9	8	7
Coffee Beans	21	18	19

Regional Breakdown of Number of Suppliers Surveyed



Sustainability in the Value Chain: Structures and Systems

Human Rights Audits in the Poultry Industry in Thailand

Inspection of the CPF Saraburi Factory

We conducted a human rights audit targeting foreign workers in the Saraburi Factory (a chicken meat processed product factory) of Charoen Pokphand Foods Public Company Limited (CPF) — one of the main suppliers of the Food Company — accompanied by external auditors.

Recent years have seen an increase in cases where Japanese companies with Thai firms in their supply chain have been warned by NGO groups about human rights violations of foreign workers in the livestock and fishing industries in Thailand. We checked the factory for human rights risks in our supply chain through this audit.

This factory (slaughterhouse and food processing site) employs 3,400 Cambodians — equivalent to approximately 50% of its workers. That makes them an important part of the factory's labor force. We checked a number of items in this audit. These included the extent of signage in Cambodian in facilities in the factory, a check of the evacuation routes, the attendance management situation, and the personal storage situation of passports and work permits. In addition, we also randomly chose some Cambodian employees actually working there and interviewed them about their actual working conditions.

This audit did not find any violations of the human rights of foreign workers, and reaffirmed there is sufficient consideration for human rights and the proactive approach CPF takes toward sustainability.

CPF has developed a safe working environment for its foreign workers.



CPF Saraburi Factory



Those from CPF Who Cooperated with the Audit



Interview with a Cambodian Worker on His Actual Working Conditions



All Signs in Cambodian on Fire Prevention Facilities



Advice Not to Over-stack Auxiliary Feedstock

Regular Visits and Surveys of Food Processing Factories

The Food Company has been regularly visiting and surveying the food processing factories of its overseas suppliers since FYE 2012 in regards to imported foods under the initiative of the Food Safety and Compliance Management Office. In FYE 2023, we surveyed 331 overseas suppliers and deployed preventive measures to ensure safety in food transactions. We established a China Food Safety Management Team in Beijing in January 2015. With this, we have set up a structure to be able to audit our Chinese suppliers. We conducted regular audits and follow-up audits on 42 companies in FYE 2023. Please refer to Responsibilities to Customers (P137) to learn about our initiatives in detail.

Third-party Sustainability Audits on Ready-made Meal Manufacturers

Many foreign technical interns work at factories to which FamilyMart in our Group outsources the ready-made meal manufacturing. They are an important part of the workforce.

We conducted a self-check questionnaire in 31 factories in FYE 2023. This questionnaire contained 200 items such as the following: Are you properly employed? Are the signs in your facility written in your native language? Is employee health and safety and appropriate health management implemented? We conducted online and on-site audits in 12 factories after the end of the semi-state of emergency COVID-19 measures in each area in view of the spread of COVID-19 and the importance of hygiene management. We confirmed that there are no serious issues in each factory.

We will continue to expand the targets of questionnaires, audits and monitoring to build a sustainable supply chain in the future.

Sustainability in the Value Chain: Structures and Systems

Response to Suppliers in Violation of this Policy

When we have confirmed a case in which there has been a violation of the intent of our policy, we request corrective action from the applicable supplier. Together with this, we conduct an on-site investigation to give guidance and improvement support as necessary.

In the FYE 2023 survey, the Sustainability Management Division carefully examined the answers from suppliers to key questions including the prohibition of child labor, the prohibition of forced labor and the payment of living wages, and identified issues that are necessary to share and to reconfirm with suppliers. As a result of this survey, the Sustainability Management Division requested the business departments in charge of the supplier to reconfirm the 30 extracted issues. The department in charge explained and shared the reconfirmation of these issues with the suppliers, and conducted a detailed survey of the suppliers' responses to them.

As a result, it was determined that the reconfirmed issues were being addressed by each supplier, and no requests for corrective actions were made to suppliers in FYE 2023. Through this survey, suppliers actively report issues and engage with the business department involved. When a problem is identified, suppliers are requested to take corrective actions, thereby encouraging them to make efforts to correct the issue.

If it is judged that correction is difficult even though we have made continuous requests for correction, we deal with this under a stance of reviewing our business with that supplier.

FYE 2023 Sustainability Survey Result

Key Questions		Request of Reconfirmation and Request of Corrective Action		
Questions	Checking Contents	Number of Reconfirmation	% (320 suppliers)	Number of Corrective Action
Clarifying Responsibilities for Sustainability	A Sustainability Manager is appointed and the system for promoting sustainability is clear.	12	3.8%	—
Fair Operating Practices	We have established a policy and monitor the status of compliance with the policy by a person in charge.	8	2.5%	—
Preventing Information Leakage	We have established rules and informed all of our employees of the rules.	8	2.5%	—
Prohibition of Child Labor	We have clearly defined a minimum age for employees in light of the standards of the International Labor Organization (ILO) and we check the self-reported age of each person before employing them.	3	0.9%	—
Prohibition of Forced Labor	We have a policy of not using forced labor and we do not take a passport or a master copy of ID before employing them.	6	1.9%	—
Prohibition of Harassment	We have specified in writing that we prohibit harassment, and we have informed all of our employees to that effect. We also check whether any harassment actually occurs.	3	0.9%	—
Right to Organize and Bargain Collectively	We recognize the right of employees to organize and bargain collectively and regularly offer them opportunities, at least once a year, to communicate with the management regarding improving their labor environment.	4	1.3%	—
Prohibition of Discrimination	No restrictions on recruitment by gender, race, religion, etc. in recruitment conditions or requests to agent companies.	3	0.9%	—
Payment of Living Wage	We pay employees wages that exceed the legal minimum wage for each country.	2	0.6%	—
Working Hours	We have a system for the appropriate management of working hours throughout the entire business establishment. The working hours do not exceed the legal standards of the country.	4	1.3%	—
Taking Holidays	All of our employees have at least one day off every week.	2	0.6%	—
Identifying Dangerous Areas and Tasks	We acknowledge all labor accidents that have occurred, and we have a system under which we take measures to reduce their occurrence.	3	0.9%	—
Operating Procedures	We have operating procedures of occupational health and safety, and we review their contents at least once a year.	3	0.9%	—
Response to Labor Accidents	We acknowledge all labor accidents that have occurred, and we have a system under which we take measures to reduce their occurrence.	2	0.6%	—
Hygienic Ancillary Facilities	All of our facilities are kept in a sanitary condition. No issues were identified in the inspections undertaken by the local authorities or the like in the last five years or more.	3	0.9%	—
Treatment of Waste	We have a manual and apply the manual by reminding our employees of it at least once a year.	1	0.3%	—
Treatment of Exhaust Air and Discharged Water	We control them by applying standards that are stricter than the requirements of the local regulations.	7	2.2%	—
Procuring Raw Materials in a Responsible Manner	We ensure the traceability of more than 90% of raw materials, as far back as to the land of origin, and have a system in which we do not purchase them until we confirm that they are not problematic environmentally or socially.	8	2.5%	—
Development with Consideration for Local Residents	Grievance mechanism from local residents about noise, bad odor and environmental pollution of air and water, etc.	1	0.3%	—
Total Number of Suppliers		30	9.4%	—

Sustainability in the Value Chain: Structures and Systems

Business Investment Management

The business activities of companies in which we invest must recognize and deal with their possible impact on the environment and society. To that end, we strive to understand ESG risks and work on preventative activities. We perform risk assessments on ESG in general through the utilization of a checklist and visits and surveys to formulate the necessary measures. These are continuously reviewed and improved in the framework of our environmental management system.

ESG Risk Assessment for New Business Investment Projects

It is compulsory in new business investment projects for the division making the application to use the ESG Checklist for Investments to evaluate the project in advance (perform due diligence). The division making the application looks at whether policies and structures have been established from a perspective of ESG. It also looks for the risk of a significant adverse effect on the environment, violation of laws and ordinances, and complaints from stakeholders. This checklist consists of 28 check items. These include elements of the seven core subjects* in ISO26000 — the CSR international guidelines.

The division making the application also then refers to review opinions based on risk analysis from relevant functional divisions (management divisions). If there are any concerns, it requests additional due diligence from external specialist organizations for matters requiring a professional point of view. The project is then only undertaken upon confirming that there are no problems in those results.

* Organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development

ESG Risk Assessment for the existing business (Group Company Fact-finding Investigations)

We have continued to conduct on-site visits and surveys in group companies since 2001 to prevent environmental pollution and risk assessment of labor practice. We have conducted investigations into a total of 296 offices in the world as of the end of March 2023.

These investigations inspect the factory and warehouse facilities, the situation of drainage to rivers, the environmental law and regulation compliance situation, labor practice, labor safety and human rights, and communication with the local community in addition to holding a question and answer session with management. We identify problems or demonstrate preventative measures. We then check to see whether the situation has been corrected.

Visit and Survey Report: DOLE PHILIPPINES Fact-finding Investigation

We visited and surveyed DOLE PHILIPPINES, a company which produces banana, pineapple and other fresh fruits and manufactures canned fruit in the Philippines, in January 2020. We performed a detailed check concerning the environment and labor safety related risk management and legal compliance situation (e.g., soil pollution, waste, chemical substance management and safety measures) based on the findings of external experts well-versed in the local laws and regulations. We confirmed that these matters are being appropriately managed. In addition, we confirmed that the company is proactively working on activities that contribute to society and the environment (e.g., biomass power generation on its premises and donations to local schools).




 ESG Risk Assessment Conducted as of the end of March 2023
296 Offices in the World

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Procurement Policies for each product

- Sustainable Procurement Policy on Natural Forests and Forest Resources (https://www.itochu.co.jp/en/csr/pdf/sustainable_procurement_policy_on_natural_forests_and_forest_resources.pdf?230615)
- Natural Rubber Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/natural_rubber_policy.pdf?230130)
- Sustainable Palm Oil Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/sustainable_palm_oil_procurement_policy.pdf?220620)
- Cocoa Bean Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/cocoa_beans_procurement_policy.pdf)
- Coffee Bean Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/coffee_beans_procurement_policy.pdf)
- Raw Material Tuna Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/raw_material_tuna_procurement_policy.pdf)
- Commitment of Protecting Forests through Material Sourcing of MMCF (https://www.itochu.co.jp/en/csr/pdf/commitment_of_protecting_forests_2019.pdf)

Resource Sourcing that Requires Forest Conservation Initiatives

ITochu handles the following commodities, which require careful consideration of forest conservation initiatives. In addition to the Sustainability Action Guidelines for Supply Chains, the following Procurement Policy establishes our approach to protecting and preserving natural forests, and our commitment to the sustainable use of natural resources. The Policy is subject to an annual review at minimum, with revisions made as necessary.

Commodities Relevant to Forest Conservation

- Timber, timber products, raw materials for papermaking and paper products
- Natural rubber
- Palm oil
- Woody biomass fuel

Policy and Management Approach to the Preservation of Natural Forests and the Sustainable Sourcing of Forest Resources

Sustainable Procurement Policy on Natural Forests and Forest Resources

Sustainable Procurement Policy on Natural Forests and Forest Resources (https://www.itochu.co.jp/en/csr/pdf/sustainable_procurement_policy_on_natural_forests_and_forest_resources.pdf?230615)

Management Approach

Every year, we report and receive approval on our targets and progress made to senior management. We also share suggestions from stakeholders including NGOs, and if any issue is identified, we review our measures and this Policy, as necessary.

Regarding palm oil, procurement based on this Policy is carried out by the Oil, Fats & Cacao Department of the Food Division within the Food Company – this department is therefore also responsible for the compliant procurement of palm oil.

Regarding timber, timber products, raw materials for papermaking and paper products, our Group ESG Manager provides training to members who handle these products at least once a year. The training aims to educate them on both domestic and international trends and issues related to forest resource development and sustainable forest resource utilization.

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Wood, Wood Products*, Papermaking Raw Material, and Paper Products

ITOCHU is engaged in the procurement, manufacturing, and distribution of materials for pulp and paper products, wood and wood products and woodchips. In order to ensure the protection of natural forests and sustainable use of forest resources, we aim for 100% procurement by FYE 2026 of certified material or material for which advanced management can be verified.

* Including board products such as plywood, MDF, particle board, etc.



Metsä Fibre (Certification by FSC® and PEFC)

ITOCHU has a stake in Metsä Fibre, a world-class softwood pulp manufacturer based out of Finland. Metsä Fibre boasts an annual pulp production capacity of around 3.2 million tons. They have tapped ITOCHU as the exclusive distributor for their softwood pulp destined for Asian markets. The company manufactures pulp from 100% traceable forest resources of which 90% have received two certifications, namely the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification Schemes (PEFC).

In Finland, pulpwood growth exceeds consumption, which allows for a long-term, stable supply of pulpwood. Through initiatives carried out with excellent partners such as this, we will promote the use of sustainable forest resources and continue to promote further strengthening of our business.



Äänekoski Plant commissioned in 2017

Certification of Traceability for Chinese Timber

Since 2013, ITOCHU KENZAI has been working to create a system for certifying the traceability of plywood manufactured in China. We asked the Japan Gas Appliances Inspection Association (JIA), a certification body, to evaluate the effectiveness of this system in 2020. It said we have ensured traceability appropriately in our main supply chain and are in compliance with the Law Concerning the Act on Promoting Green Procurement and the Clean Wood Act. This effort ensures traceability and that timber is managed throughout all processes within the supply chain, from the logging areas to the veneer and plywood factories, by obtaining logging permits and other evidence, auditing factories, observing the logging areas, and other means. With this, ITOCHU KENZAI was able to reliably ensure that no timber from illegal logging is used in around 40% of the plywood manufactured in China for which forest certification has not been obtained.

NGO Engagement (Responding to Identifications by an NGO about Illegal Logging and Human Rights Issues in Sarawak, Malaysia)

A non-governmental organization has pointed out problems with illegal logging and human rights in Sarawak, Malaysia. On a regular basis, we work to ascertain the situation through interview surveys of our supplier, the local government, the timber association, human rights lawyers, the human rights committee, local residents, local non-governmental organizations, forest consultants, and others.

We have not found the problems pointed out by the non-governmental organization through these surveys, but to eliminate concern, we have repeatedly requested that the supplier engage in specific initiatives. As a result, in recent years, the supplier has actively worked to obtain forest certification, and the number of certified forest areas has increased. Changes have also occurred in the local government in Sarawak, including reinforcement of regulations to eliminate illegal logging and announcement of measures to promote forest certification.



Interview with Indigenous Community in Anap Muput Forest Management

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Performance Regarding Forest Certification and Legal Compliance

Performance of Timber and Timber Products*

ITOCHU evaluates its performance by classifying its timber and timber products into the following four categories based on forest certification and legal compliance. Category (A) signifies the highest level of sustainable procurement compliance, requiring FSC® certification and/or PEFC certification – more specifically, it is defined as “(A) Timber handled by a certified forest supplier or timber approved by a certification body”.

* Including board products such as plywood, MDF, particle board, etc.

Classification Based on Legality		Item	Result			Target
			FYE 2021	FYE 2022	FYE 2023	FYE 2026
Certified Materials or Advanced Management can be Confirmed	Forest Certification System	(A) Timber handled by a certified forest supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)	35%	35%	25%	100%
		(B) Timber harvested in countries or regions assessed as “Low Risk” based on the forest certification system	43%	43%	62%	
	Certification of Legality in the Clean Wood Act	(C) Timber whose legality has been confirmed by documents proving that it was cut in compliance with the laws of the place of origin*1	22%	22%	13%	
N/A		(D) Materials whose legality has been confirmed by “additional measures”*2	0%	0%	0%	0%

*1 Specifically, materials confirmed by an export license, certificate of origin, etc.

*2 Specifically, timber that was confirmed to be in compliance with laws by asking suppliers to provide a distribution channel

Sustainable Procurement Performance of Raw Materials for Papermaking

All raw materials for papermaking such as chips and pulp handled by ITOCHU have acquired FSC or PEFC certification as “materials handled by certified forest suppliers or materials approved as management materials by a certification body”.

