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Editing Policy

ITOCHU'S ESG Report is to provide various stakeholders including shareholders, investors, business partners, and others with a deep understanding of our company's sustainability policies, approaches, targets, systems, and specific initiatives. We recognizes that "Meeting the expectations of society through business activities will help maintain sustainability and lead to further growth." With this in mind, ESG Report 2022 reports the details of our sustainable activities in the previous fiscal year together with ESG performance data and our contribution to the SDGs.

Reporting Period

This report principally covers actual data for the fiscal year beginning on April 1, 2021, and ended on March 31, 2022 (FYE 2022). However, some of the most recent information on our activities and initiatives are also included.

Reporting Boundary

This report covers ITOCHU Corporation (7 domestic offices and 86 overseas offices) and its major group companies.

Independent Assurance

The environmental and social performance indicators marked with \star and \blacklozenge in this report are independently assured by KPMG AZSA Sustainability CO., Ltd.

Publication Information

Publication: September 2022 Next publication (scheduled): September 2023 Previous publication: September 2021

Referenced Guidelines

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

- The Ten Principles of the United Nations Global Compact Basic Principles on the Use of Force and Firearms by
- GRI Sustainability Reporting Standards (GRI Standards) "Core" Compliant
- International Integrated Reporting Framework (IIRC)
- ISO 26000 (Social Responsibility)
- TCFD Recommendations
- Universal Declaration of Human Rights (UDHR)
- UN Guiding Principles on Business and Human Rights
- Sustainable Development Goals (SDGs)
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)

- Law Enforcement Officials
- OECD Guidelines for Multinational Enterprises
- The Environmental Reporting Guidelines issued by the Ministry of the Environment
- Keidanren: Charter of Corporate Behavior
 - Japan Foreign Trade Council: Shosha's Corporate Environmental Code of Conduct, Supply Chain CSR Action Guidelines

Corporate Profile

Company Name	ITOCHU Corporation	Chairman & CEO	Masahiro Okafuji
Founded	1858	Common Stock	253,448 Million Yen
Incorporated	December 1, 1949	Number of Offices	Domestic Offices 7 Overseas Offices 86
Headquarters Tokyo	Osaka	Number of Employees*	Consolidated 115,124 Non-consolidated 4,170 (As of March 31, 2022)
5-1, Kita-Aoyama 2-chome, Minato-k Tokyo 107-8077, Ja		* The number of consolidated em working employees excluding te	plovees is based on actual

Inquiries

ITOCHU Corporation Sustainability Management Division TEL: +81-3-3497-4060 E-mail: tokcr@itochu.co.jp

Disclosure of Sustainability-related Information

Publication	Contents	PDF	
ESG Report	ITOCHU discloses information on a wide range of topics concerning its sustainability initiatives. The PDF is published as an annual report so as to provide continuous record of our ESG initiatives. In HTML, we provide information on activities carried out during the fiscal year in a timely manner.	•	•
Annual Report	This report is for a wide range of stakeholders including investors to provide particularly important information on our management performance and future growth strategies, as well as sustainability initiatives, in an integrated form, including financial and non-financial information, based on the characteristics of our business activities as a general trading company.	•	•
Corporate Governance Report	This report presents our company's approach to corporate governance and its corporate structure in accordance with the principles stated in the Corporate Governance Code. We provide more detailed information on governance such as institutional design, operational status, and effectiveness evaluation.	•	
Annual Security Report	The financial statements have been prepared in accordance with Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan and submitted to the Kanto Local Finance Bureau. We provide more detailed information on our financial condition.	● (Japanese Only)	

Forward-Looking Statements

This report contains not only past and present facts, but also forecasts, targets, and plans for the future. These forward-looking statements are based on information available at the time of publication of this report and are subject to a number of factors that may cause actual results to differ materially from those presented in the forward-looking statements. Please use this report at your own discretion.

Society

Top Commitment: Chairman & CEO

"Sampo-yoshi" and the SDGs

ITOCHU embraces the corporate philosophy of "*Sampo-yoshi*," the business philosophy of Ohmi merchants that originated with our founder, Chubei Itoh I, who espoused that "trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supply the needs of society."

This philosophy is further reflected in the ITOCHU concept of "I am One with Infinite Missions," the code of conduct we apply to all Group employees as a guide for autonomously assessing and acting on their individual duties. We seek to resolve societal issues through our business activities by fulfilling various missions and engaging in conduct that is good not only for the buyer and seller, but also good for society. In this way, our mission is linked to the SDGs.

FYE 2022 saw an operating environment of unprecedented and dramatic change. Amid such an environment, we achieved record high profits thanks to a balanced earnings platform that spans multiple domains. In our Medium-term Management Plan, Brand-new Deal 2023, we outlined one of our basic policies as "enhancing our contribution to and engagement with the SDGs through business activities." We will accelerate efforts related to the SDGs, particularly in the non-resource segments, an area of strength for the ITOCHU Group.

In October 2021, we established a Women's Advancement Committee as one of the advisory committees to the Board of Directors. Amid increasing societal expectations of human resource diversity, we will accelerate efforts related to the urgent issue of supporting women's advancement to cultivate an internal environment that provides advancement opportunities for a diverse range of personnel. We believe this will increase our corporate value and productivity, and make great contributions towards supporting gender equality, one of the goals of the SDGs.



m. Ohen

Masahiro Okafuji Member of the Board Chairman & Chief Executive Officer

Top Commitment: President & COO

Responding to Changing Times

FYE 2022 was a period of increasing unpredictability. In addition to new variants of COVID-19, we also saw rapid transformation in global conditions, unprecedented spikes in the prices of major resources, and changes in global monetary policy driven by inflation concerns.

Regardless of the environment, the important thing for ITOCHU is that our shareholders and customers continue to see us as a trusted player. This means that every member of the ITOCHU Group must be able to accurately ascertain and provide the services desired by society and our customers. One of the strengths of the ITOCHU is our ability to cover a wide range of domains by comprehensively evaluating social change, identifying products and services suited to customer values, and recognizing ideal timing. We will continue to apply this strength as we aim to provide new services across multiple industries.

Since our founding, we have valued the principles of "Sampo-yoshi." And moving forward, it will be even more important that each employee remain committed to walking in step with society towards resolving social issues. In our Medium-term Management Plan, we outline a policy of enhancing our contribution to and engagement with the SDGs through business activities. This policy is an expression of our commitment. We will contribute to resolving major social issues by promoting a decarbonized and recycling-based society, and by establishing a resilient value chain, including promoting sustainable raw materials procurement. Achieving a decarbonized society is a long-term endeavor, but we also believe promoting GHG reductions will present new business opportunities. We will aggressively promote businesses that contribute to global GHG reductions.



Keita Ishii Member of the Board President & Chief Operating Officer

Independent Assurance Report

Message from Chief Administrative Officer

Contributing to a Sustainable Society

The ITOCHU Group upholds as our Corporate Philosophy the spirit of "*Sampo-yoshi*" (good for the buyer, good for the seller and good for society). In addition to pursuing profits for our company, we help to solve social issues to meet to the expectations and trust placed in us by our business partners, shareholders, employees and various other stakeholders. We are aiming to produce a virtuous cycle in society and to contribute to a sustainable society by doing that. To achieve this virtuous cycle and sustainable society each employee is required to voluntarily fulfill their various roles based on our Corporate Guideline of Conduct of "I am One with Infinite Missions."

We have been focused on fields closely related to daily life such as textiles, food and general products & realty since we started business. We have thought about what kind of services we can provide in each field and then put those ideas into practice as a company responsible for basic industries which support consumer life so that people can continue to live their daily lives without obstacles even during the COVID-19 pandemic. The core business of our company is providing services indispensable to people in their daily lives. Our many years of steady initiatives have become the foundation to be able to continue business even in times of great change. At the same time, that is leading to a management structure which produces profits.

Since 2009, ITOCHU has participated in the UN Global Compact. In 2018, we drafted the ITOCHU Group Sustainability Policy. At the same time, we also identified seven material issues. Each division company of ITOCHU has formulated sustainability action plans and performance indicators based on material issues, and reviews its progress every year to further strengthen its initiatives. In response to the increasingly important issue of climate change initiatives (contributing to a decarbonized society), in May 2019 ITOCHU declared its intent to participate in the Task Force on Climate-related Financial Disclosures (TCFD). As part of our participation in the TCFD, ITOCHU conducts analysis in five segments – coal, power generation, oil & gas development, Dole, and pulp, and discloses the results of our analysis.

We began human rights due diligence in our supply chain management in FYE 2020 ahead of the Japanese government formulating the Japan's National Action Plan (NAP) on Business and Human Rights in addition to the sustainability survey we were already conducting on suppliers. We are confirming the status of initiatives for respect and consideration for human rights in our supply chain with the advice of outside experts. For example, violations of the human rights of residents in producing areas and illegal logging have become major issues in the natural rubber business. Therefore, we have developed a traceability system that allows us to track the process of procuring natural rubber. This has made it possible for us to differentiate our products as those made with natural rubber kind on the environment and society. In this way, we are providing services that meet the needs of each industry to strengthen our value chain.



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

All ITOCHU Corporation measures to promote sustainability are overseen by the Sustainability Management Division under the leadership of the Chief Administrative Officer (CAO), who is responsible for sustainability management, including evaluating the impact our operations have on the environment and society. The CAO serves as chair of the Sustainability Committee. As one of our core internal committees, the Sustainability Committee deliberates and decides on important matters related to sustainability. In addition to serving as chair of the Sustainability Committee, the CAO also attends Board of Directors, HMC, and Investment Consultative Committee meetings to provide a perspective on sustainability to all investment proposals and provide reports as necessary to the Board of Directors.

We designate an ESG officer within each division company and headquarters department to support the creation of internal systems that contribute to the realization of a sustainable society through our business activities. Additionally, we promote regular dialogue with internal and external stakeholders through initiatives that include holding regular Sustainability Advisory Board. This information exchange helps us ascertain the expectations and demands of society on ITOCHU Corporation, and we reflect that information in our sustainability activities.

Sustainability at the ITOCHU Group



Top Commitment

Our Sustainable History and Value Creation Model

Structure and System

Society

Initiatives Stakeholder Engagement

SDGs Bond (Sustainability Bon **Evaluation by Society** Independent Assurance R

Our Sustainable History and Value Creation Model

Policy & Basic Approach

Our Founder Chubei Itoh and "Sampo-yoshi"

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

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





Our founder Chubei Itoh (1842 - 1903)

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

The Roots of a Management Philosophy Inherited Since the Foundation

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



A daifukucho ledger from the time of ITOCHU's founding

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

160 Years of History and Sustainability

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

Since the foundation, ITOCHU Corporation has consistently thrived despite the turmoil it has faced in different eras, including two world wars and economic volatility. Starting as a trading company mainly handling textiles, we have fulfilled the role of a trading company that has responsively changed according to the demands of each generation. Furthermore, while

significantly changing its products and business portfolios, we have expanded our sphere of influence from upstream raw materials to downstream consumer sales. ITOCHU Corporation has evolved into a general trading company, and from there into a globally integrated corporation.

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



The headquarters with modern amenities built in 1915

Evaluation by Society Independent Assurance R

Our Sustainable History and Value Creation Model

Policy & Basic Approach Structure and System

Stakeholder Engagement

Our Sustainable History and Value Creation Model

8 Division Companies

Consolidated Net Profit Growth

Textile

Providing new values and impressions for everyday life in fields ranging from fashion to high-tech materials.

Machinery

Developing wide-ranging businesses, including plants, infrastructure, aircraft, ships, automobiles, construction/ industrial machinery, and life care.

Metals & Minerals

Contributing to economic development and environmental protection worldwide through the development and safe supply of mineral resources.

Energy & Chemicals

Working in tangible and intangible ways to help improve lives by using overall strength as a global trading company to offer solutions and services.

Food

Expanding globally while contributing to food safety and security from the supply of ingredients to manufacturing, distribution, and retail.

General Products & Realty

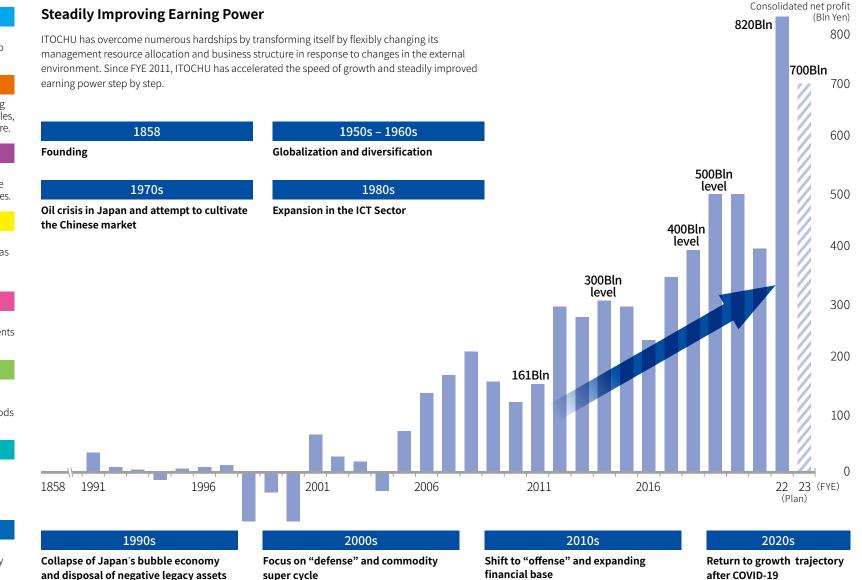
Operating on a global scale in fields ranging from general lifestyle products to the development and sale of homes and the goods that support them.

ICT & Financial Business

Creating and expanding new markets by utilizing business development functions based on ICT and BPO along with customer networks.

The 8th

Developing new businesses and customers based on a "market-oriented" perspective by fully leveraging our business platforms.



Independent Assurance Repo

Our Sustainable History and Value Creation Model

Policy & Basic Approach Structure and System

Stakeholder Engagement

Our Sustainable History and Value Creation Model

"Sampo-yoshi" Capitalism

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

Based on the spirit of ITOCHU Mission "Sampo-yoshi," which is also the founding spirit, we have identified seven Material Issues that incorporate the perspectives of the environment, society and governance (ESG) as shown in the diagram below. We are steadily implementing initiatives through our core businesses to address these Material Issues. In the present medium-term management plan "Brand-new Deal 2023", in particular, we will actively promote "Business expansion in accordance with a decarbonized society," "Leading development in the recycling businesses," and "Sustained growth through strengthening the value chain."



Structure and System

Independent Assurance Repo

Our Sustainable History and Value Creation Model

Policy & Basic Approach

Initiatives

Stakeholder Engagement

Policy & Basic Approach

The ITOCHU Group Sustainability Policy

ITOCHU Group, conducting business globally under the spirit of "Sampoyoshi," the founding spirit and our Corporate Mission, considers that addressing global environmental and social issues is one of the top priorities in our management policy. We have formulated this policy based on The ITOCHU Group Corporate Guideline of Conduct, "I am One with Infinite Missions," and The ITOCHU Group Code of Ethical Conduct for the realization of sustainable society.

1 Identification of Material Issues and Promotion of Businesses that Address the Social Issues

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

2 Establishment of Mutual Trust with Society

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

3 Strengthening Sustainable Supply Chain and Business Investment Management

We will promote sustainable business activities by preventing and continuing to give consideration to problems for the conservation of the global environment. climate change mitigation and adaption, pollution control, resource recycling, protection of biodiversity and ecosystems, and basic human and labor rights.

We will endeavor to effectively use resources (such as air, water, land, food, minerals, fossil fuels, animals and plants), respect human rights and consider occupational health and safety in the businesses where we invest and in the supply chains of the products we handle.

We request our business partners to understand and implement the concept of sustainability in the ITOCHU Group, and aim to build a sustainable value chain. We will respect the legal systems of each country and international norms. We will strive to understand the cultures, traditions and customs of countries and regions around the world. We will then engage in fair and sincere corporate activities.

4 Education and Awareness of Employees to Promote Sustainability

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

Fumihiko Kobayashi

Member of the Board Executive Vice President Chief Administrative Officer Established in April 2006 Revised in April 2022

Reference Guidelines and Principles for Promoting Sustainability

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

- The Ten Principles of the United Nations Global
- Compact
- GRI Standards
- International Integrated Reporting Framework(IIRC)
- ISO 26000 (Social Responsibility)
- TCFD Recommendations

- Universal Declaration of Human Rights (UDHR)
- UN Guiding Principles on Business and Human Rights
- Sustainable Development Goals (SDGs)
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Basic Principles on the Use of Force and Firearms by Law Enforcement Officials
- OECD Guidelines for Multinational Enterprises
- The Environmental Reporting Guidelines issued by the Ministry of the Environment
- Keidanren: Charter of Corporate Behavior, Global Environment Charter
- Japan Foreign Trade Council: Shosha's Corporate Environmental Code of Conduct, Supply Chain CSR Action Guidelines

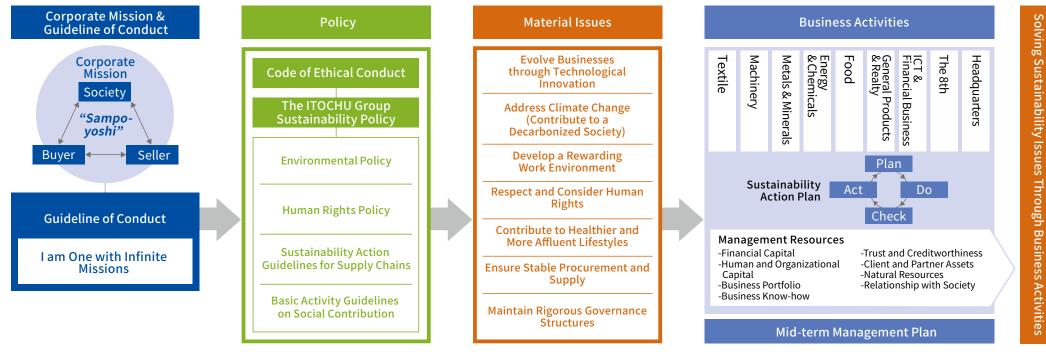
Top Commitment	Sustainability at the ITOC	HU Group	Environment	Socie	ety	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	<	12	>
Our Sustainable History an	d Value Creation Model	Policy & Basic Ar	pproach Structure	and System	Initiatives	Stakeholder Engagement						

Structure and System

Promoting Sustainability at ITOCHU Corporation

We established The ITOCHU Group Sustainability Policy (P11) to set ITOCHU Corporation's initiatives to further sustainability in accordance with our corporate mission and the dynamic environment in which we operate. Our implementation of the policy is organized and systematic. In the course of implementation, ITOCHU Corporation determines the Material Issues with priority need for a solution, then inserts the Material Issues into Sustainability Action Plans (P19). These plans guide operations in our trading and business investments as we carry out the policies in the mid-term management plan, thus helping to solve the aforementioned issues.

Sustainability Promotion Flow



Top Commitment Sustainability at the I	OCHU Group	Environmer	ıt	Soc	iety	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	<	13	>
Our Sustainable History and Value Creation Model	Policy & B	Basic Approach	Structure	e and System	Initiatives	Stakeholder Engagement						

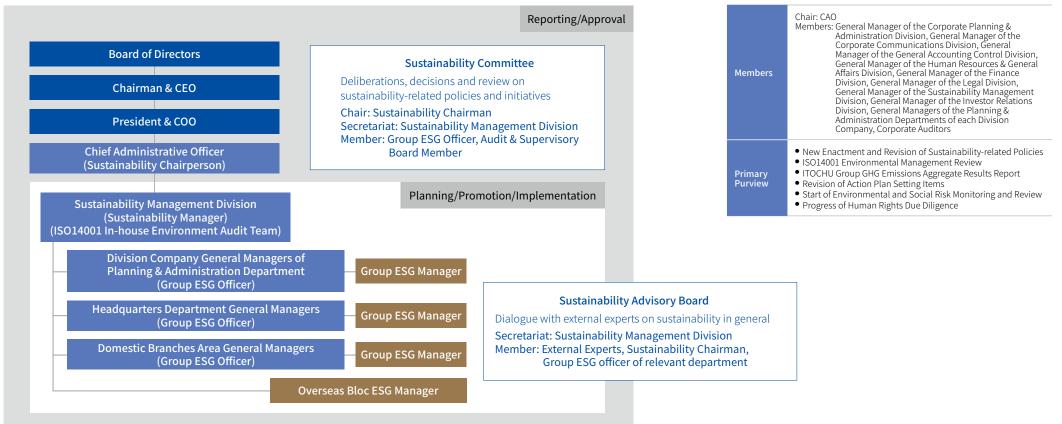
Structure and System

Structure for Promoting Sustainability

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

FYE 2022 Sustainability Committee

Sustainability Promotion Framework (FYE 2023)



Top Commitment	Sustainability at the ITOCHU Group	Environment	Society
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Our Sustainable History and Value Creation Model

Policy & Basic Approach Structure and System

Initiatives

SDGs Bond (Sustainability Bond

Stakeholder Engagement

Evaluation by Society

Independent Assurance Rep

Initiatives: Material Issues

In April 2018, ITOCHU put forth Material Issues that incorporate an ESG perspective when we formulated the previous medium-term management plan. Addressing these Material Issues through our core business, we will contribute to a sustainable society. ITOCHU's sustainability initiatives aim to fulfill our responsibilities for the society of today and the future. Also, these initiatives are contributing to the achievement of the Sustainable Development Goals (SDGs)* adopted by the United Nations in 2015.

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

Identification and Review Process for Material Issues (P15)

Risks and Opportunities of Each Material Issue (P16)

Social Impacts of Each Material Issue (P17)

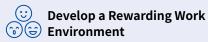
Sustainability Action Plans (P19)

Evolve Businesses through Technological Innovation

We are creating new value by proactively exploring new technologies as we adapt to changing industry structures by venturing beyond existing business frameworks.



We are striving to adapt to the impact of climate change on our business activities, while also promoting business activities that contribute to a decarbonized society and seeking to reduce greenhouse gas emissions.



We are developing a work environment where all employees feel proud and motivated, and where they can leverage their diversity to demonstrate their abilities to the fullest.



We are promoting respect and consideration for human rights in our business operations and ensuring stability in our business, while also contributing to the development of local communities.



Contribute to Healthier and More Affluent Lifestyles

We are striving to improve the quality of life for all people and are contributing to the creation of healthier and more affluent lifestyles.





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We are contributing to the creation of a recyclingoriented society by giving consideration to biodiversity and other environmental issues while undertaking the effective utilization of resources as well as their stable procurement and supply, in line with demand in each country.





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Maintain Rigorous & Governance Structures

We are ensuring appropriate and efficient execution of operations through independent, objective, and effective oversight of management by the Board of Directors and increased transparency in decisionmaking.



SUSTAINABLE GALS

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Top Commitment

Our Sustainable History and Value Creation Model

Initiatives: Identification and Review Process for Material Issues

Structure and System

Since ITOCHU Corporation first identified Material Issues in 2013, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders.

Society

Initiatives

The Current Material Issues were identified in April 2018 in consideration of ITOCHU's sustainable growth and the social impact of its business, based on changes in social conditions and the business environment, such as the adoption of the SDGs and the effectuation of the Paris Agreement, as well as ITOCHU's corporate philosophy of "Sampo-yoshi." While the original material issues focused on consideration for the environment and society (CSR), the revisions are based on "our efforts through core business," "alignment with management strategy," "medium- to long-term social change," and "the addition of governance elements."

The material issues' selection process is as illustrated.

Sustainability at the ITOCHU Group

Policy & Basic Approach

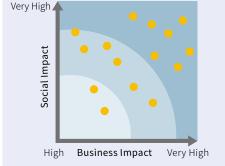
Deduce Issues

Refer to the international guidelines issued by the International Integrated Reporting Council (IIRC), items assessed by ESG evaluation bodies, etc. Use the SDGs covering social issues and create a strategic analysis sheet in consideration of the internal and external business environment and international trends,to deduce issues affecting sustainable growth.

SUSTAINABLE DEVELOPMENT **G**ALS

Division Companies Determine Importance and Set Success Indicators

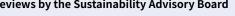
Each of ITOCHU Corporation's division companies determines the risks, opportunities and success indicators for their business activities. Upon analyzing the business and social impacts of the risks and opportunities both within the company and those associated with outside stakeholders, they follow the Sampo Yoshi business philosophy and our corporate philosophy to identify priority issues to address for sustainable growth.



Reviews by the Sustainability Advisory Board

SDGs Bond (Sustainability Bond

The Sustainability Advisory Board conducts reviews and an exchange of ideas between outside experts.





Evaluation by Society

Independent Assurance Repo



 Discussion Processes with External Stakeholders (Experts) : ITOCHU Sustainability Report 2018 P19 (https://www.itochu.co.jp/en/files/18fulle-all.pdf)

Discussion and Decision-Making Among Management

The Sustainability Committee chaired by the CAO holds deliberations and confirms the validity of Material Issues, after which decisions are made at company meetings and meetings of the Board of Directors chaired by the CEO.

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Stakeholder Engagement

	Top Commitment	Sustainability at the ITOCHU	Group Environme	nt Sc	ciety	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	< 10	5 🗲	
(Our Sustainable History and Val	ue Creation Model	olicy & Basic Approach	Structure and System	Initiatives	Stakeholder Engagement						

Risks and Opportunities of Each Material Issue

Material Issues	Risks	Opportunities
Evolve Businesses through Technological Innovation	 Obsolescence of existing business models resulting from the emergence of new technologies, such as IoT and AI. Labor shortage in developed countries, loss of excellent human resources in businesses in which efficiency improvement is delayed. 	 Creation of new markets and provision of innovative services. Utilizing new technologies for optimizing human resources and logistics, increasing competitiveness by promoting work style reform.
Address Climate Change (Contribute to a Decarbonized Society)	 Transition Risk Reduction in demand for fossil fuels due to business restrictions on greenhouse gas emissions. Physical Risk Damage to business due to the increase in abnormal weather (e.g., droughts, flooding, typhoons and hurricanes). 	 Increase in renewable energy and other business opportunities which will contribute to alleviating climate change. Retention and acquisition of customers by strengthening supply structures that can adapt to abnormal weather.
Develop a Rewarding Work Environment	 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. 	 Improvement of labor productivity, health and motivation, securing of excellent human resources, enhanced capability of responding to changes and business opportunities, and other events that will result from providing a motivating workplace environment.
Respect and Consider Human Rights	 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. 	 Stabilization of business or securing of excellent human resources resulting from harmonious coexistence with local communities. Establishment of safe, stable supply system for product enabled by the consideration of human rights and improvement of work environment in the supply chain.
Contribute to Healthier and More Affluent Lifestyles	 Decline in credibility that would result from the occurrence of consumers and service users' safety or health issues. Impact on business of destabilization of the market or social security system based on policy change. 	 Increase in demand for food safety, security and health improvement. Expansion of information, financial and logistics services resulting from an increase in consumer spending or penetration of the internet.
Ensure Stable Procurement and Supply	 Impact of opposition movement resulting from the occurrence of an environmental problem and worsening relationship with local communities. Structural exhaustion of the overall industry caused by the occurrence of price competition, mainly in the consumer-related sector. 	 Increase in resource demand attributed to an increase in population and improvement of living standard in emerging countries. Winning customer trust or creating new businesses with a stable supply of environmentally friendly resources and materials.
Maintain Rigorous Governance Structures	 Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control. 	 Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.

	Top Commitment	Sustainability at the ITOC	HU Group	Environment	So	ciety	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	▲ <	17 🕻	•
(Our Sustainable History and Val	ue Creation Model	Policy 8	& Basic Approach Si	tructure and System	Initiatives	Stakeholder Engagement						

Social Impacts of Each Material Issue

Material Issus	Impact Classification	Impact Description
Evolve Businesses through Technological Innovation	Innovation	 Promote DX, and improve productivity and operational efficiency of the entire industry. Leverage new technologies (such as Fintech, IoT, AI, and remote technology, etc.) and business models, and promote the creation of new businesses and the provision of innovative services utilizing consumer contact points.
	GHG Emissions	• Comply with the Japanese government's target, achieve "virtually zero" GHG emissions by 2050. Furthermore, aim for "zero offset" by 2040 through the active promotion of businesses that reduce emissions, and contribute to reducing the impact of climate change.
	Climate Change Opportunities	 Promote integrated projects including the development, operation, and fuel supply of ammonia-fueled vessels, and contribute to net zero emissions of GHGs in the marine and shipping sectors. Develop, own, and operate renewable energy power plants so as to realize a stable supply of renewable energy, and contribute to mitigating the effect of climate change. Provide a stable supply of Al storage batteries that help optimize the balance of power supply in household regions and contribute to mitigating the effect of climate change. Promote sales of electric vehicles (EVs) and hybrid vehicles (HVs), and contribute to global warming countermeasures in the transportation sector. Promote environmentally friendly energy use in regional heat supply, and contribute to mitigating the effect of climate change.
	Climate Change Adaptation	• Diversify origin and development of local industries so as to hedge weather risks, and reduce the impact of extreme weather and global warming in food, forestry sectors.
Address Climate Change (Contribute to a Decarbonized Society)	Transition Risk	 Promote efforts to completely withdraw from fuel coal mine interests, and contribute to mitigating the effect of climate change. Work with specialized companies on resource development projects that take into account GHG reduction (Transition Fuel), and contribute to mitigating the effect of climate change.
Secandonized Society)	Capital Introduction	 Continue to invest in the development of technologies that contribute to the reduction of greenhouse gas emissions, such as CCS (CO₂ storage) and CCU (CO₂ utilization), and contribute to mitigating the effect of climate change. Promote businesses related to the stable supply of materials necessary for the production and supply of fuels such as hydrogen and ammonia, raw materials such as nickel and PGM, and storage batteries, and contribute to mitigating the effects of climate change. Expand the use of sustainable by-products as an alternative to cement, which is indispensable for civil engineering and construction, and contribute to mitigating the effect of climate change.
	Pollution Prevention and Resource Recycling	• Work with local specialized companies in Europe and the Middle East, promote waste disposal and waste power generation projects, and contribute to mitigating the effect of climate change.
	Water Resources	• Work with local specialized companies mainly in Europe and the Middle East, promote water treatment business, and promote effective use of water resources and contribute to reducing the environmental impact.
Develop a Rewarding	Labor Practices	 Prohibit all forms of discrimination, create an environment in which employees with childcare, nursing care, or illness can also play an active role, and support the activities of diverse human resources. Enhance occupational health services and health & safety management system, and promote employees' health and safety. Penetrate labor standards, work style reform, enhancing employee benefits, and promote improvement of labor productivity and employee engagement. Develop training programs for all levels from a global perspective, develop and utilize personnel systems based on management by objectives, and promote the development of excellent human resources.
	Labor Practices	• Establish and conduct fair recruitment, harassment prevention, human rights training, and grievance hotlines, and reduce the negative impact on human rights.
	Mining	 Give due consideration to the environment, health and occupational safety (EHS) and coexistence with local residents, and promote sustainable mining operations. Contribute to medical care and education for local communities in the areas where we operate our mines.
Respect and Consider Human Rights	Forest	• Improve supply chain transparency in the procurement of raw materials for wood, palm oil, natural rubber, food, etc., and prevent negative impacts on forests, the environment and local residents.
- C	Supply Chain	 Continuously conduct surveys on human rights, society, and the environment of new businesses, business investments and major suppliers, and reduce negative impacts of human rights, society and the environment throughout the value chain. Conduct human rights due diligence, and reduce negative human rights, society and environment throughout the value chain.
	Community Contribution	Promote social contribution activities for local communities, and realize a symbiotic community where sports and cultural exchange are possible.

