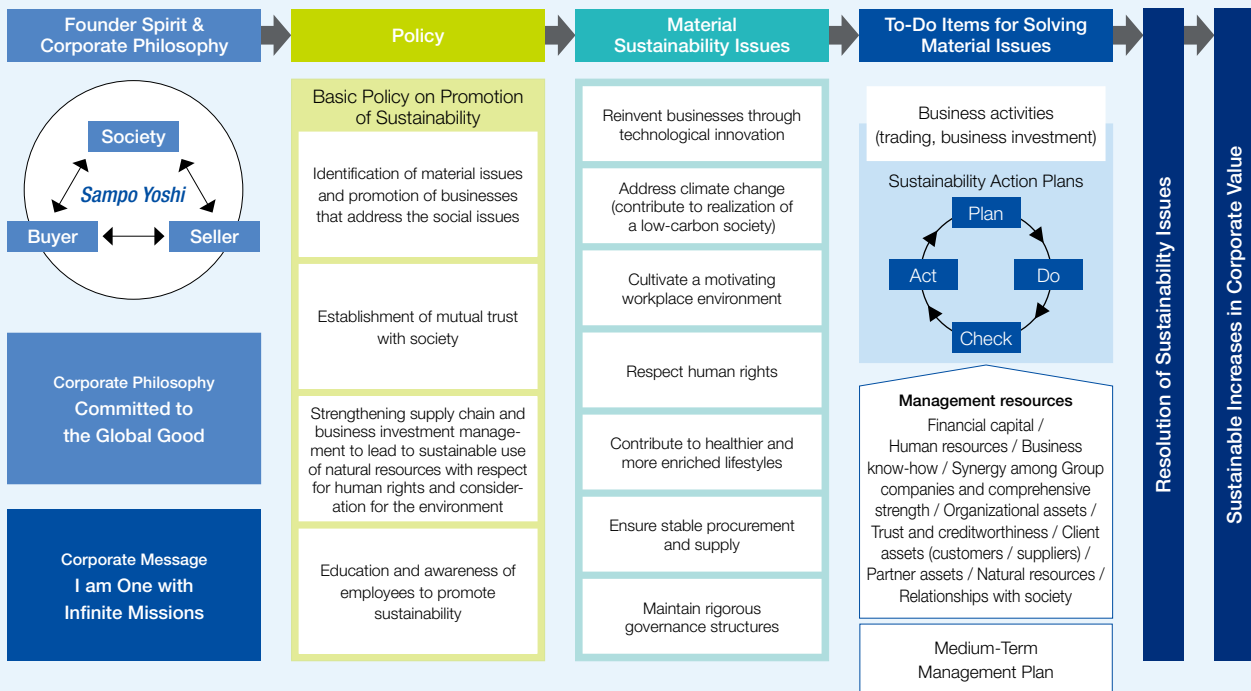


# Sustainability

## Sustainability Promotion Flow

In line with our *sampo yoshi* spirit, we have formulated our Basic Policy on Promotion of Sustainability, taking into consideration our corporate philosophy and changes to the external environment, and we are promoting sustainability in an organized and systematic manner. We have incorporated important issues for priority resolution (material issues) into our Sustainability Action Plan. At the same time, through the Group's business activities we aim to simultaneously achieve sustainable increases in corporate value and resolve social issues.



Material Sustainability Issues	Examples of Performance Indicators for Sustainability Action Plan
<b>Reinvent businesses through technological innovation</b> (⇔ Pages 67–69) We create new value by working on new technologies proactively and trying to respond to changes in the industrial structure beyond the framework of existing businesses.	<ul style="list-style-type: none"> <li>Promote the reinvention of business through the application of AI, IoT, fintech, and other new technologies and services</li> <li>Through the use of AI and the popularization and expansion of RFID tags in the textile business, realize higher levels of supply chain productivity and operating efficiency, better traceability, and enhanced selling capabilities</li> </ul>
<b>Address climate change (contribute to realization of a low-carbon society)</b> (⇔ Pages 61–63) We strive to adapt to the impact of climate change on business. At the same time, we work to promote business activities aimed at contributing to realization of a low-carbon society and reduce greenhouse gas emissions.	<ul style="list-style-type: none"> <li>Build an optimal asset portfolio that takes society's issues fully into consideration, including the transition to a low-carbon society</li> <li>Promote initiatives aimed at increasing the renewable energy ratio of our power generation business above 20% (based on equity ownership) by FYE 2031</li> </ul>
<b>Cultivate a motivating workplace environment</b> (⇔ Pages 54–57) We create an environment that enables each employee to fully demonstrate their capabilities with pride and motivation by taking advantage of diversity	<ul style="list-style-type: none"> <li>By FYE 2021, reduce average annual overtime hours by 10% or more compared to before the introduction of the morning-focused working system</li> <li>Reduce turnover due to cancer and long-term illnesses to zero by FYE 2021</li> </ul>
<b>Respect human rights</b> (⇔ Pages 64–65) We take initiatives for the respect and consideration for human rights through our business activities to stabilize our businesses and contribute to the development of local communities.	<ul style="list-style-type: none"> <li>Comply with societal and environmental maintenance and management standards throughout the entire Group's supply chain</li> <li>Consider setting a target for sustainable palm oil procurement that takes into account business partners' conditions and industry trends and liaison with industry groups</li> </ul>
<b>Contribute to healthier and more enriched lifestyles</b> (⇔ Pages 54–57) We contribute to realizing a healthy, rich life, aiming to improve the quality of life of all people.	<ul style="list-style-type: none"> <li>Promote proper assignment of food safety inspectors in each sales department</li> <li>By FYE 2021, aim to manage the health data of 1,000,000 people obtained from medical checkups</li> </ul>
<b>Ensure stable procurement and supply</b> (⇔ Pages 61–63) We work to ensure the effective utilization and stable procurement and supply of resources in accordance with demand in each country, in consideration of biodiversity and other environmental issues, aiming to achieve a recycling-oriented society.	<ul style="list-style-type: none"> <li>Promote early commercialization of the recycled fiber business and increase our handling of sustainable materials</li> <li>By FYE 2026, make 100% of the wood we handle in the lumber business either certified wood or wood that for which traceability is ensured</li> </ul>
<b>Maintain rigorous governance structures</b> (⇔ Pages 70–83) The Board of Directors implements highly effective supervision of management from an independent and objective standpoint and ensures appropriate and efficient execution of operations by improving the transparency of decision-making.	<ul style="list-style-type: none"> <li>Continuously conduct measures aimed at strengthening the supervisory function of the Board of Directors through Board of Directors' evaluations</li> <li>Monitor various compliance-related measures and continue on-site training, etc.</li> </ul>

Please see the "Sustainability Action Plans" page of ITOCHU's website. <https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>

## Sustainability Promotion System

The Sustainability Committee is a key internal committee that deliberates and decides on policies and important projects related to promoting Companywide sustainability.