Classification Based on Legality		Item	Result			Target	
			FYE 2021	FYE 2022	FYE 2023	FYE 2026	
Certified Materials or Advanced Management can be Confirmed	Forest Certification System	Timber handled by a certified forest supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)	Chips	100%	92%	97%	100%
			Pulp	100%	100%	100%	100%

* License No. FSC® C009841

Natural Rubber

ITOCHU is engaged in the business of processing natural rubber. Natural rubber is a natural resource indispensable in daily life. About 70% of the world’s consumption of natural rubber is used in tires. On the other hand, about 85% of the world’s production depends on small farmers found mainly in Thailand, Indonesia and elsewhere in Southeast Asia. It is expected that the demand for natural rubber will grow in the future due to global motorization. Against that background, it is essential to conduct business activities with even greater consideration due to issues such as deforestation and the infringement on the rights and poverty of small farmers. In response, ITOCHU has joined as a founding member of the Global Platform for Sustainable Natural Rubber (GPSNR), which was established in October 2018. We agree on the 12 principles stipulated by GPSNR and are cooperating in the development and operation of the Platform’s standards.

Moreover, we are utilizing our value chain to promote the PROJECT TREE initiative aimed at achieving the traceability and sustainability of natural rubber. We will contribute to sustainability over the entire natural rubber industry through this project.

* Natural Rubber Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/natural_rubber_policy.pdf?230130) 

Participation in the GPSNR

In October 2018, ITOCHU joined the new Global Platform for Sustainable Natural Rubber as the only Japanese trading company founding member. This organization was established by car manufacturers, tire manufacturers and natural rubber processing companies involved in the natural rubber industry. Its members work together throughout their supply chain to establish traceability and achieve higher levels of sustainability.

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

PROJECT TREE Initiative

We are rolling out the PROJECT TREE initiative aimed at achieving the traceability and sustainability of natural rubber. We are utilizing the value chain of the PT. Aneka Bumi Pratama (ABP) natural rubber processing company and the EUROPEAN TYRE ENTERPRISE LIMITED tire wholesale and retail company in whom we invest to achieve this.

ITOCHU Techno-Solutions Corporation developed the traceability system utilizing the blockchain in this project. It is the first such attempt for traceability in the natural rubber industry.

The transaction details, date and time, and location information for the natural rubber raw materials procured by ABP will be recorded on the blockchain by a smartphone app in this system. That information will then be displayed on a map. After that, ABP will process the natural rubber in its factories and sell it to tire manufacturers as natural rubber with place of origin information. We will implement a mechanism to pay compensation to raw material suppliers from a part of the sales of the certified tires produced by those tire manufacturers. We will then distribute agricultural tools and fertilizers to small farmers who do not have smartphones or bank accounts. At the same time, we will conduct risk assessments including on the issue of modern slavery and provide training to improve productivity. In addition, we will gradually implement improvement plans based on the results of risk assessments on the supply chain while receiving consulting and auditing from the Proforest and SNV international NGOs. This project is a concept we will expand to all stakeholders involved in natural rubber such as natural rubber processing companies in the same industry, tire wholesalers, retailers and automobile manufacturers, and consumers. We will aim to gradually roll out the approved tire products around the world starting with the highly-environmental conscious European region. Moreover, we also expect it will contribute to GPSNR policies and target achievement.

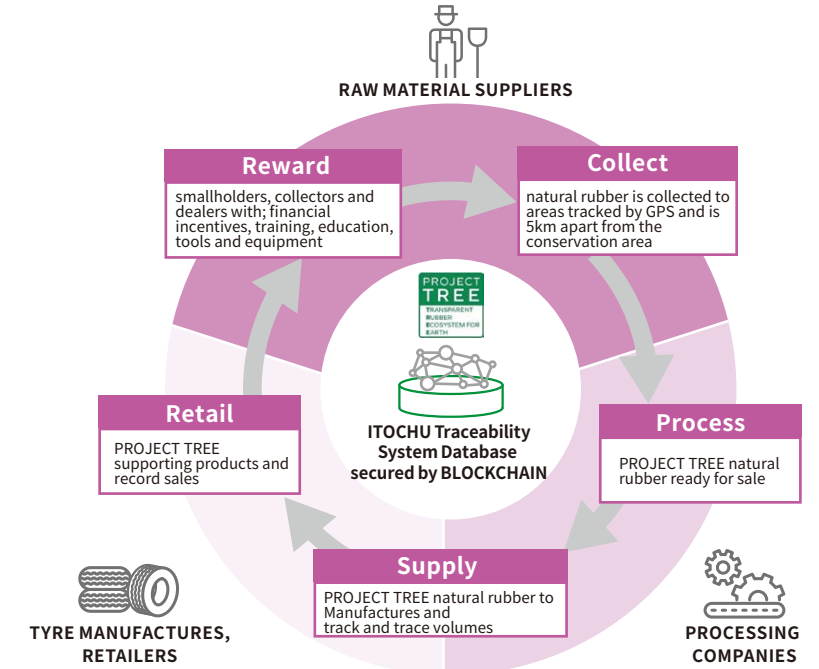
ITOCHU aims for sustainable growth based on our corporate philosophy of “Sampo-yoshi” (good for the buyer, good for the seller and good for society). We are also contributing to the Sustainable Development Goals (SDGs) in 2030 adopted by the United Nations.

- Release: ITOCHU Announces a Blockchain PoC for Traceability (<https://www.itochu.co.jp/en/news/press/2019/190201.html>)
- Release: ITOCHU Announces the Commencement of Commercialization of PROJECT TREE, the First Blockchain-based Natural Rubber Traceability and Sustainability Project in the World (<https://www.itochu.co.jp/en/news/press/2021/211201.html>)
- PROJECT TREE website (<https://project-tree-natural-rubber.com/>)

Performance Data on Natural Rubber

Category	FYE 2023	Target (FYE 2026)
Natural Rubber Traceability	4.5%	100%
Capacity building, Sustainability training initiatives to small farmers	4,128 people	—

Project Image Diagram



Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Palm Oil

Palm oil has been associated with environmental destruction and human rights violations in relation to the development and production of plantations. ITOCHU is extensively engaged in the trade and distribution of palm oil but is not involved in the palm plantation business. However, based on our role in distribution, we recognize the importance of paying particular attention to this issue. For example, we are a member of the Roundtable on Palm Oil (RSPO) and are working to fulfill our corporate social responsibility by taking responsibility and standing as a bridge between producers and consumers. We are also cooperating in the spread of certified oil other than RSPO, such as MSPO*1 and ISPO*2, in cooperation with industry groups.

In addition to having formulated the Sustainable Palm Oil Procurement Policy, we aim to preserve natural forests and ensure sustainable consumption of forest resources by promoting transparency in the supply chain and strengthening the sustainable palm oil procurement system.

*1 Malaysian Sustainable Palm Oil
*2 Indonesian Sustainable Palm Oil

◦ Sustainable Palm Oil Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/sustainable_palm_oil_procurement_policy.pdf)

Establishing Traceability

ITOCHU inspected our supply chain as a way to fulfill our corporate social responsibility. In doing so, we identified issues and solved them with the aim to achieve sustainable procurement and supply of palm oil. That allowed us to achieve one of our goals of achieving 100% traceability at the mill level by 2021. Going forward, we will aim to achieve our other goal of switching all the palm oil we procure to sustainable palm oil*1 by 2030. In particular, we aim to base our procurement on the NDPE principle (No Deforestation, No Peat, No Exploitation)*2.

*1 Sustainable palm oil: palm oil supplied from supply chains in compliance with the NDPE Policy according to the RSPO, MSPO and ISPO or standards equivalent to them
*2 No Deforestation, No Peat, No Exploitation (NDPE): zero deforestation, zero peatland development, zero exploitation

Membership to the Roundtable on Sustainable Palm Oil (RSPO)

We joined the Roundtable on Sustainable Palm Oil (RSPO) in 2006, and respect the principles and standards set by the RSPO (such as the Principles and Criteria for the Production of Palm Oil) to promote transparency in the supply chain. We are working to strengthen the sustainable palm oil procurement system by expanding transactions with suppliers of raw material that have improved their traceability.

We confirm priority items and utilize them in procurement through sustainable procurement surveys, including on-site examinations, and direct engagement with suppliers.

In the course of our operations, we regularly review our procurement policy in cooperation with stakeholders such as business partners and experts. Information regarding this matter will be disclosed through the ESG Report, the Sustainability Action Plan, and the Annual Communication of Progress (ACOP).

- RSPO Supply Chain Certificate (https://www.itochu.co.jp/en/csr/pdf/rspo_scc_certification_2023.pdf)
- Sustainability Action Plans (P24)
- The Annual Communication of Progress (ACOP) (<https://www.rspo.org/members/63/itochu-corporation>)

Please also refer to the disclosed information below regarding ITOCHU's initiatives.