	Top Commitment	Sustainability at the ITOCHU	Group Environme	nt	Society		Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	< 18 🕻	>
(Our Sustainable History and Val	ue Creation Model	Policy & Basic Approach	Structure and	nd System Initia	atives	Stakeholder Engagement					

Social Impacts of Each Material Issue

Material Issus	Impact Classification	Impact Description
Contribute to Healthier	Food Safety	 Select and concentrate on suppliers to ensure stable procurement of safe and secure food products, and provide safe products to our customers. Work with suppliers, provide products with food information and nutritional balance, and contribute to the promotion of people's health.
and More Affluent Lifestyles	Medical Health	• Provide advanced medical equipment and advanced medical services, develop safe pharmaceuticals and other product, and contribute to the improvement of people's health.
	Retail Finance	• Expand financial services that support people who need financing for their daily lives and business continuity (low-income people, etc.), and contribute to a healthy and prosperous life.
	Forest	• Increase supply chain transparency in the procurement of raw materials for wood, palm oil, natural rubber, food, fiber, etc., and prevent negative impacts on forests, the environment and local residents.
	Plastic	• Work with brand owners, supply environmental-friendly materials such as bioplastics, establish recycling and reuse programs, and contribute to solving social problems such as marine plastics and waste plastics.
	Electric Power, Mining, Oil and Gas Fields	• Reduce impacts on biodiversity through ESG risk assessment focusing on biodiversity in investment projects (electric power, mines, oil and gas fields, etc.).
Ensure Stable Procurement and Supply	Stable Supply of Resources	 Diversify production areas to hedge weather risks, cultivate new production areas through the development of local industries, and contribute to the stable supply of agricultural products. Work with key partners, maintain a value chain of mining resources and next-generation fuels (hydrogen and ammonia) that reinforces existing achievements, and contribute to the stable supply of resources.
	Supply Chain	 Strengthen communication on the respect for human rights and environmental management with major suppliers of natural resources, and prevent negative impacts of suppliers on the economy, environment, and people. Further expand and increase the handling of sustainable materials, and contribute to the stable supply of textile products.
	Pollution Prevention and Resource Recycling	 Contribute to the promotion of the effective use of resources and the reduction of adverse environmental impact in our own offices and business activities such as waste disposal and food. Comply with relevant chemicals laws and regulations, and minimize the adverse effects on human health, the environment and the stable supply of chemicals.
	Water Resources	• Promote the efficient use of water in our own offices and business activities, promote water treatment projects in water-stressed areas, and contribute to the promotion of effective use of water resources and reduction of environmental impact.
Maintain Rigorous Governance Structures	Governance	 Provide highly effective supervision of management, increase the transparency of decision-making, ensure appropriate and efficient business execution, and meet the expectations of our stakeholders through sustainable growth. Establish a group risk management system, maintain continuous performance, and meet the expectations of our stakeholders. Further foster awareness among employees that compliance at all times constitutes a contribution to the company and society, and mitigate adverse impacts on the economy (competition practices, procurement practices, etc.

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Evolve Businesses through Technological Innovation

Division	SDGs	Impact		Ŭ	lotogicat innovation			
Company	Targets		Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	9 Martin New Vie Martine States	Innovation	Improving and increasing the efficiency of business processes	Textile products in general	We will strive to sustain and improve the textile industry by promoting the digital transformation of our entire group.	Contribute to an increase in the efficiency of business processes, the optimization of inventory and the strengthening of customer relationship management in group companies by utilizing IT and data and promoting RFID.	Promote the digital transformation of group companies and then aim to increase profits, improve the efficiency of business, cut costs and reduce inventory/disposal losses by utilizing IT and data.	Led by Digital Strategy Dept., we are promoting the digital transformation of management in Textile Company group. Inventory management project is in progress at JOI'X CORPORATION and CONVERSE JAPAN. DESCENTE has scheduled to launch a new system aiming for the efficiency of manufacturing in June 2022.
Metals & Minerals Company	9 HELETY MONYAN De Recentral	Innovation	Next-generation business development	 Mining business Resource- related business Logistics business 	We will contribute to improving business efficiency and eliminating concerns about skilled worker availability while fully considering the health and safety of on-site employees.	 Promote an increase in efficiency of mine operations and facility management utilizing digital transformation. Promote conversion to the automatic operation of mining equipments such as underground mining equipments and dump trucks. 	Promote initiatives that contribute to an improvement in the health and safety of employees at operation sites and in the overall business efficiency.	We signed a memorandum to collaborate in decarbonization and digital transformation with CSN and started demonstration experiment with the aim of contributing to increased safety and operational efficiency and decarbonization at the iron ore mine that we invest and CSN steel work.
Food Company	9 REPORT DEVICES	Innovation	Next-generation business development	Overall food- related businesses	 We will aim to improve productivity and increase business efficiency in the overall food-related field by promoting systemization of RPA and AI. We will aim to create innovative services and new business by integrating resources and new technologies of the ITOCHU Group. 	 We will aim to improve productivity and increase business efficiency by introducing and utilizing new systems and new technologies focused on the food distribution field. We will create unique new value by combining the wide ranging product lineup, functions and expertise of our group based on retail customer needs. 	 Status of promoting business reform in the food-related field with the introduction of AI, RPA and other systems. Status of promoting the development of new products and services through the food wholesale business developed by the ITOCHU Group. 	 We are currently promoting the electronic data interchange, digitalization of invoices in ITOCHU and group companies. We concluded a business alliance agreement with SINOPS company, which has strengths in retailer's automatic ordering functions with AI system. We are promoting an increase in the efficiency of logistics with DCM optimization, delivery route optimization with AI system, automatic ordering functions and so on. We have developed "FOODATA" to support the effective use of data in the product planning and development process of food companies, and provide services.
ICT & Financial Business Company	9 KREETE DAVIDA AR HINSTOCIAE	Innovation	Maintenance of industrial, logistics, and transportation infrastructure	ICT infrastructure development business	We will contribute to realize safe secure, and highly convenient social infrastructure through providing various ICT solutions.	Maximize the added value of our ICT solutions by continuously sourcing new products and services.	Increase the number of partnerships.	We have partnered with 6 sourcing companies through alliances and investments, in order to provide ICT solutions for the "New Normal" era (i.e. Cyber Security). We hope to minimize the many risks and concerns in connection to the clients' business continuity and promote sustainable growth support in the future digital era.
The 8th Company	9.0000000000	Innovation	Next-generation business development	Consumer related business	We will aim to create innovative services and new business by integrating assets and new technologies of the ITOCHU Group.	Increase contact with consumers by promoting the retail business in our initiatives to understand consumer behaviors, and combine the wide range of products, functions, and expertise of the Group to create unique new value that will be profitable for consumers and communal society.	Aim to develop new businesses and cultivate new customers by taking full advantage of the business foundations possessed by the ITOCHU Group.	 We are currently promoting a digital strategy in FamilyMart - a group subsidiary. FamiPay, released in July 2019, has been downloaded more than 11 million times as of the end of February 2022. We have achieved labor saving in FamilyMart stores (e.g., shortening of cash register service times). We have launched micro financial services in FamiPay app such as FamiPay next month payment, deferred payment services, on September 2021 and FamiPay loan, loan services, on December 2021. We have entered into a capital and business alliance agreement with Couger Inc a company which independently develops virtual human agents with advanced recognition technology. We are utilizing the technology of Couger Inc. to proceed with development that will support store manager operations in FamilyMart stores. ITOCHU, FamilyMart, NTT Docomo and CyberAgent established Data One, an advertising distribution company, in October 2020. Data One sell new targeted advertising products based on actual purchase data in real stores. It is characterized by its provision of a streamlined service including purchase effect verification. ITOCHU and FamilyMart established Gate One, a media business company using digital signage, in September 2021. We have eministalling large signage inside FamilyMart stores, turning stores into a form of media. We have linstalled signage in 1,000 stores by February 2022. By June 2022, we aim to install signage in 3,000 stores. Furthermore, we will install it to nationwide FamilyMart stores where such signage can be installed. By distributing unique content that customers enjoy, we will raise our media value and aim to become the third form of media, after TV and the internet.

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Address Climate Change (Contribute to a Decarbonized Society)

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	7 consider of the lower 13 const T	Climate Change Opportunities	Taking counterm- easures against climate change	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	 We continue to operate wind power projects in the U.S. (Butendiek and Cotton Plains). We invested in wind farms consisting of Kimball Power Plant (Minnesota, U.S.) and South Fork Power Plant (Nebraska, U.S.) in March 2020. We acquired all equity interests in Bay4 Energy Services, LLC in December 2020. Bay4 Energy Services, LLC operates, maintains and provides asset management services for to approximately 1,400 solar power plants with a total capacity of 1.6 GW in the U.S. We established Tyr Energy Development Renewables, LLC ("TED") to accelerate the development of renewable energy in the U.S. Our ratio of renewable energy as a percentage of our total net generation capacity is equivalent to based on our power generation business equity capacity is 14.2% (as of December 2021).
Machinery Company	13 ERF	Climate Change Opportunities	Taking counterm- easures against climate change	Zero emission vessels	We will contribute to reduce greenhouse gas emissions in the shipping and maritime transportation fields by promoting integrated project that include the development, owning, operation of ammonia-fueled vessels and development of supply chain of ammonia fuel.	Aim to materialize the pilot project which includes the development, owning and operation of ammonia fueled vessel led by Japanese industry players and development of supply chain of ammonia as an alternative marine fuel.	 Build a value chain centered on ammonia fuel through the owning and operation of ammonia fueled vessels and establishing fuel supply chain. Reduce carbon emissions from the maritime industry by promoting the spread of ammonia-fueled vessels from 2025 onward. 	 For the contribution of decarbonization in the field of the international shipping, and creation of the new business, we implement "comprehensive projects", including the development of ammonia fueled vessels, the operations, fuel supply areas. We have created the platforms for the studying and the discussion of the common tasks for introducing ammonia fueled vessels. For the further discussion, we consider to collaborate with Japanese government (Ministry of Land, Infrastructure, Transport and Tourism), Rotterdam port and Singapore port authority. In October, 2020, it has been adopted to the "Green Innovation Fund Project / Development Project for Next-Generation Ships / Development of Ammonia Fueled Ship", a project publicly offered by New Energy and Industrial Technology Development Organization (NEDO).
Machinery Company	13 STATE	Climate Change Opportunities	Taking counterm- easures against climate change	Sales of passenger cars and commercial vehicles	We will achieve the eco-friendly mobility society by strengthening businesses of electric vehicles (EVs), hybrid vehicles (HVs), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco-friendly vehicles by increasing business of eco-friendly and high-efficiency products, such as EVs, HVS, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	 We have invested in a ride sharing service company called Via (2019). We have been providing efficient transport system to mainly rural areas. Also we are currently promoting collaboration with a major logistics company (providing a system for new logistics services). This is improving the efficiency of transportation and logistics to contribute as an aid in reducing our environmental burden. We have been participating in a small electric truck demonstration experiment since January 2019 in Japan and from the knowledge we are trying to establish new business around EVs. Since September 2021, we are participating into a pilot project about battery swapping EV truck which is backed up by Japanese government(Ministry of Environment). We have invested in 2018 in China called Dishangtie Car Rental, an electric commercial vehicle rental and maintenance service. We have engaged a MOU to study about expanding such EV maintenance rental and leasing to abroad countries.
Machinery Company		Water Resources Pollution Prevention and Resource Recycling	Improving wate and sanitation infrastructures	r Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and reduce the burden on the environment.	Expand and diversify the investment portfolio in the water and environment field.	 Water Field We have developed a water supply service business in the U.K. and seawater desalination business in Australia and Oman. We aim to contributing to stable water supply in regions through seawater desalination, and water supply/ and sewerage businesses. At the same time, we are looking to be involved in solutions-based business for water issues in each industrial sector across a range of industries. Environmental Field We operate four municipal solid waste incineration and power generation plants(waste to energy plant) in the U.K, which treat 1.3 million tons of waste annually, accounting for 15% of the UK's waste incineration market, and generate enough electricity to power 160,000 British households. We are currently constructing a municipal solid waste incineration and power generation plant(waste to energy plant) and a new leachate-controlled landfill in Serbia. In November 2020, we acquired a 20% stake in Environment Development Company Ltd. (EDCO), which provides integrated hazardous waste management services in Jubail Industrial Service of energy-from-waste project. Appropriate treatment of municipal solid waste in City of Belgrade and reduction of environmental pollution and greenhouse gas emisions has begun. Recycling of construction waste has also begun. We are aiming to enhance the functions of our initiatives that to capture strong demand for waste management services in light of intensifying environmental regulations in each the industrial sector and the growing awareness of ESG and SDGs more generally in the same way as in the water field.

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Address Climate Change (Contribute to a Decarbonized Society)

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Metals & Minerals Company	13 HR 213 HR 13 HR 13 HR	• Climate Change Opportu- nities Capital Introduction	Taking countermeasures against climate change	 Resource recycling business Mining business Environ- mental business Materials- related business 	 We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials. 	 Take the lead in developing recycling- orientated business. Promote initiatives for the social implementation of hydrogen and ammonia as next-generation resources and raw materials in client industries (e.g. steel and power). Promote businesses to contribute to the stable supply of nickel, PGM and other materials necessary in the manufacture and supply of hydrogen, green materials and energy, and storage batteries. Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gas emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Promote initiatives to completely withdraw from thermal coal mine interests while continuing to realize stable resource supply as our social mission and responsibility through trading in regards to our coal business. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper). 	 Promote recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia as next-generation resources and raw materials in client industrise (e.g., steel and power). Promote examination toward technological development and commercialization to contribute to a reduction in greenhouse gas emissions, including hydrogen, green material and energy production, and carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Strive to withdraw from thermal coal mine interests. Realize initiatives in businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper). 	 We are contributing to the effective utilization of limited resources and the supply of environmental materials by promoting 3R+W (reduce / reuse / recycle + waste management) through our supply chains toward the realization of a sustainable society. Specifically, we are steadily promoting initiatives in venous industries. This includes the reuse and recycling of FamilyMart store facilities and fixtures, the expansion and increase in sophistication of metal scrap and waste treatment, and strengthening of cooperation with the REVER HOLDINGS CORPORATION) general recycling company we invested into last year. We agreed with Nel ASA (Norway), who is the world's largest manufacturer of electrolysers that are essential for green hydrogen production, to create a strategic partnership in the hydrogen industry. We and Nel are jointly exploring hydrogen business opportunities. We are promoting to realize the Platreef project in the PGM/nickel business where demand is expected to grow significantly due to the worldwide spread of electric vehicles and fuel cell vehicles. We continue to conduct a commercialization survey of a by-product hydrogen project in northern Kyushu together with NIPPON COKE & KOINEE/ING CO, LTD. and a Belgian maritime transportation company Compagnie Maritime Belge BV. for the early social implementation of hydrogen, which is based on our agreement in February 2021. We made an investment into Australia-based MCi, who possesses mineral carbonation technologies. We are promoting the examination of other carbon dioxide capture, utilization and storage (CCUS) technologies and various initiatives that will lead to a reduction in CO2 emissions. As per the Outline of Medium-Term Management Plan that we announced in January 2021, we decided to withdraw from thermal coal mine interests with a perspective of strengthening contribution and initiatives to SDGs. And we divested our Drummond thermal coal mine interests in Colombia that had accounted for the majo
Energy & Chemicals Company	13 cm 2000	 Transition Risk Stable Supply of Resources 	Stably supplying energy taking into account climate change and the environment	Oil/gas interests and liquefied natural gas (LNG) projects	We will produce resources (transition fuels) taking into account a reduction in greenhouse gases. We will provide a stable supply of energy to contribute to the development of industry and the construction of infrastructure.	Work on resource development projects in collaboration with superior partners who have advanced technical capabilities and abundant experience.	Pursue opportunities to participate in gas projects with a relatively low environmental burden in fossil fuels and as raw material source of the low- carbon fuel while keeping in mind the stable supply of energy in the transition phase toward the realization of a sustainable society.	Aiming stable supply of energy towers the realization of a sustainable society, we are continuing to hold discussions with superior partners to realize participation in new gas projects as transition fuel and raw material source of the low-carbon fuel.
Energy & Chemicals Company	7 COMPARE AND	Climate Change Opportunities	Energy use that takes into consideration local communities and the environment	District heating and cooling	We will promote initiatives toward environmentally friendly regional energy use.	Communicate appropriately with neighboring stakeholders in the Jingu Gaien district.	Maintain the stable operations of district heating and cooling in the Jingu Gaien district and promote the spread of it to neighboring areas.	 We submitted Project Planning sheet to Tokyo Metropolitan Government in July, 2021. In March, 2022 Tokyo Metropolitan Government notified Jingu Gaien district city planning. We are continuing discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.
Energy & Chemicals Company		Climate Change Opportunities	Efforts to optimally and continuously supply renewable energy	 Energy Storage System Power & Environmental Solution 	 We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular. 	We will continue to sell Energy Storage System equipped with optimal charging/ discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	 Number of storage batteries sold. Use of recycled and reused batteries. 	 We have sold a cumulative total of approximately 50,000 units (485 MWh) of energy storage systems as of the end of March, 2022. Our customers are making the maximum use of the solar power they generate in their homes for their own consumption with our grid share service (AI control) that we have been equipping as standard and selling in systems since November 2018. In Jun, 2021 Energy Storage Systems brand, "Bluestorage", using reuse-EV-battery, has started its operation. We are continuing to promote it with a view to commercialization and mass production. We continue the recycle demonstration of household storage battery reuse for the establishment of recycle chain and tractability. We are considering the combination of recycler, manufacturer of positive electrode material/ precursor and the company who has the block chain skills.

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Address Climate Change (Contribute to a Decarbonized Society)

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company	7 mman 2 13 mm Control 13 mm	Stable Supply of Resources Capital Intro- duction	Working on new fuel initiatives toward the realization of a carbon-neutral society / recycling- orientated low-carbon society	Production and supply of hydrogen and fuel ammonia, and procurement and supply of renewable fuels	We will aim to build a production and supply structure for new fuels to contribute to the reduction of greenhouse gases on a life cycle assessment basis toward the realization of a sustainable society.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	 In Oct 2020, we have participated in a collaboration initiative, a first for Japan, in relation to the supply of sustainable aviation fuel (SAF) in partnership with ALL NIPPON AIRWAYS CO., LTD. and Neste Corporation, world's leading producer of renewable diesel and SAF, developing chemical recycling to combat the plastic waste challenge. In Feb 2021, we have agreed to a strategic collaboration on the development of a hydrogen value chain that covers all aspects from upstream to downstream (low-carbon hydrogen production to its utilization), with Air Liquide Japan G.K., the Japanese subsidiary of Air Liquide, the world's largest industrial gas company driving the worldwide hydrogen business, and ITOCHU ENEX Co., Ltd. The three companies have signed a memorandum of understanding to this effect. In Jun 2021, we, ITOCHU Corporation, ITOCHU ENEX Co., Ltd. and FamilyMart Co., Ltd. have facilitated the use of renewable dises for delivery vehicles for convenience stores for the first time in Japan. In Aug 2021, we made investment in Raven SR Inc (headquartered in USA) along with Chevron U.S.A. Inc., Hyzon Motors Inc., and Ascent Hydrogen Fund. Raven is a startup company seeking to produce renewable hydrogen and renewable fuels from municipal solid waste. In Aug 2021, we nater participated in a project, which produce sustainable aviation fuel (SAF) from biomas materials, as a member of consortium including JERACo., Inc, Mitsubishi Havy Industries, Ltd., and Toyo Engineering Corporation with support of New Energy and Industrial Technology Development Organization (NEDO). We will aim at implementing a commercial scale domestic SAF production for sustainable SAF supply in Japan. In Feb 2022, we, ITOCHU Corporation, and Neste have expanded their partnership to grow the availability of SAF in Japan. In the partnership, ITOCHU acts as the sole branded distributor of "Neste MY Sustainable Aviation Fuel" in Japan, making "Neste MY Sustainable Aviation
Energy & Chemicals Company	13 cmr ••••	Capital Introduction	Working on initiatives in carbon dioxide capture anc storage (CCS) business toward the realization of a carbon-neutral society and inclusive and sustainable economic growth		We will aim to build CO ₂ capture chains to contribute to the reduction of greenhouse gases toward the realization of a sustainable society.	Refine CO ₂ storage technologies - an application of petroleum development technologies - and enhance access to CO ₂ capture chains (e.g., collection and transportation) to link them to CO ₂ storage technologies.	Build a CO ₂ transportation and storage business model by uncovering CO ₂ capture needs at places where CO ₂ is emitted in client industries across our companies.	In Jun 2021, we, ITOCHU Corporation, together with ITOCHU Oil Exploration Co., Ltd., are joining the Geological Carbon Dioxide Storage Technology Research Association to participate in a project to research and develop technologies for underground sequestration of carbon dioxide. We aim to build a business model for the CO ₂ capture chain through this initiative.
Energy & Chemicals Company	7 entered and call serve	Climate Change Opportuni- ties	Working on initiatives to optimally and continually supply renewable energy	Renewable energy independent power producers (IPPs) / renewable energy-related materials procurement / dispersed power source initiatives	 We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power gird through the deployment of solar power dispersed power sources. 	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power plants (VPP).	 Scale of our renewable energy assets Scale of our dispersed power sources 	 We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 300 on-site photovoltaic power plants(combined output is appx 65,000kW) across Japan through VPP Japan, Inc. We singed capital and business alliances with Clean Energy Connect Co.,Ltd who supply renewable power sources to customer companies through off-site Corporate Power Purchase Agreements(PPAs). We started a demonstration of next generation energy management by Al for optimal control among individual facilities, solar power generation facilities, energy storage systems, in collaboration with iGrid Solutions Inc. We made a decision to construct a biomass power plant in Tahara City, Aichi Prefecture and in Hyuga City, Miyazaki Prefecture.
Food Company	7 EXCREMENTAN PROVINCE 13 EXEMPTION 13 EXEMPTION 13 EXEMPTION 14 EXEMPTION 15 EXEMPTION 15 EXEMPTION 16 EXEMPTION 17 EXEMPTION 18 EX	GHG Emissions	Taking countermeasures against climate change	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	We will utilize green energy in our processed food business.	 New boiler and power plant operating situation. Situation of the utilization of raw materials in boilers and power plants. (1) Situation of the utilization of all food residue generated in pineapple processing factories. (2) Situation of the utilization of non-standard products that cannot be sold as food, generated in banana plantations. 	Starting of the plant operation was delayed due to restrictions of the movement of overseas engineers due to the COVID-19 pandemic. We expect full-scale operation to start at the beginning of 2022.
General Products & Realty Company	13 canat Refer	Capital Introduction	Taking countermeasures against climate change	Cement substitute material such as slag	We plan to expand the use of sustainable byproducts (slag) as a substitute material for the cement which is vital for construction and civil engineering.	Establish continuous, stable business between Steelworks as the supplier of slag and Users.	Consider investment, participation, etc. in the slag business and focus initiatives on creating demand, especially in developing countries, with the aim of establishing continuous, stable business.	We are currently in discussions concerning investment and participation in the slag business.

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Policy & Basic Approach Structure and System Stakeholder Engagement

Initiatives: Sustainability Action Plans

Develop a Rewarding Work Environment

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Head- quarters	8 dictor NARE AND Dissolationanti	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.	 Conduct regular monitoring of employees' work situations. Conduct employee engagement survey. Promote the percentage of taking employee acquiring paid leave. 	 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. 	 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; 58.8% in FYE 2022.
Head- quarters	8 Alteratives Alteratives Alteratives	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.	 Keep the percentage of employees who receive regular medical checkups in Japan at 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote support system for balancing cancer care and work. Encourage support for smoking cessation treatment. Utilize of health management website (ITOCHU Health NAVI and HSS)(Installation cost: 800,000 yen) Continue to provide special programs for employees at a high risk for lifestyle-related diseases. Conduct stress check every year. 	 Percentage of employees who receive regular medical checkups in Japan: 100%. Percentage of employees who use health management sites (ITOCHU Health Navi and HSS) 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. 	 Regular medical checkup rate: 100% in FYE 2022. Health management site utilization: Deployment completion of the new ITOCHU Health Navi and HSS systems company-wide. Measures for those with a high risk of lifestyle diseases: increase in the percentage of employees receiving specific health guidance compared to the previous year: 46% in FYE 2022. Rate of those found to have a high level of stress in the stress check: 3.0% in FYE 2022. Women's Health Seminars held as a way to support for balancing cancer care and work: approx. 3.5 million yen spent in FYE2022.
Head- quarters	8 etteration etteration etteration	Labor Practices	Sustainable development of employees' capabilities	Human resources affairs	We will develop training programs on a global basis that respond to the changing times and business needs with a market-oriented mindset to foster marketing professionals 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.	 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. 	 Annual training-related expenses exceeding one billion yen. Rate of positive responses to the "education and trainings" item in the engagement survey: 60% or higher. Percentage of career-track employees who are deployed overseas in their first eight years at the company at 80% or higher. Percentage of career-track employees who acquire business-level English skills in their first eight years at the company at 100%. 	 Annual training-related expenses forecast: Approximately 1.1billion yen in FYE 2022. Rate of positive responses to the "education and trainings" item in the engagement survey: 68%. Overseas dispatch rate for career-track employees in up to their eighth year since joining the company: 89%. Acquisition rate of business level English skills for career-track employees in up to their eighth year since joining the company: 100%.
Head- quarters	5 LEADER CONTRACTOR 8 CENTRACTOR 10 RECEIPTION 10 RECEIPTION CONTRACTOR	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 create an environment that will permit the active participation of employees whose work hours are limited due to childcare, nursing care, diseases or similar circumstances.	 Continue fair and equitable recruitment and promotion. Create a work environment in which employees mutually accept and respect diverse values. Enhance support for balancing childcare, nursing care and similar circumstances with work (including utilization of telecommuting). Promote understanding and acceptance of LGBT and other sexual minority employees (e.g., employee education). Give reasonable consideration to the work environment of employees with disabilities. 	 Achieve the following general employer action plan by FYE 2024 (1) Female employees as a percentage of new employees: 25% (2) Female employees as a percentage of workforce: 25% (3) Female employees as a percentage of employees in managerial positions: 9% (4) Percentage of male employees who take childcare leave: Over 50% (5) Compliance to rate of the employment of whose with disabilities which designated by law 	 Establishment of a Women's Advancement Committee in October 2021 as an advisory committee to the Board of Directors. (1) The percentage of female employees as a percentage of new employees : 31.8% as of April 2022. (2) The percentage of female employees as a percentage of workforce: 23.7% as of March 2022. (3) The percentage of female employees in managerial positions: 8.1% as of March 2022. (4) The percentage of female employees who take childcare leave: 33% in FYE 2022. (5) The percentage of employment of those with disabilities over our entire group: 2.43% as of March 2022. (6) The percentage of Employment of those with disabilities over our entire group: 2.43% as of March 2022. (7) The percentage of Loc Uncedus Co., Ltd. and ITOCHU Human Resources & General Affairs Services Inc.) Seminar to promote understanding of LGBTQ issues with external lecturers (November 2021).

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Structure and System

Stakeholder Engagement

Initiatives: Sustainability Action Plans

Respect and Consider Human Rights

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	8 80311999 MA 1056824 429971	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.	We carried out a survey on a total of 66 companies in China and Southeast Asia in 2021 to develop the sound supply chain mainly by questionnaire and online meetings under the COVID-19 pandemic.
Machinery Company	8 ECONTRESION	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.	FYE 2020: Aim to implement the due diligence described on the left in all new development projects.	We continue operations to check the core subjects in the guidelines on social responsibility using the company-wide ESG checklist in all development projects where we are investing for the first time. We conduct due diligence on individual development projects to check their social and environmental safety based on the unique characteristics of each business prior to investment.
Metals & Minerals Company	8 (BORE AN) 15 (File) 15 (File)	 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	 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. 	 Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	 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%). 	 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 six existing projects in our mining business, and also by one another resource-related project. We carried out activities that contribute to the local community as part of each project we invest in.
Food Company	8 ENTRON	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.	 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. 	 Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. 	 Develop and publish a sustainable coffee bean, cocoa bean, and palm oil procurement policy, and disseminate the policy to suppliers and customers (Also publicized on our website). tochu has started an initiative by investing in Farmer Connect, a company that has established a traceability platform from coffee farmer to consumers. Continued to purchase palm oil based on procurement policy and publicize the ratio of certified oil handled, etc.
Food Company	8 CONFERENCE CONFERENCE 9 CONFERENCE CO	 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.	 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. 	 We are promoting an expansion in the planted area of pineapple plantations and the construction of processing factories. We are employing workers locally to operate our pineapple plantations.
Food Company	8 ECCRIPTION AND A LAW AND	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.	* Because of new commitment, review will be conducted from the next fiscal year.
General Products & Realty Company	8 mananan 12 mananan 12 mananan	 Forest Supply Chain 	Realization of sustainable supply of natural rubber	Natural Rubber	 We will do our best endeavors 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. 	 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/)". 	 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. 	 We have developed a traceability system using blockchains. We have been operating this system since the second quarter of FYE 2021 and the commencement of commercialization of PROJECT TREE since the third quarter of FYE 2022. Because of new commitment, review will be conducted from the next fiscal year.
General Products & Realty Company		Community Contribution	Developing a safe and secure, environmentally responsible community	Real Estate	To promote the construction of public facilities which prevents disasters, reduces the effects on the environment, and revitalizes the local economy.	By cooperating with the local administration to construct public facilities utilizing private capital.	To continuously and multilaterally promote the construction of public facilities which prevents disasters, reduces the effects on the environment, and revitalizes the local economy.	* Because of new commitment, review will be conducted from the next fiscal year.

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Structure and System Initiatives Stakeholder Engagement

Initiatives: Sustainability Action Plans

Contribute to Healthier and More Affluent Lifestyles

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	3 600 MED-376 ≤0 NED-376 	Medical Health	Promoting good health among people	Sales of Cutting-Edge medical devices and provision of medical services	We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly.	Promote sales of advanced medical devices, such as MRI-guided radiation therapy systems, and the business of supporting the operation of designated regional cancer care hospitals.	Increase the penetration of advanced medical devices in Japan, such as MRI-guided radiation therapy systems.	 MRI-guided radiation therapy systems The radiation therapy devices we have delivered to the National Cancer Center and Edogawa Hospital have already been used by those facilities to treat a cumulative total of 400 intractable cancer and other cancer patients. We have also completed the upgrade to new MRI-equipped radiation therapy equipment in Edogawa Hospital. The hospital has been operating it since January 2021. The National Cancer Center Hospital is also in the process of upgrading to the same equipment, and it will be possible to receive treatment for intractable cancer with the latest equipment from this spring. Scalp cooling therapy system for cancer patients The system has been highly evaluated by patients and medical professionals for its effectiveness in decreasing hair loss caused by anticancer drug treatment, mainly among breast cancer patients. The system has treated a cumulative total of 1,200 patients at 56 facilities in Japan. In 2021, Jased on the high evaluation from hospitals, the introduction of equipment through rentals also progressed.
Machinery Company	2 December of the second secon	Food Safety	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, maritime chamber and refrigerated containers for children's cafeteria. Opening hydroponic farming plant with disabled employment.	* Because of new commitment, review will be conducted from the next fiscal year.
Energy & Chemicals Company	3 1000 HEELM 200 MILIOTHIC 	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 other products.	Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical and other products of which we are engaged in supporting the development and place them on the market.	 We have continued to sell a non-absorptive liquid to protect against oral mucositis (a liquid that controls and relieves the pain of oral mucositis caused by chemotherapy or radiotherapy when treating diseases such as cancer) and a percutaneous absorption 5-HT3 receptor antagonist (therapeutic medication for nause and vomiting during cancer treatment). We have continued to sell a pain reliever in North America through group companies.
Food Company	3 GOOLHEISE and MELFORG 	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).
ICT & Financial Business Company		Innovation	Evolve business through technological innovation	Business incubation through venture investments, focusing on FinTech, IoT, AI and Remote technologies	Challenge to create new businesses by utilizing cutting-edge innovations and service models in the FinTech, IoT, AI and Remote technology sectors.	Seek opportunities to invest in and partnership with various startups, so as to develop new businesses.	Realization of new services and businesses.	Continuing on from the previous fiscal year, we have additionally invested in more than 10 venture companies in and outside of Japan within the new technology and healthcare fields, of which some were invested via non-domestic funds. We are currently working with these companies to develop new businesses. For example, we are collaborating with a venture company that provides an emergency medical platform, to provide groceries to housebound patients that have been affected by COVID-19.
ICT & Financial Business Company	3 4000 MERTH 2000 MERTHE 	Medical Health	Promoting good health among the people	Support pharmaceutical development projects Preventative healthcare-related business Medical healthcare IT business	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools.	We will optimize healthcare utilizing medical data.	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.)	 With the gaining interest to maintain and promote health among company employees, the volume of data acquired via health checkup services has increased (currently over 1.2 million). We are promoting business development in SaaS for dispensing pharmacies, genomic data, pharmaceutical data, medical-related data, etc. We will contribute to improve the quality of life with highly efficient operations by utilizing the aforementioned data.
ICT & Financial Business Company	8 CEDE RORLAN DECOMPANY	Retail Finance	Providing financial services	Domestic and overseas retail finance business	We work on expanding and creating the retail financial market and providing financial services to individuals to contribute to enriching people's lives.	Increase the number of customers and loan balance by expanding and creating the retail financial market.	The number of customers and loan balance.	Growth Rate of Outstanding Lendings: (Changes from end of March 2021 to end of March 2022 •UAF: 111.5% • EasyBuy: 99.7% • FRF: 114.0% •ACF: 253.3% *Opening for business in 2018. • PDP: 143.5% *Opening for business in 2018. • The retail finance businesses in Hong Kong, China and the Philippines were steady, while Thailand was sluggish due to the impact of Covid 19. Indonesia, where the P2P lending business is conducted, was also firm.