The Sustainability Management Department plans and drafts specific measures that, following approval by the Sustainability Committee Chairperson and CAO, are executed by Group ESG Officers and Managers in each unit. The CAO attends meetings of the Board of Directors, HMC, and Investment Consultative Committee, taking part

in deliberations from the standpoint of sustainability, facilitating decision-making that takes impact on the environment and society into account.

In addition, through constructive dialogue that takes place regularly with the Advisory Board and other bodies, we ascertain society's expectations and requirements, which we strive to incorporate into our sustainability promotion.

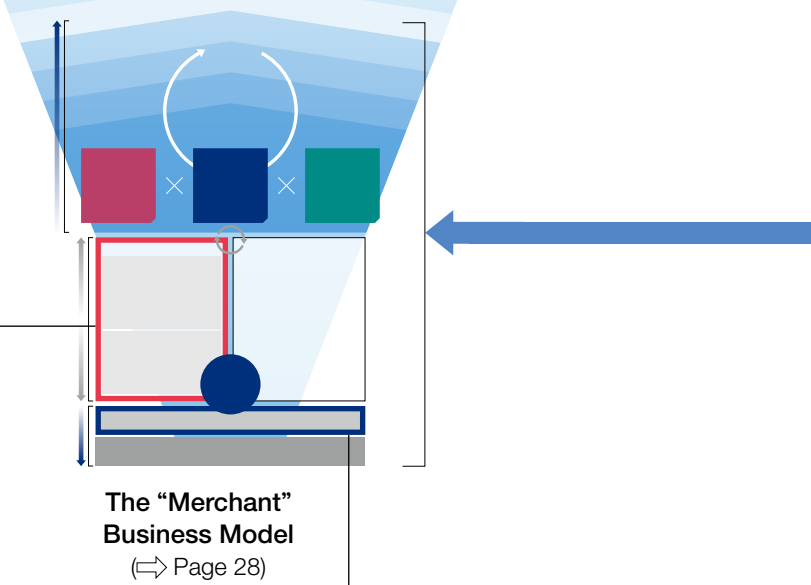


State of Progress in FYE 2019	SDGs
<ul style="list-style-type: none"> <li>Made strategic investments, mainly in the consumer value chain and in next-generation mobility and electricity and commenced cross-industrial integration</li> <li>Sales of RFID tags: 87 million tags (up 24% year on year)</li> <li>Began collaborating with a leading Hong Kong manufacturer in the aim of further popularization in the domestic market</li> </ul>	
<ul style="list-style-type: none"> <li>In addition to publicizing our policy on coal-related business initiatives, began a scenario analysis and business impact assessment based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>In addition to existing projects, commenced commercial operations in the geothermal power business and of solar power plants, thereby promoting our renewable energy initiatives</li> </ul>	
<ul style="list-style-type: none"> <li>Average annual overtime hours: Reduced by 9% compared to before the introduction of the morning-focused working system</li> <li>Support for balancing cancer care and work: Maintained zero turnover due to cancer and long-term illnesses</li> </ul>	
<ul style="list-style-type: none"> <li>Sustainability surveys of suppliers: 343 companies</li> <li>To ensure traceability, we aim to increase the ratio of palm oil we handle that is certified by the RSPO or a similar body to 100% by FYE 2026, and are promoting the handling of third-party-certified products</li> </ul>	
<ul style="list-style-type: none"> <li>Strengthened screening in supplier selection by increasing the number of people holding Food Safety Management System (FSMS) audit certifications (added three in FYE 2019)</li> <li>The number of people targeted for health data management: Approx. 700,000</li> <li>Contributed to human health improvements through efforts to make vital data visible and increase health awareness</li> </ul>	
<ul style="list-style-type: none"> <li>Commenced pilot production of cellulose fiber, an environmentally friendly material</li> <li>Increased our handling of products by wood suppliers having wood traceability certification from third-party institutions</li> </ul>	
<ul style="list-style-type: none"> <li>Maintain the ratio of outside Directors at more than one-third at all times (See page 77 for our Board of Directors' effectiveness evaluation)</li> <li>Achieved 20% of the ratio of female Directors at the Board of Directors in FYE 2020 (In addition, two female Executive Officers (not-Director))</li> <li>Status of on-site training: Attended by 13,178 people, conducted 237 times at 92 companies, including ITOCHU</li> </ul>	

# Relationship between Non-Financial Capital, Material Issues, and a Logic Tree

## Relationship between Maintaining and Upgrading Non-Financial Capital and Material Issues

In line with the *sampo yoshi* spirit at the heart of our business, we have formulated the Basic Policy on Promotion of Sustainability and specified material sustainability issues. Through initiatives based on material issues, we sustainably increase corporate value by maintaining and strengthening non-financial capital. (⇔ Page 50 Sustainability)