- Initiatives for sustainable procurement of palm oil (https://www.itochu.co.jp/en/csr/pdf/fact_sheet_2023.pdf)
- Refinery list (https://www.itochu.co.jp/en/csr/pdf/refinery_list_2023.pdf)
- Mill list (https://www.itochu.co.jp/en/csr/pdf/mill_list_2023.pdf)

Performance Data on Sustainable Palm Oil Procurement

Our goal is to transition all procured palm oil to sustainable palm oil by 2030. The following table shows the current progress of our initiatives and our targets.

Category	Result			Target
	2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	2030
Volume of Handled Palm Oil	340,000mt	307,000mt	352,000mt	
<Main Supplier>	Malaysia	Malaysia	Malaysia	Malaysia
	Indonesia	Indonesia	Indonesia	Indonesia
RSPO Members	10/10 (100%)	10/10 (100%)	10/10 (100%)	100%
Suppliers Under NDPE Policy	10/10 (100%)	10/10 (100%)	10/10 (100%)	100%
<Certified Sustainable Palm Oil>				
RSPO Certified Sustainable Palm Oil	12.68%	16.89%	19.24%	
<Traceability>				
Traceable to the Mills	99.90%	100%	100%	100%

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Woody Biomass Fuel

ITOCHU procures its Woody Biomass Fuels that have been legally accepted by third-party certifications, such as PEFC and FSC, based on the Feed-in Tariff (FIT) program for renewable energy, which started in July 2012 by the Ministry of Economy, Trade and Industry (METI).

In addition to the third party certifications, ITOCHU conducts its own audit by retaining an additional certification body to ensure the validity and traceability of its suppliers, if needed.

In the event that a violation to our procurement policy is identified, ITOCHU immediately suspends any transaction with such supplier and requires to take corrective actions, along with our guidance and support to the supplier.

Performance Data on Woody Biomass Fuel

Classification of Legality Basis		Item	FYE 2023
Certified wood or highly controlled wood Forest	Forest certification	Lumber handled by certified forest suppliers or timber recognized as controlled timber by a certification body. (FSC or PEFC certified)	100%

* License No. FSC® SCS-COC-000320, PEFC® CEF0610 (ITOCHU's certification number)

Food

Cocoa Beans and Coffee Beans

ITOCHU handles cocoa beans and coffee beans as the raw ingredients of chocolate and coffee products. We operate processing/exporting business for coffee beans with UNEX (Guatemala), S.A. serving as our subsidiary. The suitable areas to growing cocoa beans and coffee beans are concentrated near the equator. The impact on human rights and the natural environment by plantation development and production has been identified. Accordingly, we have established procurement policies to fulfill our corporate social responsibility. Under these policies, we are promoting sustainable procurement in consideration of the environment and human rights.

- Cocoa Bean Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/cocoa_beans_procurement_policy.pdf)
- Coffee Bean Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/coffee_beans_procurement_policy.pdf)

Cocoa Bean and Coffee Bean Trading Supply Chain

Cocoa Beans



Coffee Beans



Overview of Cocoa Bean and Coffee Bean Dealings

Contents	Cocoa Beans	Coffee Beans
Overview of Dealings	Trading	Trading and processing/exporting
Scope	ITOCHU Corporation and subsidiaries	ITOCHU Corporation and subsidiaries (Including UNEX (Guatemala), S.A)
Main Suppliers	Ghana and Latin America	Brazil, Vietnam and Guatemala, etc.
Main Sales Destinations	Japan and the U.S.	Japan, Europe, North America and Asia
Examples of Activities	Sustainable cocoa bean sourcing program (P158)	Sustainable coffee bean sourcing (P158) Activities with UNEX (Guatemala), S.A (P159) Project with Farmer Connect SA (P159)

Sustainable Cocoa Bean Sourcing Program

ITOCHU started handling sustainable cocoa beans in 2007. We will continue to further enhance the traceability of cocoa beans and work on strengthening our handling of cocoa beans to help with consideration for human rights and the environment, the eradication of poverty among farmers, and an improvement in living standards.

Sustainable Coffee Bean Sourcing Program

ITOCHU has handled sustainable coffee beans over more than 15 years. In particular, we are working to strengthen our handling of sustainable certified coffee beans authenticated by organizations (e.g., UTZ, Rainforest Alliance and 4C) and defined by customers.

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Activities of UNEX (Guatemala), S.A in Coffee Producing Area

ITOCHU is working on the following activities through UNEX (Guatemala), S.A – a subsidiary which collects coffee cargo in Guatemala.

Item	Content
Technical Support for Small Farmers	Providing agricultural technology (e.g., methods of utilizing shaded trees and soil management) to improve the productivity of small farmers
Support for Mobile Hospitals	Providing medical care to coffee producers and their families living in mountainous areas where there are no hospital nearby
Support for Childcare Facility Management	Providing education, food and drink to the children of workers engaged in harvesting to prevent child labor
Support for Female Producers	Conducting initiatives with a female-centered coffee producer group (COMAL) and providing agricultural guidance from the ethos of supporting women and gender equality

Project with Farmer Connect SA

ITOCHU started project with Farmer Connect SA, a company aiming to build an IT platform to be able to browse coffee traceability information, in September 2019. We invested in this company in March 2021. This is allowing us to contribute to the growth of the coffee industry together with many companies responsible for coffee production, distribution and sales, and consumers.

Item	Content
Strengthening Supply Chain Traceability	We record and store traceability information – from coffee bean cultivation, producing area, collecting point, blending and roasting to customers – with blockchain technology.
Creating a System for Consumers and Companies to Support Producers Directly	Consumers and companies pay tips directly to coffee producers through the Thank My Farmer app on the Web. This enables them to support for sustainable coffee production projects.

Performance Data on Sustainable Coffee Bean Procurement

	FYE 2022	FYE 2023	FYE 2031 Target
Sustainable Coffee Bean	36%	29%	50%

Dairy Products

ITOCHU stably procures and imports milk ingredients, cheeses and other dairy products from overseas dairy product suppliers with a production and quality control structure. The dairy product production and supply structure in Japan has been built centered on Hokkaido as part of agricultural policy. However, in response to the increase in consumption of dairy products in Japan in recent years, import opportunities have been steadily increasing under trade liberalization agreements (e.g., the TPP and EPA).

Producers’ organizations and companies in major dairy product producing countries (New Zealand, Australia, Europe, North America and South America) have gradually started initiatives to build a production structure enabling sustainable growth. We will strive to understand the initiatives of major production areas and suppliers through regular visits and surveys by sales representatives and work to further build relationships. This is so that we can continue to deliver safe and secure dairy products in the future.

Ensuring the Safety of Raw Milk

Ensuring the safety of raw milk in dairy product supply chains is paramount. We have a structure in which raw milk milked and collected by dairy farmers and then brought to dairy product factories is subject to antibiotic contamination tests at the acceptance stage. This means we only use raw milk confirmed to be safe.

In addition, manufactured cheese, butter and skim milk powder (excluding powdered milk) are individually packed in manufacturing factories mainly in 10 kg or 20 kg cardboard boxes for cheese and butter, and 25 kg paper bags for skim milk powder. The manufacturing date is then printed on these. Accordingly, it is possible to trace products up to the date of their production date in the manufacturing factory.

The standards for hormones and antibiotics used to breed beef and dairy cattle are established by the relevant organizations in each country. Each dairy product manufacturer then sets its own self-management regulations based on those standards.

Initiatives for the Sustainability of Ranches

An example of these initiatives is that basically dairy cows are raised by grazing in New Zealand – an important supply base for ITOCHU. The cows are bred while changing their grazing land regularly so that ranches do not fall into ruin. We are promoting such initiatives to help improve productivity.

Moreover, we have started the product development and distribution of grass-fed butter produced from beef and dairy cows raised eating only grass in New Zealand. Regular butter is made with the milk of cows raised mainly on grains. In contrast to this, grass-fed butter is made with the milk of cows raised eating only grass or grass of at least a certain ratio. This has the advantage of reducing the financial burden on dairy farmers.