Commitment

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Policy & Basic Approach Structure and System Stakeholder Engagement

Initiatives: Sustainability Action Plans

$\langle \xi \rangle$ Ensure Stable Procurement and Supply

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	12 FORCE	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.	 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. 	 Following the recycled polyester of "RENU", we have encouraged apparel customers to adopt our expanded ESG product lineup such as lyocell fiber of "KUURA", artificial leather of "MIRUM" derived from biomass, etc. We cofounded Japan Sustainable Fashion Alliance to promote ESG activities in the textile industry.
Textile Company	8 access total and access total country	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.	We carried out a survey on a total of 66 companies in China and Southeast Asia in 2021 to develop the sound supply chain mainly by questionnaire and online meetings under the COVID-19 pandemic.
Metals & Minerals Company	12 EUROPEE CONSIDER SE WEEKTEN	Stable Supply of Resources	Stable supply of industrial resources and materials	Mining business	We will contribute to the stable operation of various industries by maintaining and developing reliable supply chains for essential raw materials and fuels.	Acquire equity interests in superior projects to secure resources to form the basis for the steady supply of raw materials and fuels.	Acquisition of superior resource projects to pass on to the future generations, in addition to maintaining and expanding our existing portfolio of highly resilient mining projects.	 For the purpose of acquiring superior interests that will lead to the next generation, we are continuing to steadily develop South Flank iron mine in Australia that we started developing in FYE 2019 and Longview coking coal mine that we invested into in FYE 2020. We acquired a partial interest in the Western Ridge iron ore deposits owned by BHP, which maintains and strengthens the cost competitiveness of the Western Australia Iron Ore operations.
Metals & Minerals Company	8 EXCHANCE ADDR DECADE CADATA ADDR 15 Int. ADDR ADDR ADDR ADDR ADDR ADDR ADDR ADD	 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	• 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.	 Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	 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%). 	 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 six 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.
Energy & Chemicals Company		Plastic	Efforts leading to solutions to social problems	Plastic-related environmental response	We will contribute to solving social problems (e.g., marine plastics and waste plastics) that urgently require measures with a plastic-related environmental response.	Supply environmental materials and establish a recycling/reuse program in collaboration with brand owners.	Build a recycling-oriented-model by enhancing our handling of environmental materials and establishing a recycling/ reuse program.	 We coworked with Familymart and announced that Familymart begun using food containers made from biomass-polypropylene which is linked to renewable resources. We will promote applications for environmentally friendly materials.(June 2021) We announced Capital and Business Alliance with LOOP JAPAN who works to expand a circular platform. We will strengthen the collaborative relationship to expand the sustainable, circular shopping platform business using reusable containers, which is operated by LOOP JAPAN.(July 2021) We have developed a food collection box that is partially made from ocean plastic waste with TerraCycle Japan LLC and FamilyMart. We will gradually roll out this collection box to over 500 FamilyMart stores.(September 2021) YKK ITALIA S.P.A, Aquafil and ITOCHU are jointly developing environmentally friendly recycled zippers and recycled buttons made of ECONYL® nylon manufactured by Aquafil. Through the expansion of a mono-material product businesses, we will continue contributing to increase the recycling rate.
Energy & Chemicals Company	7 anneae T 3 anne T 3 anne T 3 anne T 3 anne T 3 anne T 3 anne T 3 anneae T 3 anneae T 3 anneae T 3 anneae T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 annea T 3 ann 3 3 annea T 3 a Annea T 3 Annea T 3 Annea T 3 Annea T 3 Annea T 3 Ann Annea T 3 Ann Annea T Ann Annea Ann Ann Ann Ann Ann Ann Ann Ann Ann An	Stable Supply of Resources Capital Introduction	Working on new fuel initiatives toward the realization of a carbon-neutral society / recycling- orientated low-carbon society		We will aim to build a production and supply structure for new fuels to contribute to the reduction of greenhouse gases on a life cycle assessment basis toward the realization of a sustainable society.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	 In Oct 2020, we have participated in a collaboration initiative, a first for Japan, in relation to the supply of sustainable aviation fuel (SAF) in partnership with ALL NIPPON AIRWAYS CO., LTD. and Neste Corporation, world's leading producer of renewable diesel and SAF, developing chemical recycling to combat the plastic waste challenge. In Feb 2021, we have agreed to a strategic collaboration on the development of a hydrogen value chain that covers all aspects from upstream to downstream (Iow-carbon hydrogen production to its utilization), with Air Liquide Japan G.K., the Japanese subsidiary of Air Liquide, the world's largest industrial gas company driving the worldwide hydrogen business, and ITOCHU ENEX Co., Ltd The three companies have signed a memorandum of understanding to this effect. In Jun 2021, we, ITOCHU Corporation, ITOCHU ENEX Co., Ltd. and FamilyMart Co., Ltd. have facilitated the use of renewable diesel for delivery vehicles for convenience stores for the first time in Japan. In Aug 2021, we made investment in Raven SR Inc (headquartered in USA) along with Chevron U.S.A. Inc., Hyzon Motors Inc., and Ascent Hydrogen Fund. Raven is a startup company seeking to produce renewable hydrogen and renewable fuels form municipal solid waste. In Aug 2021, we have participated in a project, which produce sustainable aviation fuel (SAF) from biomas materials, as a member of consortium including JERA Co., Inc, Mitsubishi Heavy Industries, Ltd., and Toyo Engineering Corporation with support of New Energy and Industrial Technology Development Organization (NEDO). We will aim at implementing a commercial scale domestic SAF production for sustainable SAF supply in Japan. In Feb 2022, we, ITOCHU Ocropration, and Neste newapanded their partnership to grow the availability of SAF in Japan. In the partnership, ITOCHU acts as the sole branded distributor of "Neste MY Sustainable Aviation Fuel" in Japan, making "Neste MY Sustainable Aviation Fuel" in Japan, making

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Initiatives: Sustainability Action Plans



Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Food Company	8 Hord devices 2000 Excellent and the 15 Hord 2000 Excellent and the 2000	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.	 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. 	 Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. 	 Develop and publish a sustainable coffee bean, cocoa bean, and palm oil procurement policy, and disseminate the policy to suppliers and customers (Also publicized on our website). Itochu has started an initiative by investing in Farmer Connect, a company that has established a traceability platform from coffee farmer to consumers. Continued to purchase palm oil based on procurement policy and publicize the ratio of certified oil handled, etc.
Food Company	8 CONTRACTOR AND	 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.	 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. 	 We are promoting an expansion in the planted area of pineapple plantations and the construction of processing factories. We are employing workers locally to operate our pineapple plantations.
Food Company	8 OCCOR MORE AND COMMAND BOARD 14 IFE HEAD VIEWER COMMAND	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.	* Because of new commitment, review will be conducted from the next fiscal year.
Food Company	12 ISTORIES ISSUERTES ISSUERTES	Pollution Prevention and Resource Recycling	Supply and use of environmentally friendly resources and materials	Fresh food field	Through the reduction of food loss, we will contribute to the promote the effective use of the resources and reduce the environmental impacts.	The company will brand and commercialize the out-of-spec Dole bananas discarded in Japan as Mottainai bananas and distribute them in the market again.	 Consider diversifying this movement into processed foods and developing new products by using raw materials other than bananas. Aim to increase the volume of the reused bananas. 	* Because of new commitment, review will be conducted from the next fiscal year.
General Products & Realty Company	15 III (1.00 15 - 1.00 15 - 1.0	Forest	Using sustainable forest resources	 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 FY2021, 100% of our Pulp, Wood Products & Materials transactions and 92% of our Woodchips transactions were handled as certified material or were intensely managed.
General Products & Realty Company	8 SECRET LEVEL AS SECRET LEVEL 12 SECRET SE POSSIBLE SE POSSIBLE	 Forest Supply Chain 	Realization of sustainable supply of natural rubber	Natural Rubber	 We will do our best endeavors to establish measures to identify and avoid procuring rubber from any suppliers who dispossess indigenous people and develop High Carbon 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. 	 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/)". 	 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. 	 We have developed a traceability system using blockchains. We have been operating this system since the second quarter of FYE 2021 and the commencement of commercialization of PROJECT TREE since the third quarter of FYE 2022. Because of new commitment, review will be conducted from the next fiscal year.
ICT & Financial Business Company	12 EDCOMPT REFERENCES CONSTRUCTION REFERENCES	Pollution Prevention and Resource Recycling	Provide products/ services that support the realization of a sustainable lifestyle.	Reuse / Recycling Business	Contribute to the development of a sustainable society by making most of limited resources through the distribution of used mobile phones and tablets in the Japanese market.	 Expand supply channels in order to realize a sustainable and stable procurement of resources. Reinforce promotional activities in order to raise the awareness of secondhand mobile phones/tablets. 	 Expand product variation and supply channels. Expand distribution outlets. 	* Because of new commitment, review will be conducted from the next fiscal year.

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Initiatives: Sustainability Action Plans

A Maintain Rigorous Governance Structures

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Head- quarters	16 ANE LEVE SETURA SETURA SETURA	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Corporate governance	We will implement highly effective supervision over the management from an independent and objective standpoint and ensure the appropriate and efficient execution of business operations by improving the transparency of our decision-making, aiming to our sustainable growth as well as the medium- and long-term improvement of our corporate value.	 Appoint several outside Directors, who have a high level of independence that fulfills our independence criteria and are expected to contribute to the company management with a high level of knowledge in their respective fields. Maintain a highly transparent and objective Directors' and officers' remuneration system, which can increase their motivation to contribute to our medium- and long-term improvement of our company's performance and the improvement of our corporate value. 	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of the Board of Directors.	 We have improved further the diversity of the Board of Directors through appointing an outside Director and an outside Audit & Supervisory Board Member who had wide range of sufficient experiences in corporate management(always one third or higher percentage of outside Directors-four outside Directors out of 11 Directors, and two female Directors out of 11 Directors). We have maintained a majority of the members of the Governance and Remuneration Committee and Nomination Committee coming from outside the company (four out of 7 members). Etablishment of the Women's Advancement Committee as an advisory committee to the Board of Directors. Half of the committee consists of female members and the chair person is a woman.
Head- quarters	16 meters	Governance	Ensuring compliance	Compliance	We will make employees more aware that ensuring compliance at any time is our contribution to the company and society.	Recognizing attitude of employees identifying issues and ensuring action plans to tackle the issues through periodic compliance attitude survey and direct communications.	Continuous direct communication with employees through face-to-face training programs whose contents shall be updated along with monitoring the measures according to risks, expectations from society and issues on site which will change with the time.	 In the period of September-November 2021, we conducted the survey on the compliance with "the Regulations concerning the Prohibition of giving Illicit Benefit" (Bribery-related regulations) in ITOCHU Corporation. To grasp the actual business activities, we performed the fact-finding investigation on the operation of accounting data, internal applications, as well as the actual businesses by sampling method. As a result, we did find no problems. We provided e-learning on the "Anti-Monopoly Act" and "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors" for ITOCHU Corporation employees, seconded employees and employees temporarily assigned to us (in the period of 25 October through 30 November 2021). The status of our on-site compliance training seminars in FYE 2022 is as follows: For ITOCHU group companies: 10,454 employees in total (of which (i) the webinar sessions were provided for 33 companies with 3,206 viewers. (including companies that participated in webinar courses as well) We conducted the compliance awareness survey among employees (including seconded employees) of ITOCHU Corporation and ITOCHU Group contains to FITOCHU Group companies that participated in webinar courses as well) We conducted the compliance awareness survey among employees (including seconded employees and temporary employees) of ITOCHU Corporation and ITOCHU Group companies in Japan and overseas (approximately 50,000 respondents), for the purpose to improve the compliance system of ITOCHU Group and to prevent the occurrence of compliance incidents.
Head- quarters	16 HAR ADDRE RETURN FRITING	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Risk management	We will build a system for group risk management and maintain it to manage the risk of loss and ensure the appropriateness of our corporate group's operations.	Conduct regular reviews of risk management systems that have been established, including internal committees and risk management departments, various rules and regulations, reporting and monitoring systems, as well as the effectiveness of such systems.	Maintain a firm governance system in the medium- and long-term by establishing a PDCA cycle, including development and implementation of action plans by the departments responsible for risk management, and monitoring and reviews by internal committees.	 We reviewed the progress of the action plans of the first half of FYE 2022 submitted by each risk management responsible divisions. Including all issues dealt during the period, we reported to Internal Control Committee in October 2021 that Itochu's internal risk management system is active. We also reported the review of the second half of FYE 2022 and the action plans of FYE 2023 to the committee in April 2022.

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Initiatives: Sustainability Advisory Board

FYE 2022 Sustainability Advisory Board Overview

The Sustainability Advisory Board convened at Tokyo headquarters in January 2022 to hold a dialog on sustainability issues between the ITOCHU Corporation management and outside stakeholders. The Sustainability Advisory Board was established to engage outside stakeholders in a dialog to determine whether the direction we are taking with regards to sustainability is aligned with the needs of society as ITOCHU Corporation's business grows more diverse and widespread, and then to apply the insights to promoting sustainability.

In FYE 2022, we welcomed three industry-academia-government experts to discuss the theme of carbon credits. The experts gave talks on the latest trends from their differing perspectives. After that, ITOCHU introduced our carbon credit related business. There was then a frank exchange of opinions in the question-and-answer session. The participants gave their opinions together with their expectations in ITOCHU: "Combining various decarbonization initiatives and businesses while the scope of your business is so extensive is a very advanced and instructive case study distinctive of a trading company." "It would be great to continue linking policies and businesses." On the other hand, we also received views like the following: "Even if there is business that contributes to reducing emissions on a social basis, there is a problem in that it seems ostensible GHG emissions rise by starting that business. It will be vital in the future to determine a roadmap for decarbonization that also takes into account business which contributes to a reduction in emissions." We will reflect the opinions received in our future Group sustainability efforts.



Online Meeting FYE 2022

Summary of Past Activities

	Carbon Credits				
	Sustainability Advisory I	Board Members (Job Titles at the Time)			
	 Mr. Fumihiro Kajikawa Industry 	Director, Environmental Economy Office, Ministry of Economy, Trade and			
	 Ms. Yukari Takamura Mr. Hidemi Tomita 	Professor of Institute for Future Initiatives, The University of Tokyo Managing Director, LRQA Sustainability K.K.			
	ITOCHU Members (Job T	itles at the Time)			
	 Fumihiko Kobayashi Katsuhisa Yamamoto 	Member of the Board, Executive Vice President, Chief Administrative Officer Deputy General Manager, Planning & Administration Department, Textile Company			
FYE 2022	 Tatsuya Hirano 	General Manager, Planning & Administration Department, Machinery Company			
	 Osamu Tano 	General Manager, Planning & Administration Department, Metals & Minerals			
	• Isao Nakao	Company General Manager, Planning & Administration Department, Energy & Chemicals Company			
	● Kuniaki Abe ● Tsutomu Yamauchi	General Manager, Planning & Administration Department, Food Company General Manager, Planning & Administration Department, General Products			
	• Atsushi Hashimoto	& Realty Company General Manager, Planning & Administration Department, ICT & Financial			
	● Tetsuya Mukohata ● Yoshihito Tabe	Business Company Manager, Planning & Administration Section, The 8th Company General Manager, Sustainability Management Division (served as Moderator)			
	Reconnecto Climato Change				
	Response to Climate Change				
51/5 0001	Sustainability Advisory I	Board Members (Job Titles at the Time)			
FYE 2021		Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of			
FYE 2021	Sustainability Advisory I ● Ms. Yukari Takamura	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy			
FYE 2021	Sustainability Advisory I • Ms. Yukari Takamura • Ms. Fuyumi Naito	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K.			
FYE 2021	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K.			
FYE 2021 FYE 2020	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K. in a Circular Economy Board Members (Job Titles at the Time) Professor of Business Administration and Information Science, Chubu			
	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction Sustainability Advisory B	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K. in a Circular Economy Board Members (Job Titles at the Time) Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University Associate Professor of Graduate School of Interdisciplinary Information			
	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction Sustainability Advisory B Mr. Eiji Hosoda	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K. in a Circular Economy Board Members (Job Titles at the Time) Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University			
	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction Sustainability Advisory B Mr. Eiji Hosoda Ms. Mami Fukuchi	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K. in a Circular Economy Board Members (Job Titles at the Time) Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University Associate Professor of Graduate School of Interdisciplinary Information Studies, The University of Tokyo			
	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction Sustainability Advisory B Mr. Eiji Hosoda Ms. Mami Fukuchi Mr. Hidemi Tomita Climate Change	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K. in a Circular Economy Board Members (Job Titles at the Time) Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University Associate Professor of Graduate School of Interdisciplinary Information Studies, The University of Tokyo Director, Lloyd's Register Japan K.K.			
	Sustainability Advisory B Ms. Yukari Takamura Ms. Fuyumi Naito Mr. Hidemi Tomita Sustainable Business Direction Sustainability Advisory B Mr. Eiji Hosoda Ms. Mami Fukuchi Mr. Hidemi Tomita Climate Change	Professor of Institute for Future Initiatives, The University of Tokyo Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Director, Lloyd's Register Japan K.K. in a Circular Economy Board Members (Job Titles at the Time) Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University Associate Professor of Graduate School of Interdisciplinary Information Studies, The University of Tokyo			

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Initiatives: Sustainability Awareness Activities at ITOCHU

While pursuing sustainable activities, ITOCHU engages in various activities to raise awareness within the Company so as to further ITOCHU Group employees' understanding and to work through business on solutions to social issues in a manner that conforms to the latest global trends.

Recent Sustainability Awareness Activities

ITOCHU conducts general sustainability education for all directors and employees every year, with the aim of promoting sustainability throughout the company and conducting awareness surveys. This training is intended to promote understanding of trends in the environment, business, and human rights, as well as ITOCHU's initiatives, policies, and measures in response to these trends. In addition, the opinions and level of understanding received from the Employee Questionnaire conducted at the end of the course are utilized in the next year's training.

	Theme	Participation
FYE 2022	SDGs and Sustainability (Examples: Latest trends, risks and opportunities of the ITOCHU Group, GHG emission reduction and climate change measures, business and human rights, supply chain management, etc.)	100.0%
FYE 2021	Sustainability Trends (ITOCHU Group Material Issues, Risks, and Opportunities)	100.0%
FYE 2020	Global Sustainability Trends (ESG, SDGs, Climate Change, Supply Chains)	100.0%
FYE 2019	"ESG – Climate Change Response, Business & Human Rights"	99.9%
FYE 2018	"ITOCHU's Further Growth – ESG Investment"	99.5%

Sustainability Seminars

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

Recent Seminars

In October 2021, we invited Yasushi Furushima of the Environment and Energy Policy Team in Mizuho Research & Technologies for a sustainability seminar titled, "When and Where Does CO2 Occur?" In the introductory and practical versions, we learned a wide range of practical examples, analysis methods, and initiatives for life cycle assessment in various industries and products, and it was a good opportunity for each individual to think about how to apply them to their main business. Moreover, in February 2022, we held a practical seminar titled "Method of Calculating Scope 3 Emissions in the ITOCHU Group." We are working to improve our abilities so that all related employees can calculate Scope 3 for themselves.

FYE 2022	When and Where Does CO2 Occur? Life Cycle Assessment (LCA) Study Session	
	Method of Calculating Scope 3 Emissions in the ITOCHU Group	サステナビリティ・セミナー
FYE 2021	Are the SDGs Profitable?	Const
FYE 2019	Business and Human Rights (in the Supply Chain)	
FYE 2018	Business and Human Rights (Development)	Sustainability Seminar
FYE 2017	What Companies and Consumers Can Do to Create a Sustainable Society	Sustainability Seminar

Sustainability Trainings

We engage in various sustainability trainings for ITOCHU personnel so as to promote sustainability awareness within our Group. We strive to raise awareness of the environment, human rights, and other aspects of sustainability that must be understood according to each business domain and responsibility.

Training Title	Applicable Employees	Training Details	Participants in FYE 2022
Group ESG Managers Conference	Group ESG managers	Basic knowledge and explanation of work duties for ITOCHU Group ESG promotion supervisors	72
Training New Recruits	New employees	ITOCHU Group sustainability promotion	117
Training in Preparation for Overseas Assignments	Employees designated for overseas assignment	Points of caution related to ITOCHU Group sustainability and promoting sustainability overseas	211
Training for New Group Executive Officers	New Group executive officers	ITOCHU Group sustainability and importance of Group alliances	126
Training for Newly Appointed Section Managers	New Section Managers	Examples of businesses which promote the ITOCHU Group sustainability and which balance social issues and business feasibility	59
Sustainability Survey Workshop	Employees conducting sustainability surveys	Important items in the Sustainability Action Guidelines for Supply Chains and sustainability surveys	135

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Initiatives: Participation in Initiatives

We participate in the following initiatives to promote sustainability.

Involvement in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the United Nations Global Compact, a global initiative to achieve sustainable growth for the international community. ITOCHU will fulfill our corporate mission of "Sampo-yoshi" in accordance with the United Nations Global Compact's

10 principles covering human rights, labor, environment and anti-corruption.



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

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

Work with Global Compact Network Japan

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

The GCNJ learns from other companies' practices and academics, and also consists of subcommittees for deliberations and exchanging ideas on specific topics concerning approaches and initiatives for sustainability. In FYE 2022, ITOCHU participated in the following subcommittees.

- Environmental Management Subcommittee
- Reporting Research Subcommittee
- Circular economy Subcommittee

TCFD Consortium

Please refer to P51 for details of our activities.

CDP (Climate Change & Water Security)

Please refer to P51 for details of our activities.

Climate Change Campaign "COOL CHOICE" led by Ministry of the **Environment**

Please refer to P51 for details of our activities. COOL CHOICE Website (Japanese Only)(https://ondankataisaku.env.go.jp/coolchoice/about/)

GX League Basic Concept formulated by the Ministry of Economy, Trade and Industry

Please refer to P51 for details of our activities. GX League Basic Concept (Japanese Only) (https://www.meti.go.jp/policy/energy_environment/global_warming/GX-league/gx-league.html)

RSPO (Roundtable on Sustainable Palm Oil)

Please refer to P148 for details of our activities. RSPO Website (https://www.rspo.org/)

GPSNR (Global Platform for Sustainable Natural Rubber)

Please refer to P146 for details of our activities. GPSNR Membership List (https://sustainablenaturalrubber.org/our-members/)

KEIDANREN (Japan Business Federation)

- Committee on Environment and Safety
- 1% (One Percent) Club

- Committee on Responsible Business Conduct & SDGs Promotion Keidanren Nature Conservation Fund / Keidanren
- Council for Better Corporate Citizenship (CBCC)

Japan Foreign Trade Council (JFTC)

- Global Environment Committee
- Sustainability & CSR Study Committee
- **CSR Europe (Corporate Member)**

CSR Europe (Corporate Member) (https://www.csreurope.org/#block-yui 3 17 2 1 1583920013766 98565)

ESG Disclosure Study Group

EDSG Member List (Japanese Only) (https://edsg.org/%e4%bc%9a%e5%93%a1%e4%b8%80%e8%a6%a7/

- Social Contribution & ABIC Committee
- Committee on Nature Conservation

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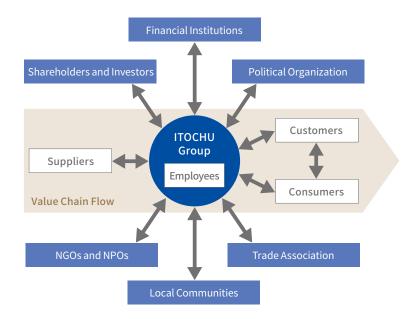
Policy & Basic Approach Structure and System Initiatives

Stakeholder Engagement

Stakeholder Engagement

Policy & Basic Approach

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

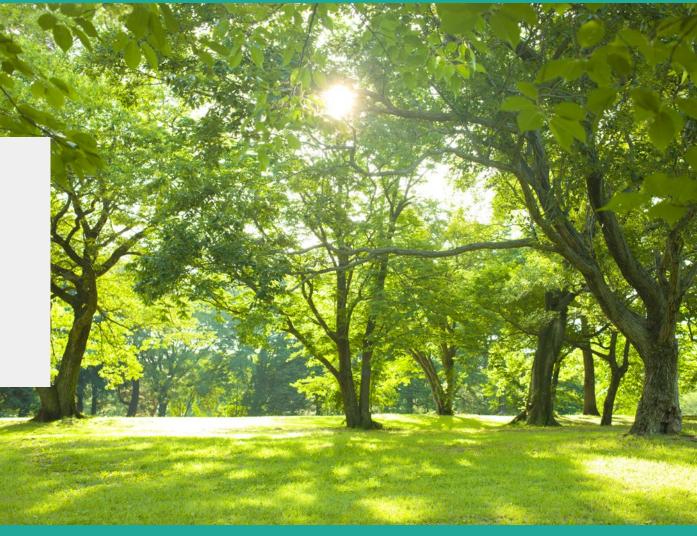


Stakeholders	Frequency	Overview of Initiatives	Main Methods of Dialogue
Suppliers, Customers, and Consumers	Periodically As Needed	We engage in fair and equitable transactions with business partners and comply with laws and ordinances. By building supply chain management that addresses social issues in human rights, labor and environment, we strive to provide safe and secure products and services to consumers.	 Provision of information through the Annual Report/ESG Report and official website Notification of Sustainability Action Guidelines for Supply Chains Quality control and Sustainability Surveys on supply chains Contact for inquiries
Shareholders, Investors, and Financial Institutions	Periodically As Needed	We emphasize dialogue with our shareholders, investors, and other stakeholders from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term. We strive to reflect obtained inputs into our management strategies and financial and capital policies. Through commitment-based management, we expand corporate value and sustain a positive cycle through effective engagement.	 General meeting of shareholders Financial results briefings Field-specific briefings Briefings for individual investors Provision of information through the Annual Report/ESG Report and official website Annual Report Briefings Overseas IR roadshows Conferences sponsored by securities companies Response to investigations and ratings performed by socially responsible investors Debt IR Individual engagement with SR
Political Organizations, and Associations	As Needed	We aim for the settlement of social issues and the sustainable development of the international community. We do this by complying with various relevant laws and ordinances formulated by government agencies and local governments in Japan and overseas. In addition, we promote business in cooperation with government agencies, local governments and industry groups.	 Participation in the government, the ministries related committees and councils Activity through the trade association (Japan Business Federation, Japan Foreign Trade Council)
Local Communities, NGOs, and NPOs	As Needed	We understand that our business activities affect local communities. Accordingly, we contribute to the sound and sustainable development of local communities. We do this by aiming to solve social issues in communities such as the creation of jobs, development of infrastructure, improvements in living standards and development of the educational environment. We strive to solve social issues through dialogue and collaboration with NPOs and NGOs.	 Social contribution activities and volunteer activities Sustainability Advisory Boards Dialogue with residents of areas around project sites Regular communication with NGOs and NPOs Support for the dissemination of information by NGOs, NPOs and local communities
Employees	As Needed	We endeavor to develop various measures and systems to realize decent work with aiming a company that is challenging but that does work worth doing. We work to foster an organizational culture in which diverse human resources create opportunity of self-development and social contribution through their work.	 Provision of information through the in-house Intranet and bulletins Provision of opportunities to develop abilities through various training sessions and seminars Provision of career counseling Establishment of employee consultation desk system Implementation of employee engagement surveys Labor-union management meetings (including management meetings and settlement of accountings meetings) General employee meetings at each company Employee shareholding association Health management Business idea solicitation system

Reference Data FYE 2022 The Expense of Associations and Social Contribution

Kelerence Bata FTE 2022	The Expense of Association	(Unit: 1 million yen)	
Trade Association, Economic Association, Other Association	339	Social Contribution (Donation)	383 (90)
Political Association	31		
Total	371		

Top Commitment	Sustainability at the ITOCHU Group	Environment
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Top Commitmer	t Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 34 >	
Environmental Policy	Environmental Management Clima	ate Change	Prevention of P	ollution and Resource Circulation	n Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)	

Environmental Policy

nformation Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Clean-tech Business ESG Data(Environment)

Environmental Policy

Policy and Basic Concept

The ITOCHU Group Environmental Policy

Global environmental concerns such as climate change pose a critical threat to the sustainability of earth. Given the global nature of our operations, it is a top management priority for us to address these concerns and contribute to building a sustainable society. We will do so by committing to make continuous improvements to our environmental management system, reducing the environmental impacts of our businesses throughout their lifecycles, and engaging in business activities that make positive contributions to the environment.

1. Compliance with Laws and Regulations

We shall comply with international declarations, agreements, and treaties, as well as with the laws and regulations of the countries and regions in which we operate. We shall also comply with any other agreements that we have consented to.

2. Response to Climate Change

We shall reduce greenhouse gas emissions and increase the efficiency of energy use within our own operations, as well as externally provide products and services that contribute to the mitigation and adaptation to climate change.

3. Environmental Pollution Prevention

We shall prevent and reduce environmental pollution caused by chemical substances and oils, reduce emissions of air pollutants, and reduce and properly process hazardous waste and wastewater

4. Promotion of Resource Circulation

We shall contribute to the formation of a circular society by promoting the sustainable use of resources (such as fossil fuels, minerals, food, animals and plants), a reduction in the amount of resources used, a reduction in the amount of waste discharged and recycling across our business investments and the supply chain of our products and services.

5. Conservation and Effective Use of Water Resources

We shall reduce water consumption through efficient water use and recycling, as well as take necessary measures to appropriately treat effluents.

6. Biodiversity Conservation

We shall recognize the value of the benefits that we receive from the natural ecosystem, minimize our impact on biodiversity, and contribute to its conservation.

7. Transparency

We shall proactively disclose environmental information and maintain a communicative relationship with our stakeholders.

Fumihiko Kobayashi

Member of the Board Executive Vice President Chief Administrative Officer

> Established in April 2020 Revised in April 2022

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 35 >	
Environmental Policy Enviro	onmental Management Clima	ate Change	Prevention of P	ollution and Resource Circulatio	on Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)	

Environmental Management

Policy and Basic Concept

We strive initiatives to conserve the global environment to be a top management priority for us. This is under recognition that the business activities ITOCHU performs in Japan and overseas (e.g., the provision of various products and services, the development of resources, and business investment) are closely connected to global environmental problems.

(Information Disclosure Based on TCFD Recommendations)

Therefore, we established the Global Environment Department (current Sustainability Management Division) in 1990 ahead of other trading companies.

We are ensuring compatibility of both offense and defense — offense to promote environment conserving business and defense to take a precautionary approach to environmental risks — based on our environmental policy. The aim of this is to fulfill our corporate mission of "*Sampo-yoshi*." We are also engaged in global corporate management and activities with a constant awareness of global environmental problems.

We reorganized and integrated our conventional environmental management structure into a structure to promote sustainability in line with the revision to this policy in April 2018. We have built and are maintaining and operating an efficient environmental management system in accordance with the ISO14001 standards.

• The ITOCHU Group Environmental Policy (P34)

Structures and Systems

ITOCHU was the first trading company to acquire ISO14001 certification in 1997 and is working to continuously improve its sustainability promotion system. We recognize that our business activities can have an impact on the global environment and society and so are looking to take a precautionary approach to environmental and social risks. To that end, we have built a sustainability management system to assess in advance the impact in regards to new investments in particular together with the products we handle. Under this system we formulate targets every year for items related to environmental risks, environment conserving businesses, saving energy, saving resources, GHG emissions reduction and other climate change related risks. We then assess and analyze the progress, and we move through the PDCA cycle to reliably achieve our targets.

ITOCHU's Sustainability Promotion Structure (P12)

ISO 14001 Certification of the ITOCHU Group

Group companies subject to ISO 14001 certification of ITOCHU Corporation

ITOCHU Corporation
 ITOCHU Automobile Corporation
 ITOCHU Metals Corporation
 ITOCHU Taiwan Corporation



External Audits

We undergo an ISO14001 certification review by the BSI Group Japan K.K. (BSI). In FYE 2022, we underwent a re-certification review. This review led to the maintenance of our certification.

Internal Audits

We conduct internal sustainability audits every year based on ISO14001. In FYE 2022, we audited all 50 departments (including in the form of a self-check for 15 departments). Members of the Sustainability Management Division constitute the audit team and conduct them with emphasis on compliance audits.

The implementation of internal sustainability audits over half a year leads to a precautionary approach to environmental risks.



Initiatives

Assessment of Sustainability Risk in Products We Handle

ITOCHU deals in a wide variety of products on a global scale. Therefore, we believe it is vital that we assess the impact on the global environment of each product, our environmental related laws and regulation compliance situation, and our relationships with stakeholders. Accordingly, we conduct our own sustainability impact assessments on all our products. We use LCA* analytical techniques from the procurement of raw materials concerning the applicable product to their manufacturing process, use and disposal. These analysis assessment items include those related to climate change (e.g., the decrease in tropical rainforests, desertification and global warming) to assess such related risks. If the results of these assessments show that the impact on the global environment will be greater than a specific score, we formulate various regulations and procedure manuals with the applicable product being subject to priority management and specific education programs.