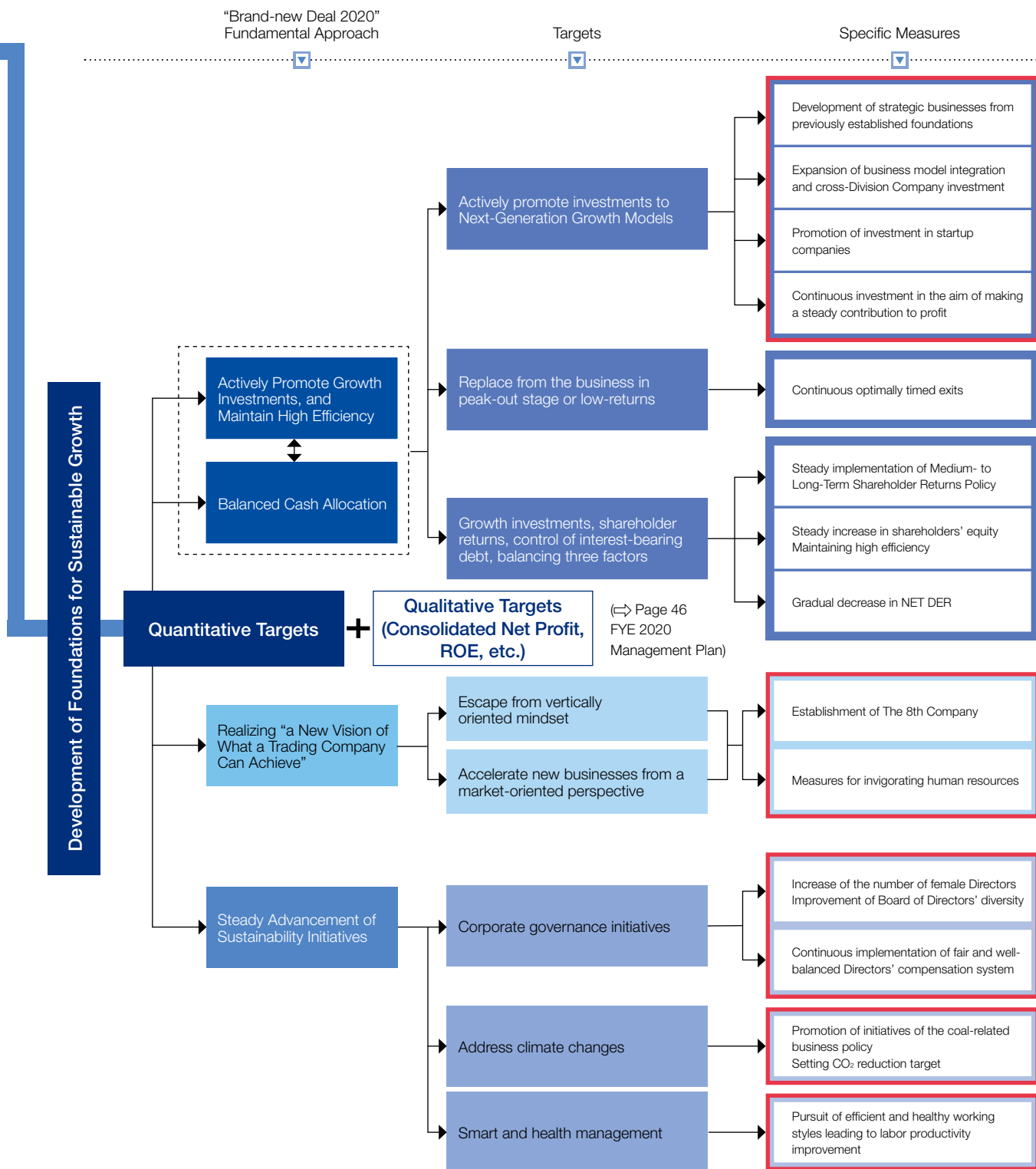
### Relevance of Non-Financial Capital, Material Issues, and the SDGs

		Material Issues						
Non-Financial Capital	Human Resources							
	Business Know-How							
	Synergy among Group Companies and Comprehensive Strength							
	Organizational Assets							
	Trust and Creditworthiness							
	Client Assets (Customers / Suppliers)							
	Partner Assets							
	Natural Resources							
Relationships with Society								
	Related SDGs							

■ Indicates material issues judged to have a particularly high relevance to non-financial capital

## “Brand-new Deal 2020” Logic Tree to Develop the Foundations for Sustainable Growth

To develop the foundations for sustainable growth, we are working to evolve and transform to realize “a new vision of what a trading company can achieve.” We are steadily making growth investments while maintaining an awareness of cash allocation, enhancing customer contact points as we turn toward a market-oriented perspective, and steadily promoting sustainability measures. Through such efforts, we aim to create a new business model.



□ Indicates measures judged to have a particularly high relevance to non-financial capital.

# Human Resources

Human resources are the driving force behind the functioning of ITOCHU's business models. In addition to conventional product professionals, we are working to develop marketing professionals who possess a market-oriented perspective. Through human resource strategies that support increases in labor productivity, we are striving to create a virtuous cycle that leads to increases in corporate value.

## Human Resources





## Human Resource Strategies for Eliciting Mercantile Potential

### Using the Engagement Survey to Measure the Effectiveness of Human Resource Measures

ITOCHU believes that employee motivation and a sense that work is worthwhile, their satisfaction and consent, and employee engagement (employees having a strong desire to contribute to the Company and are likely to act autonomously) are all important elements for sustainable increases in corporate value. Hence, we endeavor to continue increasing such factors.

In a survey (Engagement Survey) we conducted in FYE 2019, the percentage of affirmative responses to "ITOCHU considers employees important and takes them into consideration" was substantially higher than in our previous survey (FYE 2015). It was also 17% above the global average (an average of 6.7 million people at 330 companies).

Keeping in mind our corporate culture, which places importance on customers, our employees are striving to

### Shareholder-Conscious Stock Compensation Scheme

To achieve sustainable increases in corporate value, we believe it is important for employees, as well as the management team, to take part in management.

We have encouraged participation in our employee shareholding association, and the participation level reached almost 100% in FYE 2019. Going further, in FYE 2020 we use this association to introduce a stock compensation scheme. Under this scheme, we pay special incentives when the Company's performance reaches at a certain level, granting shares as consideration.

Through measures such as these, we boost employees' motivation to contribute to the Company and foster a shareholder orientation, encouraging Companywide efforts to further enhance corporate value.

### Support for the Career Development of Female Employees

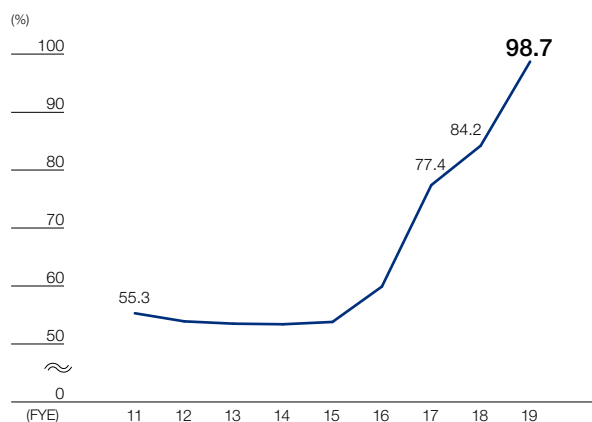
To support the career development of female employees, we provide career training aimed at developing next-generation managers and prepare individual career plans. We also send employees to external training sessions, allow employees stationed overseas to bring children with them but without spouse, offer a re-employment system, and promote awareness through organizational leadership training. Through these measures, we are working to establish environments that provide job satisfaction to female employees. Additionally, our various other measures, such as the morning-focused working system, also constitute initiatives that contribute to support for active female participation.