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Meat

Ensuring Traceability at HyLife Group Holdings

HyLife is capable of supply chain management and coordination in-house because it performs integrated production that includes pig farms, mixed feed factories and pork processing. The company has utilized this production structure to realize a stable supply of safe, high-quality and traceable products with peace of mind. In addition, it is possible to feedback the individual needs of customers to pig farms through such integrated production. The firm has established a specialty program customized for Japan – a program that has received a high appraisal in the market. Currently, it is one of the largest exporters of chilled pork to Japan in North America.



Pork Processing Process

Initiative Participation

Companies in wide-ranging lines of businesses – from producers to retailers – are participating in an initiative called the Global Round Table for Sustainable Beef (GRSB) with the aim of sustainable beef production. ITOCHU has built business relationships with multiple companies participating in the GRSB. We are exchanging information with them on the latest trends.

Performance Data on Traceability

The major premise for ITOCHU is to be able to thoroughly trace the products we deliver to our customers back to their producers above all else while considering the safety and peace of mind of food as our number one priority.

We have a 100% “traceback” system for all meat (beef, pork, chicken) suppliers (mainly overseas) allowing us to trace back products up to their production stage.



Content	Performance		
	2020	2021	2022
Volume of Handled Meat	About 150,000 tons	About 150,000 tons	About 130,000 tons

Promotion of Animal Welfare at Group Companies and Suppliers

The ITOCHU Group believes that it is important for its meat products to be kept in a comfortable environment and to reduce stress and disease in livestock. Based on the belief that these animal welfare initiatives will lead to improved productivity and safer livestock products, we are working with meat-related Group companies and suppliers to promote initiatives for the humane handling of livestock in accordance with local laws.

Initiatives by Meat Supplier

Respecting Animals is a HyLife Core Value and the obligation and responsibility of all employees.

HyLife provides optimal environmental conditions for the animals in our care providing climate controlled housing, nutritionally balanced diets and veterinary animal health oversight.

All employees receive comprehensive training in the proper care and handling of animals and farms are operated in accordance with the Canadian Code of Practice for the Care & Handling of Pigs and are certified under the Canadian Quality Assurance Program.

Initiatives at Group Companies

In addition, Prima Meat Packers, Ltd., one of our Group companies, is constructing a new state-of-the-art farm and partially started operation in 2023. The second phase of construction is scheduled for completion in 2026. Prima announced that it will adopt free stalls and other animal welfare measures.

For more details, please refer to “Addressing animal welfare (<https://www.primaham.co.jp/en/sustainability/materiality/materiality6.html>)”

Marine Products

We mainly handle skipjack and yellowfin as marine products. In Indonesia, we operate the PT. Aneka Tuna Indonesia (ATI) canned tuna factory in a joint venture with partners. We have established voluntary management regulations for tuna. We thoroughly stick to our policy of only procuring skipjack and yellowfin that has been appropriately managed by fishing organizations.

* Raw Material Tuna Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/raw_material_tuna_procurement_policy.pdf)

Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Targets

The acquisition of MSC*1 certification is limited among fishermen for the highly migratory fish of skipjack and yellowfin at present. Under these circumstances, we are also encouraging fishermen to acquire this certification in the trade of skipjack and yellowfin for the raw ingredients in canned food products. We aim to increase MSC raw ingredients to 15,000 tons a year by FYE 2026.

The quantity of pole and line fished*2 raw ingredients in ATI was increased from 8,000 tons in FYE 2014 to 13,000 tons in FYE 2023 (25% of the total quantity handled by ATI). It has become one of the few canned tuna factories in the world that uses lots of pole and line fished raw ingredients. We will continue to work to secure, maintain and increase pole and line fished raw ingredients.

*1 The Marine Stewardship Council (MSC) is an international NPO established in 1997 to work on spreading sustainable fishing. Its headquarters are located in London, England.
 *2 Pole and line fishing is a method of fishing by catching one fish at a time. It is a sustainable fishing method that does not involve the catch of large quantities of fish at one time. It is said that it is an environmentally friendly fishing method because it is also possible to avoid the bycatch of non-targeted fish.

Sustainability Surveys for Marine Resource Suppliers to Ensure Responsible Procurement Practices

We regularly visit and survey our suppliers. This is so that we responsibly procure marine resources for all the marine products we handle. We also promote cooperation with various fishing organizations. Every year, those in charge of sales visit and survey 28 suppliers applicable to our internal selection criteria in cooperation with our Food Safety and Compliance Management Office. This is for the regular visits and surveys on our suppliers to responsibly procure marine resources. We also engage in business after confirming that suppliers are appropriate from a viewpoint of ESG.

Regarding bonito tuna, which we handle in vast quantities, in September 2017 we established a voluntary management rule called “Tuna Handling Management Rules”, which prohibits procurement from IUU fishing (concerning illegal fishing: “Illegal, Unreported and Unregulated”). We only procure and purchase marine products whose origin is clearly traceable to fisheries that are properly managed by the Western & Central Pacific Fisheries Commission (WCPFC).

Certifications and External Stakeholder and Initiative Participation

We acquired distributor certification and chain of custody certificate (CoC)*1 certification from the Marine Stewardship Council (MSC) in March 2018.

We joined the Organization for the Promotion of Responsible Tuna Fisheries (OPRT) in 2012 in the tuna business. This is an organization that was established for the sustainable use of tuna resources. We are now promoting initiatives that comply with our aforementioned voluntary management regulations.

ATI is strengthening its handling of pole and line fished raw material- considered to be the most environmentally friendly skipjack and yellowfin fishing method. The need for products made with pole and line fished raw material is growing every year in markets with a high interest in sustainability (e.g., the U.K. and Australia) for the canned tuna market as well. It is our policy to strengthen our handling of pole and line fished products manufactured by ATI.

ATI joined the Indonesian Association of Pole & Line and Hand Line in 2014. It is offering its cooperation such as by providing data. This data is used in the Fishery Improvement Program (FIP)*2. ATI is also cooperating for the acquisition of MSC in Indonesia. Moreover, it joined an international organization called the International Seafood Sustainability Foundation (ISSF)*3 in 2016. The firm is offering its cooperation such as by providing information in the same way as it does with the Indonesian Association of Pole & Line and Hand Line.



Pole and Line Fishing

*1 Chain of custody certificate (CoC) is certification for processors and distributors. This is to ensure the traceability of MSC certified marine products and other products in the management of processing and distribution processes specified by MSC.
 *2 The Fishery Improvement Program (FIP) is a project in which small fishermen finding it difficult to acquire MSC certification and market stakeholders cooperate and work together aiming for sustainable fishing under the goal of future MSC acquisition with MSC compliant fishing methods.
 *3 The International Seafood Sustainability Foundation (ISSF) is an organization running under the aim of sustainable skipjack and yellowfin fishing. It was launched in response to an appeal by major canned tuna operators in 2009.

Performance Data Related to Certification

Item			FYE 2021	FYE 2022	FYE 2023	Target (FYE 2026)
Fisheries Raw Materials Handled by ITOCHU	MSC and/or COC Certified Fisheries Raw Materials	MSC/COC Quantity	2,600 tons	6,500 tons	7,500 tons	15,000 tons
		Percentage of MSC/COC Certified Raw Materials	1.4%	4%	4%	8%
Bonito Tuna for Canned Tuna	ATI Fishing Line	ATI Single Fishing Raw Material Quantity	18,800 tons	19,300 tons	13,000 tons	21,000 tons



Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Textile Raw Materials

In recent years, the trend for sustainability has been gradually penetrating the fashion market. For example, global fashion brands have declared that they will switch to using environmentally friendly materials (e.g., organic cotton, recycled polyester etc.) for the materials they procure as an initiative to develop the labor environment in the supply chain and to deal with the disposal of clothing and other problems. This issue is particularly important to us given that ITOCHU was founded as a textile raw materials trading business, which remains a cornerstone of our company to this day as a part of the Fashion Apparel Division. Therefore, in our textile business we have made it our policy to shift our raw materials portfolio to environmentally friendly resources and build traceability capacity from raw materials procurement to distribution to manufacturers. Our target for this policy will be to make 50% of the textile raw materials, handled by the section in charge*, traceable and environmentally friendly by 2025. At the same time, we are aiming to switch 80% of polyester to recycled polyester.