* Life Cycle Assessment (LCA): This is the technique to assess the impact of one product on the environment in all stages of its lifecycle — from raw materials to manufacture, transportation, use, and disposal or reuse.



Top Commitment Sustainability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 36 >
Environmental Policy Environmental Management Climate Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

Environmental Management

Investigations into the Actual Conditions in Group Companies

We have continued to visit and investigate group companies since 2001. The aim of this is to prevent environmental pollution by these group companies. We analyze about 200 companies with a relatively high impact and burden on the global environment from among our group companies. We then conduct investigations into the actual conditions on approximately 10 companies a year. We have investigated a total of 286 offices over the past 21 years up to the end of FYE 2022. We assess companies in these investigations by investigating their factory and warehouse facilities, their situation of drainage to rivers, and their compliance with environmental laws and regulations in addition to holding a question and answer session with their management.

(Information Disclosure Based on TCFD Recommendations)

Sustainability Risk Assessments on New Investment Projects

For business investment projects that ITOCHU undertakes, the impact of the project on society and the environment, as well as the state of governance of the investment target are evaluated in advance using the ESG Checklist for Investment — a checklist that must be submitted when entering into new business investment projects. For example in relation to the risk of climate change, it includes information on energy consumption and GHG emissions. During FYE 2022, there were 76 applications of ESG Checklist. For projects that require expert knowledge, we make request to external expert to conduct investigations in advance. The project is then only undertaken upon confirming that there are no problems in the results of those investigations.



ITOCHU Europe Green Finance Framework

ITOCHU Europe Plc (ITOCHU Europe) published its Green Finance Framework in March 2019 and raised its first green loan of EUR150Million from banks including Mizuho Bank through ITOCHU Treasury Centre Europe Plc, ITOCHU's group finance vehicle for Europe and the Middle East. This is the first green finance procured by any of the Japanese trading companies. ITOCHU Europe Green Finance Framework was independently reviewed by Sustainalytics and is used for investments in energy efficient projects, renewable energy projects, etc.

ITOCHU Europe's Sustainability - Environment

(https://www.itochu.com/uk/en/sustainability/environment/index.html)

- ITOCHU Europe Green Finance Framework
- (https://www.itochu.com/uk/en/files/ITOCHUEurope_GreenFinanceFramework202007clean.pdf)

Sustainalytics second-party opinion

(https://www.itochu.com/uk/en/files/ItochuEUROPEGreenBondFrameworkSecondPartyOpinion_29052019.pdf) 🔤

Environmental Education and Awareness

We provide various educational programs to encourage employees to conduct environmental conservation activities. In addition, we hold environmental law and ordinance seminars and global environmental problem awareness seminars for group employees. Through these initiatives, we are striving to improve environmental awareness over the entire ITOCHU Group.

Seminars and Training Sessions

We proactively hold seminars and training sessions. The aim of these is to thoroughly inform ITOCHU Group employees about environmental related law and ordinance requirements and to raise their compliance and environmental awareness.

Inquiries from Inside and Outside the Company and Our Response to Them (FYE 2022)

Inquiries from outside parties 86

•2 from government authorities
 •6 from industry associations
 •17 from NGOs
 •61 from companies (Business partners: 45, media: 6, finance: 4, others: 6)

Requests for submission of ISO14001 certification copy Environmental related accidents, troubles, lawsuits or penalties in our company

Issuance of USD-Denominated Senior Unsecured SDGs Bonds

ITOCHU has decided to issue US\$500Million Senior Unsecured Bonds due 2026 to raise funds for projects that contribute to SDGs (the "SDGs Bonds"). To issue the SDGs Bonds, ITOCHU has established the SDGs Bond Framework in alignment with the Green Bond Principles, 2018, the Social Bond Principles, 2020 and the Sustainability Bond Guidelines, 2018 as administered by ICMA (the International Capital Market Association). And it has obtained an external evaluation (second party opinion) from Vigeo Eiris (MOODY'S ESG SOLUTIONS FRANCE SAS) for the conformity of our Framework with principles such as the Sustainability Bond Guidelines.

ITOCHU's SDGs Bond (Sustainability Bond) (P189)

Top Commitment

Environmental Policy

Climate Change

formation Disclosure Based on TCFD Recommendations

SDGs Bond (Sustainability Bor **Evaluation by Society**

Prevention of Pollution and Resource Circulation

Receive

Water Resources Conservation

Clean-tech Business ESG Data(Environmen

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Independent Assurance Repo

Climate Change (Information Disclosure Based on TCFD Recommendations)

Society

In May 2019, ITOCHU Corporation announced our support for the TCFD* recommendations in recognition of the importance of climate-related financial disclosures. Since then, we continue working to provide information disclosure based on TCFD recommendations.

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

Environmental Management

Policy and Basic Concept Concerning Climate Change

Recognizing climate change as one of the global environmental issues requiring the highest level of urgency, we have worked towards achieving the nationally determined contributions (NDCs) set by the Japanese government in response to the enactment of the Paris Agreement. As a Group engaged in business activities on a global scale, ITOCHU positions climate change and other global environmental issues as one of our highest priority management issues, recognizing that positioning these issues and opportunities and incorporating them into specific initiatives will lead to increases in our corporate value. We define our initiatives related to climate change in the ITOCHU Group Environmental Activities Policies "2. Response to Climate Change: We shall reduce greenhouse gas emissions and increase the efficiency of energy use within our own operations, as well as externally provide products and services that contribute to the mitigation and adaptation to climate change." In March 2021, our Board of Directors approved the inclusion of greenhouse gas (GHG) emissions reduction targets for 2030, 2040, and by 2050 as core targets for our Medium-term Management Plan, Brand-new Deal 2023. These targets are in line with Japan NDCs, and will help us contribute to those goals. ITOCHU is committed to fulfilling our social responsibilities. Under our corporate philosophy of the "Sampo-yoshi" approach, we will increase our corporate value and promote collaborations with stakeholders on responses to climate change risks and opportunities.

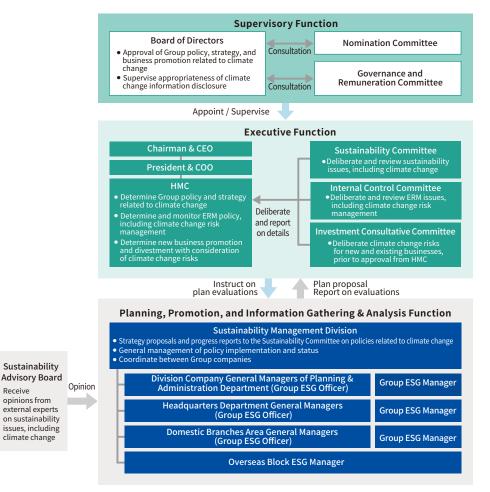
Governance

ITOCHU views responding to climate change and other sustainability issues as an important management issue. Our Board of Directors gives due consideration to response policies for climate change-related risks and opportunities and GHG reduction targets and initiatives, and incorporates these policies into deliberations and decisions on annual budgets, business plans, and other core matters.

The ITOCHU Sustainability Committee is the body delegated with general management responsibilities concerning the proposal and implementation of the various policies that will enable us to respond to climate change and other sustainability matters. This Committee ascertains, manages, and evaluates climate change-related targets, the implementation status of transition plans, and current environmental and social risks and opportunities. ITOCHU's Chief Administrative Officer (CAO) is the director responsible for climate-related issues and is also a member of the Headquarters Management Committee (HMC). The CAO also serves as chair of the Sustainability Committee. The CAO provides a report to the Board of Directors approximately twice per year on matters deliberated and decided by the Sustainability Committee in addition to a report on the status of major sustainability promotion activities. This creates an organization that allows the Board of Directors to appropriately supervise business and

financial strategies (including reviewing strategy and making divestment decisions) for responding to environmental and social risks and opportunities while giving proper consideration to matters deliberated and decided by the Sustainability Committee. As the executive level, management from each company and administrative division also serving as ESG Officers participate in Sustainability Committee meetings as core members. The Sustainability Committee receives reports on climate-related matters from the Sustainability Management Division and ESG Managers from each company and administrative division. We use these reports towards progress management and monitoring for each policy and various initiatives.

Conservation of Biodiversity



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Evaluation by Society

Environmental Management Environmental Policy

Top Commitm

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Prevention of Pollution and Resource Circulation

Water Resources Conservation

Conservation of Biodiversity

Clean-tech Business ESG Data(Environmen

Independent Assurance Re

Climate Change (Information Disclosure Based on TCFD Recommendations)

In 2021, our Board of Directors approved the inclusion of growth strategy and GHG emission reduction targets in our Medium-term Management Plan, Brand-new Deal 2023. This decision reflects our commitment to the climate-related issues impacting our Company and we believe this will enable us to lead the industry in realizing a decarbonized society in enhancing our contribution to and engagement with the SDGs through business activities. Based on this decision by the Board of Directors, the Sustainability Committee deliberates specific policies and targets related to decarbonized initiatives. Each business division works continuously to implement these policies and initiatives approved by the CAO, the director in charge, and progress is reviewed by the Sustainability Committee.

The chair of the Sustainability Committee and management from each company and administrative division (ESG Officers) meet with external experts (a Sustainability Advisory Board) once a year to engage in dialogue towards making continuous improvements to our climate change response. Through this dialogue, we promote climate change countermeasures based on an understanding of society's expectations and demands on ITOCHU.

Climate-related Meetings Held by the Board of Directors and Committees	Frequency of Meetings and Reports	Main Items Deliberated or Reported on (FYE 2019 to FYE 2022)
The Board of Directors	 Periodic reports are made at least once a year Results Once in FYE 2019 2 times in FYE 2020 Once in FYE 2021 Once in FYE 2022 	 FYE 2019 Announcement of support for the TCFD recommendations FYE 2020 Disclosure based on the TCFD recommendations, calculation of Scope 3 GHG emissions FYE 2021 GHG reduction target, Disclosure based on the TCFD recommendations FYE 2022 Creation of Medium-term Management Plan, Brand-new Deal 2023. (Growth strategy and GHG emission reduction targets towards leading the industry in realizing a decarbonized society in enhancing our contribution to and engagement with the SDGs through business activities.) Report on ITOCHU SDGs/ESG initiatives
Sustainability Committee	 Usually held 1 ~ 2 times a year Results Once in FYE 2019 2 times in FYE 2020 Once in FYE 2021 2 times in FYE 2022 	 FYE 2019 Announcement of support for the TCFD recommendations FYE 2020 Disclosure based on the TCFD recommendations, calculation of Scope 3 GHG emissions FYE 2021 GHG reduction target, Disclosure based on the TCFD recommendations FYE 2022 Confirmation of Scope 1/2/3 results, status of progress on reduction targets

Strategy

ITOCHU applies the Policy and Basic Concept Concerning Climate Change to analyze scenarios based on TCFD recommendations (analysis of transition and physical risks and opportunities associated with climate change). We use the results of these analyses to realign our business strategy and portfolio.

Climate Change-related Risks and Opportunities

ITOCHU is engaged in various businesses in locations around the world. Each business is impacted by various short-, medium-, and long-term climate change transition risks and physical risks. As such, ITOCHU globally identifies, evaluates, and manages risks and opportunities with the possibility to have a material financial impact on our business, supply chain, and strategy. We conduct such analysis and evaluation throughout each business proposal management process and in our environmental and social risk management processes, which includes climate change.

Material Climate Change-related Risks and Opportunities (risk criteria)

Climate-Related Risks and Opportunities		Impact of Climate-related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning	Impact Timeline*	Impacted Value Chains	Related Businesses
	Policy and Legal Systems	 If countries around the world take a more aggressive approach in their GHG emissions reduction targets and subsequently strengthen laws and regulations regarding corporate emissions, fossil fuel demand may see a sharp decrease. Increased operating costs due to carbon pricing (carbon tax, etc.) or business regulations 	Medium- term, long-term	Upstream, ITOCHU Group	Power generation business, operations, fossil fuel business
Transition Risks and Opportunities	Technical Innovation	Business opportunities that contribute to combatting and adapting to climate change are expected to increase (e.g., renewable energy, energy storage systems, low-carbon fuels)	Short-term, medium- term, long-term	ITOCHU Group	Renewable energy, energy storage system businesses, low-carbon fuel business, new material business
	Changes in Market Conditions	Demand for certain products and services may decrease due to market risks related to public policy, laws and regulations, or technological advancements (e.g. clean technology)	Short-term, medium- term, long-term	Upstream, ITOCHU Group	Fossil fuel business, renewable energy, energy storage systems businesses, new material business, CCUS/emissions credit-related businesses
	Acute	Operations may be impacted or damaged by increased occurrences of abnormal weather patterns (e.g. droughts, floods, typhoons, hurricanes, etc.)	Short-term, medium- term, long-term	Upstream, ITOCHU Group, downstream	Food business, forestry-related businesses, mining business
Physical Risks and Opportunities	Physical Risks and Opportunities	We may be able to strengthen customer retention and/or attraction by strengthening our supply chain resilience to extreme weather patterns and promoting stable supply as a value proposition	Short-term, medium- term, long-term	Upstream, ITOCHU Group, downstream	Food business, forestry-related businesses
	Chronic Physical Risks and Opportunities	Our capability to maintain and increase the quantity of agricultural and forestry-related harvests, as well as products manufactured using these yields, may be impacted by climate-related changes such as increasing temperatures and likelihood of droughts.	Medium- term, long-term	Upstream, ITOCHU Group, downstream	Food business, forestry-related businesses

* Short-term: less than 1 year, medium-term, up to 3 years, long-term: 4 or more years

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	fi < 39 >
Environmental Policy Enviro	onmental Management Clima	ate Change mation Disclosure Based on TCFD Reco		Pollution and Resource Circulation	on Water Resources Consei	rvation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

Scenario Analysis

Scenario Selection

We consider which businesses to include in our scenario analysis by evaluating the business sectors that are highly susceptible to the impact of operating environment changes caused by climate change mitigation. From this evaluation, we identified the power generation business, energy business, and coal business as businesses that would be significantly impacted by political, regulatory, and other transition risks. We then selected the Dole business and the pulp business for inclusion in our scenario analysis as business highly susceptible to physical risks related to climate change.

When identifying business sectors that are highly susceptible to the impact of operating environment changes caused by climate change mitigation, we referenced the four non-financial sectors (energy, transportation, materials & buildings, and agriculture, food, & wood products) specified by the TCFD as being highly susceptible to the latent impact of climate change. The abovementioned five businesses are included in these sectors.

Definition of Scenario Groups

When considering our scenario analysis, we referenced materials published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). These materials are highly recognized internationally for the credibility, are referenced in TCFD recommendations, and cover a broad range of business domains. As a result, we set the following two scenarios.

Scenario		4°C	<2°C		
Image of society		The policies of countries, such as the Intended Nationally Determined Contributions (INDC) established in accordance with the Paris Agreement, are implemented. Nevertheless, the average temperature at the end of this century rises by 4°C. This is a society in which there is a high likelihood climate change (e.g., a rise in temperature) will impact business.	The average temperature rise is kept below 2°C until the end of this century. Bold policies and technological innovation are promoted. This is a society in which social changes due to the transition to a de-carbonized society are highly likely to impact business.		
Reference scenarios	Transition aspects	 Stated Policies Scenario (IEA WEO2019) Reference Technology Scenario (IEA ETP2017), etc. 	 Sustainable Development Scenario (IEA WEO2019) 2°C Scenario (IEA ETP2017), etc. 		
	Physical aspects	• RCP8.5 (IPCC AR5), etc.	• RCP2.6 (IPCC AR5), etc.		
Risks and opportunities		Risks and opportunities in terms of physical aspects will be more likely to surface	Risks and opportunities in terms of transition aspects will be more likely to surface		

* The IEA WEO 2019 Sustainable Development Scenario is the following scenario: The world works to keep the rise in temperature to less than 2°C – if possible, 1.5°C. At the same time, this is a scenario in which the targets of everyone being able to use energy and improving air pollution are achieved.

* Important input parameters and prerequisites for the climate-related scenarios we used include the following types of parameters.

Parameters Related to the Power Generation Business in	2040				
the US	4°C Scenario	<2°C Scenario			
Carbon price/emissions trading	• N/A	• \$140/ton			
Fossil fuel price	● Coal: \$108/ton ● Gas: \$7.5/MMBTU	 Coal: \$77/ton Gas: \$5.9/MMBTU 			
Renewable energy prices	 Solar utility scale: 7.2 to 8.8 yen/kWh Land-based wind power: 6.2 to 7.7 yen/ kWh 	 Solar utility scale: 6.6 to 7.1 yen/kWh Land-based wind power: 6.2 to 7.7 yen/ kWh 			
Energy production volume by source	 Coal thermal: 1,016 TWh Gas thermal: 1,480 TWh Renewable energy: 1,488 TWh 	 Coal thermal: 153 TWh Gas thermal: 959 TWh Renewable energy: 2,560 TWh 			
CCS dissemination rate	• N/A	 Coal thermal w/CCS: 64% Gas thermal w/CCS: 18% 			

Water Resources Conservation

Evaluation by Society

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Environmental Policy Environmental Management

Prevention of Pollution and Resource Circulation

Conservation of Biodiversity Clean-tech Business ESG Data(Environmer

Climate Change (Information Disclosure Based on TCFD Recommendations)

Scenario Analysis and Results

For the scenario analysis, we did not limit the timeline range to the short-term. We also added medium- and long-term axes for 2030 and beyond when organizing and evaluating the factors of latent risks and opportunities that could have a significant qualitative or quantitative financial impact for each business. We extracted risk and opportunity factors from the perspective of procurement, business management, and demand, and then organized and evaluated factors of high importance. For particularly important factors, our scenario analysis was based on finance models that reflect defined parameters. We defined these parameters by identifying variables that significantly impact transition and physical risks and opportunities. For the analysis of financial impact level, we measured the latent impact level of climate change and analyzed the financial impact level, including the effect of risk and opportunity measures.

The quantitative information used in our scenario analysis reflects judgments made by ITOCHU based on scenarios prepared by sources such as the IEA. While we worked to increase analysis precision, the analysis does include numerous uncertainties.

inesses for Which Transition Risks Are the Main Issues The main issues for fossil fuel-related businesses are transition risks in the <2°C temperature band scenario.

Busines	s Profile	Power Generation Business	Energy Business		
Time	frame	By 2040	By 2040		
Temperature	Band Scenario		<2°C Scenario		
Main risks and opportu- nities	tion	Risk : Thermal power generation costs may increase due to the impact of carbon taxes and mandatory capture, utilization and storage of carbon dioxide (CCUS). Opportunity : The competitive advantage of renewable energy may increase. This also includes technological progress and cost reduction. Opportunity : It may be necessary to increase investment in storage batteries and grids for a significant shift to renewable energy. Risk : Power generation facilities may be damaged by natural disasters (abnormal weather).	Risk : Countries may introduce regulations (e.g., carbon taxes) toward the realization of a decarbonized society. This may lead global demand for fossil fuels to shrink. Opportunity : Demand for LNG may increase especially in Asia as a transition fuel to realize a decarbonized society and as a fuel to support industrial development. Opportunity : Demand for new energies (e.g., hydrogen, ammonia and renewable fuel) may increase as alternatives to fossil fuels. Opportunity : Demand for new energies (e.g., hydrogen, ammonia and renewable fuel) may increase as alternatives to fossil fuels. Opportunity : Business opportunities may increase for carbon dioxide capture, utilization and storage (CCUS) that contributes to a reduction in greenhouse gases. Risk : Possibility production facilities could be damaged in a natural disaster (abnormal weather).		
Business environm the scenar Business i assessmen	rio mpact	Transition risks will greatly squeeze income with carbon taxes and CCUS costs. Therefore, the income of thermal power generation may decrease. Analysis according to the EBITDA indicator (%)* 0 20 40 60 80 10 However, cumulative income is expected to improve due to an increase in remewable energy sales and a decrease in carbon taxes and CCUS costs by switching to measures emphasizing renewable energy. Risks and opportunities Increase/decrease in demand for thermal and renewable energy power generation costs by switching to measures Measures and effects Measures and effects Risks and opportunities Increase (Acrease in demand for thermal and renewable energy power generation costs by switching to measures Analysis according to the EBITDA indicator (%)* Increase/decrease in demand for thermal and renewable energy power generation costs by switching to measures Increase (Acrease in demand for thermal power generation costs by switching to measures After taking the measures After taking the measures Increase (Acrease in demand for thermal power generation cost of compliance with regulations	In the 2°C scenario, a global decrease in demand for fossil fuels is projected but it is possible to maintain earnings by capturing new energy demand for fossil fuel alternatives and environmental business opportunities such as CCUS. Assumes a low possibility that natural disasters (abnormal weather) in relevant regions would further increase in scale. (Evaluated multiple scenarios for energy price fluctuations through 2040)		
Measures policies Business opportuni		 We will aim to achieve a renewable energy ratio of more than 20% (equity interest basis) by FYE 2031. We will reflect this in future efforts. We will not develop any new coal-fired power generation business. Part of the reason we will do this is to contribute to the development of a sustainable society. 	 We will restructure our energy business portfolio by seizing business opportunities through adding synergies with group companies and participating in initiatives in the new energies field. We will strengthen efforts on CCUS and other environmental businesses toward the realization of a decarbonized society. In relation to upstream oil and gas development, we will carefully examine the impact on the environment whenever we switch our assets. We intend to improve the efficiency in our business model and this will align well with the stakeholders' needs. 		
Financial information	on	 Profit in segment of applicable business (gross profit): 205.8 bn yen (Machinery Company / FYE 2022 results) Total assets in segment of applicable business: 1,302.7 bn yen (Machinery Company / March 2022 results) 	Profit in segment of applicable business (gross profit): 124.6 bn yen (Energy Division / FYE 2022 results) Total assets in segment of applicable business: 818.0 bn yen (Energy Division / March 2022 results)		

* Earnings before interest, taxes, depreciation and amortization (This refers to earnings calculated by adding interest expenses and depreciation expenses to earnings before tax.)

I Initiatives in Coal-related Business The business environment and response measures under the 2°C scenario for the coal-related business is as follows.

Business environment under the scenario	Under the 2°C scenario, business could be impacted by technological innovation, regulatory trends, and global energy demand but, overall, thermal coal usage volume will decrease over the medium- and long-term.
Measures and policies	 In February 2019, we adopted a policy outlining not developing new coal thermal power plants or acquiring thermal coal mine businesses. Decided on the withdrawal from thermal coal mine interests to reflect commitment to leading the industry in realizing a decarbonized society. This is in line with the basic policies in the Medium-term Management Plan from FYE 2022: enhancing our contribution to and engagement with the SDGs through business activities. In April 2021, we sold our Drummond interests in Colombia, completing our withdrawal from interests in coal mines that only produce thermal coal. In March 2022, we also sold our interests in Ravensworth North in Australia, which produced both coking coal and thermal coal. We will strongly promote efforts toward technological development and social implementation to contribute to a reduction in greenhouse gas emissions. This includes carbon capture and storage (CCS) and carbon capture and utilization (CCU). On the other hand, there will continue to be a need for thermal power generation as regulated power supplies and backup power supplies for the time being for the large-scale spread of renewable energy. Therefore, we will continue to fulfill our duty to stably supply resources through thermal coal trading.
Financial information	 Profit in segment of applicable business (gross profit): 179.0 bn yen (Metals Company / FYE 2022 results) Total assets in segment of applicable business: 1,285.3 bn yen (Metals Company / March 2022 results)

	Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 41 >
I	Environmental Policy Enviro	onmental Management Clima (Infor	ate Change mation Disclosure Based on TCFD Reco	Prevention of prevention of prevention of preventions)	Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

2. Businesses for Which Physical Risks Are the Main Issues

The main issues for agriculture- and forestry-related businesses are physical risks in the 4°C scenario.

Business Profile		Dole Business	Pulp Business
Timef	frame		Ву 2030
Temperature E	Band Scenario		4°C Scenario
Main risks and	Transi- tion	Opportunity : An expansion in the introduction of recycled clean energies (biogas power generation and bio boilers) utilizing our own organic resources (including pineapple, banana and other food resi and waste factory liquids) and renewable energies (e.g., solar power generation) may help to carbon levels and protect water resources.	dues, Opportunity : If a carbon tax is introduced in Finland, we will have a competitive advantage. That is because we already use 100% biomass energy
opportu- nities	Physical	Risk : There may be a reduction in yields due to abnormal weather (e.g., typhoons and droughts) in banana pineapple plantations in the Philippines.	Risk : The suitable areas for growing trees change for each species with a rise in temperature. In addition, the amount produced decreases depending on the type of tree and region (pine trees in Finland and spruce trees in the south of the country). Risk : Heavy machinery farming in the winter in Finland is premised on frozen soil. However, the soil may soften due to the rise in temperature and harvesting costs may increase.
Business environme the scenar Business in assessmer	rio mpact	The decrease in crop harvests attributable to climate change can be supplemented by increasing per-unit crop harvest volume. This can be accomplished by selecting breeds that are viable in high-temperature climates and through improvements to production methods, including cultivation and irrigation methods. We also started pineapple production in West Africa (Sierra Leone, etc.) as part of prepare for weather risks. The above initiatives will make it possible to increase earnings.	The amount produced is expected to decrease in some areas due to the rise in the global average temperature. Nevertheless, we can continue to improve earnings by increasing the amount of pulp we produce with the augmentation of facilities in afforestation regions where the amount produced is expected to increase and by curtailing the rise in harvesting costs with measures against soil softening.
 Adaptati mitigatic measure policies Business opportuni 	on es &	 We will diversify producing areas in preparation for weather risks (e.g., Sierra Leone in West Africa). We will increase per-unit harvest by improving production methods, including selecting breeds that are vin high-temperature climates, improving seedling cultivation, and installing irrigation equipment. We will use drones and ICT (agricultural chemical spraying location identification, yield prediction and tim accurate fertilization) to increase the efficiency of production. We will capture the support of environmentally-conscious consumers and increase our brand value by expour adoption of recycling-based clean energy and renewable energy such as solar power to contribute to carbon and water resource protection. 	 ely and and ing The impact on the amount produced will vary between the north and south in Finland. Therefore, we will enhance monitoring of yield changes and examine a flexible production structure including the construction of a new factory. We will give training on the use of special heavy machinery for soft soil and examine even more efficient methods for harvesting in Finland.
Financial i tion	informa-	 Dole International Holdings net profit: 8.4 bn yen FYE 2022 results) Total assets in segment of applicable business: 1,979.5 bn yen (Food Company / March 2022 results) 	 Profit in segment of applicable business (gross profit): 138.7 bn yen (Forest Products & General Merchandise/Logistics Division / FYE 2022 results) Total assets in segment of applicable business: 666.2 bn yen (Forest Products & General Merchandise/Logistics Division / March 2022 results)

* Earnings before interest, taxes, depreciation and amortization (This refers to earnings calculated by adding interest expenses and depreciation expenses to earnings before tax.)

Top Commitment

Istainability Bond) Evaluation by Society Independent Assurance Rep

Environmental Policy Environmental Management

Prevention of Polluti nendations)

Prevention of Pollution and Resource Circulation Water Res

Water Resources Conservation

Clean-tech Business ESG Data(Environment

Climate Change (Information Disclosure Based on TCFD Recommendations)

Impact on Existing Strategies and Business Transition Plans

During our scenario analysis, we ascertained high-impact negative financial risks associated with not implementing climate change measures such as shifting current business strategy or business regions. As a result, we have already begun incorporating specific business transition plans and financial plans (including divestment and investment portfolio reform) into our Medium-term Management Plan, Brandnew Deal 2023 based on the basic policy of leading the industry in realizing a decarbonized society in enhancing our contribution to and engagement with the SDGs through business activities.

I Transition Plans for Main Businesses Subject to Transition Risks

- In the power generation business, increase project development towards the goal of increasing our rate of renewable energy (equity interest basis) to over 20% by FYE 2031.
- Selling our Drummond interests, in line with our policy of withdrawal from thermal coal interests. (We will also aim to sell off other thermal coal interests by the end of FYE 2024.)
- Build a next-generation fuel value chain based on hydrogen and ammonia.
- Create distributed power supply platform using AI storage batteries boasting the No. 1 sales in Japan. (Aim for scope exceeding cumulative power storage of 5 GWh by FYE 2031.)

I Transition Plans for Main Businesses Subject to Physical Risks

- Increase per-unit harvest volume by selecting breeds that are viable in high-temperature climates and improvements to production methods.
- Expand business into other regions projected to see growth in production volume.

The Division Company Management Committee (DMC) conducts annual reviews of business risks and opportunities, including those related to climate change. Each DMC determines the order of priority for each policy and business, including business transition plans, and then drafts annual plans. The annual financial plans for each company are presented for approval to the HMC, the executive body, and the Board of Directors, the supervisory body, before final approval by the Board of Directors. This final approval is subject to a comprehensive analysis and deliberations from an ESG perspective, including matters related to climate change.

In March 2021, ITOCHU also issued SDGs Bond (Sustainability bond totaling US \$500 million) as part of our financial strategy to enhance our contribution to and engagement with the SDGs through business activities. A portion of these SDGs Bonds were allocated towards R&D-related investments in climaterelated subjects like those indicated below. The issuance of SDGs Bonds will increase recognition of ITOCHU Group policies to a broader range of stakeholders and further promote initiatives related to the SDGs.

- GHG emissions reduction initiatives: Renewable energy (power generation, power storage)
- Initiatives to promote GHG emission reduction measures at FamilyMart.

We confirmed that implementing these types of transition plans will enable us to maintain resilient business operations, even in over the medium- and long-term, for Group businesses, products, and services. Beyond the scope of applicability to this scenario analysis, ITOCHU is engaged in diverse business activities in various regions. Those business activities are also impacted by climate change. However, at this point in time, we have determined that the impact on Group overall earnings caused by risks associated with each individual business activity would be limited.

Conservation of Biodiversity

To confirm the impact of climate change on overall Group business, we will continue to conduct analyses of both transition and physical risks. We will further identify and organize fields susceptible to significant impact and evaluate response policies based on an order of priority given to areas requiring a response. Top Commitment

Evaluation by Society SDGs Bond (Sustainability Bond

Water Resources Conservation

Independent Assurance Rep

Environmental Management Environmental Policy

Climate Change formation Disclosure Based on TCFD Recom

Society

Prevention of Pollution and Resource Circulation

Climate Change (Information Disclosure Based on TCFD Recommendations)

Risk Management

As a Group engaged in global business operations, ITOCHU constantly monitors climate change policies in each country, the status of abnormal weather around the world, and the business risks associated with changes in average temperatures. In the analysis of risks for our entire Group, we manage climate change risks identified based on an analysis of information concerning climate change measures, including regulatory information and abnormal weather information, as one of the 18 major risks (environmental and social risks) facing our company. Identified climate change risks are also examined and evaluated during our investment decision process. Each department in charge of risk management has established an organization for risk identification, evaluation, information management, and monitoring for the consolidated group.

Identification and Evaluation of Climate Change Risks

ITOCHU recognizes risk management as an important management issue. Referencing the COSO-ERM framework, we outline our basic policy on risk management for ITOCHU and prepare the organizations and methods necessary for risk management. Each company and the Sustainability Management Division cooperate regularly to gather information to assess risk importance. This information includes trends in climate change policy and regulations, which mainly consists of existing and new regulations related to climate change in the countries in which we operate, climate change-related technology, and clean-tech business. We also gather information on global abnormal weather and average temperature increases. Importance is identified and assessed using specific indicators and from the perspective of ascertaining the substantive financial or strategic impact that climate risk may have on the Company. For example, for non-consolidated businesses, we identify an important risk as a risk that would cause a 10% change compared to net sales from the previous year, a 20% change in average net income for the most recent past five years, or a 30% change in net assets from the end of the previous year. For consolidated businesses, we would use a change of 10% from previous fiscal year earnings or a 3% change in total capital from the end of the previous year. ITOCHU organizes the information we gather on climate change risks and opportunities into the material climate change-related risks and opportunities (risk criteria), with analysis for both transition and physical risks. We use risk criteria to identify and assess climate change risks in the risk management process for each phase of business, including the start of a new business, existing businesses, handled products, supply chains, Group company business management, and business strategy reviews. Climate change risks gathered during the risk assessment process are deliberated by the Sustainability Committee and other relevant committees to ensure we continuously review risk criteria and the risk identification process. During these deliberations, the relevant committees incorporate opinions received form the Sustainability Advisory Board, which promotes dialogue concerning sustainability between ITOCHU management and external stakeholders.

Integrating Climate Risk Management into the ITOCHU Group Risk Management System

Due to the nature of our broad-based operations, ITOCHU is subject to various risks, including market risks, credit risks, and investment risks. In addition to establishing various internal committees and designated responsible departments, we have created a risk management organizational structure and management methods necessary to address these risks. This organizational structure includes outlining management regulations, investment standards, risk limits, and transaction limits, as well as establishing structures for reporting and monitoring to enable integrated Group risk management.