### FYE 2019 Engagement Survey Results

	Affirmative Response Rate	Compare with Global Average
ITOCHU considers employees important and takes them into consideration.	80%	+17%
ITOCHU places importance on customers.	80%	+5%
ITOCHU calls for the achievement of high levels of success.	91%	+5%
I concur with ITOCHU's corporate philosophy ("Committed to the Global Good") and corporate message ("I am One with Infinite Missions").	89%	—

increase labor productivity with a sense of pride and a strong motivation to contribute. Our measures to incorporate human resource strategies into management strategies are steadily bearing fruit.

### Percentage Membership in the Employee Shareholding Association



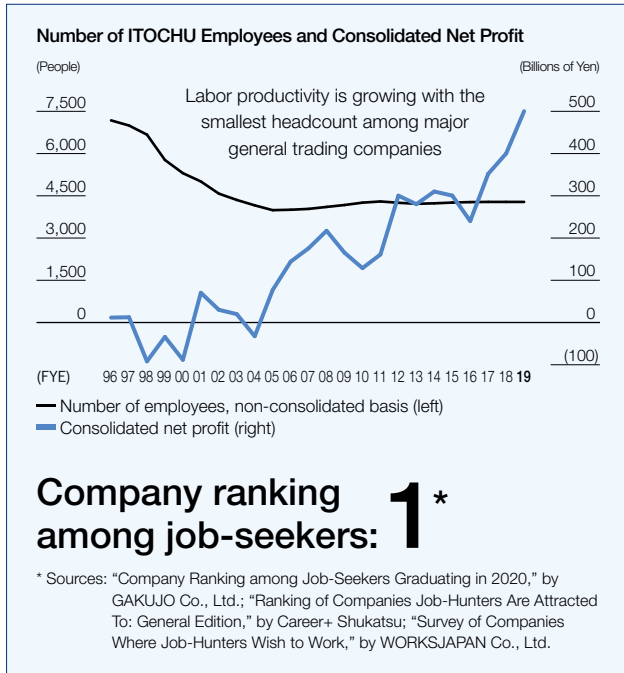
### Data on the Career Development of Female Employees

	FYE 2018	FYE 2019	FYE 2021 Goal
Percentage of female managers	6.8%	7.6%	Over 10.0%
Female managers / All managers	173 / 2,558	195 / 2,555	
Percentage of female career-track employees	9.0%	9.4%	Over 10.0%
Female career-track employees / All career-track employees	313 / 3,461	327 / 3,463	

## Human Resource Strategies That Create a Virtuous Cycle between People and Corporate Value

Through our human resource strategies, we have striven to steadily increase labor productivity per employee at ITOCHU on a non-consolidated basis, which has the smallest headcount among major general trading companies. Going forward, by creating a virtuous cycle between the recruitment of superior human resources and the increase in corporate value, we aim to address the impending “2030 problem,” the labor shortages and more frequent job changes, in order to achieve sustainable increases in corporate value.

### OUTCOME



**Our Understanding of the Environment**

2030 problem ⇒ Labor shortage, more frequent job changes

In 2030,  
**a labor shortage of 6.44 million people\***

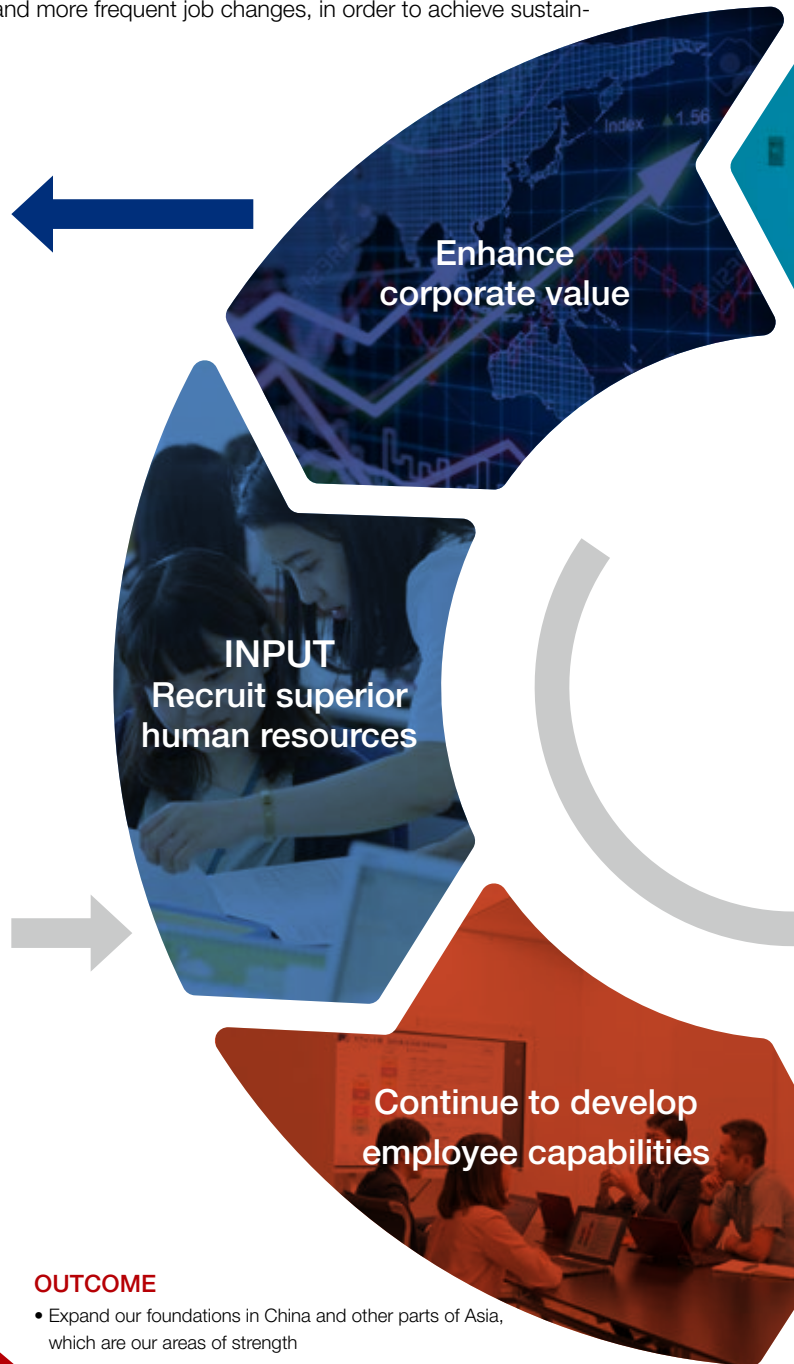
\* Source: "Labor Market Outlook 2030," by PERSOL RESEARCH AND CONSULTING Co., Ltd., and Chuo University