* The textile raw material section

Organic Cotton Procurement in India

■ Traceability in Organic Cotton Procurement in India



When we procure organic cotton in India, we first purchase raw organic cotton that comes with a certificate from a ginning (work to separate the seeds and fibers after harvesting raw cotton) factory in India that has acquired GOTS certification. We deliver that raw organic cotton to spinning factories that have acquired GOTS certification in India or Asia. Finally, we purchase the yarn spun in those spinning factories and sell it to weaving/knitting factories in Japan and overseas. Furthermore, with regards to the traceability of organic cotton, we have implemented measures to leveraging our vast network and experiences to facilitate our cotton farmers in India to shift toward organic farming methods and to support certification acquirements (such as the GOTS certification*) at our cotton mills and ginning factories. Given these initiatives, we have achieved 100% traceability in the organic cotton and the cotton in the 3 year transition period to the organic cotton.

* GOTS certification: a set of comprehensive standards that certifies products made from organic textile. The standards cover the following items: use of certified raw materials and their traceability, control systems to limit or prohibit designated chemical inputs (dyes and auxiliaries) and accessories, separation and identification systems, environmental management, contamination and residue testing, and social criteria (possible sources of information: interview with management, confidential interviews with workers, personnel documents, physical on-site inspection, unions/stakeholders).



Expansion of Environmentally Friendly Materials

Our Apparel Division has been working on branding, commercializing and proposing natural materials for several years. In response to the recent momentum for conversion to sustainable materials in the global apparel market, we are also working to expand our use of environmentally-friendly materials.

We launched the RENU Project with the aim of realizing a recycling-oriented society in 2019. The first product in that project came from us developing recycled polyester.

We started the trial deployment of a cellulose material derived from coniferous forests called Kuura in March 2021. This is a new material we have jointly developed with a major company in the Finnish forest industry called the Metsa Group. Using renewable energy in the manufacturing factory and using a special solvent in the manufacturing process for this product has helped us to reduce our burden on the environment. In addition, we have established traceability that even includes the timber for this. These efforts have led to this product attracting attention as an innovative sustainable material.

We will continue to accelerate the pace of our cooperation with global companies toward our increasing use of environmentally friendly materials in the future. At the same time, we will work to acquire certification in the spinning, weaving/knitting and sewing processes and to expand internal cross-company business toward establishing branding and traceability up to commercialization – our medium term target.

• Commitment of Protecting Forests through Material Sourcing of MMCF (https://www.itochu.co.jp/en/csr/pdf/commitment_of_protecting_forests_2019.pdf)

• RENU Project (P63)

• Participation to Textile Exchange "the 2025 Recycled Polyester Challenge" (<https://textileexchange.org/2025-recycled-polyester-challenge/>)

Performance Data on Organic Cotton Procurement

All organic cotton is GOTS certified and traceable.

Item	FYE 2021	FYE 2022	FYE 2023
Organic Cotton Handled (1,000 kg)	1,252	1,790	800
Percentage of Cotton Trade	63%	86%	30%
Traceability of Organic Cotton	100%	100%	100%
GOTS Certification of Organic Cotton	100%	100%	100%

Social Contribution Activities

Policy and Basic Concept

Viewing issues from a global perspective, we always remain aware of the role to play as a good corporate citizen, see that our activities are at harmony with both local communities and the international community, and contribute to the rise of societies offering a higher quality of life. In order to realize this, we have identified three areas of focus in our basic activity guidelines, and are advancing social contribution activities in partnership with Group companies. These activities also contribute to the achievement of SDGs (Sustainable Development Goals), which were established by the UN in 2015.

Basic Activity Guidelines on Social Contribution

ITOCHU's corporate philosophy of "Sampo-yoshi" is said to have originated with economic activities being allowed as good for society because Ohmi merchants contributed to the local economy in the places they visited in addition to being good for the seller and good for the buyer. Based on "Sampo-yoshi" the ITOCHU Group is aiming for mutual development in cooperation with regional society and communities. We are doing this by contributing to regional economic development with our business activities and engaging in social contribution activities in the areas in which we do business and other places around the world.

We have determined the following three areas (growth of future generations, environmental conservation and community contribution) as key fields in social contribution activities in line with our corporate philosophy and material sustainability issues.

- 1. Growth of Future Generations**
We shall conduct activities to support the sound development of youth as tomorrow's leaders mainly in the areas in which we do business and work for the emergence of fulfilling and vibrant communities.
- 2. Environmental Conservation**
We shall vigorously pursue activities of environmental conservation and contribute to sustainable social advancement.
- 3. Community Contribution**
As a good corporate citizen, we shall promote community development, construct favorable relationships, and enter into dialogue and discussions in the areas in which we do business.

Fumihiko Kobayashi
Member of the Board
Executive Vice President
Chief Administrative Officer
Established in August 1993
Revised in April 2022

Relationship Between the Key Fields of Social Contribution Activities and Business

We have established enhancing contribution and efforts for the SDGs as one of the basic policies in our Brand-new Deal 2023 medium-term management plan that we started in 2021. We have positioned it as one of our main strategies.

We give below the relationship between our sustainability strategy of material sustainability issues incorporating environmental, social and governance (ESG) perspectives and enhancing contribution and efforts for the SDGs in our business strategy and the key fields of our social contribution activities.

Key Fields	Enhancing Contribution and Efforts for the SDGs Response to Material Sustainability Issues	
Growth of Future Generations	Main SDGs	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	Material Issue	Contribute to Healthier and More Affluent Lifestyles
Environmental Conservation	Main SDGs	Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Material Issue	Address Climate Change (Contribute to a Decarbonized Society)
Community Contribution	Main SDGs	Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development
	Material Issue	Respect and Consider Human Rights

Initiatives: Growth of Future Generations

ITOCHU Foundation

ITOCHU has promoted social contribution activities aiming for the sound development of young people since setting up the ITOCHU Foundation (which became a public interest incorporated foundation in 2012) in 1974. The foundation engages in activities for contributing to the healthy growth of children, such as two current major projects: subsidizing development of children's literature collections, and promoting development of an e-book library.



Children's Literature Collection Grant (1975-)
"BRIDGING FOUNDATION"
A member of the Bridging Foundation reads to patients at a children's hospital ward in Vietnam



Project for Promotion of E-book Libraries
Patients can enjoy Multimedia Daisy while operating a PC with a switch affixed between their eyebrows

* ITOCHU Foundation(Japanese only) (<https://www.itc-zaidan.or.jp/>)
* Introduction to the Activities of the ITOCHU Foundation (5 minutes and 30 seconds) (Japanese only) (<https://www.youtube.com/watch?v=6B6u3SvrdEo&t=4s>)

"Kokkyo naki Kodomotachi" ("KnK"; Meaning "Children Without Borders") Support Activities at the "House for Youth;" a Home That Helps Young People Become Independent



Since FYE 2008, ITOCHU has been supporting the "Wakamono-no-le (meaning House for Youth)," a home that helps young people become independent, located on the outskirts of Manila. Support was provided via Kokkyo naki Kodomotachi (KnK: meaning "children without borders"), an authorized Japanese NPO that supports street children, children who are victims of major disasters, and other children in developing countries.



Learning to dream

ITOCHU SDGs STUDIO KIDS PARK



We opened ITOCHU SDGs STUDIO KIDS PARK, a place where the next generation of children can experience the concepts of the SDGs through play.

Tablets Donated to Children



Together with the Itochu Foundation, we donated used tablet devices containing Multimedia DAISY (e-books accessible to those who face challenges in reading) to special needs schools in Tokyo, elementary and junior high schools in local communities, and all libraries and special needs schools in Shiga, the prefecture of our foundation.

Held Company Visits for K-12 Students



Hosted extracurricular class for Aoyama Elementary School

Held School Program on the Environment



Screenshot of the online class

Social Contribution Activities

Initiatives: Environmental Conservation

Mangrove Planting Project



ITOCHU commenced a Mangrove Planting Project in Collaboration with Uken Village of Amami Oshima Island, a World Heritage Site in August, 2021.

* Mangrove: Densely developed fine roots constantly repeat elongation and death, and withered branches and leaves accumulate as peat, which sequesters high-density carbon in the soil and absorbs a large amount of CO₂ per unit area.



Children plant trees

Project for Protecting Green Turtles, an Endangered Species



ITOCHU supports conservation activities for the green turtle, an endangered species, through the certified NPO Everlasting Nature (ELNA).



Endangered green turtles

Support of Amazon Ecosystem Conservation Program



Since FYE 2017, ITOCHU has been supporting the "Field Museum Initiative" a biodiversity conservation program in tropical forests in the Amazon promoted by the Wildlife Research Center of Kyoto University in collaboration with the National Institute of Amazonian Research in Brazil.