Climate change risks are one (environmental and social risks) of the 18 major risks subject to Group risk management. We incorporate this risk management into the assessment methods for each business phase shown in the table below (business, product, Group companies, supply chain, strategy, and portfolio).

Evaluation Methods for Each Business Phase

Business Phase	Evaluation Method
Business start	Environmental risk assessments for new investment project (approx. 80 per year)
Business management	 Environmental risk assessments for handled products (overall supply chain evaluation) Group company environmental status survey (2, 3 companies per year) Supply chain sustainability surveys (ITOCHU and consolidated subsidiaries) Internal environmental audits based on ISO14001 (ITOCHU Corporation, 3 applicable Group companies) (once per year)
Review business strategy	Consider business strategy, portfolio restructuring

If risks and opportunities are identified via the evaluation methods at each business phase, we use the tool shown below in Risk Assessment & Management Activities to assess the impact of risks and opportunities on business. Risk Assessment & Management Activities include quantitative evaluations such as scenario analyses and stress tests, and qualitative evaluations such as assessments of compliance with investment policy and GHG reduction targets. Quantitative information for risks and opportunities not related to climate change is added to climate change risk and opportunity information that has been quantitatively assessed. This information is then used to analyze the level of contributions to earnings.

	Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	↑ < 44 >	
1	Environmental Policy Enviro	onmental Management Clima	ate Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)	

Environmental Policy

formation Disclosure Based on TCFD Recommendations)

Water Resources Conservation

Clean-tech Business

Climate Change (Information Disclosure Based on TCFD Recommendations)

Risk Assessment & Management Activities

Managed Factor	Risk and Opportunity Factors (example)	Evaluation & Management Activities (example)
Market	 Decreased demand due to adoption of a carbon tax on energy (crude oil, gas, LNG) development projects Increased LNG demand and increased demand for renewables and other new energy 	 Scenario analysis Policy on climate change in relation to investment decisions Conformity to ITOCHU GHG reduction targets Compliance with policy on investment and growth in new energy solutions Earnings contributions
Regulations	 Carbon tax on international transactions for energy and fuel Adopt volume reduction requirements and emissions trading scheme (cap and trade scheme) in country of operation Increased thermal power generation costs at power plants due to carbon tax and CCUS requirements 	 Scenario analysis Portfolio stress test Regulatory monitoring Carbon prices Conformity to ITOCHU GHG reduction targets
Technology	 Mobility electrification Renewable energy and storage battery/lithium battery technology CCUS, hydrogen/ammonia and other low carbon technologies Digitized big data 	 Monitoring technological trends related to risk factors Increased investment in new energy solutions, CCUS, and new low-carbon technologies Digitization roadmap
Physical risks	 Chronic effects (e.g., sea level rise, water scarcity increase) Acute effects (e.g., more frequent extreme weather events) 	 Regular updates to meteorological and oceanographic data for new business development / existing business risk assessments Updates to physical impact data on food products
Reputation	 Maintaining company appeal in terms of personnel hiring Investor awareness of climate change countermeasures Climate-related lawsuits Impact on acquiring licenses needed for business 	 Governance for climate change issues Ensuring transparency of performance disclosure Communication with stakeholders (investors, initiatives, NGOs, business affiliates)

Our risk management, including climate change, related to Company operations (P179)

Climate Change Risk Management Organization

Business Start Phase

ITOCHU has established a multilayered decision-making process that seeks to realize swift decision-making by delegating discretionary power to each internal company, while pursuing investment returns and controlling investment risks. Depending on the size and terms of a project, a review is conducted at the internal company level or by the Investment Consultative Committee and the HMC (Headquarters Management Committee). In all cases, ESG risk assessments, including climate change risk, are incorporated into considerations when making investment decisions in the business investment process, which includes climate change risks. Using a tool called ESG Checklist for investments, we conduct shadow pricing for the purposes of risk analysis of GHG-intensive projects, promotion of low-carbon investments, identification and expansion of low-carbon business opportunities, stress testing, etc. This will be one of the analytical tools for future internal carbon pricing. As a member of the HMC and the Investment Consultative Committee, the CAO, who chairs the Sustainability Committee, participates in the screening of projects that exceed the authority of the division company president. This system reflects the content of deliberations at the specific stage of climate change risk and at the assessment stage of climate change risk for company-wide risk management.

Our business investment management (P181)

Business Management Phase

ITOCHU evaluates and manages risks such as climate change, natural disasters, and ESG investment identified in the business start stage and the business management stage through collaboration between responsible committees such as the Sustainability Committee and Internal Control Committee and the departments in charge. Environmental and social risks, including climate change, are summarized as one of the 18 major risks subject to centralized management. Each year, the Sustainability Management Division serves as the executive unit in charge of organizing this information and issuing reports to the Internal Control Committee along with information on the other 17 major risks to integrate the risk information into company-wide risk management system. The Sustainability Committee also deliberates on policies and measures related to climate change risk and how to promote the risk management system, etc. The director serving as chair of the Sustainability Committee reports on the content of deliberations to the Board of Directors approximately twice per year.

Review Business Strategy

Reviews of business strategy related to climate change are conducted by the Division Company Management Committee (DMC), and then by the HMC via the Investment Consultative Committee on which the CAO, who serves as the chair of the Sustainability Committee, also participates as a key member. Final decisions are made following deliberation by the Board of Directors. Scenario analysis based on TCFD recommendations is also used as a tool when considering business strategies and portfolio restructuring. In our analysis, we analyze short-term, medium-term, and long-term climate-related risks and opportunities once a year for their impact on organization business, strategy, and financial planning.

Top Commitment	Sustainability at the ITOCHU (Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 45 🗲
Environmental Policy Envir	ronmental Management	Climate Change (Information Disclosure Based on TCFD Reco	Prevention of mmendations)	Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

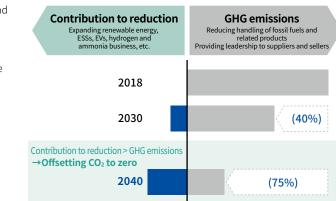
Metrics and Targets and Action Plan

ITOCHU has set the following targets for GHG, electricity usage, and clean-tech business as part of our response to climate change risks and opportunities. When setting these metrics and targets, we reference Japan NDC and IEA materials, which are highly recognized internationally and can cover a wide range of business areas.

GHG Emissions Reduction Targets

- Metrics (aggregation range): Scope 1/2/3 (consolidated subsidiaries), fossil fuel business and interests (consolidated subsidiaries, equity, general investments)
- Targets:
- Achieve net zero GHG emissions by 2050.
- Achieve 75% reduction from 2018 levels by 2040, aim for "offset zero"* through aggressive promotion of businesses that contribute to GHG emission reductions.
- *Offset zero: When reduction contributions exceed company GHG emissions
- Achieve 40% reduction from 2018 levels by 2030.

Trends in our GHG emissions (P85)



Scope: Scopes 1/2/3 + Fossil fuel businesses and interests (affiliates and general investments)

Electricity Consumption Reduction Targets

		FYE 2022 Results	Single Year Target	Target for the Year Ended March 2023	
Electricity Consump	tricity Consumption of Japanese Bases OCHU Corporation	Reduction of 0.8% compared with FYE 2021 levels	Reduction of at least 1% annually	Reduction of 30% compared with FYE 2011	
of ITOCHÚ Corporat		Reduction of 48% compared with FYE 2011 levels	Reduction of at least 1% annually	levels	

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A 4 6 >
Environmental Policy Enviro		ate Change		Pollution and Resource Circulation	on Water Resources Consei	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Clean-tech Business Metrics and Targets (Action Plans)

We set the following metrics and targets (Action Plans) in ITOCHU Clean-tech Business as one of the main metrics (benchmarks) for climate-related risks and opportunities.

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Cor	npany							
Address Climate Change (Contribute to a Decarbonized Society)	7 <u>attention</u> 2000 2000 13 attention 13 attention 2000 13 attention 2000	Climate Change Opportunities	Taking counter- measures against climate change	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	 We continue to operate wind power projects in the U.S. (Butendiek and Cotton Plains). We invested in wind farms consisting of Kimball Power Plant (Minnesota, U.S.) and South Fork Power Plant (Nebraska, U.S.) in March 2020. We acquired all equity interests in Bay4 Energy Services, LLC in December 2020. Bay4 Energy Services, LLC operates, maintains and provides asset management services for to approximately 1,400 solar power plants with a total capacity of 1.6 GW in the U.S. We established Tyr Energy Development Renewables, LLC ("TED") to accelerate the development of renewable energy in the U.S. Our ratio of renewable energy as a percentage of our total net generation capacity is equivalent to based on our power generation business equity capacity is 14.2% (as of December 2021).
Address Climate Change (Contribute to a Decarbonized Society)	7 2000000 2000000 13 20000 20000 20000	Climate Change Opportunities	Taking counter- measures against climate change	Zero emission vessels	We will contribute to reduce greenhouse gas emissions in the shipping and maritime transportation fields by promoting integrated project that include the development, owning, operation of ammonia-fueled vessels and development of supply chain of ammonia fuel.	Aim to materialize the pilot project which includes the development, owning and operation of ammonia fueled vessel led by Japanese industry players and development of supply chain of ammonia as an alternative marine fuel.	 Build a value chain centered on ammonia fuel through the owning and operation of ammonia fueled vessels and establishing fuel supply chain. Reduce carbon emissions from the maritime industry by promoting the spread of ammonia-fueled vessels from 2025 onward. 	 For the contribution of decarbonization in the field of the international shipping, and creation of the new business, we implement "comprehensive projects", including the development of ammonia fueled vessels, the operations, fuel supply areas. We have created the platforms for the studying and the discussion of the common tasks for introducing ammonia fueled vessels. For the further discussion, we consider to collaborate with Japanese governent(Ministry of Land, Infrastructure, Transport and Tourisr Rotterdam port and Singapore port authority. In October, 2020, it has been adopted to the "Green Innovation Fund Project / Development Project for Next-Generation Ships / Development of Ammonia Fueled Ship", a project publicly offered by New Energy and Industrial Technology Development Organizatio (NEDO).
Address Climate Change (Contribute to a Decarbonized Society)	13 amm	Climate Change Opportunities	Taking counter- measures against climate change	Sales of passenger cars and commercial vehicles	We will achieve the eco-friend- ly mobility society by strengthening businesses of electric vehicles (EVs), hybrid vehicles (HVs), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco-friendly vehicles by increasing business of eco-friendly and high- efficiency products, such as EVs, HVs, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	 We have invested in a ride sharing service company called Via (2019). We have been providing efficient transport system to mainly rural areas. Also we are currently promoting collaboration with a major logistics company (providing a system for new logistics services). Thi is improving the efficiency of transportation and logistics to contribute as an aid in reducing our environmental burden. We have been participating in a small electric truck demonstration experiment since January 2019 in Japan and from the knowledge w are trying to establish new business around EVs. Since September 2021, we are participating into a pilot project about battery swapping EV truck which is backed up by Japanese government(Ministry of Environment). We have invested in 2018 in China called Dishangtie Car Rental, an electric commercial vehicle rental and maintenance service. We have engaged a MOU to study about expanding such EV maintenance rental and leasing to abroad countries.
 Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply 		Water Resources Pollution Prevention and Resource Recycling	Improving water and sanitation infrastructures	Water and environmen tal projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waster	utilization of resources, and reduce the burden on the	Expand and diversify the investment portfolio in the water and environment field.	 Water Field We have developed a water supply service business in the U.K. and seawater desalination business in Australia and Oman. We aim to continue contributing to stable water supply in regions through seawater desalination, and water supply/ and sewerage businesses. At the same time, we are looking to be involved in solutions-based business for water issues in each industrial sector across a range of industries. Environmental Field We operate four municipal solid waste incineration and power generation plants(waste to energy plant) in the U.K, which treat 1.3 million tons of waste annually, accounting for 15% of the UK's waste incineration market, and generate enough electricity to power 160,000 British households. We are currently constructing a municipal solid waste incineration and power generation plant(waste to energy plant) and a new leachate-controlled landfill in Serbia. In November 2020, we acquired a 20% stake in Environment Development Company Ltd. (EDCO), which provides integrated hazardous waste management services in Jubail Industrial City in Saudi Arabia. In August 2021, we started to provide the government of Serbia with partial service of energy-from-waste project. Appropriate treatment of municipal solid waste in City of Belgrade and reduction of environmental pollution and greenhouse gas emissions has begun. Recycling of construction waste has also begun. We are aiming to enhance the functions of our initiatives that to capture strong demand for waste management services in light of intensifying environmental regulations in each the industrial sector and the growing awareness of ESG and SDGs more generally in the same way as in the water field.

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 47 >
Environmental Policy Enviro		ate Change mation Disclosure Based on TCFD Reco		of Pollution and Resource Circulati	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Metals & Mine	rals Com	ipany						
Address Climate Change (Contribute to a Decarbonized Society)		Climate Change Opportunities Capital Introduction	Taking countermea- sures against climate change	 Resource recycling business Mining business Environmental business Materials-relat- ed business 	 We will realize stable resource supply as our social mission and responsibility while fully consider- ing its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials. 	 Take the lead in developing recycling- orientated business. Promote initiatives for the social implementation of hydrogen and ammonia as next-generation resources and raw materials in client industries (e.g. steel and power). Promote businesses to contribute to the stable supply of nickel, PGM and other materials necessary in the manufacture and supply of hydrogen, green materials and energy, and storage batteries. Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gas emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Promote initiatives to completely withdraw from thermal coal mine interests while continuing to realize stable resource supply as our social mission and responsibility through trading in regards to our coal business. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper). 	 Promote recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia as next-generation resources and raw materials in client industries (e.g., steel and power). Promote examination toward technological development and commercialization to contribute to a reduction in greenhouse gas emissions, including hydrogen, green material and energy production, and carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Strive to withdraw from thermal coal mine interests. Realize initiatives in businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper). 	 We are contributing to the effective utilization of limited resources and the supply of environmental materials by promoting 3R*W (reduce / reuse / recycle + waste management) through our supply chains toward the realization of a sustainable society. Specifically, we are steadily promoting initiatives in venous industries. This includes the reuse and recycling of FamilyMart store facilities and fixtures, the expansion and increase in sophistication of metal scrap and waste treatment, and strengthening of cooperation with the REVER HOLDINGS CORPORATION (current TRE HOLDINGS CORPORATION) general recycling company we invested into last year. We agreed with Nel ASA (Norway), who is the world's largest manufacturer of electrolysers that are essential for green hydrogen production, to create a strategic partnership in the hydrogen industry. We and Nel are jointly exploring hydrogen business opportunities. We are promoting to realize the Platreef project in the PGM/nickel business where demand is expected to grow significantly due to the worldwide spread of electric vehicles and fuel cell vehicles. We continue to conduct a commercialization survey of a by-product hydrogen project in northern Kyushu together with NIPPON COKE & ENGINEERING CO., LTD. and a Belgian maritime transportation company Compagnie Maritime Belge BV. for the early social implementation of hydrogen, which is based on our agreement in February 2021. We made an investment into Australia-based MCI, who possesses mineral carbonation technologies. We are promoting the examination of other carbon dioxide capture, utilization and storage (CCUS) technologies and various initiatives that will lead to a reduction in CO₂ emissions. As per the Outline of Medium-Term Management Plan that we announced in January 2021, we decided to withdraw from thermal coal mine interests with a perspective of strengthening contibution and initiatives to SOS. And we divested our Drummond thermal coal anite interests in Col

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 48 >
Environmental Policy Enviro	onmental Management Clima	ate Change mation Disclosure Based on TCFD Reco	Prevention of	Pollution and Resource Circulation	on Water Resources Conser	rvation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Cher	nicals C	ompany						
Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply	13 cont taxe	Transition Risk Stable Supply of Resources	energy taking into account climate change and the	Oil/gas interests and liquefied natural gas (LNG) projects	We will produce resources (transition fuels) taking into account a reduction in greenhouse gases. We will provide a stable supply of energy to contribute to the development of industry and the construction of infrastructure.	Work on resource development projects in collaboration with superior partners who have advanced technical capabilities and abundant experience.	Pursue opportunities to participate in gas projects with a relatively low environmental burden in fossil fuels and as raw material source of the low-carbon fuel while keeping in mind the stable supply of energy in the transition of as toward the realization of a sustainable society.	Aiming stable supply of energy towers the realization of a sustainable society, we are continuing to hold discussions with superior partners to realize participation in new gas projects as transition fuel and raw material source of the low-carbon fuel.
Address Climate Change (Contribute to a Decarbonized Society)	7 новые ма	Climate Change Oppo- rtunities	Energy use that takes into consideration local communities and the environment	District heating and cooling	We will promote initiatives toward environmentally friendly regional energy use.	Communicate appropriately with neighboring stakeholders in the Jingu Gaien district.	Maintain the stable operations of district heating and cooling in the Jingu Gaien district and promote the spread of it to neighboring areas.	 We submitted Project Planning sheet to Tokyo Metropolitan Government in July, 2021. In March, 2022 Tokyo Metropolitan Government notified Jingu Gaien district city planning. We are continuing discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.
Address Climate Change (Contribute to a Decarbonized Society)	7 совение на	Climate Change Oppo- rtunities	Efforts to optimally and continuously supply renewable energy	Energy Storage System Power& Environmental Solution	 We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular. 	We will continue to sell Energy Storage System equipped with optimal charging/discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	 Number of storage batteries sold. Use of recycled and reused batteries. 	 We have sold a cumulative total of approximately 50,000 units (485 MWh) of energy storage systems as of the end of March, 2022. Our customers are making the maximum use of the solar power they generate in their homes for their own consumption with our grid share service (Al control) that we have been equipping as standard and selling in systems since November 2018. In Jun, 2021 Energy Storage Systems brand, "Bluestorage", using reuse-EV-battery, has started its operation. We are continuing to promote it with a view to commercialization and mass production. We continue the recycle demonstration of household storage battery reuse for the establishment of recycle chain and tractability. We are considering the combination of recycler, manufacturer of positive electrode material/ precursor and the company who has the block chain skills.
 Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply 	7 mmm 淡 13 mm	 Stable Supply of Resources Capital Introdu- ction 	Working on new fuel initiatives toward the realization of a carbon-neutral society / recycling- orientated low-carbon society	Production and supply of hydrogen and fuel ammonia, and proc- urement and supply of renewable fuels	We will aim to build a production and supply structure for new fuels to contribute to the reduction of greenhouse gases on a life cycle assessment basis toward the realization of a sustainable society.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	 In Oct 2020, we have participated in a collaboration initiative, a first for Japan, in relation to the supply of sustainable aviation fuel (SAF) in partnership with ALL NIPPON AIRWAYS CO., LTD. and Neste Corporation, world's leading producer of renewable diesel and SAF, developing chemical recycling to combat the plastic waste challenge. In Feb 2021, we have agreed to a strategic collaboration on the development of a hydrogen value chain that covers all aspects from upstream to downstream (low-carbon hydrogen production to its utilization), with Air Liquide Japan G.K., the Japanese subsidiary of Air Liquide, the world's largest industrial gas company driving the worldwide hydrogen business, and ITOCHU ENEX Co., Ltd The three companies have signed a memorandum of understanding to this effect. In Jun 2021, we, ITOCHU Corporation, ITOCHU ENEX Co., Ltd. and FamilyMart Co., Ltd. have facilitated the use of renewable diesel for delivery vehicles for convenience stores for the first time in Japan. In Aug 2021, we made investment in Raven SR Inc (headquartered in USA) along with Chevron U.S.A. Inc., Hyzon Motors Inc., and Ascent Hydrogen Fund. Raven is a startup company seeking to produce renewable hydrogen and renewable fuels from municipal solid waste. In Aug 2021, we have participated in a project, which produce sustainable aviation fuel (SAF) from biomas materials, as a member of consortium including JERA Co., Inc, Mitsubishi Heavy Industries, Ltd., and Toyo Engineering Corporation with Support of New Energy and Industrial Technology Development Organization (NEDO). We will aim at implementing a commercial scale domestic SAF production for sustainable SAF supply in Japan. In Feb 2022, we, ITOCHU Corporation, and Neste have expanded their partnership to grow the availability of SAF in Japan. In the partnership, ITOCHU acts as the sole branded distributor of "Neste MY Sustainable Aviation Fuel" available for first at the two largest Japanese international airpor

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 49 🗲
Environmental Policy Enviro	onmental Management Clima	ate Change mation Disclosure Based on TCFD Reco	Prevention o	f Pollution and Resource Circulation	on Water Resources Conser	rvation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

Action Plan

Materiality SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals C	ompany						
Address Climate Change (Contribute to a Decarbonized Society)	Capital Introduction	Working on initiatives in carbon dioxide capture and storage (CCS) business toward the realization of a carbon- neutral society and inclusive and sustainable economic growth	Building of CO ₂ capture chains using CCS	We will aim to build CO ₂ capture chains to contribute to the reduction of greenhouse gases toward the realization of a sustainable society.	Refine CO ₂ storage technologies - an application of petroleum development technologies - and enhance access to CO ₂ capture chains (e.g., collection and transportation) to link them to CO ₂ storage technologies.	Build a CO ² transportation and storage business model by uncovering CO ₂ capture needs at places where CO ₂ is emitted in client industries across our companies.	In Jun 2021, we, ITOCHU Corporation, together with ITOCHU Oil Exploration Co., Ltd., are joining the Geological Carbon Dioxide Storage Technology Research Association to participate in a project to research and develop technologies for underground sequestration of carbon dioxide. We aim to build a business model for the CO ₂ capture chain through this initiative.
Address Climate Change (Contribute to a Decarbonized Society)	Climate Change Opportunities	Working on initiatives to optimally and continually supply renewable energy	Renewable energy independent power producers (IPPs) / renewable energy-related materials procurement / dispersed power source initiatives	 We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power gird through the deployment of solar power dispersed power sources. 	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power plants (VPP).	 Scale of our renewable energy assets Scale of our dispersed power sources 	 We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 300 on-site photovoltaic power plants(combined output is appx 65,000kW) across Japan through VPP Japan, lnc. We singed capital and business alliances with Clean Energy Connect Co.,Ltd who supply renewable power sources to customer companies through off-site Corporate Power Purchase Agreements(PPAs). We started a demonstration of next generation energy management by Al for optimal control among individual facilities, solar power generation facilities, energy storage systems, in collaboration with IGrid Solutions Inc. We made a decision to construct a biomass power plant in Tahara City, Aichi Prefecture and in Hyuga City, Miyazaki Prefecture.
Food Company							
Address Climate Change (Contribute to a Decarbonized Society)	GHG Emissions	Taking countermeasures against climate change	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	We will utilize green energy in our processed food business.	 New boiler and power plant operating situation. Situation of the utilization of raw materials in boilers and power plants. (1) Situation of the utilization of all food residue generated in pineapple processing factories. (2) Situation of the utilization of non-standard products that cannot be sold as food, generated in banana plantations. 	Starting of the plant operation was delayed due to restrictions of the movement of overseas engineers due to the COVID-19 pandemic. We expect full-scale operation to start at the beginning of 2022.
General Products & Re	alty Company						
Address Climate Change (Contribute to a Decarbonized Society)	Capital Introduction	Taking countermeasures against climate change	Cement substitute material such as slag	We plan to expand the use of sustainable byproducts (slag) as a substitute material for the cement which is vital for construction and civil engineering.	Establish continuous, stable business between Steelworks as the supplier of slag and Users.	Consider investment, participation, etc. in the slag business and focus initiatives on creating demand, especially in developing countries, with the aim of establishing continuous, stable business.	We are currently in discussions concerning investment and participation in the slag business.

Reflecting Climate Change Issues in Corporate Officer Remuneration System

To enhance the link between management strategy and executive compensation structure, ITOCHU decided to newly incorporate climate change and ESG/SDGs response into the evaluation of each executive from FYE 2021. Director remuneration is determined according to factors that include degree of contribution to ITOCHU Corporation, including addressing climate change, ESG and SDGs, based on a standard amount for each position.

Corporate Officer Remuneration System (P165)

Top Commitment

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Environmental Policy Environmental Management

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Prevention of Pollution and Resource Circulation Water Resources Conservation

Evaluation by Society Independent Assurance Re

on Conservation of Biodiversity

Clean-tech Business ESG Data(Environment)

Climate Change (Information Disclosure Based on TCFD Recommendations)

Society

Initiatives

Initiatives in Business Tackling Climate Change

Toward Sustainable Plantation Operation in Response to Climate Change

ITOCHU group company Dole has a banana field on Mindanao Island in the Philippines, where typhoons, droughts, pests and diseases have occurred. Banana production volume decreased by 40% to 440,000 tons in FYE 2017. In light of this situation, we conducted the following analysis.

- Climate change risk assessment (short- and medium-term risks) in the Group company environmental status survey (conducted on 2 to 3 companies per year) as a part of global risk management process.
- As information necessary for risk assessment, we ascertained domestic and international trends related to climate change and problem cases caused by climate change. We used ERM to analyze those trends.

As a result, we recognized that the concentration of production areas was a serious risk. To recover and expand production while dealing with this risk, we introduced irrigation equipment for bananas, consolidated and expanded agricultural land, and implemented measures against pests and diseases. Since similar risks exist in pineapple cultivation, we also decided to improve productivity by investing in equipment for pineapple farms and reviewing cultivation methods. We also promoted diversification of production areas in preparation for abnormal weather risks. Through the above analysis and countermeasures, we were able to maintain banana and pineapple production by making full use of diversified production areas and cultivation techniques, even when several typhoons occurred near Mindanao Island in 2020.



Banana Field

Withdrawal from Interests in Thermal Coal

ITOCHU has invested in several coal interests, but in the future these businesses will likely be subject to carbon tax. Also, countries will introduce energy diversification policies, which will lead to the promotion

of renewable energy and energy saving technology. The changing and more competitive prices of renewable energy risks decreased profits from coal-related businesses, causing these assets to become impaired or fixed.

Based on this risk analysis, in 2019 ITOCHU announced that we will not develop a new coal-fired power plants or acquire thermal coal mine businesses. In February 2019, we sold all interests in the Rolleston thermal mine owned by ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA). In 2021, we declared through our Medium-term Management Plan that we will lead the industry in realizing a decarbonized society. As part of this initiative, we sold off interests in Drummond and Ravensworth North.

We will continue to review existing thermal coal mine businesses as we seek to contribute to the development of a sustainable society while also continuing to meet societal demands for stable energy supply to domestic and overseas consumers.

Full Switchover to Real CO₂-free Electricity at Tokyo Head Office

ITOCHU is sourcing its real CO₂-free electricity, together with a Non-Fossil Fuel Energy Certificate showing the environmental value of not emitting CO₂, from TEPCO Energy Partner, Incorporated, which supplies electricity to the Tokyo Head Office since January 2020. The Non-Fossil Fuel Energy Certificate includes the tracking information (information about type of energy sources and power plant location) of Maebashi Biomass Power Plant (Maebashi, Gunma Prefecture), which is operated by a subsidiary of Kandenko Co., Ltd., and is used at the Tokyo Head Office building in combination with purchased electricity. This initiative can also be used to prove compliance with "RE100," a global initiative of businesses committed to 100% renewable electricity, in response to the global trend towards decarbonization.

Press release regarding full switchover to real CO₂-free electricity at Tokyo Head Office(https://www.itochu.co.jp/en/csr/news/2019/191217.html)

Initiatives for the Tokyo Metropolitan Government Program to Prevent Global Warming

ITOCHU submitted a plan to the Tokyo Metropolitan Government to reduce the CO₂ emissions in our Tokyo Headquarters by 25% from the reference value (average value from FYE 2003 to FYE 2005) over five years from FYE 2021 to FYE 2025 based on the Ordinance on Environmental Preservation. Our energy consumption CO₂ emission in FYE 2021 was 5,846t-CO₂. This is an approximately 46% reduction compared to the reference value.

The documents we have submitted to the Tokyo Metropolitan Government so far are as follows.

- Greenhouse Gas Emission Reduction Plan for FYE 2021 to FYE 2025 (Submitted in November 2021) (Japanese Only) (https://www.itochu. co.jp/en/csr/pdf/ondanka-202111.pdf)
- * In addition to the Tokyo Headquarters, the adjacent commercial facility of Itochu Garden is also subject to the Greenhouse Gas Emission Reduction Plans submitted to the Tokyo Metropolitan Government.



Top Commitmen

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Environmental Policy Environmental Management

Prevention of Pollution and Resource Circulation

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Water Resources Conservation Conservation of Biodiversity

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Climate Change (Information Disclosure Based on TCFD Recommendations)

Society

Collaboration with Outside Initiatives

Initiative Participation (Activities Through Business and Industry Groups)

We are participating in the Global Environment Subcommittee of the Committee on Environment and Safety — an environment and energy related committee of the Japan Business Federation (Keidanren). We are working to realize an environmental policy compatible with the economy (e.g., through promotion of voluntary action plans, and measures for global warming, waste and recycling and environmental risks). We are also participating in the Global Environment Committee of the Japan Foreign Trade Council. We are striving to build a low-carbon society, construct a recycling-orientated society, and to support environmental related laws and regulations. Climate change-related targets set out in the Global Environment Committee are as follows.

2030 Reduction Targets for Domestic Business Activities (Trading Industry)

- In FYE 2031, we will strive to reduce unit power consumption (Electric power consumption per floor area for the entire company) by 15.7% from FYE 2014 level. (Reestablished July 2018)
- If we decide the direction regarding such as climate change in various industry groups we participate, we express an opinion in line with our Basic Policy on Sustainability in the decision process, and when it is different from our policy, we will strive to be in line with our policy.

TCFD Consortium

ITOCHU announced its support for TCFD in May 2019, which encourages companies to disclose financial information related to climate change. By participating in the TCFD Consortium*, we will continuously engage in the appropriate disclosure of ITOCHU business risks and opportunities associated with climate change.

*The TCFD Consortium established on May 27, 2019 by Ministry of Economy, Trade and Industry (METI), Ministry of the Environment (MOE), and the Financial Services Agency (FSA) as a body for promoting discussion and deliberation among companies and financial institutions supporting the TCFD mission.

CDP (Climate Change & Water Security)

ITOCHU is actively providing information on ESG initiatives to various stakeholders around the world. As part of these initiatives, we participate in the CDP, an NGO that is recognized worldwide as a global standard for corporate environmental information disclosure. Since FYE 2014, we have been responding to the CDP's climate change and water security questionnaires.

Climate Change Campaign "COOL CHOICE" led by Ministry of the Environment

ITOCHU participates in the Ministry of the Environment-led COOL CHOICE climate change campaign to realize a decarbonized society. We are striving to adjust our air conditioning in the summer and winter and to switch off unnecessary electricity. We also conduct environmental conservation activities that all employees can do in their daily lives such as sorting waste and promoting recycling in the offices.

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Clean-tech Business

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

GX League Basic Concept formulated by the Ministry of Economy, Trade and Industry

ITOCHU expressed its support for the GX League Basic Concept formulated by the Ministry of Economy, Trade and Industry with the aim of achieving full-scale operation of the Green Transformation League (GX League) in or after April 2023. The GX League will take on the challenge of GX with a view to achieving carbon neutrality and social change in 2050, and will serve as a forum for collaboration between industry, government and academia for the realization of sustainable growth. We will be actively involved in the discussions leading up to the establishment of the GX League, and contribute to the national effort to tackle climate change.

• GX League Basic Concept (Japanese Only) (https://www.meti.go.jp/policy/energy_environment/global_warming/GX-league/gx-league.html)

Top Commitment Sustainability at 1	the ITOCHU Group Environ	ent	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 52 >	
Environmental Policy Environmental Manag	gement Climate Change		Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)	

Prevention of Pollution and Resource Circulation

(Information Disclosure Based on TCFD Recommendations)

Policy and Basic Concept

Prevention of Pollution

ITOCHU's Environmental Policy states in item 3. that within its business activities, ITOCHU shall prevent and reduce environmental pollution caused by chemical substances and oils, reduce emissions of air pollutants, and reduce and properly process hazardous waste and wastewater. In addition, as stipulated in item 1. of our Environmental Policy, ITOCHU will fulfil its responsibility by enacting the following statement: We shall comply with international declarations, agreements, and treaties, as well as with the laws and regulations of the countries and regions in which we operate. We shall also comply with any other agreements that we have consented to.

Resource Circulation

Ensuring stable procurement and supply is one of our important ESG issues identified as a material sustainability topic. As per item 4. of our Environmental Policy, ITOCHU "contributes to the formation of a circular society by promoting the sustainable use of resources (such as fossil fuels, minerals, food, animals and plants), a reduction in the amount of resources used, a reduction in the amount of waste discharged and recycling across our business investments and the supply chain of our products and services," pointing to our commitment to promote resource efficiency in accordance with our various business operations.