**Increasing the Number of Chinese-Speaking Employees (from FYE 2016)**

- Increase the number of Chinese-speaking employees to 1,000, or around one-third of career-track employees
- Provide overseas training in the Chinese language

**Hiyoshi Dormitory (from FYE 2019)**

- Foster the development of, and a sense of unity among, young employees



**OUTCOME**

- Expand our foundations in China and other parts of Asia, which are our areas of strength
- In FYE 2018, met the target of having 1,000 employees with Chinese-language qualifications
- Implementing programs to maintain or increase Chinese-language proficiency

**OUTCOME**

- Create personal networks that surpass the boundaries of age and departmental affiliation, and build a robust organization
- Encourage the passing on of a free-spirited corporate culture

## Ensuring Robust Operation of the Virtuous Cycle

ITOCHU introduced a morning-focused working system in FYE 2014. Labor productivity rose significantly as a result. Thereafter, we introduced a number of health management measures, formulating the ITOCHU Health Charter and Support Measures for Balancing Cancer Care and Work. We also encourage human resource diversity through the Gen Ko Tsu Reform (“on-site,” “individual,” “connect”), which supports individual lifestyles according to different life stages and careers. Furthermore, we have increased the number of Chinese-speaking employees, enhancing our ability to develop business in China. We have introduced “Dress-down Days” as a way to foster the flexible thinking necessary for reinvention of business, and we are promoting other human resource measures that align with our growth strategies. Through such initiatives, we have created a virtuous cycle in which we enhance corporate value, which then fosters the recruitment of superior human resources. We are implementing measures to ensure this virtuous cycle becomes even more robust.



### Morning-Focused Working System (from FYE 2014)

- Shift from the tendency to work late-night to morning-focused working style
- In principle, prohibit work after 8:00 pm, and encourage to work in early morning (from 5:00 am to 8:00 am)
- Offer free breakfast
- Provide a higher wage rate for people who start work before 8:00 am
- Extend morning training options, such as Morning Activity Seminars

#### OUTCOME

- Improve operating efficiency and use time more effectively (self-improvement, etc.)
- Reduce overtime work, correcting the issue of long working hours
- By reducing overtime pay and taxi fares, lower overall costs even though providing free breakfast

### Dress-down Days (from FYE 2018)

- Create an environment that encourages flexible thinking
- Allow employees to work in casual clothing on Wednesdays and Fridays (every day in summer)

#### OUTCOME

- By encouraging employees to think more about their clothing, promote employees to have interests in various things actively and foster an atmosphere conducive to new ideas

### Support Measures for Balancing Cancer Care and Work (from FYE 2018)

- Hold regular checkups through a cooperation with the National Cancer Center Research Institute
- Reflect the balance between treatment and work tasks in individual performance reviews
- Provide full Company assistance for expenses for advanced cancer treatment
- Provide schooling and work support for bereaved family members

#### OUTCOME

- Maintain and increase employee motivation and sense that work is worthwhile
- Create an environment where employees can feel secure and devote their full attention to work
- Reduce uncertainty about the future



## Client Assets and Partner Assets

Maintaining relationships with customers and suppliers is indispensable in obtaining and expanding trade opportunities. Over many years, ITOCHU has built up positive relationships with numerous leading companies. We can achieve sustainable growth in profitability precisely because of extensive client and partner assets.

### Client Assets and Partner Assets



## Collaborating with CITIC and CP Group

ITOCHU has strategic business alliances and capital participation agreements in place with CITIC, one of China's largest conglomerates, and CP Group, one of the largest and most prominent conglomerates in Asia. CP Group, which was the first foreign firm to enter China, has built an extensive framework of businesses in local markets throughout China. This partnership with CP Group and CITIC, which is effectively majority-owned by the Chinese government, was achieved precisely because we took the lead among major general trading companies in contributing to business development in China.

With our strengths in the non-resource sector, particularly the consumer-related businesses, we are taking a medium-to long-term view in our collaboration with CITIC, formulating major initiatives that will impact earnings structure of CITIC as it expands non-financial business. In FYE 2019, we have announced projects regarding education, real estate development, and the healthcare business. In addition, each Division Company is considering multiple projects, including the formation of a data center investment fund. Top management of the three companies is considering collaborative policies while at the senior executive and employee levels, we are conducting personnel exchanges and engaging in enthusiastic discussions and deliberations. These moves to promote mutual understanding are aimed

at accelerating our collaboration with CITIC and CP Group and creating full-fledged synergies.

Taking a forward-looking approach, three companies will work together to increase corporate value mutually and contribute to abundance for the people of China and other parts of Asia.



## Developing Cross-Division Company Collaboration with Excellent Partners

ITOCHU is leveraging the Group's comprehensive strength to provide solutions through cross-Division Company collaboration, building win-win relationships with excellent clients and partners.

### Establishment of a Joint Venture Plant with the Metsa Group to Produce Environmentally Friendly Cellulose Fiber

ITOCHU's Textile Company is working to increase the volume of environmentally friendly materials it handles. As part of these efforts, we have reached an agreement with the Metsa Group to set up a joint venture plant to produce an innovative cellulose fiber using a proprietary production method based on the success of METSA FIBRE OY's basic R&D. This agreement evolved as a result of the positive relationship the General Products & Realty Company has cultivated over the years with METSA FIBRE OY, one of the world's leading softwood pulp producers.

### Cross-Division Company Initiative with euglena

In 2008, ITOCHU entered a capital participation agreement with euglena Co., Ltd. (euglena), which is undertaking R&D and the large-scale culturing of Euglena, a type of microalgae. The Food Company is promoting the sale of Euglena-containing products and working with FamilyMart to develop and sell such products. In addition, ITOCHU ENEX CO., LTD., is working with euglena, assisting with resource procurement toward the commercialization of aircraft biofuel and biodiesel fuel. Furthermore, the Metals & Minerals Company has concluded a memorandum with euglena to start an overseas demonstration project to culture Euglena using CO<sub>2</sub> and waste heat from coal- and natural gas-fired thermal power plants.





## Establishment of The 8th Company

The vigorous digital transformation that is occurring as part of the Fourth Industrial Revolution is prompting the emergence of services and business models that ITOCHU will no longer be able to handle via its conventional vertical, product-based organization.

We are addressing the situation through the establishment of The 8th Company, which adopts a market-oriented perspective and will aim to cultivate new businesses and clients through a keen awareness of market changes.

To promote a sense of speed, rather than involving a large-scale reorganization, The 8th Company will begin operations with around 40 people selected from the seven existing Division Companies. These people have been selected for their extensive expertise and experience in consumer businesses. To invigorate our organization, we will need to further hone the “individual capabilities” that

are our strength. The 8th Company will spearhead the Companywide introduction of a personnel system that encourages young employees to take on challenges even more than before, as well as a productivity- and efficiency-focused office system such as a “free address office,” where employees are free to change desks. In these ways, we plan to invigorate our organization and human resources even more.