The Amazonian manatee is a vulnerable species

Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem



Since 2009, ITOCHU has been supporting local tree planting activities, including tree planting, maintenance and management, in the northeastern part of Borneo Island (North Ulu Segama, Sabah, Malaysia), which is also a habitat for the orangutan, an endangered species.



Endangered Species of the Orangutan

Supporting Climate System Research at the Atmosphere and Ocean Research Institute, The University of Tokyo



Since the establishment of the University of Tokyo's former Climate System Research Center in 1991, ITOCHU has endorsed its purpose and has continued to support research.



The Climate Symposium (Dec. 2018)

Initiatives: Community Contribution

Local Contribution Activities at Domestic Locations



Seven offices in Japan (as of April 1, 2023) are engaged in community contribution activities in their respective regions. For details on initiatives taken by each location, please refer to Community Contribution (<https://www.itochu.co.jp/en/csr/social/community/index.html#activity-05>).



ITOCHU SDGs STUDIO



We opened ITOCHU SDGs STUDIO, a place for communicating and raising public awareness of various SDGs initiatives in FYE2022. The space provides various exhibitions so as each and every person can find their own way of relating to the SDGs.



Contribution to Shiga Prefecture, where ITOCHU was founded World Picture Book Donation Project for Shiga Prefectural Library



Picture books gathered from around the world

Provided Covid-19 Vaccination to Essential Workers



The Tokyo headquarters have offered Covid-19 vaccinations to about 1,500 child care workers who were desired to be vaccinated through Poppins Inc., an operator of on-site child care facilities.

Blood Drives by the Japanese Red Cross Society



The Tokyo Headquarters have been carried out blood donation with the Japanese Red Cross Society since 1999. For our many year of distinguished achievements in the blood donation even during the pandemic received a certificate of appreciation in 2021 from the Minister of Health, Labour, and Welfare.

Local Contribution Activities at Overseas Offices



About 100 overseas offices in 60 countries (as of April 1, 2023) are engaged in community contribution activities in their respective regions. Not only through their business activities, but as a member of the local community, ITOCHU considers and carries out local issues and unique contributions. For details of the initiatives taken by each regional block, please refer to Community Contribution (<https://www.itochu.co.jp/en/csr/social/community/index.html#activity-04>).

Local Job Creation and Employment



ITOCHU Group's Pineapple Production Business in Mindanao, the Philippines

We offer loans for initial expenses, cultivation expertise, and purchase the harvested pineapples.



An Oil Project in the Caspian Sea, which Ensures a Stable Resource Supply and Contributes to Local Communities for Harmonious Cooperation

Production platform (photo courtesy of BP p.l.c.)

ESG Data (Society)

Independent Assurance

Independent Assurance Report (P207): ★Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000.

* Regarding range of tallied data, figures not labeled as Consolidated are placed under Non-Consolidated.

Employee Status (as of March 31 for each respective year)

	Non-Consolidated					Consolidated	
	Employees	Men	Women	Avg. Age	Avg. Annual Salary (Yen)	Employees	Temporary Staff
2023★	4,112	3,111	1,001	42.4	17,300,799	110,698	44,705
2022	4,170	3,180	990	42.2	15,797,516	115,124	43,195
2021	4,215	3,227	988	42.0	16,278,110	125,944	45,885

* The number of temporary employees is the average number of employees for each fiscal year.

Gender Pay-Gap

All Employees	Full-time Employees	Part-time Employees
59.1%	60.5%	41.6%

* The formula of the calculation is ["average womens' annual salary" ÷ "average mens' annual salary"].

Employees by Operating Segment★ (as of March 31, 2023)

(Unit: People)

	Textile	Machiner	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others	Total
	Non-consolidated	306	396	156	358	392	254	208	44	908
Consolidated	6,300	13,412	495	12,100	34,667	17,800	16,140	7,163	2,621	110,698

Overseas Bloc Employees by Region★ (as of March 31, 2023)

(Unit: People)

	North America	South America	Europe / CIS	Africa	Middle East	East Asia	Asia / Oceania
National Staff	131	110	267	63	108	572	592
Rotational Staff	56	17	60	13	21	68	102
Overseas Trainees	16	4	12	2	4	17	26
TOTAL							2,261

* Overseas bloc employees by region counts employees who are assigned to overseas subsidiaries or overseas branches/offices.

Number of Overseas Local Employee Management Personnel (as of March 31, 2023)

(Unit: People)

	North America	South America	Europe / CIS	Africa	Middle East	East Asia	Asia / Oceania
Management Personnel	86	38	81	9	29	310	166

* Equivalent to headquarters management positions

Share of Women in Career-track / Managerial / General Managerial / Executive Positions (as of March 31 for each Respective Year)

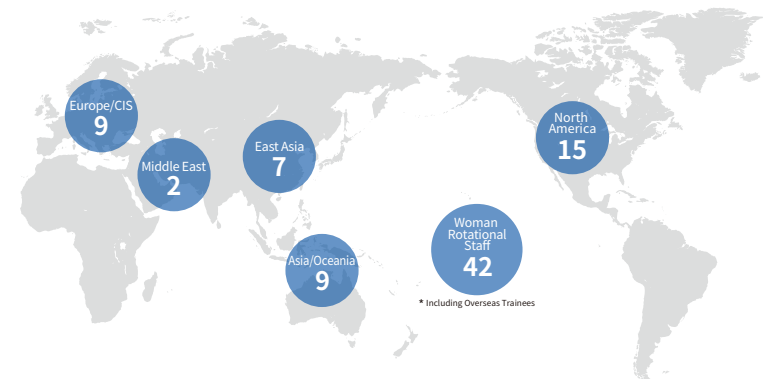
(Unit: People)

	Career-track			Managerial*1			General Managerial*2			Executive Positions		
	Total	Women	Share	Total	Women	Share	Total	Women	Share	Total	Women	Share
2023	★ 3,331	★ 375	★ 11.3%	★ 2,541	★ 219	★ 8.6%	*2 401	*2 3	*2 0.7%	★ 41	★ 4	★ 9.8%
2022	3,395	359	10.6%	2,569	210	8.2%	413	3	0.7%	42	4	9.5%
2021	3,435	346	10.1%	2,588	209	8.1%	411	3	0.7%	46	4	8.7%

*1 Since 2023, the definition of managers has been partially revised. In addition to general managers who hold a certain level or higher, since 2023, those in special positions and associate executive officers are also eligible. Accordingly, the number of employees and ratio of 2022 and 2021 have been revised retroactively.

*2 Since 2023, we have disclosed the level of general managers as one of the indicators of women's performance.

Women Rotational Staff (as of March 31, 2023)



ESG Data (Society)

Employment of Disabled Persons (as of March 1 for each Respective Year)

	Percentage of Disabled Employees (%)
2023★	2.48
2022	2.43
2021	2.32

* ITOCHU Corporation, ITOCHU UNIDAS Co., Ltd. and ITOCHU Human Resources & General Services Co., Ltd are included in the scope of the figure.

Number of Hires by Gender and Adoption Rate for Mid-Career

	Number of Hires by Gender (Unit:People)						Adoption Rate for Mid-Career (Unit:%)	
	New-Graduates			Mid-Career				
	Men	Women	Total	Men	Women	Total		
FYE 2023★	73	34	107	7	6	13	120	11
FYE 2022*	79	36	115	0	1	1	116	1
FYE 2021*	84	36	120	5	2	7	127	6

* Although Number of Hires by Gender has been calculated at the date of April 1st each year, the scope of the period has been changed to fiscal year (1st of April - End of March) from FYE 2023. Due to the change of the scope of the period, we have corrected the data for previous years.

Average Years Employed and Voluntary Resignation Rate (Non-Consolidated)

	Avg. Years Employed			Voluntary Resignation Rate		
	Men	Women	Total	Men	Women	Total
FYE 2023★	18.3	18.3	18.3	1.9%	1.6%	1.8%
FYE 2022	18.1	18.4	18.2	1.7%	1.5%	1.6%
FYE 2021	17.8	18.4	17.9	1.2%	2.4%	1.5%

* Positions: career-track, clerical, special
Turnover rate is calculated according to the following formula.
Voluntary resignations ÷ employees at end of fiscal year

ITOCHU Corporation has a long average number of years employed of 18 years and only around 1.8% of employees voluntarily resign. It is a company where many employees choose to stay for the long-term.