Targets and Action Plan

ITOCHU sets qualitative management targets and quantitative performance targets to promote better practices in pollution prevention and resource efficiency. The environmental targets and achievements in FYE 2022 are as follows.

Qualitative Targets

Ite	em	Boundary	Target	FYE 2022 Results and Evaluation
	Risk Assessment for Investment and Financing Projects	ITOCHU Corporation	Perform pre-investment/financing assessments based on the ESG Checklist, which includes environmental assessment criteria.	Properly implemented
Prevention of Environmental Pollution and Compliance with Laws and	Raising Management Levels through Auditing	ITOCHU Group	Conduct internal audits on environmental management systems to ensure compliance, improved environmental efficiency, and better overall management.	Properly implemented
Regulations	On-Site investigations of Group Companies	ITOCHU Group	Select appropriate Group companies and conduct on-site environmental management investigations for them.	Properly implemented (Visited on the web)
Promotion of Awareness Activities	Raising Awareness of Laws and Regulations	ITOCHU Group	Increase internal awareness on the Waste Management and Public Cleansing Act and the Soil Contamination Countermeasures Act, as well as other relevant regulatory developments by providing learning opportunities such as seminars and courses. We will also monitor and review participation/uptake rates of these trainings in relevant segments of the company.	Properly implemented
Resource Conserva- tion, Promotion of	Office Waste Reduction	ITOCHU Corporation	Reduce waste and promote recycling in office activities in accordance with our EMS.	Properly implemented
Resource Circula- tion, and Monitoring of performance	Paper Consumption Reduction Target	ITOCHU Corporation	Reduce paper consumption by raising awareness of our targets internally.	Properly implemented

Quantitative Targets

lt	em	Boundary	Target Period	Target	Progress in FYE 2022 Against Targets	Assessment
Prevention of Pollution	Serious Environmental Accident	ITOCHU Corporation*	Every Fiscal Year	Zero Serious Environmental Accident	Zero	Achieved
Resource Circulation • Waste Discarded	Volume of Waste Discarded	Tokyo Headquarters	March 2025 6% Reduction Compared to FYE 2019		31% Reduction Compared to FYE 2019	Achieved
waste Discarded	Recycling Rate	I	March 2025	90%	94%	Achieved
Resource Conservation	Paper Consumption	ITOCHU Corporation	March 2025	3% Reduction Compared to FYE 2019	51% Reduction Compared to FYE 2019	Achieved

* ITOCHU Corporation, Overseas offices, Group companies subject to compliance

Top Commitment	Sustainability at the ITOCHU Gro	oup Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 53 🕨
Environmental Policy En	vironmental Management Cl	imate Change nformation Disclosure Based on TCFD Reco		of Pollution and Resource Circulati	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Prevention of Pollution and Resource Circulation

					Risks			Opportunities
			onment including t mmunities and sul		source circulation. ocial license to operate.			population growth and enhanced living standards in emerging economies. business opportunities through stable and sustainable supply chain practices.
Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Comp	any						•	·
Ensure stable procurement and supply	12 HOKEAL DOGENYA COO	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.	 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. 	 Following the recycled polyester of "RENU", we have encouraged apparel customers to adopt our expanded ESG product lineup such as lyocell fiber of "KUURA", artificial leather of "MIRUM" derived from biomass, etc. We cofounded Japan Sustainable Fashion Alliance to promote ESG activities in the textile industry.
Machinery Co	mpany							
 Address Climate Change (Contribute to a Decarbonized Society) Ensure stable procurement and supply 	C CONNUT	Water Resources Pollution Prevention and Resource Recycling	Improving water and sanitation infrastructures	Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and reduce the burden on the environment.	Expand and diversify the investment portfolio in the water and environment field.	 Environmental Field We operate four municipal solid waste incineration and power generation plants(waste to energy plant) in the U.K which treat 1.3 million tons of waste annually, accounting for 15% of the UK's waste incineration market, and generate enough electricity to power 160,000 British households. We are currently constructing a municipal solid waste incineration and power generation plant(waste to energy plant) and a new leachate-controlled landfill in Serbia. In November 2020, we acquired a 20% stake in Environment Development Company Ltd. (EDCO), which provides integrated hazardous waste management services in Jubail Industrial City in Saudi Arabia. In August 2021, we started to provide the government of Serbia with partial service of energy-from-waste project. Appropriate treatment of municipal solid waste in City of Belgrade and reduction of environmental pollution and greenhouse gas emissions has begun. Recycling of construction waste has also begun. We are aiming to enhance the functions of our initiatives that to capture strong demand for waste management services in light of intensifying environmental pollutions in each the industrial sector and the growing awareness of ESG and SDGs more generally in the same way as in the water field.
Energy & Chei	micals Co	ompany						
Ensure stable procurement and supply		Plastic	Efforts leading to solutions to social problems	Plastic-related environmental response	We will contribute to solving social problems (e.g., marine plastics and waste plastics) that urgently require measures with a plastic-related environmental response.	Supply environmental materials and establish a recycling/reuse program in collaboration with brand owners.	Build a recycling-oriented-model by enhancing our handling of environmental materials and establishing a recycling/reuse program.	 We coworked with Familymart and announced that Familymart begun using food containers made from biomas polypropylene which is linked to renewable resources. We will promote applications for environmentally friendly materials. (June 2021) We announced Capital and Business Alliance with LOOP JAPAN who works to expand a circular platform. We will strengthen the collaborative relationship to expand the sustainable, circular shopping platform business using reusable containers, which is operated by LOOP JAPAN.(July 2021) We have developed a food collection box that is partially made from ocean plastic waste with TerraCycle Japan L and FamilyMart. We will gradually roll out this collection box to over 500 FamilyMart stores.(September 2021) YKK ITALLA S.P.A., Aquafil and ITOCHU are jointly developing environmentally friendly recycled zippers and recycl buttons made of ECONYL® nylon manufactured by Aquafil. Through the expansion of a mono-material product businesses, we will continue contributing to increase the recycling rate.
Food Compar	ny							
Ensure stable procurement and supply		Pollution Prevention and Resource Recycling	Supply and use of environ- mentally friendly resources and materials	Fresh food field	Through the reduction of food loss, we will contribute to the promote the effective use of the resources and reduce the environmental impacts.	The company will brand and commercialize the out-of-spec Dole bananas discarded in Japan as Mottainai bananas and distribute them in the market again.	 Consider diversifying this movement into processed foods and developing new products by using raw materials other than bananas. Aim to increase the volume of the reused bananas. 	* Because of new commitment, review will be conducted from the next fiscal year.
ICT & Financia	al Busine	ss Company	/					
Ensure stable procurement and supply		Pollution Prevention and Resource Recycling	Provide products/ services that support the reali- zation of a sustainable lifestyle.	Reuse / Recycling Business	Contribute to the develop- ment of a sustainable society by making most of limited resources through the distribution of used mobile phones and tablets in the Japanese market.	 Expand supply channels in order to realize a sustainable and stable procurement of resources. Reinforce promotional activities in order to raise the awareness of secondhand mobile phones/ tablets. 	 Expand product variation and supply channels. Expand distribution outlets. 	* Because of new commitment, review will be conducted from the next fiscal year.

Top Commitment

Environmental Policy

Society

Prevention of Pollution and Resource Circulation

SDGs Bond (Sustainability Bond

Evaluation by Society Independent Assurance Rej

Water Resources Conservation Conservation of Biodiversity

Clean-tech Business ESG Data(Environm)

Prevention of Pollution and Resource Circulation

Information Disclosure Based on TCFD Recommendations)

Structures and Systems

Environmental Management

Evaluation of Pollution Prevention and Resource Recycling in New Business Investment Projects

For business investment projects that ITOCHU undertakes, the impact of the project on society and environment is evaluated in advance using the ESG Checklist for Investments — a checklist that must be submitted when entering into new business investment projects. For example, it includes monitoring the status of pollution prevention and resource recycling. The project is then only undertaken upon confirming that there are no problems in the results of those investigations.

ITOCHU considers ensuring stable procurement and supply to be a material issue. We work to effectively utilize and to ensure stable procurement and supply of resources according to demand in each country with consideration for the environment (e.g., biodiversity). In doing this, we are aiming for a recycling-oriented society.

Management of Chemical Substances

The chemicals handled in the Chemicals Division are those that have potentially serious impacts on human health and the natural environment and have become subject to various laws and regulations that aim to ensure appropriate handling across the supply chain – including during manufacturing, sales, transportation, and storage. Furthermore, the appropriate management of chemicals is crucial from a business perspective for our Chemicals Division as well, as violations and cases of non-compliance can impact the regulatory approvals we require on certain products.

There is an international trend to minimize risks at every level of the entire supply chain of chemicals. Against this background, both advanced nations and developing nations have started to introduce new regulations and to make large-scale revisions to existing regulations. Consequently, the regulatory environment in the handling of chemicals is expected to become ever stricter in the future.

We recognize the importance of compliance with laws and ordinances in addition to knowledge of products and the industry as a company that handles chemicals. Our basic policy is that each individual should engage in business in accordance with the requirements of laws and ordinances upon correctly understanding the laws and regulations concerning the products that they are in charge of handling.

Compliance with Laws and Regulations in the Divisions Handling Chemical Substances

At ITOCHU, the Chemicals Division has cross-functional oversight of our management of chemical substances. This includes oversight of the sales departments that handle chemical substances, which sit within the Chemicals Division, as well as relevant subsidiaries that handle chemical substances. In addition, the Chemicals Division has oversight of any sales divisions and subsidiaries outside of their direct control if chemical substances are used.

We strive to comply with laws and regulations through a management method based on a combination of thorough inquiries to specialized external consulting organizations and the use of a centralized management system to track environmental legal compliance. The management system was developed internally in 2016 and allows us to confirm and record applicable laws and measures at the chemical substance level for each product. We also provide training and educational opportunities to relevant sales staffs, supplemented by e-learning materials and handbooks that summarize the main points of relevant laws.

The external consulting organization that we currently employ for chemical substance management is Techno Hill Co., Ltd. (Headquartered in Chuo-ku, Tokyo; Representative Director: Kazuyuki Suzuki). Techno Hill has comprehensive knowledge regarding the field of chemical substances and provides us with informed advice on management systems, applicable laws and regulations for each product, and general trends movements in the industry.

In order to maintain and improve the abilities of each person in charge at a high level, we distribute its own handbook on chemicalrelated regulations to all persons in charge. There are 32 laws and regulations covered in this handbook, each of which outlines important aspects of compliance requirements. The purpose of this handbook is to educate our employees, especially new recruits and sales personnel, on the laws and regulations specific to the chemical industry.





By taking these initiatives, in FYE 2022, there were no major violations caused (e.g. license suspensions).

Management Structure for Emergency Response and Accident Response

ITOCHU responds as below in accordance with our accident and emergency response regulations.

If an accident occurs during the handling or storage of toxic or hazardous substances, we respond as follows in line with the Pharmaceutical Key Toxic and Hazardous Substance Risk Prevention Procedures Manual.

- We will make reports as necessary according to the emergency contact network in the above manual. In addition, we will take prompt action to limit the risks caused by toxic and hazardous substances.
- In the event of splashing, leaking, outflow, seepage or penetration underground, we will immediately notify the health care center, police station or fire department to that effect when there is a fear of a risk to the health of an unspecified or large number of people. At the same time, we will take measures to prevent risks to health.

Top Commit	tment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	🛛 🕇 < 5!	5 🗲
Environmental Pol	licy Envir	onmental Management Clima	ate Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Enviro	onment)

Prevention of Pollution and Resource Circulation

(Information Disclosure Based on TCFD Recommendations)

Initiatives

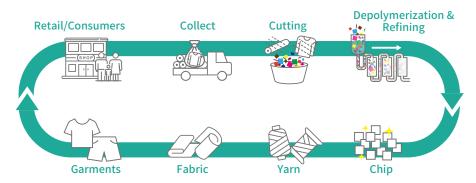
RENU[®] Project Aims to Realize Circular Economy

In the spring of 2019, we launched a project called the RENU® project ("RENU"), which aims to address the issue of excessive waste in the fashion industry and realize circular economy. As its first product, we are developing recycled polyester made from textiles such as waste leftover fabric and used clothing. We will contribute to realize circular economy by developing this project through the entire supply chain of the fashion industry from raw materials to consumers.



RENU * project website (https://renu-project.com/en/)

RENU Aims for a Closed Loop Economy



Environmental Impact

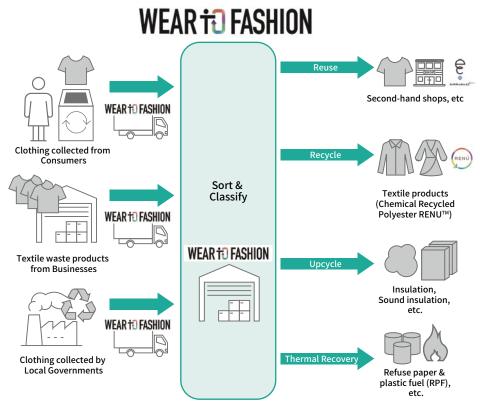
The environmental impact of handling recycled polyester at RENU project is as follows.

	FYE 2021	FYE 2022
Feedstock equivalent to T-shirt	3.5 million pieces of T-shirts	6.0 million pieces of T-shirts
Reduced CO ₂	521 tons	893 tons
Reduced Water	875 kiloliters	1,500 kiloliters

Expansion of the Textile Collection Service for a Circular Economy

ITOCHU Corporation and Ecommit Corporation, which develops resource recycling businesses through reusing and recycling, have signed an agreement to expand the textile collection service "Wear to Fashion" in the Japanese market. Starting spring 2022, the service will gradually be offered to all companies and local governments in Japan.

With this new initiative as a part of the RENU Project aimed at solving a problem in the textile and fashion industries, textile products coming out of various sites will be collected and sorted through combining ITOCHU's network in the textile and fashion industries and Ecommit's system from collection to resource recycling. Reusable products will be reused utilizing Ecommit's knowledge, and recyclable polyester products will be made into RENU. In doing so, the amount of discarded textile products will be reduced as much as possible and aims to realize a circular economy.



Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 56 >
Environmental Policy Enviro		nate Change rmation Disclosure Based on TCFD Reco		f Pollution and Resource Circulation	Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Prevention of Pollution and Resource Circulation

Leading UK for Collecting and Recycling Casing Tyres

Murffits Group Limited, a company under ITOCHU subsidiary European Tyre Enterprise Limited, collects and processes casing tyres in the UK each year. Using the recovered material it manufactures a range of recycled products such as rubber crumb products for sports surfaces, pathways, children's playgrounds, carpet underlay, modified asphalt and many other industrial applications. Its products are exported to markets across the globe.

Murfitts also has been developing and commercializing a proprietary pyrolysis technology, which decompose the tyre feedstock at high temperatures in a vacuum in order to recover various high-value materials such as carbon black and recycled fuel oil. This technology will help promote sustainability initiatives in the tyre industry by replacing one of major raw materials of tyres, carbon black, with a recycled product.



Pro gran Crumb Rubber made by casing tyres

Introduction of Shopping Baskets and Collection Box Using Ocean Plastic Waste as the Raw Material in FamilyMart Stores around the Nation

ITOCHU has developed shopping baskets made using ocean plastic waste washed ashore in Tsushima in Nagasaki Prefecture as part of the raw materials together with FamilyMart Co., Ltd. and TerraCycle Japan GK. We have introduced these shopping baskets into a total of 28 FamilyMart stores in Tsushima and Iki in Nagasaki Prefecture and elsewhere since February 2021. Also, we have developed a food collection box that is partially made from ocean plastic waste that drifted ashore for the FamilyMart Food Drive program. ITOCHU will gradually roll out this collection box to over 600 FamilyMart stores around the nation to promote community-based SDGs activities.



Initiatives to Reduce the Use of Raw Materials at Convenience Stores

FamilyMart, a subsidiary of ITOCHU, has set the goals of increasing the ratio of environmentally-friendly containers and packaging* to 60% by 2030 and 100% by 2050, as part of its efforts to curb plastic use in FamilyMart Environmental Vision 2050. By reducing the thickness of the packaging film for the rice balls and changing the composition to bio-based materials, the use of petroleum-based plastics, which are used as raw materials, will be reduced by approximately 15% per piece compared to conventional products, and the use of petroleum-based plastics is expected to be reduced by approximately 70 tons annually. We have also begun efforts to replace pasta containers with bioplastics derived from renewable resources. FamilyMart will continue to reduce the use of petroleum-based plastics as raw materials and promote the use of environmentally-friendly materials.

* Packaging using biomass plastics made from plants and materials containing recycled PET

ITOCHU Announces Development of Garbage Bag Made from Ocean Plastic Waste

ITOCHU believes that ocean waste is a significant social challenge and has been engaging in material recycling businesses, recycling ocean plastic waste and turning it into products that are commercialized. In cooperation with Tsushima city, we have succeeded in the recycling. Our subsidiary, Sanipak Company Of Japan, Ltd., leveraging the knowledge and technology it possesses as Japan's largest garbage bag maker, has developed the world's first* garbage bag made in part with raw materials made from ocean plastic waste.

ITOCHU and Sanipak Japan have provided some of these new garbage bags free of charge to Tsushima city and other areas that need garbage cleaning activities on their coastlines, and will establish a recycling economy-oriented business model to resolve the problem of marine debris that society faces.

* According to research by ITOCHU



Garbage Bag Made from Ocean Plastic Waste

mitment	Sustainability at the ITOCHU Group	Environment	

Evaluation by Society Independent Assurance Rep

Environmental Policy

Top Com

Climate Change

Prevention of Pollution and Resource Circulation (Information Disclosure Based on TCFD Recommendations)

Water Resources Conservation

Clean-tech Business

ESG Data(Environmer

Environmental Management

Material recycling rate

Prevention of Pollution and Resource Circulation

Collaboration to Enable Uptake of Renewable Polypropylene in the Japanese Market

Japan has formulated a basic plan to introduce approximately two million tons of renewable plastic products by 2030 as a countermeasure against climate change. Polypropylene is a principal raw material characterized by its high strength and high heat resistance. It is used extensively, including in food containers, daily commodities and automotive parts. Meanwhile, it has been considered difficult to commercialize polypropylene production from renewable materials due to the many technical difficulties in the production.

Under these circumstances, ITOCHU, Borealis AG and Borouge Pte Ltd. have agreed on the strategic intent to jointly evaluate how to enable uptake of renewable polypropylene (PP) in the Japanese market. Since its foundation in 1994, Borealis has been in business in at least 120 countries as a world-class plastic and resin manufacturer. In March 2020, it embarked on the commercial production of renewable PP and is now working to expand sales in Europe and around the world. We target to commercially launch food containers and packaging materials made of renewable. We have introduced Japan's first pasta meal containers made from renewable PP in the Kanto area in June 2021, and will gradually expand to other areas. We also plan to commercially launch more containers and packaging materials made from renewable PP as well as other sanitary goods, miscellaneous daily goods, cosmetic containers, office supplies, home electric appliances, automotive parts and other items in many different fields.

The Cooperative Development of Material Recycling Technology for Multi-layer Film Packaging

ITOCHU Corporation has entered into an agreement for cooperative development of material recycling technology for multi-layer film packaging with Toyo Ink SC Holdings Co., Ltd.

Recently, trends related to the problem of disposable plastic have attracted attention globally, and responses are being hurried. In particular, food packaging, refill pouches for detergent and other sanitary products, and film packaging, known as flexible packaging, feature a multi-layer structure that uses many materials to ensure the required performance, which differs based on use. This includes printed ink and adhesives between the polyolefin or polyester film. A major problem in recycling these materials is the difficulty in separating the layers.

In 2019, Toyo Ink Group developed a technology to separate the ink, adhesive, etc. that make up the multi-layer film or packaging in cooperation with the world's largest environmental solutions company. A demonstration pilot plant will be operated in 2022, and, moving forward with LCA (Life Cycle Assessment) appraisals, cost simulations, and other verifications. Toyo Ink Group plans to start a post-industrial recycling business in 2023, and also plans to start the business under commercially conditions by 2025.

In addition to acquiring exclusive marketing rights in Japan and first refusal rights in Asia and Europe related to major product materials related to this technology, we will widely provide environmental solutions to food and consumer products company, retailers, brand owners, and more through requests to build structures for material recycling using this technology and to design recyclable, environmentallyfriendly packaging.

Through this initiative, both companies will make currently un-recyclable multi-layer film packaging into a recyclable product, aiming for a more than 40% material recycling rate in Japan and abroad.

The Recovery of Nylon Waste to ECONYL® Nylon Products

ITOCHU Corporation and Aquafil S.p.A. have concluded capital and business alliance to promote and expand the businesses of circular nylon production.

Conservation of Biodiversity

Nylon is used for textiles and plastic materials made through petrochemistry in a range of fields such as fashion, carpeting, fishing, food packaging, and automobiles. However, many products use nylon blended with other materials in a compound form, making it a difficult material to be recycled.

In 2011 Aquafil created its ECONYL® Regeneration System that turns recovered nylon waste such as fishing nets, carpets and post-industrial waste back to caprolactam (CPL), a crude raw material. Through its proprietary chemical recycling technology, Aquafil eliminates impurities completely, to achieve regenerated nylon product having the same features of the virgin quality materials. ECONYL® nylon is made completely from waste, which enables up to 90% CO₂ reduction compared to conventional nylon made from petroleum.

ITOCHU will leverage on its Group's diverse network and expand sales for applications in fashion, carpeting, automobiles, and packaging materials. In February 2022, YKK, which is a global leader in the manufacturing and sale of zippers, Aquafil and ITOCHU are jointly developing environmentally friendly recycled zippers and recycled buttons.

Moreover, ITOCHU plans to enforce Aquafil's nylon recovery scheme using its existing sales chain and will also implement the Partnership from the perspective of the stable supply of raw materials to Aquafil. Through its collaboration from the recovery of waste to the sale of Aquafil's products, ITOCHU aims to expand the businesses of nylon circularity.



	Top Commitment	Sustainability at the ITOCHU G	roup Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 58 >	
E	Environmental Policy Enviro		Climate Change Information Disclosure Based on TCFD Reco		Pollution and Resource Circulatio	Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)	

Prevention of Pollution and Resource Circulation

The License Business of Polyester Chemical Recycling Technology

ITOCHU Corporation, Teijin Limited, and JGC Holdings Corporation have signed a joint agreement on the license business of polyester chemical recycling technology from discarded polyester textile products.

This agreement will bring together Teijin's proprietary chemical recycling technology deployed in the manufacture of polyester, the expertise of JGC derived from its global engineering business, and ITOCHU's extensive network of textile industry players. The three companies intend to establish a system for collecting discarded polyester fiber products and cost-effective chemical recycling technology for using such products as raw materials. Going forward, ITOCHU, Teijin and JGC aim to expand the range of effective solutions for the mass disposal of used textile products.

Waste Reduction Initiatives

Under our environmental management system, ITOCHU adheres to all applicable laws and regulations (Waste Management and Public Cleansing Act, Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, Food Recycling Law, etc.) and strives to reduce waste generated through its business activities, as well as maintain a high recycling rate by committing to thorough waste sorting. In recent years, in order to further promote waste reduction initiatives within the company, a small number of employees have been given the opportunity to experience sorting.





Promotion of Understanding of Waste Sorting at Underground Waste Storage Sites

Experience Sorting Waste in the Kitchenette

Number One Trader in the World for the Cement Substitute of Blast Furnace Slag

Blast furnace slag is a by-product of the steelmaking process. Mixing and using it with cement as a cement substitute makes it possible to save natural resources (e.g., limestone – the raw material of cement). It is an environmentally friendly product that can reduce the CO₂ generated during manufacturing by about 40%^{*} compared with when making concrete only with cement.

It is highly durable against seawater and the steel material in it is less likely to suffer corrosion over a long period of time. Therefore, it is widely used in large civil engineering projects at ports.

We have been selling blast furnace slag produced in Japan and overseas in around 10 countries since about 20 years ago. We handle of volume of blast furnace slag that makes us the number one trader in the world for it. In the future, value for blast furnace slag will be expected to rise affected by trend of decarbonization around the world. Therefore, we moreover focus to build continuous and stable distribution channels and consider investing and participating in the slag business.

* Calculated at a 55:45 ratio for cement and blast furnace slag



Structure Made with Blast Furnace Slag

Top Commitment	Sustainability at the ITOCHU Gro	up Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 59 🗲
Environmental Policy E	nvironmental Management Cl	mate Change formation Disclosure Based on TCFD Reco		f Pollution and Resource Circulati	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Prevention of Pollution and Resource Circulation

Collaboration with Outside Initiatives

Compliance with the Containers and Packaging Recycling Law

ITOCHU understands our own manufacturing and import volume of containers and packaging every year to recycle containers and packaging. We then pay a recycling fee to the Japan Containers and Packaging Recycling Association. The aim of this is to contribute to promoting the formation of a recycling-orientated society as a specified business operator prescribed by the Containers and Packaging Recycling Law.

The recycling fee we pay every year is as below.

Food Recycling

ITOCHU makes regular reports on the amount of food we discard and the amount we recycle in Japan to comply with the Food Recycling Law. We are striving to suppress the generation of waste and to promote recycling (e.g. conversion into feed) in line with the reference rate (recycling rate target).

																	(Unit:Yen)
	Fise	cal Year		FYE 2016			FYE 2017			FYE 2018			FYE 2019			FYE 2020	
ne of /ear to		cling Fee / bution Fee	Recycling	Contribution	Total Amount												
g. We		Colorless	770,179	0	770,179	814,414	0	814,414	704,782	9,344	714,126	750,030	0	750,030	813,659	0	813,659
pan ing	Glass Bottles	Brown	_	_	_	_	_	_	_	_	_	_	_	_	_	-	_
0		Other Colors	158,548	0	158,548	_	_	_	_	_	_	_	_	_	_	_	_
nation as a	PET Bot	ttles	_	_	_	708	68	776	_	_	_	_	_	_	_	_	_
cribed	Paper Co and Pac	ontainers kaging	30,825	315	31,140	18,306	168	18,474	29,327	102	29,429	9,045	27	9,072	15,288	4	15,292
	Plastic C and Pac	Containers kaging	292,375	13,395	305,770	631,798	47,052	678,850	1,057,941	0	1,057,941	1,197,091	0	1,197,091	1,463,900	4,537	1,468,437
ry	Total		1,251,927	13,710	1,265,637	1,465,226	47,288	1,512,514	1,792,050	9,446	1,801,496	1,956,166	27	1,956,193	2,292,847	4,541	2,297,388

n	Food Recycling Rate							
nd to			FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Law.		Amount of food waste generated (Unit: t)	1,816.9	869.0	992.8	1,125.8	955.9	- *1 Rec
iote	Quantity recycled	Amount of recycling (Unit: t)	620.6	454.9	744.4	775.5	762.0	defi and - (Am
ed)		Amount of disposal (Unit: t)	1,196.3	414.1	248.4	350.3	193.9	Âm × C
	Target (recycling rate target by individual food related operator)	Reference rate	76.8%	77.8%	78.8%	79.8%	80.8%	- (Am Am
	Percentage recycled	Recycle rate ^{*1}	34.2%	52.3%	75.1%	68.9%	81.9%	* In FY

*1 Recycle rate is calculated as in below formula defined by the Ministry of Agriculture, Forestry and Fisheries. (Amount of suppressed waste (vs FYE2008) + Amount of recycling + Amount of heat recovery × 0.95 + Amount of weight reduction) / (Amount of suppressed waste (vs FYE2008) + Amount of waste food generated)

 * In FYE 2018, 1,001.0 tons were discarded due to a warehouse fire.
 * FYE 2023 recycling rate target:80.8%

Initiative Participation (Activities Through Business and Industry Groups)

- Feed Deeveling Dete

ITOCHU is participating in the Global Environment Subcommittee of the Committee on Environment and Safety – an environment and energy related committee of the Japan Business Federation (Keidanren). We are working to realize an environmental policy compatible with the economy (e.g., through promotion of voluntary action plans, and measures for global warming, waste and recycling and environmental risks including water management). We are also participating in the Global Environment Committee of the Japan Foreign Trade Council. We are striving to build a low-carbon society, construct a recycling-orientated society, and to support environmental related laws and regulations. The goals set by the Global Environment Committee are as follows.

Reduction Target for FYE 2026 in Domestic Business Activities (Trading Company Industry)

- Disposal Amount: Reduce 82% compared to FYE 2001
- Generation Amount: Reduce 62% compared to FYE 2001
- Recycling Rate: 83% or more

Top Commitmen	t Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 60 >
Environmental Policy	Environmental Management	Climate Change		of Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Water Resources Conservation

Policy and Basic Concept

ITOCHU is aware that the sustainability of water resources is indispensable for business continuity in the various businesses we are developing around the world, including those in water stressed regions. Item 5. "Conservation and Effective Use of Water Resources" of our Environmental Policy states that "We shall reduce water consumption through efficient water use and recycling, as well as take necessary measures to appropriately treat effluents." To ensure the sustainable use of water, we are committed to raising awareness of water sustainability in our corporate culture and integrating the concern into our business decision making process. In existing businesses, we will conduct a comprehensive assessment of water consumption to improve our water efficiency and reduce water consumption.

Given these global circumstances, ITOCHU Corporation has identified its water-related business as a material area. As such, we are committed to enhancing our global capability regarding our seawater desalination business and our water supply and sewerage concession businesses, which we have been engaging in since 2014. We believe that these initiatives will allow us to contribute to solving water stress and shortage issues around the world.

Targets and Action Plan

ITOCHU sets numerical targets for the reduction of water consumption.

ITOCHU develops water and hygiene infrastructure, and appropriately treats and effectively utilizes water and waste. Through this, our water resource related business contributes to improving the hygiene environment, developing economic activities and conserving the global environment. We are promoting the appropriate use and treatment of water, and the effective utilization of resources through expansion of our water and environmental business. In this way, we are working to reduce our environmental impact.

In our Tokyo Headquarter building, we are implementing resource saving measures to recycle water through the creation of reclaimed water. This allows us to improve our water consumption efficiency in the office. The targets and indicators we track to manage our performance are noted in the table below.

Qualitative Targets

Item	Boundary	Target	FYE 2022 Results and Evaluation	
Risk Assessment for Investment and Financing Projects	ITOCHU Corporation	Conduct a preliminary risk assessment using the ESG Checklist for Investments, which incorporates a dedicated section to water risks.	Properly implemented	
On-Site investigation for Group Companies	ITOCHU Group	Select Group companies involved in businesses where water use is a material risk and conduct on-site investigation on the status of water management.	We selected Group companies in areas where water resources are particularly important, but the visit was postponed due to COVID-19 and a web conference was held.	
Compliance with Laws and Regulations	ITOCHU Group	Continued awareness and response to domestic and foreign laws and regulations related to water resources (water withdrawal / discharge)	There were no legal violations related to water withdrawal and discharge.	
Implementation of Water Management Plans	ITOCHU Group	Establish a water management plan to control the amount of water withdrawal, wastewater discharge, the amount of water recycled, and the water quality and temperature at the time of drainage, as well as to make effective use of water resources and reduce environmental impact.	Of the 506 operating companies of the ITOCHU Group, 104 companies, or 21%, have formulated water management plans.	

Targets in Water Stressed Regions

	Item	Boundary	Target	FYE 2022 Results and Evaluation
Initiative in Water Stressed	Projects	ITOCHU Corporation	Conduct a preliminary risk assessment using the ESG Checklist for Investments, which incorporates a dedicated section to water risks. Conduct preliminary risk assessments on water resources for projects and investments in water stressed regions where water resources are critical to operations, such as beverages, agriculture and mining.	Properly implemented
Regions	On Site Investigation for Group Companies	ITOCHU Group	Select group companies operating in water stressed regions and conduct on-site investigation on the status of water management.	We selected Group companies in areas where water resources are particularly important and hold web conference.

Quantitative Targets

Category		Boundary Annual Target		FYE 2022 Results	Target		
Categor	у	Boundary	Annual Target	FTE 2022 Results	Period	Contents	
ITOCHU Corporation	Water Withdrawal (Clean Water)	Tokyo Headquarters	Total Volume Reduction Target 1%/Year	35.5% Reduction Compared to FYE 2019	March 2025	6% Reduction Compared to FYE 2019	
Water Stressed Regions*	Water Withdrawal (Clean Water)	Water Stressed Regions	Reduction Target 1.5%/Year	8.6% Increase Compared to FYE2020	March 2025	9% Reduction Compared to FYE 2020	

* Quantitative targets for water stressed regions cover operations located in areas where the WRI Aqueduct Baseline Water Stress map identifies as "Extremely High Risk".