The new Division Company will collaborate with the seven existing Division Companies to fully leverage various business platforms, particularly in the consumer sector, which is an area of our strength. By accelerating cross-industrial integrations and cross-Division Company initiatives, the new Division Company will foster new “general” trading company functions and aim to achieve sustainable increase in corporate value.



**Kensuke Hosomi**  
President, The 8th Company

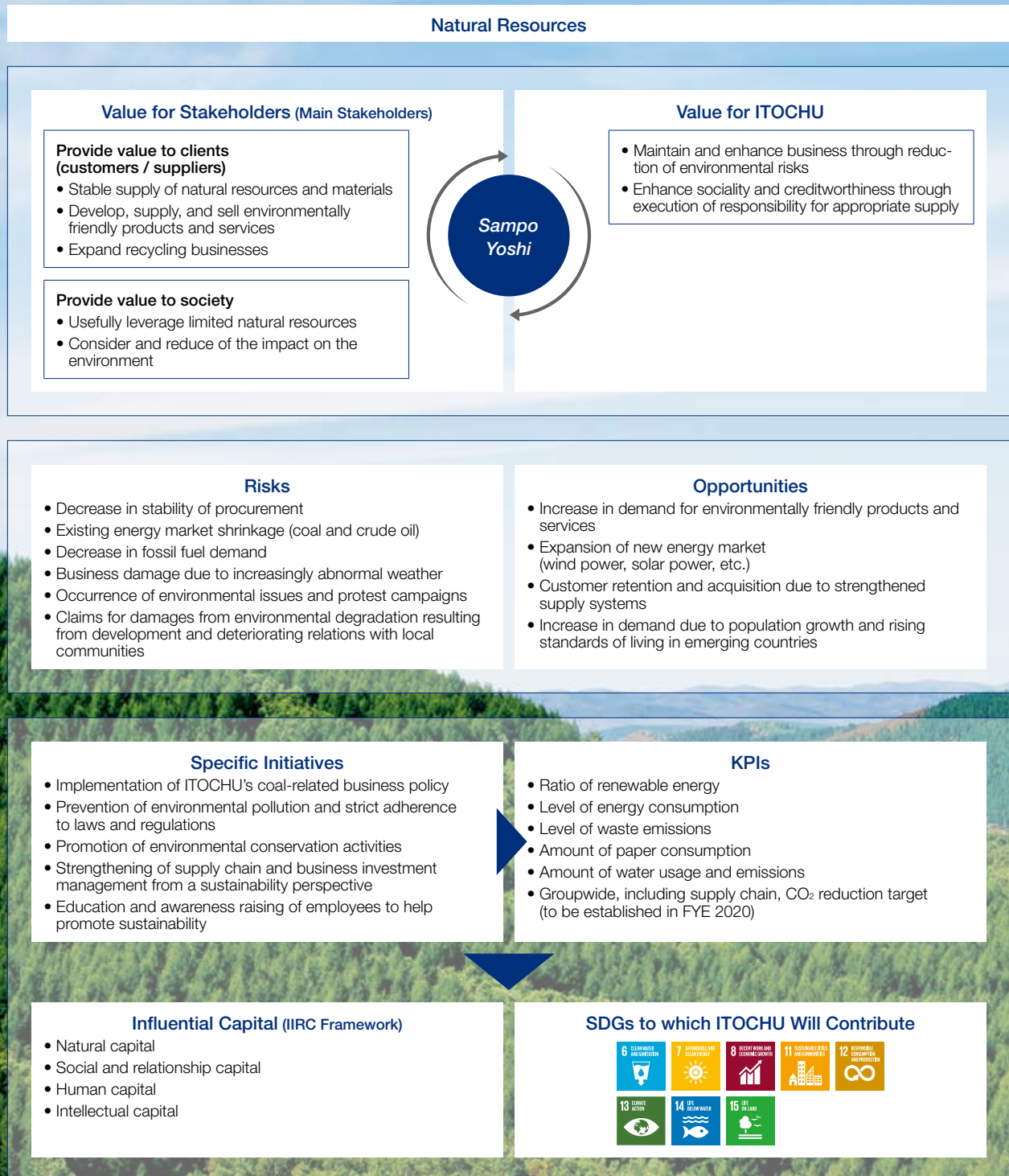
I am keenly aware that leading the new “challenge” of ITOCHU is a heavy responsibility. At the same time, I am grateful to have this opportunity to cultivate the seeds of “transformation.” I intend to take advantage of my knowledge of the brand business and my experience with the convenience store business which holds a huge logistics network.

I will move resolutely forward and take on challenges which the new Division Company can uniquely tackle, convinced that The 8th Company is the starting point of ITOCHU’s transition to a next-generation business model.



# Natural Resources

Through its business in the resource and non-resource sectors, ITOCHU responds to societal demands for the stable procurement and supply of natural resources, while linking those demands to new business opportunities in response to the social issues described in the SDGs.





## METSA FIBRE and CENIBRA's Use of Sustainable Forest Resources



METSA FIBRE

The two pulp manufacturers in which ITOCHU invests produce pulp using environmentally certified plantation trees. These companies use plantation resources efficiently, such as by burning a black liquor alternative energy that occurs during the pulp production process and using it for power generation. Moreover, in order to maintain sustainable forest resources, they conduct various initiatives, including plantation management.

ITOCHU has a 25.0% stake in METSA FIBRE OY (METSA FIBRE) of Finland, the world's largest producer of softwood pulp. Approximately 80% of the pulp produced by METSA FIBRE has acquired forest certification by the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification Schemes (PEFC), while the pulp is 100% traceable. In Finland, the number of logs grown exceeds the number consumed, making possible the long-term stable supply of logs. METSA FIBRE produces pulp by procuring raw materials from Mestäliitto, a company comprising about 100,000 forest owners and the majority shareholder of METSA FIBRE, covering an