Use of Childcare & Nursing Care Programs

Childcare

		Childcare Programs (Unit: People)					Percentage of employees returning to work*3
		Childcare leave*1	Childcare leave acquisition rate*2	Leave to nurse sick children	Shorter working hours for childcare	Special parental leave	
FYE 2023★	Men	39	52%	67	0	4	96%
	Women	48	100%	125	89	19	
	Total	87	71%	192	89	23	
FYE 2022	Men	32	34%	71	0	7	100%
	Women	47	104%	124	94	16	
	Total	79	56%	195	94	23	
FYE 2021	Men	31	34%	49	0	8	97%
	Women	49	87%	105	96	28	
	Total	80	55%	154	96	36	

*1 Parental leave includes parental leave at birth (postpartum paternity leave).

*2 The percentage of employees taking parental leave is newly disclosed beginning with the current fiscal year and including prior fiscal years. Accordingly, the method of calculating the number of employees taking parental leave has been revised retroactively to include prior fiscal years. The number of employees taking parental leave is the number of employees who started taking such leave during the current fiscal year. The rate of employees taking parental leave is the ratio of the number of employees who started taking parental leave during the fiscal year to the number of employees who gave birth during the fiscal year (For men, the number of male employees whose spouses gave birth). (Including the number of employees seconded from other companies)

*3 The percentage of employees (including those seconded to other companies) returning to work after childcare leave is calculated according to the following formula: the number of employees returning to work after childcare leave during the current fiscal year/the number of employees who finished taking childcare leave during the current fiscal year.

Nursing Care and Family Support Leave

		Nursing Care and Family Support Leave (Unit: People)				
		Nursing care leave	Leave for nursing care	Shorter working hours for nursing care	Special nursing care leave	Family Support Leave
FYE 2023★	Men	0	23	0	4	55
	Women	0	45	3	9	70
	Total	0	68	3	13	125
FYE 2022	Men	1	18	0	3	70
	Women	0	47	5	9	72
	Total	1	65	5	12	142
FYE 2021	Men	1	23	0	0	79
	Women	0	46	5	8	63
	Total	1	69	5	8	142

ESG Data (Society)

Occupational Health and Safety Data (Non-Consolidated Employees*1)

	FYE 2021		FYE 2022		FYE 2023★	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Number who Suffered from Occupational Accidents (Number which Occurred During Commute)*2	4 (3)	1 (1)	5 (4)	0 (0)	3 (0)	0 (0)
Number of Fatalities	0	0	0	0	0	0
OIFR (Occupational Illness Frequency Rate)*3	0.00	0.00	0.00	0.00	0.00	0.00
Number who Suffered Lost Time Incidents (LTI)*4	1	0	0	0	0	0
LTIFR (Lost Time Injury Frequency Rate)*5	0.21	0.00	0.00	0.00	0.00	0.00

- *1 Employees targeted: Full-time employees — career-track employees, clerical employees, those in special positions and employees temporarily assigned to us
Part-time employee — contract employees
- *2 Number who suffered from occupational accidents: The total number of those who suffered from of occupational accidents or non-LTI due to their work and those injured during their commute.
- *3 OIFR: The rate of incidence of lost-time accidents corresponding to disease per million hours (calculated as the number of people suffering from LTI due to illness divided by the total number of working hours times 1 million)
- *4 Lost time incidents (LTI) are situations in which a work-related injury or illness causes the victim to be absent from work on the following day. (occupational accidents)
- *5 LTIFR: The rate of occurrence of incidents that caused employees to miss work per million working hours (calculated as the number of sufferers of LTI divided by the total number of working hours times 1 million)

■ Performance Benchmarking Against Industry Average (Wholesalers and Retailers with Over 100 Employees)

	2019	2020	2021
Lost-time Incident Rate	2.09	2.27	2.31

* The data above references the Ministry of Health, Labor and Welfare's 2020 Research on Work-related Accident Trends

Time/Cost Allotted for Employee Skills Development Training

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Total annual training time (hours)	160,510	168,425	92,431	112,574	87,841
Average training/development hours per regular employee (hours)*	37.46	39.53*1	21.93	27.00	21.36
Average training/development cost per regular employee (thousand yen)	444*2	407*2	260	269	396

- * Calculation method: total annual training hours / employees at end of fiscal year
- * The reduction is due to the impact of COVID-19
- * Data for *1 and *2 are revised because some of the aggregate data has been revised.

Attendance in Major Training

(Unit: People)

Training	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Quick Mastering Business Management Course	96	110	152	172	173
Global Development Program	141	154	0 (Cancel)	0 (Not implemented)	33
Organization Manager Workshop	405	337	341	624	1,401
Short-Term Business School Dispatch	31	37	8	7	16
Junior Chinese/Special Language Dispatch	39	10	0 (Cancel)	0 (Not implemented)	5
Chinese Lessons	237	158	205	189	193
Career Vision Support Training (total)	1,885	1,940	2,067	1,851	1,419

FYE 2023 Human Rights Training Record★

(Unit: People)

	Number of Participants
Group ESG Managers Conference	94
New Employee Training	110
Training for Newly Appointed Section Managers	55
Pre-overseas Appointment Training	212
Training for New Officers of Group Companies	124
Sustainability Survey Workshop	90
Total	685

ESG Data (Society)

Support for Diversity, Equity & Inclusion

Fiscal Year	Theme
2023 (Offline • Online)	<ol style="list-style-type: none"> 1. Introduction of Health and Child Care Concierge 2. Balancing Pregnancy with Pregnancy and Introducing Support Programs 3. Basic LGBTQ knowledge and partnerships 4. Male parental leave 5. Balance with nursing care
FYE 2022 (Online)	<ol style="list-style-type: none"> (1) Balancing career and nursing care <ol style="list-style-type: none"> (i) Nursing care and money / nursing care insurance (ii) Home care (iii) Nursing care in a facility (2) Balancing career and life: work style reform and child-rearing for couples (3) Basic knowledge on LGBTs (4) Women's career and health <ol style="list-style-type: none"> (i) Uterine cancer and breast cancer seminar (ii) Women's health seminar series (5) Advancement of women (talk by an officer)
FYE 2021 (Online)	<ol style="list-style-type: none"> (1) Nursing care <ol style="list-style-type: none"> (i) To balance work and nursing care: Keys to nursing care in the COVID-19 era (ii) Elderly monitoring service individual consultation meetings (2) Male childcare leave seminar series (a version for those taking childcare leave and a version for the superiors/coworkers of those taking childcare leave) (3) Basic LGBT seminar (4) Women's careers and health <ol style="list-style-type: none"> (i) Life stage with health (ii) Gynecological cancer (uterine cancer and breast cancer)

FYE 2023 Number of Employees that Received Our Main Health and Safety-related Trainings

Type of Training	Training Details	Number of Employee Attendees
Training New Recruits	Employees newly joining ITOCHU are informed on the importance of health for their personal life and their career. The training includes information on mental health and lifestyle-related diseases. Employees are also educated on the company's health and safety management by our occupational physician and our clinical psychologist.	110
New Manager Training on Health Management	For newly promoted junior managers, industrial physicians and clinical psychologists provide training on how to guide and manage the health and safety of subordinates through case-studies. The training also provides guidance on how to maintain one's own health once promoted to their new positions.	55
Training in Preparation for Overseas Assignments or Junior Overseas Training	The training is mainly conducted by our occupational physician, and covers health issues that are likely to occur in relevant countries, as well as crucial differences in medical environments and lifestyles between Japan and assigned countries. The training also covers necessary preparations that are recommended prior to dispatch, and information on how to receive health checkups during their assignment. We also provide the same training for the family members of our employees, and provide information on key contact points and resources in case of emergencies.	216

Attendance in Training Related to Health and Safety Standards (Non-Consolidated Employees)

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023★
General Training Covering Health and Safety Standards*1	3,543	3,629	1,447	841	2,690
Human Resources-led Training Covering Health and Safety Standards*2	48	453	74	63	358

*1 The total number of participants in training new recruits (career-track employees and clerical employees), training for newly appointed section managers, training prior to overseas assignment, and the comprehensive emergency drill at the Tokyo headquarters.

*2 The total number of participants in Career vision training (including mindfulness courses and mental health management courses).