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company								
 Address Climate Change (Contribute to a Decarbonized Society) Ensure stable procurement and supply 	Q	 Water Resources Pollution Prevention and Resource Recycling 	Improving water and sanitation	Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	to promote the appropriate use and treatment of water and the effective	investment portfolio in the	Water Field We have developed a water supply service business in the U.K. and seawater desalination business in Australia and Oman. We aim to continue contributing to stable water supply in regions through seawater desalination, and water supply/ and sewerage businesses. At the same time, we are looking to be involved in solutions-based business for water issues in each industrial sector across a range of industries.

	Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report		< 61	>
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Environmental Policy Environmental Management

Information Disclosure Based on TCFD Recommendations

Prevention of Pollution and Resource Circulation

Conservation of Biodiversity Water Resources Conservation

Clean-tech Business ESG Data(Environment)

Water Resources Conservation

Structures and Systems

Evaluation of Water Resource Conservation in New Business **Investment Projects**

For business investment projects that ITOCHU undertakes, the impact of the project on society and environment is evaluated in advance using the ESG Checklist for Investments — a checklist that must be submitted when entering into new business investment projects. For example, it includes assessing the amount of water used and discharged, and checking the level of water stress at business sites. For projects that require expert knowledge, we make request to external expert to conduct investigations in advance. The project is then only undertaken upon confirming that there are no problems in the results of those investigations.

We consider ensuring stable procurement and supply to be a material issue. We are committed to improving the efficiency of our water consumption and taking necessary measures depending on the abundance of water supply in certain regions. By committing to giving these due considerations, we aim to contribute to the global water crisis.

We conduct an environmental impact assessment, which includes water-related supply chain criteria, for all of the commodities we handle. We have also been conducting annual on-site investigations for Group companies since 2001 to strengthen our environmental risk management. These on-site assessments are conducted for 10 Group companies that we identify as having relatively high environmental impacts. Throughout the assessment, we engage with the senior management team to assess the company's water efficiency performance (water withdrawal and discharge) at facilities such as factories and warehouses as well as the company's compliance with environmental laws and regulations.

We manage water resource risks by using the World Resources Institute's (WRI) Aqueduct to assess water stress in the region for manufacturing bases affiliated with our group.

Initiatives for Effective Use of Water Resources

Business Activity

Enhancing Water Efficiency at the Tokyo Headquarter Building

ITOCHU's Tokyo headquarter building has a greywater production mechanism built in since its completion in 1980. This allows us to recycle kitchen wastewater, rainwater, spring water, and non-fecal wastewater from washbasins and office kitchenettes to utilize it as toilet water.

The amount of greywater production relies, however, on the amount of rainwater we are able to collect. Therefore, in years when rainfall is

relatively scarce, we must rely more on tap Solar panels water than other years. In order to minimize our reliance on tap water, we have installed water saving mechanisms such as in the toilet facility, washbasins, City water and the toilets Resource themselves. Classification by employees Collection and transport by contractor Sewage Gray water treatment facility ····· Spring water

Effective Use of Water Resources by ITOCHU Group

ITOCHU recognizes that conservation of water resources is a global issue along with climate change and other issues. As one of the important issues of the Group's environmental policy, we make efforts to reduce water consumption through efficient water use and recycling, as well as take necessary measure to appropriately treat effluents in our domestic and overseas businesses. For example, ITOCHU's group company PRIMA MEAT PACKERS, LTD. and its group companies has listed "Reduction of factory water consumption (well water and supplied water)" as one of the priority issues for its ISO14001 certified sites and is carrying out reduction activities and progress management in order to reduce food production water intensity (water consumption (m³) / ton of food produced). In FYE 2021, the food production water intensity was 15.3 m³/ton, 107% achievement rate against the target 16.4 m³/ton. PRIMA MEAT PACKERS, LTD.'s ESG Data Books & Fact Books (https://www.primaham.co.ip/en/ir/library/factbook/)

Top Commitment Sustainability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 62 >
Environmental Policy Environmental Management Climate Change	Prevention of P	ollution and Resource Circulation	Water Resources Conserv	vation Conservation of Bi	odiversity Clean-tech Business	ESG Data(Environment)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Clean-tech Business

Water Resources Conservation

Business Activities in Water Stressed Regions

Understanding Water Risks at Manufacturing Bases

ITOCHU uses the WRI Aqueduct tool developed by the World Resources Institute (WRI) to identify areas with high water stress levels at manufacturing bases affiliated with our group. With this, we have quantified the water stress levels at all our manufacturing bases in Japan and overseas and have identified areas with a high level of water stress.

Water withdrawal at sites identified as high risk in the Baseline Water Stress parameters (P92)

Water Related Business List of Water-related Businesses

ITOCHU considers our water						
related business to be a						
priority field. We are						
deploying seawater						
desalination business and						
water utility on a global						
basis. This is to contribute to						
solving water problems						
around the world.						

Overall Water Risk	Number of Sites
Low risk (<10%)	55
Low to medium risk (10-20%)	108
Medium to high risk (20-40%)	61
High risk (40-80%)	4
Extremely high risk (>80%)	3
Total	231
* A (M	

* As of March 2022

Business	Content of Initiatives
Seawater	We have invested and are participating in a seawater desalination project in Victoria, Australia. This facility is capable of satisfying the water demands of approximately 30% of the population of Melbourne, Victoria. It is a project that has been supporting the stable supply of water to Melbourne since 2012.
desalination business	We have invested and are participating as the largest shareholder in a seawater desalination project with a daily volume of 281,000 m ³ . The Oman Power and Water Procurement Company (OPWP), which is under the umbrella of the Oman government, is promoting this project in Barka in the northern part of the country.
Seawater desalination plant, and osmosis membrane manufacturing and sales	We started delivering multiple seawater desalination plants to Saudi Arabia in the 1970s. We established a joint venture company called the Arabian Japanese Membrane Company, LLC with local capital from Saudi Arabia and Toyobo in August 2010. This company manufactures and sells reverse osmosis membrane elements for seawater desalination.

Examples of Initiatives

I Stable Supply of Drinking Water Connecting to Life

Largest Seawater Desalination Project in Oman

The demand for water in Oman in the Middle East is expected to grow by approximately 6% a year in the future. The shortage of drinking water has become a challenge together with the increase in the population and urbanization. The Barka Desalination Company in which we are participating entered into a seawater desalination business agreement for a daily volume of 281,000 m³ in Barka in the northern part of Oman toward the stable supply of water in that country in March 2016. This project is a public-private partnership with the Oman government to provide domestic water to the Barka region, which is a severely water-stressed region. We have constructed reverse osmosis

membrane (RO membrane) seawater desalination facilities and surrounding facilities. These will be operated for 20 years. The facilities started commercial operation in June 2018. This is the largest seawater desalination project in Oman with total operating expenses of approximately 300 million dollars.

The demand for water is growing due to the increase in the worldwide population, economic growth and global warming. In response to this, we consider the water business to be a priority field. Accordingly, we are working to increase our seawater desalination and water supply and drainage businesses. We will continue to promote business that contributes to the effective utilization of water resources in regions around the world in the future.



Seawater Desalination Plant

Environmental Costs Related to Water

Among the environmental conservation costs (FYE 2022) disclosed in the environmental accounting (P93), associated with water are as follows:

Cost for water pollution prevention, wastewater treatment cost, grey water production cost, monitoring measurement cost and management cost	10,194 thousand yen
Research and development expenses for water risk aversion (donation to Division of Climate System Research, Atmosphere and Ocean Research Institute, the University of Tokyo)	500 thousand yen

Collaboration with Outside Initiatives

Japan Business Federation (KEIDANREN) Working Group on Global Environment Strategy under the Committee on Environment and Safety

We are participating in the Working Group on Global Environment Strategy under the Committee on Environment and Safety, an environment and energy related committee of the Japan Business Federation (Keidanren). We are working to realize an environmental policy compatible with the economy (e.g., through promotion of voluntary action plans, and measures for global warming, waste and recycling and environmental risks including water management).

The Global Environment Committee of the Japan Foreign Trade Council

We are participating in the Global Environment Committee of the Japan Foreign Trade Council. We are striving to build a decarbonization society, construct a recycling-orientated society, and to support environmental related laws and regulations with other trading companies.

Participation in the CDP (Water Security)

Participation in Initiatives (P51)

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	6 🖌	3 🗲	

Environmental Policy Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendations) Prevention of Pollution and Resource Circulation

Water Resources Conservation

Conservation of Biodiversity

Clean-tech Business ESG Data(Environment)

Conservation of Biodiversity

Policy and Basic Concept

ITOCHU's business activities depends upon the values and resources that biodiversity provides, which is a blessing provided by the intricate relationships between earth's myriad of organisms. In order to minimize our impacts on biodiversity, we are implementing two initiatives, which focus on our business activity impacts and our broader corporate citizenship impacts. For the former, our initiatives target our business sites and surrounding areas to ensure the conservation of local biodiversity and the sustainable use of forests, fisheries, and other commodities. For the latter, our initiatives target local communities in which we directly handle forest commodities aiming to make broader contributions for the local biodiversity as a part of our corporate citizenship commitments.

Given the global nature of our operations, it is a top management priority for us to address global environmental problems, including biodiversity issues across the globe. In order to promote conservation of biodiversity as indicated in our Environmental Policy, we have established the Biodiversity Policy. As such, we will contribute to building a sustainable society.

Biodiversity Policy

1. Biodiversity-friendly Environmental Management

We recognize that our business activities depend on the blessings of biodiversity and that they may affect the ecosystem. Accordingly, we shall promote environmental management that incorporates a wide range of environmental activities (such as interrelated climate change measures, resource circulation measures and biodiversity conservation) into our business activities to build a society in which we coexist with nature.

2. Understanding and Reducing the Impact of the **Relationship between Business and Biodiversity**

We are aiming for a net positive impact on biodiversity by understanding the relationship between our business activities not only in our group companies but across our entire group and biodiversity from a global perspective. We shall strive to avoid and minimize the impact our business activities have on biodiversity. At the same time, we shall promote the restoration of the ecosystem.

We have established a procurement policy to protect natural forests and forest resources concerning forest commodities (such as timber, natural rubber and palm oil). We shall promote information gathering to confirm there is zero deforestation due to production from protected areas designated by law.

3. Compliance with International Treaties and the National Laws of Each Country

We shall promote the conservation of biodiversity by complying with international treaties on biodiversity (e.g., the Convention on Biological Diversity) and the relevant national laws of each country.

We shall promote social contribution activities to protect endangered species in the areas in which we conduct business activities. This is in addition to not participating in transactions relating to endangered species designated by the Washington Convention (CITES)* with our business activities.

4. Enhancement of Partnerships and Conservation of Local Ecosystems

We shall look to share awareness of biodiversity by cooperating with industry groups, supply chains, NGOs and international organizations. We shall then make our biodiversity conservation efforts more effective.

We shall take into account conservation of biodiversity in the areas in which we conduct business activities. At the same time, we shall promote conservation of biodiversity from the perspective of creating communities that utilize natural resources to contribute to the realization of affluent and safe lives in local communities. We shall do this together with stakeholders such as local residents and NGOs in addition to governmental bodies.

5. Enhancement of Information Sharing and Dissemination

We shall promote understanding of biodiversity to local residents of the areas in which we conduct business activities in addition to our employees through awareness activities.

We shall contribute to raising awareness of biodiversity over the whole of society by continuously disclosing the details, targets and achievement status of our efforts.

* CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora

Fumihiko Kobayashi

Member of the Board Executive Vice President Chief Administrative Officer

Established in April 2022

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 64 >
Environmental Policy Envir		ate Change mation Disclosure Based on TCFD Reco		f Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Conservation of Biodiversity

Targets

ITOCHU conducts product certification and traceability for biodiversity conservation in products handled in businesses including the supply chain, and social contribution activities for biodiversity conservation in business-related areas. We consider forest resources (wood, wood products, paper raw materials and paper products, natural rubber, palm oil), dairy products, meat, marine products, and textile raw materials as important commodities for biodiversity and strive to disclose information and set goals for them.

Targets in Business Activities

Theme	Target	FYE 2022 Results	SDGs
Biodiversity Conservation Reduce the impact of ITOCHU's products and projects on biodiversity conservation across our supply chain	By 2025, conduct a follow-up ESG risk assessment for all investment projects subject to high biodiversity risk (e.g. hydropower, mines, ships), where biodiversity should be a material risk item assessed, and implement a plan for improvement if necessary.	Development of schemes to identify biodiversity risks and progress of countermeasures.	
Sustainable Use of Natural Resources Implement initiatives to improve the sustainable use of natural resources in order to stably produce and supply commodities related to forestry, fishing, and agriculture in the future	 Timber, Timber Products, Raw Materials for Papermaking, and Paper Products: Aim to achieve 100% coverage of our products that are either certified or confirmed to be under progressive management standards. Palm oil: Achieve 100% traceability to the mill by 2021 and to switch all palm oil procured by the Company to sustainable palm oil^{*1} by 2030. In particular, we aim to align our procurement to the NDPE principle^{*2}. Marine Products: Increase the MSC^{*3} certified products to 15,000 tons per year within 5 years. 	 The handling ratio of certified or highly controlled materials is 100% for pulp & wood, and 92% for chips. Palm oil achieved 100% traceability to the mill level in FYE 2022. The volume of MSC/COC in raw materials for marine products increased from 2,600 tons in FYE 2021 to 6,500 tons in FYE 2022. 	15 au

*1 Sustainable palm oil: palm oil supplied from supply chains compliant to RSPO and RSPO-equivalent standards

*2 NDPE (No Deforestation, No Peat, No Exploitation): zero deforestation, zero peatland development, zero exploitations

*3 MSC (The Marine Stewardship Council): an international NPO established in 1997 to work on spreading sustainable fishing. It is headquartered in London, England.

For goals in other business activities (P144)

Targets in Business-related Areas

Targets	FYE 2022 Action Plans	FYE 2022 Results	FYE 2023 Action Plans	SDGs
Implementation and follow-up on social contribution programs aimed at environmental conservation [Basic Activity Guidelines 2 Environmental Conservation]	 Promote the Project for Protecting Green Turtles, An Endangered Species. Promote other environmental conservation projects. 	 We launched the Project for Protecting Green Turtles, an Endangered Species in FYE 2019. The aim of this was also to foster the environmental conservation awareness of our employees. Since FYE 2017, we have continued to support a survey monitoring the number of green turtle spawns and a post-hatching survey conducted by the Ogasawara Marine Center of Everlasting Nature of Asia certified NPO that is working on marine conservation in the Asian region. The survey results suggest that the number of green turtles in Ogasawara is continuing to increase. In addition, we have supported the construction of a new accommodation facility with improved living environment and convenience. We did this because the mobile home accommodation facility for people visiting Chichijima as volunteers had deteriorated with aging. We launched a mangrove planting project in cooperation with Uken Village of Amami Oshima Island in FYE 2022. It aims to conserve biodiversity and create future blue carbon credits. 	 Continue promotion of the mangrove planting project in collaboration with Uken Village of Amami Oshima Island Continue promotion of the project for protecting green turtles, an Endangered Species. Promote other environmental conservation projects. 	14 ##### >>>>> 15 ####

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation

Environmental Management **Environmental Policy**

Climate Change

Information Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

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Clean-tech Business

Conservation of Biodiversity

Structures and Systems

Assessment of the Impact of Biodiversity on New Businesses Investments Projects

For business investment projects that ITOCHU undertakes, the impact of the project on environment and society is evaluated in advance using the ESG Checklist for Investment — a checklist that must be submitted when entering into new business investment projects. For example, it includes assessing the impact on the natural environment and biodiversity such as the impact on ecosystems and the depletion of resources. If an impact is recognized, we conduct a risk analysis, and if necessary, we ask an external expert to conduct additional due diligence. The project is then only undertaken upon confirming that there are no problems in the results of those investigations.

Assessment of the Impact of Biodiversity on Existing Businesses

ITOCHU has introduced an environmental management system (EMS) based on ISO 14001. In order to recognize the impact of its business activities on the environment and society, and to prevent environmental and social risks, we have established a system to evaluate the impact on biodiversity of new investments in advance, as well as products it currently handles. Through this system, we aim to comply with environment-related laws and regulations, prevent environmental risks including biodiversity, and promote environment-friendly businesses.

In addition, in order to understand the actual situation of suppliers, seven core subjects of ISO26000 including biodiversity are set as essential survey items, and each company and each company and the handling amount are based on certain guidelines such as high-risk countries, products handled, and amount handled. The relevant group companies select important suppliers, and sales representatives of each company, overseas subsidiaries, and representatives of group companies visit the suppliers and conduct hearings.

Initiatives

Biodiversity Conservation in Business Activities

Consideration for Biodiversity in the Forestry Products Business

ITOCHU considers the prevention of deforestation by commodities related to forest protection (wood, wood products, raw materials for papermaking and paper products, natural rubber, palm oil) as a priority item. We are working to acquire product certifications such as FSC forest certification and to develop a traceability system to biodiversity conservation.

n by <u>Societ</u>v

Conservation of Biodiversity

· Wood, Wood Products, Papermaking Raw Material, and Paper Products (P145)

Consideration for Biodiversity in Mine Closure

In our mineral resource development business, we have prepared Environment, Health, Safety (EHS) guidelines based on international standards*, which also stipulate the consideration of biodiversity in the closure of mines. Closure plans are designed not only for physical restoration but also for minimizing the impact and maximizing the benefits on the community by considering the local socio-economy and environment in cooperation with stakeholders. It will require to prepare funds, ensure the safety of the waterways constructed during the operation, prevent residual chemicals, and conserve ecosystems. Towards future mining closure, we have cooperated with project partners, assessed the environmental impact and formulate mine closure plans as stipulated by the regulations of countries where projects are located, and also put the system in place to check the implementation process of the plan by utilizing EHS check list.

* EHS Guidelines of the International Finance Corporation (IFC)

Biodiversity Conservation in Business-related Areas

ITOCHU is working with stakeholders to protect endangered wildlife.

Mangrove Planting Project in Collaboration with Uken Village of Amami Oshima Island, a World **Heritage Site**

Located on the west coast of Amami Oshima, Uken Village is striving to nurture and protect its abundant and irreplaceable natural environment, home to many different creatures, so that the next generation will always and proudly cherish it. ITOCHU has been supporting this initiative since 2021, and has started supporting reforestation activities in mangrove forests using Kandelia obovata* seedlings raised by children in Uken. We shall contribute to biodiversity conservation through mangrove planting, and also aim to create CO₂ credits in the future.

* Kandelia obovata is a species of plant that comprises the mangrove forests found in Kagoshima and Okinawa prefectures.

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Environmental Management Environmental Policy

Climate Change

(Information Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Conservation of Biodiversity

Clean-tech Business ESG Data(Environment

Conservation of Biodiversity

Sponsorship of Shiga Prefectural Lake Biwa Museum Renewal Project

ITOCHU donated 5 million yen for the 2020 renewal project of the Shiga Prefectural Lake Biwa Museum for the purpose of environmental conservation and regional promotion of the founding site.

Shiga Prefecture, where our company was founded, is one of the "SDGs Future City" and has Lake Biwa, the largest lake in Japan. Lake Biwa is one of only about 20 ancient lakes in the world. More than 1,700 species of animals and plants live there, and more than 60 species of native species also exist. It is also an important wetland for waterfowl and a registered wetland under the Ramsar Convention. Since its opening in 1996, the museum has attracted more than 11 million visitors, with the mission of deepening our understanding of the nature, history and life of Lake Biwa and building a better relationship between people and the lake.

In May 2019, we received a letter of appreciation from the governor of Shiga Prefecture, Taizo Mikazuki, for our support. The exhibition room which was renewed in October 2020 explains the transition of the forest and the climate around Lake Biwa.



Lake Biwa Museum & Treetop Walk



Received a letter of appreciation from the Shiga Prefecture Governor Daizo Mikazuki (on the right)



Exhibition room explaining the transition of the forest and climate around Lake Biwa

Support for a Biodiversity Conservation Program in the Amazon

ITOCHU established its office in Brazil in 1957 and has expanded business in various sectors including forestry and mineral products. Those products benefit from the abundant water and biological resources of Brazil, including the Amazon. Since FYE 2017, with the aim of conserving the environment and biodiversity, we have been engaged in activities to save Amazon manatees, a species in danger of extinction, through support for 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, and the construction of a research facility "Field Station". This project is part of the SATREPS Project, a joint project between the Japan Science and Technology Agency (JST) and the Japan International Cooperation Agency (JICA). With the support of ITOCHU, over the 3 years from FYE 2017, the project aimed to release more than 9 manatees to the wild and more than 20 manatees to the semi-wild. In fact, 27 manatees have been released to the wild and 31 manatees to the semi-wild, and more than 100 local residents have been provided with learning opportunities.

Support of Amazon Ecosystem Conservation Program (P155)





The logo of Manatee Homecoming Project

Amazon Rainforest: World's Largest Rainforest – Said to Supply One Third of the Oxygen on the Earth



Completed Field Station

The Amazonian Manatee is a Vulnerable Species

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SDGs Bond (Sustainability Bon **Evaluation by Society** Independent Assurance Re

Environmental Policy Environmental Management

Climate Change Information Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Conservation of Biodiversity

Clean-tech Business ESG Data(Environment

Conservation of Biodiversity

Project for Protecting Green Turtles, an Endangered Species

With the aim of conserving biodiversity, ITOCHU supports conservation activities for the green turtle, which is listed as an endangered species in the Ministry of the Environment Red Data Book, through the certified NPO Everlasting Nature (ELNA). ELNA was established in 1999 with the aim of conserving the marine life in Asia and the surrounding marine environment, and is an organization that has received certification as an NPO from Kanagawa Prefecture.

Thanks to ELNA's 24-hour conservation activities, the number of nesting sites of green turtles on the Ogasawara Islands is gradually increasing with repeated increases and decreases.

In addition, as the accommodation for volunteers staying in Chichijima for conservation activities was aging, we supported the construction of a new accommodation facility with improved living environment and convenience, and completed a unit house in May 2020.

ELNA activity report (Japanese Only) (https://www.elna.or.jp/rep-support-itochu2021/)



Employees participate in conservation activities

Green Turtles, an Endangered Species (Photographed on the Ogasawara Islands)



Donated a unit house for volunteer stay

Tropical Forest Regeneration and Ecosystem Conservation Activities on Borneo

Borneo is a tropical forest region spanning three countries — Malaysia, Indonesia and Brunei. Its area is approximately double that of Japan. This makes it the third largest island in the world. Borneo, which is called a treasure trove of biodiversity, is developing. This has led to damage to the tropical forest to the extent that conservation of the ecosystem is not possible with natural regeneration alone. The WWF, a worldwide nature protection organization, is collaborating with the Forest Department in the local Sabah State to conduct an activity to regenerate a forest of approximately 2,400 hectares. This is taking place in North Ulu Segama, Sabah State in Malaysia in the northeastern part of Borneo — a forest regeneration area that has continued to be protected by the ITOCHU Group since 2009. The ITOCHU Group has supported the regeneration of 967 hectares of this land. The afforestation work was completed in 2014 and all on-site work, including maintenance and management work, was finished in January 2016. This is the largest area in which afforestation activities are supported by a regular company. This land is also home to the endangered species of the orangutan. The regeneration of this forest will also lead to the protection of many creatures living here in addition to this orangutan.

Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem (P155)





Afforestation with Tour Participants

Endangered Species of the Orangutan

Environmental Management Environmental Policy

Climate Change

Prevention of Pollution and Resource Circulation

(Information Disclosure Based on TCFD Recommendations)

Water Resources Conservation

Conservation of Biodiversity Clean-tech Business ESG Data(Environmen

Conservation of Biodiversity

Hunting World's Borneo Support Activity

Hunting World, a luxury brand deployed by ITOCHU, has been using a logo with the motif of a young elephant without its tusks since the foundation of the brand in 1965. While serving as a symbol of freedom and revival, it also represents the challenge of looking toward the future in terms of the protection of endangered species. It contains the founder's love and respect for nature. Hunting World Japan, which sells Hunting World goods in Japan, has been supporting a biodiversity conservation activity being promoted by an NPO called the Borneo Conservation Trust (BCT) since 2008 to support the realization of coexistence with nature as called for by the founder. The company plans and sells charity goods and then provides 1% of those proceeds to the BCT. This helps with the funds to purchase land for a green corridor and the costs to rescue Borneo elephants that have gone astray in plantations. The company also independently acquired four acres of land in the green corridor project zone with its assistance funds up to that point in the fall of 2011 to create the Hunting World Kyosei no Mori (Symbiotic Forest of Hunting World). These donations have also helped with the funds to establish the Borneo Elephant Sanctuary. This is the first facility in the Wildlife Rescue Center that has been promoted by BCT Japan, which supports the BCT, since September 2013.

* Green corridor: This is an activity to conserve biodiversity. The land between forest protection zones and forest reserves are purchased back. Divided forests are then connected to create a movement route for animals



Endangered Species of the Borneo Elephant (We provide support for the construction of facilities to temporarily protect, treat and acclimatize Borneo elephants until they return to the wild)

Collaboration with Outside Initiatives

Initiative Participation (Activities Through Business and Industry Groups)

We participate in the Japan Business Federation (Keidanren). We support nature conservation projects in developing areas mainly in the Asia-Pacific region and in Japan through the Keidanren Committee on Nature Conservation that was established in 1992 when the United Nations Conference on Environment and Development (Earth Summit) was held in Rio de Janeiro in Brazil. The Keidanren Committee on Nature Conservation has been working to build an environment in which the business community strives to conserve nature. This has included exchanges with NGOs, the holding of seminars and symposia, and the announcement of the Declaration of Nature Conservation by Keidanren, the Declaration of Biodiversity by Keidanren and the action guidelines for them (revised in October 2018). In addition, we have declared our approval of the Keidanren's Biodiversity Initiative announced on June 11, 2020.

Cooperation with External Organizations toward Sustainable Palm Oil

ITOCHU joined the Roundtable on Sustainable Palm Oil (RSPO) in 2006. We have set a target of handling only RSPO certified palm oil or palm oil equivalent to that by 2030. We are working on the procurement and supply of sustainable palm oil through cooperation and collaboration with other member companies.

We are also participating in the Sustainable Palm Oil Transparency Toolkit (SPOTT). This is a project by the Zoological Society of London (ZSL) that assesses major palm oil related companies in terms of more than 50 indicators based on data released to the public. We disclose information to stakeholders relating to the palm oil industry through two-way communication.

Sustainable Procurement of Forest Resources - Palm Oil (P147)

Top Commitment	Sustainability at the ITOCHU Gro	up Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 69 >
Environmental Policy Envir		imate Change Iformation Disclosure Based on TCFD Reco		on of Pollution and Resource Circulati	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Conservation of Biodiversity

Performance Data

Performance Data in Business Activities

- Performance Data Regarding Forest Certification and Legal Compliance (P146)、 Sustainable Procurement Performance Data of Raw Materials for Papermaking (P146)
- Performance Data Regarding Sustainable Palm Oil Procurement (P148)
- Performance Data of Traceability of Meat (P150)

Performance Data on Business-related Areas

Conservation Project for Endangered Green Turtles

Project Data Monitoring the Spawning and Post-hatching Mortality of Green Turtles in the Ogasawara Islands

		Unit		2017	2018	2019	2020	2021	2021 Compared to the Pevious Year	2021 Compared to 2000	Notes
		Coast	Chichijima Islands	30	30	30	30	30	_		
	Number of Surveyed Coasts		Hahajima Islands	10	10	10	10	10	_		
Survey Scale			Mukojima Islands	10	10	10	10	10	_		
	Total Number of Surveys Conducted	Times		364	280	168	172	202	117%		
	Total Survey Personnel	Person		1,178	1,078	732	692	934	135%		
			Chichijima Islands	2,000	1,800	1,500	1,700	1,200	71%	267%	Increasing trend until 2020, fell again in 2021.
	Number of Surveyed Green Turtle Nests		Hahajima Islands	500	500	600	400	330	83%		
Results			Mukojima Islands	50	30	40	28	33	118%		
Results	Number of Surveyed Post-hatching Nests (Conducted only on Chichijima)	Nest		1,900	1,200	1,000	1,200	930	78%		
	Baby Turtles Returning to the Sea (Conjecture)	Head		63,700	55,000	43,700	55,000	44,000	80%		
	Escape Rate (Number of Escaped Turtles / Number of Eggs)	%		36	25	32	36	29	81%		
Reviews	The Increasing Trend of Green Turtles in Ogasawara (Conjecture)					Increasing	trend with repeated	d increases and de	creases		
	Trend in Escape Rate	_				Good	with repeated incr	eases and decreas	es		

* Figures are approximate due to unpublished data. Table based on ELNA activity report (Japanese Only).(https://www.elna.or.jp/rep-support-itochu2021/)

- Performance Data Related to Certification of Marine Products (P152)
- Performance Data of Organic Cotton Procurement (P153)

Top Commitment	Sustainability at the ITOCHU Group	p Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	n < 70 >
Environmental Policy Envir		n ate Change ormation Disclosure Based on TCFD Reco		Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bi	odiversity Clean-tech Business	ESG Data(Environment)

Conservation of Biodiversity

Support for a Biodiversity Conservation Program in the Amazon

Amazonian Manatee Reintroduction Performance Indicators

Theme	Activities	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Return to semi-captive environment	Release of manatees into a semi-captive lake (Manacapuru) or a preserve established in a river (Rio Cuieiras).	 Began meeting for setting up a lake in Manacapuru. Conducted health checks of 12 manatees. Released 9 manatees into the lake to keep them in a semi-wild state. 	 Conducted health checks of 24 manatees. Released 12 manatees into the lake to keep them in a semi-wild state 	• Released 14 manatees into the lake to keep them in a semi-wild state.	• No result	• No result	• No result
Return to the wild	• Release of manatees into the Amazon River.	 Conducted a health check on a manatee that was recaptured after being released into the Amazon River and confirmed that both the length of its body and its weight had increased and that the manatee had adapted to the natural environment after being released into the river. Released 5 manatees into the Amazon River. 	 Released 10 manatees into the Amazon River. Recaptured one manatee that had been released into the Amazon River and conducted health checks on it. Confirmed through the health checks that the recaptured manatee had grown in both body length and weight and that it had adapted to the natural environment smoothly after its release into the River. 	• Released 12 manatees into the Amazon River.	 Releasing 18 manatees into the Amazon River, installing VHF transmitters and monitoring activities. All the tracked individuals were confirmed to have successfully adapted to the wild. The body weight and body length of the recaptured individuals were also increased. 	• Due to the COVID-19, new releases were not possible, and monitoring of manatee releases had to be suspended for months.	•13 manatees were released into the Amazon River, and 5 of them were equipped with VHF transmitters for behavior monitoring. Interaction between released and wild individuals and pregnancy of released individuals kept for 16 years were confirmed. The success of the wild adaptation was shown.
Providing environmental training for local residents and raising their environmental awareness	Raising awareness of biodiversity conservation among local residents through a project for returning manatees to the wild.	 Asked more than 200 local residents to join us when we released the manatees. Through the protection of manatees, we raised their awareness of the importance of preserving biodiversity. Encouraged local fishermen to understand the importance of protecting manatees and had two of them participate in this project. 	 Raised awareness for biodiversity preservation through an environmental education program and a ceremony for releasing manatees at which 301 and 370 local residents participated, respectively. Two local fishermen took part in this project, continuing their practice from the previous year. 	 Raised awareness for biodiversity preservation through an environmental education program and a ceremony for releasing manatees at which 350 and 500 local residents participated, respectively. Two local fishermen took part in this project, continuing their practice from the previous year. 	 Created a mobile exhibition to convey the importance of manatee restoration to the wild. Employment promotion for hunters who used to be manatee poachers. 	• Employment promotion for hunters who used to be manatee poachers.	 Raising awareness of biodiversity conservation among local residents. Implement environmental education programs for local residents with thorough infection control measures. Distributing 500 T-shirts bearing the ITOCHU logo to participants and participants.

Top Commitment Sustainability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 71 >
Environmental Policy Environmental Management Climate Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

Clean-tech Business

Basic Policy and Strategy

ITOCHU has established enhancing contribution and engagement with the SDGs including climate change as one of our basic policies in our Brand-new Deal 2023 medium-term management plan. We will aim for offset zero that also takes into account the amount of greenhouse gas emissions we contribute to reducing through clean-tech business by 2040. This target is 10 years ahead of the Japanese government's target. We will achieve this by being the first in the industry to realize a decarbonized society.

Climate change and other environmental risks are also clean-tech business opportunities at the same time. We will adopt cutting-edge technologies from a medium- to long-term perspective. We will also take the lead in promoting concrete measures which are expected to lead to sustainable growth in the future and which will contribute to a transformation in social structure toward a decarbonized and recycling-oriented society.

Targets

Aim for offset zero* of our greenhouse gas emissions by 2040. Achieve this by proactively promoting business that contributes to a reduction in the amount of greenhouse gas emissions (such as clean-tech business).