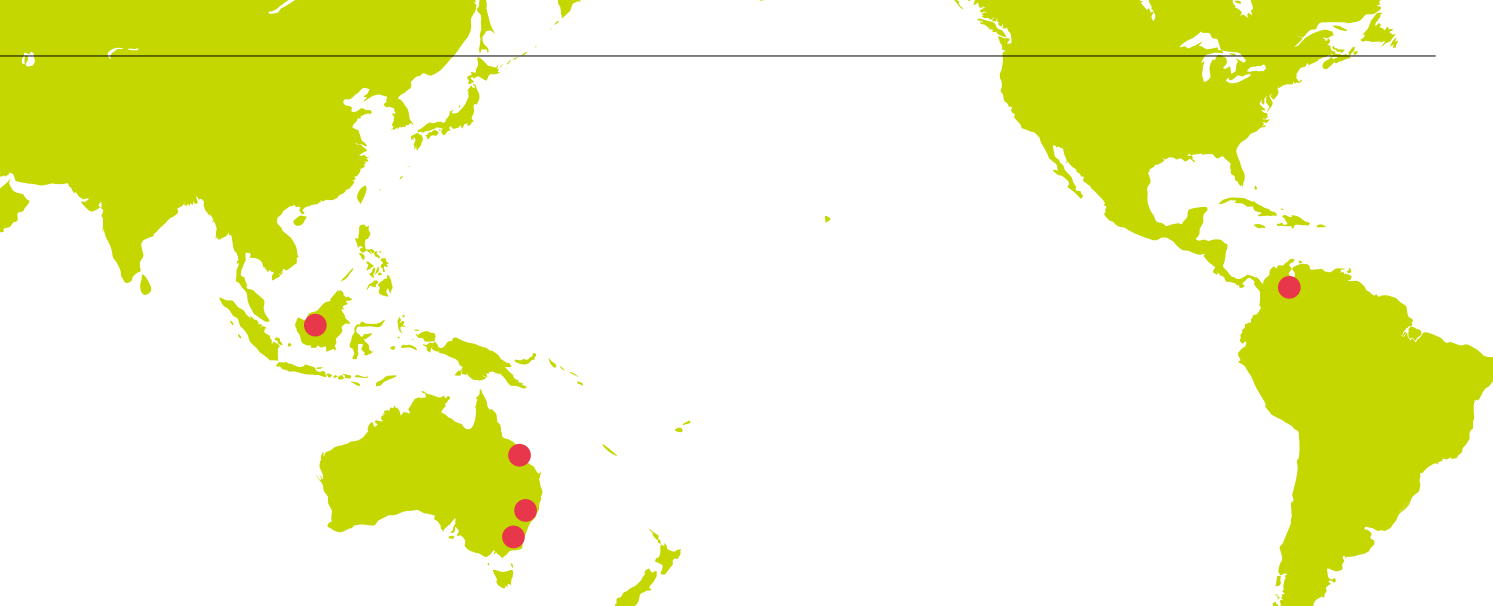
area of approximately 5 million ha (equivalent to approximately 17% of Finland's total land area). Moreover, of the power generated at its own plants, METSA FIBRE supplies the surplus amount not required in-house to surrounding areas, thereby contributing to a reduction in fossil fuel consumption in its region.

ITOCHU also has a 33.3% stake, in tandem with Japan's major paper manufacturers, in Celulose Nipo-Brasileira S.A. (CENIBRA) of Brazil, the world's 8th largest manufacturer of commercial hardwood pulp. Of the approximately 250,000 ha of land held by CENIBRA, the company plants trees on approximately 130,000 ha while striving to maintain the ecosystem by treating most of the remaining land as a protected forest. Furthermore, CENIBRA has received the FSC's forest certification and Chain of Custody (CoC) certification (certification on management of the processing and distribution of forest products). CENIBRA enables sustainable forest management by using 100% plantation trees and comprehensively conducts all stages from tree planting to pulp production. Additionally, with the goal of regenerating forests in areas where there have been soil disruptions, landslides, or withering of vegetation, CENIBRA plants tens of thousands of seedlings of the same variety as natural forests over several hundred ha annually. CENIBRA also entrusts the planting and cultivation of eucalyptus trees, which are the raw material, to local farmers, and purchases grown logs. In addition to the environmental effect of greening barren areas, these efforts lead to the stable supply of raw material and the creation of regional employment, thereby helping to establish a win-win relationship with local residents and local entities.

Going forward, the ITOCHU Group will enhance the sustainability of business while promoting the use of sustainable forest resources.







## Policy on Coal-Related Business Based on the Taskforce on Climate-related Financial Disclosures

Recommendations by the Taskforce on Climate-related Financial Disclosures (TCFD) encourage companies to effectively disclose climate-related financial information with consistency, comparability, reliability, and clarity to promote appropriate investment decisions by investors and financial institutions. These recommendations come from the observation that climate change-related risks and opportunities will increase in the future. In response to these recommendations, the Ministry of the Environment (MOEJ) is promoting a support program for analyzing climate risks and opportunities in line with the TCFD recommendations in order to facilitate analysis by companies in line with TCFD recommendations. In FYE 2019, ITOCHU was selected as one of six model companies for this program, and conducted scenario analysis and business impacts evaluation on our power generation-related business\*.

We also conducted similar scenario analysis and business impacts evaluation on our coal-related business, which has a particularly significant impact on our business and stakeholders, and is recognized as an issue requiring prompt attention.

Based on those analyses and evaluations, we committed ourselves to a policy of neither developing any new coal-fired power generation business nor acquiring any new thermal coal mining interest. In February 2019, we sold our interest in the Rolleston thermal coal mine held through our wholly-owned subsidiary in Australia, ITOCHU Minerals & Energy Australia Pty Ltd. We will continue to

conduct reviews of our existing thermal coal mining business, while responding to the social demand from customers in Japan and overseas for a stable supply of energy, as well as continuing to participate in technological research that contributes to reducing greenhouse gas emissions. Moreover, we will aim for a renewable energy ratio of over 20% (equity interest basis) in our power generation business by FYE 2031.

ITOCHU has identified “addressing climate change (contributing to the realization of a low-carbon society)” as material sustainability issues (materiality) from an ESG perspective. In addition to adapting to the business impacts of climate change, we are promoting business activities that help toward a low-carbon society and striving to reduce greenhouse gas emissions. Moreover, in addition to our endorsement of the TCFD recommendations, we are also participating in the TCFD Consortium of Japan, a discussion platform for companies who support the TCFD, established by the Ministry of Economy, Trade, and Industry, the MOEJ, and the Financial Services Agency. Going forward, we will analyze the impact of climate change on our entire business in line with the TCFD recommendations and seek to disclose related information in a timely and appropriate manner.

\* Please see the website below for details on scenario analysis and business impact evaluation.

MOEJ “Practical guide for Scenario Analysis in line with TCFD recommendations”: <http://www.env.go.jp/en/headline/2396.html>



Sarulla Geothermal Power Plant, Indonesia



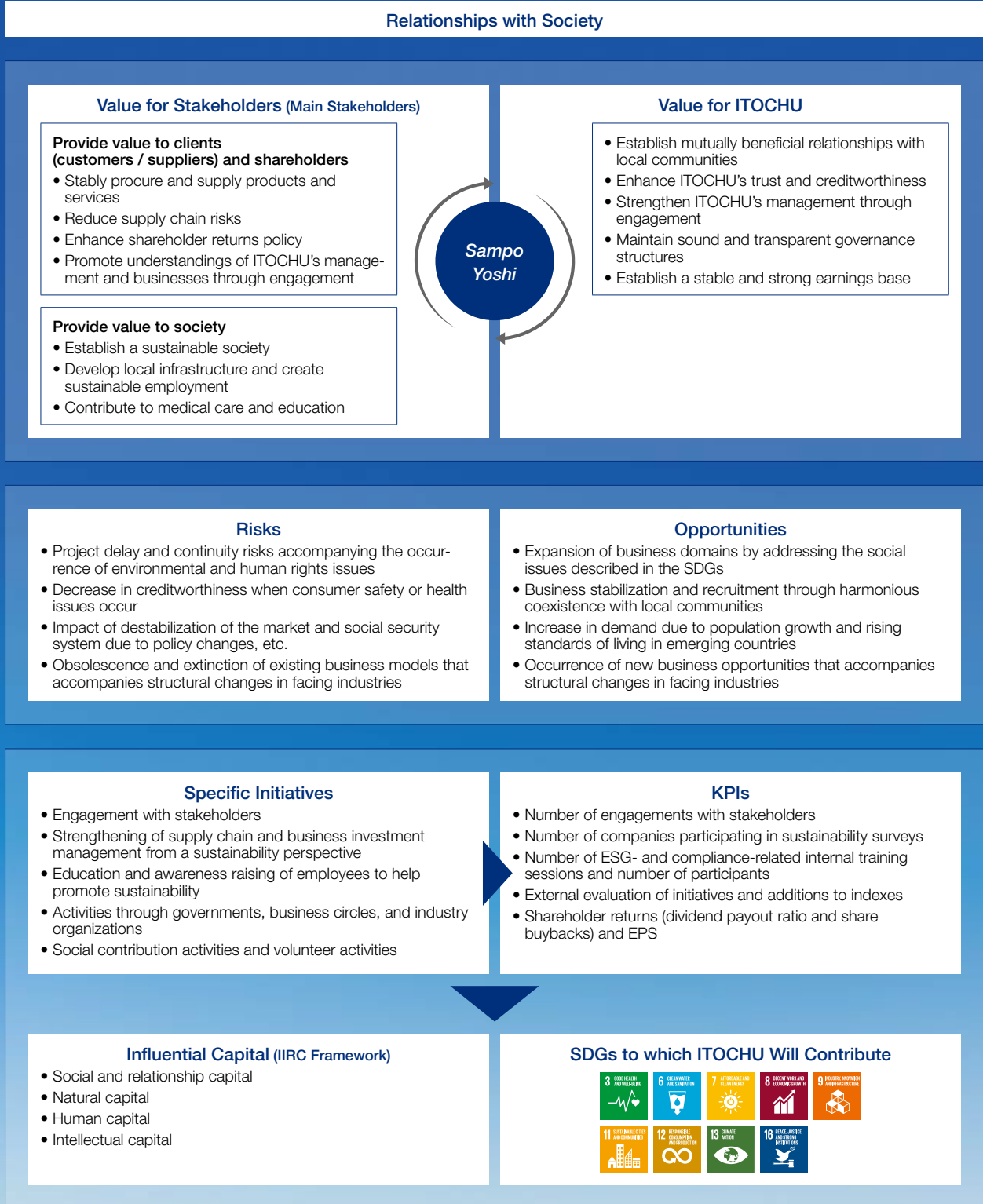
Butendiek Offshore Wind Power Plant, Germany



Saga-Ouchi Solar Power Station, Japan

# Relationships with Society

Trough constructive dialogue with stakeholders, ITOCHU seeks to understand and meet the demands and expectations they have for us, allowing us to promote stable business activities in Japan and overseas and further enhance corporate value.



## Dole Philippines—Harmonious Coexistence with Local Communities

The pineapple division of Dole Philippines Inc. (Dolefil), a subsidiary of Dole International Holdings, Inc., continues to promote an initiative that integrates social contribution and growth strategies guided by a “Social Fence” concept, whereby a region protects its businesses. Despite conducting farm management in a region that suffers from social instability and underdeveloped business infrastructure, Dolefil has achieved sustained business development for more than half-a-century through management with a thorough focus on harmonious coexistence with local communities.

For pineapple cultivation, which requires a fixed period of financial commitment (one cycle for every three years), Dolefil provides loans to farmers who are new to pineapple cultivation to cover initial investment and shares expertise regarding the improvement of production efficiency while purchasing harvested pineapples. At the same time, Dolefil supports the stability of the cultivation business. Dolefil also runs a program to build homes for employees who earned high scores based on such factors as their years of service and work attitude, thereby linking lifestyle infrastructure support with productivity enhancement.

In addition, Dolefil is conducting initiatives in collaboration with regional governments and Mahintana Foundation, Inc. (MFI), an NGO spun out by Dolefil’s CSR department. These initiatives include industry and employment creation,

environmental protection and forest restoration, education, livelihood support, employee benefits, and health and safety. For example, Dolefil is conducting ongoing donations to regional schools. It accomplishes this by deducting five pesos per month from employee salaries and, with supplementation from Dolefil



A school built thanks to support from Dolefil and its employees

and the labor union, securing monetary figures that are five times the deducted amounts. Additionally, using the money from donations to order pupils’ chairs from local carpenters creates employment. Dolefil also offers used pallets as lumber for the chairs, contributing to raw material recycling. In exchange for these donations, Dolefil is, among other initiatives, expanding participation in regional contribution by calling for children to take part in afforestation efforts. By ordering saplings for reforestation from local vendors, Dolefil creates a cycle of employment creation.

Dolefil’s policies for creating shared values (CSV) expand the scope of the Social Fence by improving the livelihoods of local citizens through creating local employment. In this way, they are compatible with ITOCHU’s *sampo yoshi* philosophy, which supports business sustainability and raises productivity and quality. Dolefil is recognized as a company with deep roots in the local community.



-  Donation to school as a source of funds
-  Creating employment  
Ordering pupils’ chairs from local carpenters
-  Recycling  
Providing used wooden pallets to be used in making chairs
-  Community contribution  
Contributing to the community through pupils’ participation in afforestation activities



THE PHILIPPINES

Polomolok