(Information Disclosure Based on TCFD Recommendations)

* Offset zero : When the amount of greenhouse gas emissions we contribute to reducing exceeds our greenhouse gas emissions

Individual Targets for Each Business Segment

Business Segment	Individual Targets
Renewable Energy	 Raise the renewable energy ratio accounted for in the power generating capacity of our equity interests to over 20% by FYE2031. We are participating in renewable energy business with a total of approximately 1,000 MW such as in Cotton Plains, Texas in the U.S. (wind and solar power) and in Sarulla in Indonesia (geothermal power). We are currently newly developing renewable energy business of approximately 2,000 MW to achieve a renewable energy ratio of over 20%.
Fuel Ammonia	 Build value chains focused on fuel ammonia. Achieve this by owning and operating ammonia-fueled ships and developing fuel supply bases. Reduce carbon emission from the maritime industry. Achieve this by promoting the spread of ammonia-fueled ships from 2025 onward.
Energy Storage Systems (ESS)	• Aim for a cumulative energy storage of over 5 GWh by FYE2031.
Water Infrastructure	 Expand our achievements in Europe and Australia to other regions. Continue to build up excellent assets.
Waste Management Project	• Expand our achievements in Europe to the Middle East and other regions in Asia. Continue to build up excellent assets.





Initiatives

Top Management Involvement: Hydrogen and Ammonia Task Force

We have stated a strong commitment to being the first in the industry to realize a decarbonized society by enhancing contribution and engagement with the SDGs in our Brand-new Deal 2023 medium-term management plan. Based on this commitment, we began the full-scale operation of a hydrogen and ammonia task force across companies under the control of President & Chief Operating Officer in April 2021. This task force reports on the details of progress made on initiatives in each company every other week. Its field is not limited to hydrogen and ammonia projects; it also discusses other decarbonization projects (such as emissions trading and Carbon dioxide Capture, Utilization and Storage (CCUS)) which will contribute to a reduction in greenhouse gas emissions and whose market is expected to grow.

Introduction to Individual Businesses

- 1. Renewable Energy (P72~P74)
- 2. Fuel Ammonia (P75)
- 3. Hydrogen Related Business (P76~P77)
- 4. Energy Storage Systems (ESS) (P77~P78)
- 5. Water Infrastructure (P79)
- 6. Waste Management Project (P79)
- 7. CCUS Carbon Fixation (P80)
- 8. Green Buildings (P80)
- 9. Collaboration with Outside Initiatives (P80~P81)
- 10. Clean-tech Businesses (Web Links) (P81)

Top Commitment Sustainability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 72 >
Environmental Policy Environmental Management Climate Change	Prevention of F	Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bi	odiversity Clean-tech Business	ESG Data(Environment)

Clean-tech Business

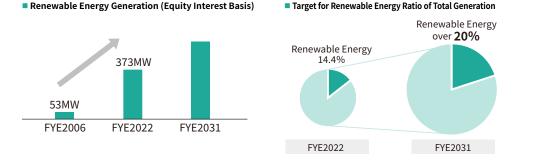
1. Renewable Energy

ITOCHU is involved in various aspects of power generation projects worldwide, aiming to optimize and maximize power generation efficiency. These include construction and refurbishment projects for all types of power plants, Independent Power Producer (IPP) businesses, as well as the operation and maintenance of power plants.

(Information Disclosure Based on TCFD Recommendations)

Within the business activities introduced above, we are proactively promoting power generation methods that leverage renewable energy sources such as geothermal, wind, solar, and biomass. We are aiming for a renewable energy ratio of over 20% (equity interest basis) by FYE2031 from the current 14.4% within our overall power generation business.

ITOCHU will continue to proactively promote power generation businesses that utilizes renewable energy inside and outside of Japan. This will allow us to contribute to global sustainability agreements that aim to create a decarbonized economy to mitigate climate-related impacts.



	FYE2020	FYE2021	FYE2022	FYE2022	FYE2031 (Target)
	Generation Capacity on Equity Interest Basis (MW)	Generation Capacity on Equity Interest Basis (MW)	Generation Capacity on Equity Interest Basis (MW)	Ratio (%)	Ratio (%)
Wind	185	179	122		20%<
Solar/PV Power	83	80	112	14.4%	
Geothermal	83	83	83		
Biomass	20	33	57		
Renewable Energy (Total)	369	375	373		
Natural Gas	1,621	1,258	1,258	- 85.6%	80%>
Oil-fired Power	315	315	315		
Coal-fired Power	640	640	640		
Thermal Power (Total)	2,576	2,213	2,213		
Grand Total	2,945	2,588	2,586	100%	100%

Breakdown of ITOCHU's Total Generation and Breakdown Target for EVE2031

For a list of our renewable energy-related businesses please refer to P82.

We have announced a policy not to engage in new coal-fired power plant developments or the acquisition of interests in coal-fired power plants*.

*Policy statement regarding our involvement in coal-fired power generation(https://www.itochu.co.jp/en/csr/news/2019/190214.html)

	Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report		73	>
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Environmental Management Environmental Policy

Climate Change

formation Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Clean-tech Business ESG Data(Environment)

Clean-tech Business

Renewable Energy Highlights

Wind Power

ITOCHU has continued involvement in wind power (onshore and offshore) from the late 1990s. Currently, ITOCHU has interests in six power plants in Japan, the United States, and Germany, some of which are currently under development.

I Butendiek Offshore Wind Farm in the North Sea of Germany

The demand for renewable energy is increasing. Against this backdrop, we have signed a strategic business and capital alliance with the CITIC Group to cooperate in a top-scale offshore wind farm (288MW) operating in the North Sea of Germany. The wind farm supplies power to approximately 370,000 standard German households, contributing to the transition to a decarbonized society.



The Butendiek Offshore Wind Farm

Aomori Mutsu Ogawara Onshore Wind Farm

ITOCHU is planning to build an onshore wind farm (57 MW) in a suitable site with favorable wind conditions in Rokkasho, Kamikita in Aomori Prefecture as a joint project with Hitachi Zosen Corporation and ENEOS Corporation. We are aiming to start operating it during FYE 2026. We expect this wind farm to generate approximately 138 million kWh of power a year. That is equivalent to the annual power consumption of approximately 24,000 ordinary Japan households.

Solar Power/PV Power

ITOCHU is involved in six large-scale solar power plants in Japan, the United States, and in Spain.

I Utility Scale Solar Projects

Following on the start of the commercial operation of a mega-solar power plant in Ehime in 2015, ITOCHU started operating mega-solar power plants in Oita in 2016, Okayama in 2017 and Saga in 2018. This means we now operate four mega-solar power plants in Japan (total power generation output: approximately 130 MW). The knowledge and experience we have gained through operating these power plants is contributing to the expansion of our renewable energy business. We will continue to operate these power plants stably.



Oita-Hiyoshibaru Solar Power Plant

Conservation of Biodiversity

I Distributed Solar Power Supply Business

We operate one of the largest on-site distributed power plants in Japan mainly involving the roofs of supermarkets and logistics facilities through our capital and business alliance partner of i GRID SOLUTIONS, Inc. (i GRID). i GRID is involved in the on-site solar power generation business. The company installs self-consumption solar power generation systems at zero initial investment by customers. It then directly supplies power at low cost to facilities over a long period of time. Furthermore, in addition to solar power generation, it integrates and controls distributed power supplies such as storage batteries and electric vehicles with a supply and demand adjustment platform using AI. This allows it to offer solutions for the realization of green transformation in regions centered on customer facilities.

Furthermore, we have entered into a capital and business alliance with Clean Energy Connect Co., Ltd. (CEC) for initiatives to contribute to clean energy by effectively utilizing land in Japan. We have been jointly promoting this business since 2021. CEC is involved in the off-site solar power business. The company develops and owns multiple small and medium-sized solar power plants by utilizing idle land in Japan. It then bundles together green power to supply electricity and environmental value over the long-term to customers such as office buildings in the center of cities. Through CEC, ITOCHU will introduce photovoltaic power plants with additionality in approx. 5,000 locations in Japan with a cumulative total output of 500 MW by FYE2026, aiming to be one of the largest corporate PPA operators in Japan.



i GRID SOLUTIONS On-site Distributed Power Supply



Clean Energy Connect Off-site Distributed Power Supply

	mitn	

Evaluation by Society SDGs Bond (Sustainability Bond

Environmental Policy Environmental Management

(Information Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

ESG Data(Environment

Clean-tech Business

Geothermal Power

ITOCHU participates in Sarulla Geothermal Power Project in Indonesia, which is one of the largest of its kind in the world. The project entered construction phase after signing a 30-year power purchase agreement with Indonesia's state-owned electricity company in 2013. The first and second units were completed and commenced commercial operation in 2017, followed by the third unit in 2018. Indonesia is actively promoting renewable energy, and geothermal is positioned as an important part of it as it holds the world's largest amount of geothermal resources. Among renewable energy, geothermal energy is able to provide stable power supply to the electricity grid through a whole day, not dependent on the natural conditions such as wind or sunlight. ITOCHU is proceeding with decarbonization through stable power supply in line with energy mixes and policies of each countries or areas.

Biomass Power

The Ichihara Biomass Power Plant (power generation output: 49.9 MW) in which ITOCHU is participating started commercial operation in December 2020. We expect this power plant to generate approximately 350 million kWh of power a year. That is equivalent to the annual power consumption of approximately 120,000 ordinary Japan households. In addition, we decided to build biomass power plants (power generation output of each: 50 MW) in Hyuga in Miyazaki Prefecture in April 2021 and in Tahara in Aichi Prefecture in November 2021.

Biomass Fuel Related Business

ITOCHU is supplying biomass fuel to power generation operators in Japan in addition to our own company by leveraging our biomass fuel suppliers portfolio. We are working to improve the ratio of renewable energy in power generation projects in Japan through the supply of biomass fuel



Ichihara Biomass Power Plant



Biomass Fuel (Wood Pellets)

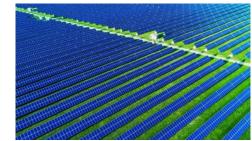
Operation and Maintenance for Renewable Power in North America

ITOCHU provides operation and maintenance as well as asset management services for solar power plants in US principally through our subsidiary Bay4 Energy Services, LLC. It serves approximately as many as 1,100 sites throughout US by utilizing its remote monitoring system.

Conservation of Biodiversity

Solar Power Development in the United States

Tyr Energy Development Renewables, LLC, a company that specializes in the development of renewable energy in the United States, was established in 2022. Through this company, it will respond to market demand in North America where a large-scale energy conversion is necessary, and seek to contribute to the creation of a recycling-oriented society.



Solar Power Project under construction in U.S.A.

Independent Assurance Rej

Clean-tech Business

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 75 >	
Environmental Policy Env	ironmental Management Clima	ate Change	Prevention of P	ollution and Resource Circulatio	on Water Resources Conser	vation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)	

2. Fuel Ammonia

With international momentum towards the transition to a decarbonized society since the Paris Agreement came into effect in 2016, the International Maritime Organization (IMO) adopted a strategy for the reduction of greenhouse gas (GHG) emissions within the shipping industry in 2018. This strategy sets targets to reduce CO₂ emissions per transport work - as an average across international shipping – by at least 40% by 2030 (compared to 2008 levels), by 50% by 2050, and to phase them out entirely (zero-emissions) during this century. In order to achieve these goals, the early adoption of ammonia as a suitable zero emission, alternative fuel for marine fuel in ships is one of the key elements. Also, in order to achieve the development of ships that use ammonia as their main fuel, the stable supply of marine fuel ammonia and the development of supply sites are essential elements.

(Information Disclosure Based on TCFD Recommendations)

Developing Ships Equipped with a Main Engine Using Ammonia as Its Main Fuel

ITOCHU Corporation has agreed with Nihon Shipyard Co., Ltd., MAN Energy Solutions, Mitsui E&S Machinery Co., Ltd., ClassNK, ITOCHU ENEX Co. Ltd. on jointly developing ships equipped with a main engine using ammonia as its main fuel (hereinafter "Ammonia-fueled Engine").

Moreover, we applied for the Green Innovation Fund Project / Development Project for Next-Generation Ships / Development of an Ammonia Fueled Ship project publicly offered by the New Energy and Industrial Technology Development Organization (NEDO) in October 2021. We made this application with four other companies: Kawasaki Kisen Kaisha, Ltd., NS United Kaiun Kaisha, Ltd., Nihon Shipyard Co., Ltd. and Mitsui E&S Machinery Co., Ltd. Our application was successful. We are aiming to ensure the maritime industry in Japan can maintain a competitive advantage over the long-term in the zero-emission ships field in this project. We will achieve this aim by implementing ammonia fueled ships in society under the leadership of Japan as soon as possible by 2028. We will develop propulsion systems and hulls and own and operate ammonia fueled ships ahead of other countries to achieve that aim.

Developing an Infrastructure to Support the Use of Ammonia as an Alternative Marine Fuel for Ships

ITOCHU Corporation and ITOCHU ENEX Co., Ltd. reached an agreement to jointly research the construction of an fuel ammonia supply base for ships in Singapore with six companies including Mitsui O.S.K. Lines, Ltd., Pavilion Energy Pte. Ltd. and TotalEnergies Marine Fuels Pte. Ltd. in addition to VOPAK Terminals Singapore Pte Ltd.

ITOCHU Corporation and ITOCHU ENEX Co., Ltd. also reached an agreement to conduct joint development on the supply of fuel ammonia for ships and supply bases in Japan with Ube Industries, Ltd. and Uyeno Transtech Ltd.

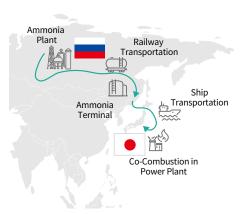
We launched a council with 22 companies and organizations in June 2021 aiming to use ammonia as fuel for ships. (The number of companies and organizations on this council has now expanded to 34.) The council will verify and organize common issues relating to the use of ammonia as fuel for ships.

These latest joint development efforts are not only focused on the development of ships equipped with an Ammonia-fueled Engine and developing supply sites for marine fuel ammonia at Singapore and Japan, but also positioned as part of an integrated project that includes the ownership and operation of these ships, the introduction of marine fuel ammonia and the establishment of worldwide supply chain of that fuel, which ITOCHU and ITOCHU ENEX has been pursuing in parallel. Working in cooperation with companies in Japan and overseas as well as related government agencies, the companies will pursue initiatives aimed at reducing greenhouse gases.

Joint Feasibility Study of an Ammonia Value Chain Between Eastern Siberia and Japan

ITOCHU and TOYO Engineering Corporation have received a commission from Japan Oil, Gas and Metals National Corporation (JOGMEC) to conduct a joint feasibility study of a value chain to produce blue ammonia in Eastern Siberia in Russia and to then transport it to Japan.

ITOCHU will provide our knowledge on logistics optimization cultivated through our rich track record of business in the energy field. We will realize the production and efficient transportation of ammonia, expected to be a new market as a non-carbon fuel in the future, to achieve the stable supply of blue ammonia to the Japanese market.



Flow Diagram (Schematic) of the Ammonia Value Chain Between Eastern Siberia and Japan

Top Commitment	Sustainability at the ITOCHU Gro	up Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 76 >
Environmental Policy Envi	ronmental Management C	imate Change of formation Disclosure Based on TCFD Reco		n of Pollution and Resource Circulati	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

3. Hydrogen Related Business

In December 2020, Japan announced the "Green Growth Strategy Towards 2050 Carbon Neutrality," and as part of that strategy, hydrogen is expected to contribute to the decarbonization of various fields as a key technology for carbon neutrality with promising applications across a wide range of fields, such as power generation, industrial usage, transportation, etc.

In light of this major trend, ITOCHU's wide-ranging networks focused on consumer-related sectors will be used to demonstrate the comprehensive capabilities of the ITOCHU Group and promote the development of the hydrogen market.

Strategic Collaboration to Build a Hydrogen Value Chain

ITOCHU, Air Liquide Japan G.K. and ITOCHU ENEX Co., Ltd. will jointly examine hydrogen production/ supply and hydrogen station business focused on major metropolitan areas in Japan. The aim of this is to cultivate the hydrogen market for mobility and industry.

We will demonstrate our comprehensive strengths as a group by making full use of our extensive network focused on the consumer goods industry field to contribute to the growth of the hydrogen market.



Hydrogen Station (Kawasaki Hydrogen Station of Air Liquide Japan G.K.)

Business Model Development of a Local Hydrogen Production for Local Consumption

ITOCHU Corporation has been progressing the joint operationalization research on a hydrogen business based on "the local production for local consumption model" in northern Kyushu with our important customers of Nippon Coke & Engineering Company, Limited (hereinafter "Nippon Coke") and Compagnie Maritime Belge B.V. (hereinafter, "CMB"). ITOCHU has been supplying raw materials to Nippon Coke, and also has a lot of newly built ship business with CMB which is the largest maritime group in Belgium, both for many years.

Featuring both the hydrogen byproduct of Nippon Coke and the hydrogen engine of CMB, this project aims to create and expand both supply of and demand for hydrogen, with the goal of swiftly realizing actually operating hydrogen supply chains based on "the local production for local consumption model".

Furthermore, by actively deploying this business model in other regions as well, ITOCHU will realize the social implementation of hydrogen on a global scale at the possible earliest time, for enhancing our contribution to and engagement with the SDGs.



Top Commitment Sustainability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 77 >
Environmental Policy Environmental Management Climate Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

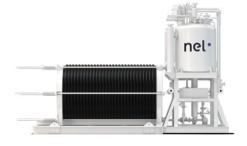
Hydrogen Business Partnership with Nel

ITOCHU Corporation has concluded a Memorandum of Understanding with Nel ASA (headquartered in Oslo, Norway), to create a strategic partnership in the hydrogen industry and the both companies are jointly developing hydrogen business. Nel is the world's largest manufacturer of electrolysers, which are essential for green hydrogen production, in terms of production capacity, size of systems, number of systems delivered and revenues.

Information Disclosure Based on TCFD Recommendations)

Under the MOU, Nel and ITOCHU will jointly explore hydrogen business opportunities, develop tangible projects and, as a future goal, aim to expand the hydrogen business worldwide by establishing a production, transportation and distribution hydrogen value chain together with potential partners in each area of the value chain. Nel and ITOCHU will promote this initiative for the commercial success utilizing Nel's nearly 100 years of experience in the hydrogen industry and ITOCHU's international network, based on their shared belief that hydrogen is crucial for decarbonizing industry. In addition, the parties agreed to evaluate and explore each project and business opportunity together with Osaka Gas Co., Ltd., a leading Japanese utility with experience in gas handling and hydrogen technology.

ITOCHU contributes to a decarbonized society through this collaboration creating synergies with ITOCHU's existing decarbonization business, such as hydrogen and ammonia.





4. Energy Storage Systems (ESS)

ITOCHU aims to promote decarbonization and reduce environmental footprint by selling energy storage systems (ESS) that enhance and optimize the sustainable supply of renewable energy. As a demonstration of our commitment, we have set a clear sales target for ESS of 50 billion JPY and a cumulative energy storage exceeding 5GWh by FYE 2031.

Moving forward, ITOCHU will strengthen our global battery procurement and dealer network to further deploy household storage batteries. At the same time, we will look to develop AI-equipped energy storage systems and to then launch them onto the market (especially, we assume, the U.S. and Australian markets which are expected to grow in the future) with capital and business alliance partners overseas. We will then aim for the development and social implementation of large energy storage systems that use reused batteries for commercial and industrial applications. Moreover, we will accelerate efforts to recycle waste batteries generated by electric vehicles (EVs) or energy storage systems and efforts relating to the traceability of those. This will allow us to develop our recycling-orientated business and to contribute to a further improvement in corporate value.

Sales and Cumulative Energy Capacity of Our ESS products

In cooperation with NF Blossom Technologies, Inc.*, ITOCHU developed Smart Star, a unique ESS approximately 50,000 units as of March 2022. With Smart Star being one of our main product lines, we have shown a steady increase in sales and cumulative energy capacity of the ESS products we have sold.

* NF Blossom Technologies, Inc. is a joint venture by NF Holdings Corporation and ITOCHU launched in February 2020.

Cumulative Capacity of ESS Units Sold (kWh)



Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 78	>
Environmental Policy Er	vironmental Management Clim	ate Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bi	diversity Clean-tech Business	ESG Data(Environmen	nt)

Other Initiatives

I The Launch of Next-generation ESS Products Using AI Technology

Smart Star L

ITOCHU signed a capital partnership with UK company Moixa Energy Holdings Ltd., NF Corporation and TRENDE Inc. to create a nextgeneration ESS that utilizes AI technology. This project has allowed for us to build upon the high performance of our Smart Star L during power-outages, and further enhance it by employing an AI system that analyzes weather forecasts, fluctuations in power consumption rates, and fluctuations in solar power generation to optimize its control mechanisms and maximize efficiency.

For more details (Japanese only).(https://www.smartstar.jp/)



(Information Disclosure Based on TCFD Recommendations)

External view of the Smart Star L

Smart Star 3 (Released in May 2021)

ITOCHU started selling a new product called Smart Star 3 in May 2021. This product is the first in the world to convert environmental value into a point system through a household energy storage system and it also has an electric vehicle charging function.



External View of the Smart Star 3

I Equity Participation in TRENDE Inc. and Future Collaboration

TRENDE Inc. provides an energy retail service with a concept of being easy to understand and economical (Ashita Denki) and an energy retail service to realize solar power generation and reasonable electricity rates with zero initial investment (Hot Denki). It does this under its mission to realize a society which actively utilizes renewable energy. The company is also conducting a demonstration experiment toward the realization of P2P energy trading*1 to contribute to the efficient use and popularization of renewable energy.

ITOCHU and TRENDE Inc. deepened our relationship through the joint development of a power plan only for energy storage systems in 2018. We released Marumaru Denki power plan in April, 2021 as a collaborative model. This is a solar power generation TPO^{*2} model with no initial cost, energy storage system and flat-rate electricity bill plan. In the future, we will aim to increase environmental value trading utilizing the non-fossil value^{*3} possessed by renewable energies and to realize P2P energy trading between the customers to whom we provide our services.

*1 P2P is the abbreviation for peer to peer. P2P power trading refers to direct trading between energy consumers and power generation facility owners. *2 TPO is the abbreviation for third party ownership.

*3 Non-fossil value is the environmental value given to power sources which do not use fossil fuels when generating power. A trading market was established in May 2018 to promote the introduction of renewable energies in Japan.

Capital and Business Alliance in the Automotive Battery Reuse and Recycling Business with PAND in China

ITOCHU undertook a capital increase through a third-party allotment from Shenzhen Pandpower Co., Ltd. – a company engaged in the automotive battery reuse and recycling business in China. We are now involved in the reuse business to convert automotive batteries to stationary storage batteries as part of our lithium-ion rechargeable battery business efforts.

There is a major trend for the electrification of automobiles worldwide. Against this background, it is expected that batteries equipped to the electric vehicles sold will appear on the market in large quantities in the future. Accordingly, the effective utilization of used batteries has become a major issue.

We will utilize the knowledge in the stationary storage battery business we have accumulated thus far to provide competitive energy services to new market areas. These areas will include ancillary services that used to be difficult to install into storage batteries due to cost issues and microgrids for power in underpopulated areas. The core of this will be stationary storage batteries utilizing reused batteries.

Establishment of IBeeT Corporation – a Joint Venture to Offer a Subscription Service for Distributed Power Sources

We have established a joint venture called IBeeT Corporation together with Tokyo Century Corporation to offer a subscription service for distributed power sources and related equipment that will contribute to the realization of a decarbonized society.

IBeeT will offer Smart Star with a subscription service to promote market introduction in response to increasing demand for home energy storage systems and medium-sized to large energy storage systems.

The company is also considering offering a subscription service for "Bluestorage" medium-sized to large energy storage systems that utilize reused electric vehicle batteries, commercial energy storage batteries, solar panels, electric vehicles and related equipment in the future. IBeeT will aim to build an efficient distributed power source platform at an early stage. For example, it will mutually accommodate surplus power produced from the distributed power sources it owns through this service by using "GridShare" Al.

Top Commitment Sustainability at the ITOC	IU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 79 >
Environmental Policy Environmental Management	Climate Change (Information Disclosure Based on TCFD Reco		ollution and Resource Circulatio	on Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

5. Water Infrastructure

ITOCHU identifies water-related businesses as a strategic priority. This is due to our understanding that such demands will increase given global climate change trends projecting drastic changes in rainfall as well as changes in demography especially in emerging economies. We globally engage in water-related businesses such as seawater desalination and water utility, aiming to contribute solutions to the increasing water problems around the world.

Seawater Desalination

We have invested and are participating in a seawater desalination project in Victoria, Australia. This facility is capable of satisfying the water demands of approximately 30% of the population of Melbourne, Victoria, supporting the stable supply of water in the area since 2012.

We have invested and are participating as the largest shareholder in a seawater desalination project with the Oman Power and Water Procurement Company (OPWP), which is under the umbrella of the Oman government. The project, situated in Barka, a northern region of the country, is the largest seawater desalinization project in the country.

Other Initiatives

I The Development and Sales of Seawater Desalinization Plants and Reverse Osmosis Membranes Stable Supply of Life-sustaining Water

Seawater Desalinization Business Largest in Oman (P62)

6. Waste Management Project

Around the world, 2.01 billion tons of municipal solid waste (about 5,400 cups of Tokyo Dome) are discharged per year. At least one-third of this waste is not treated with a proper way. As a result, decomposing gases emitted from waste cause fires, and the toxic substances that flow from waste mix with lakes, rivers, and groundwater, having a negative impact on the health of people and ecosystems in the surrounding areas. Due to rapid urbanization and population growth, especially in emerging countries, the world's waste volume is expected to reach 3.4 billion tons per year over the next 30 years.

ITOCHU is involved as a developer, investor, and operator in 4 energy-from-waste projects for municipal governments in the United Kingdom, which treat 1.3 million tons of waste annually, accounting for 15% of the UK's waste incineration market, and generate enough electricity to power 160,000 British households. In the Republic of Serbia, we are working with the government of Serbia and City of Belgrade to develop an energy-from-waste project. The project will address one of the biggest environmental and social problems in Serbia - closing and remediating the existing landfill at the Vinca dumpsite, and treat municipal solid waste in City of Belgrade, and generate electricity. Financed by International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) and Oesterreichische Entwicklungsbank (Austria's Development Bank "OeEB"), the construction of an energy-from-waste facility is under construction. This project will treat 340,000 tons of waste annually and generate enough electricity to power 30,000 households. In addition to these projects, ITOCHU have started an energy-fromwaste project in the Emirate of Dubai, the United Arab Emirates in 2020. This project will be one of the largest energy-from-waste projects in the world, which will treat 1.9 million tons of waste annually, accounting for about 45% of the municipal solid waste in UAE, and generate electricity. This project will contribute to reaching the goals set by Dubai Municipality in minimizing the volume of municipal waste in landfills and developing alternative energy sources as well as contribute to sustainable and ecologically friendly waste management.



Top Commitment S	ustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 80 >
Environmental Policy Environ		ate Change mation Disclosure Based on TCFD Reco		Pollution and Resource Circulation	on Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

7. CCUS · Carbon Fixation

ITOCHU invested in the Australia-based company, Mineral Carbonation International (MCi) in August 2021, and has been collaborating with MCi in promoting its technology which produces calcium carbonate by combining by-products of the steelmaking process(slag), coal ash and/or waste concrete with CO₂, to permanently lock away CO₂ in a solid form and utilize as building materials. MCi was, in June 2021, awarded 14.6 million Australian dollars grants from the Australian government's Carbon Capture Use and Storage (CCUS) Fund, and then in November 2021 MCi won the first prize in the COP26 Clean Energy Start-up Pitch Battle in Glasgow, among 2,700 competing companies around the world. MCi is a company that aims to remove a billion tons of CO₂ annually in the future, as its company mission.

Furthermore, ITOCHU acts as a member of a consortium which was awarded a project, worth total 16 billion

yen, launched by New Energy and Industrial Technology Development Organization (NEDO), for the research and development, demonstration and surveys to establish the mass transportation technology for liquefied CO₂, by connecting emission sources to utilization/storage points. In addition, ITOCHU has been engaged with the research and demonstration for the mass cultivation of the euglena microalgae, making use of CO₂ from neighboring coal-fired power plant, which again is a project run by NEDO, with a partner, euglena Co., Ltd.



8. Green Buildings

ITOCHU's construction and real estate group are committed to providing real estate and distribution services, especially in housing and commercial facilities as well as distribution facilities and housing complexes, which are sustainable and relevant to everyday life. We aim to do so by being involved throughout the value chain, from the development to the operation and management of real estate products, to streamline and optimize the solutions where we can, utilizing smart city concepts and emerging technologies such as IoT.

ITOCHU engages in real estate primarily through its subsidiaries. Advance Residence Investment Corporation, a listed residential real estate investment trust (REIT) that is a subsidiary to ITOCHU, identifies sustainability as a top priority and is well regarded for its performance. For example, it participates in GRESB, a sustainability rating framework for real estate investors, and has 18 real estate assets with DBJ Green Building certifications and 5 real estate assets with CASBEE real estate valuation certifications which accounts to 29.9% in surface area, and 8.4% in number of units among its entire portfolio. At ITOCHU Advance Logistics Investment Corporation, a listed REIT focused on logistics assets, we own 6 assets with DBJ Green Building certifications, which accounts to 78.2% in surface area, and 50.0% in number of units among its entire portfolio.

9. Collaboration with Outside Initiatives

We are promoting and expanding initiatives for clean-tech business by participating in initiatives. We decide to participate in each initiative upon confirming it conforms to our basic policy and initiatives for the clean-tech business.

Carbon Recycling Fund Institute

The Carbon Recycling Fund Institute was established in August 2019. The fund believes it is necessary to make further initiatives to achieve the target of carbon neutrality by 2050 by using CO₂ as a carbon source. It is a general incorporated association aiming to solve the problem of global warming and to improve energy access around the world at the same time. It will do this by supporting the creation of carbon recycling innovation through research assistance and publicity activities relating to carbon recycling. ITOCHU is also participating as a member.

Tokyo Zero-emission Innovation Bay

Tokyo Zero-emission Innovation Bay was established in June 2020 as a council by research laboratories, factories, business offices, research institutes, and universities located around the Tokyo Bay area, based on the concept proposed by the Japanese Government to develop the Tokyo Bay Area into the world's first Zero Emission Version of Silicon Valley where members can best collaborate, plan and carry out research & development/demonstrations/businesses, and disseminate information around the world. ITOCHU Corporation is listed as its member.

Japan CCS Co., Ltd.

In response to the national policy to develop and promote CCS technology, Japan CCS Co., Ltd. (hereinafter JCCS) was established in May 2008 by a group of major companies with expertise in CCSrelated fields, including electric power, petroleum, oil development, and plant engineering. JCCS is a company founded and dedicated explicitly for developing the integrated CCS technology, and conducting feasibility studies and demonstration projects in Tomakomai area, Hokkaido, pertaining to carbon dioxide capture, utilization, transportation and storage technologies. As one of the shareholders, ITOCHU Corporation has been supporting this project. Also, separate from this project in Hokkaido, ITOCHU is jointly conducting research and demonstration project of NEDO to establish liquefied CO₂ ship transportation technology with JCCS as the consortium partners.

Top Commitmen	t Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 81 >
Environmental Policy	Environmental Management	Climate Change (Information Disclosure Based on TCFD Reco		on of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	diversity Clean-tech Business	ESG Data(Environment)

The Association for Reciprocal Revitalizations of Renewable Energy and Region (FOURE)

The Association for Reciprocal Revitalizations of Renewable Energy and Region (FOURE) was established in June 2021. It is an organization aiming to expand the introduction of renewable energy that benefits regions and to realize a decarbonized society. The organization is achieving this aim by spreading the introduction of renewable energy as the main power source in regions in Japan and by regions and renewable energy coexisting and mutually developing. ITOCHU has been participating as a member since March 2022.

Japan Sustainable Fashion Alliance

The Japan Sustainable Fashion Alliance was established in August 2021 with ITOCHU serving as a representative alongside GOLDWIN INC. and JEPLAN, INC. The purpose of this alliance is to promote a transition to a sustainable fashion industry with targets of zero fashion loss through appropriate production, appropriate purchasing and recycling, and carbon neutrality in 2050. The alliance will realize its purpose by understanding the impact the fashion industry has on the natural environment and society to come up with solutions jointly for shared issues in the fashion and textile industries.

10. Clean-tech Businesses (Web Links)

https://www.itochu.co.jp/en/business/cleantech/index.html#other_clean_tech_businesses

Top Commitmer	nt Sustainability at the ITOCHL	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 82 >
Environmental Policy	Environmental Management	Climate Change (Information Disclosure Based on TCFD Reco		of Pollution and Resource Circulati	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

List of Renewable Energy Related Efforts (Power Generation Capacity Basis)

Details of Effort	Name of Business Operator / Investment Project	Country	Generating Capacity / Size	Greenhouse Gas Reduction Figures
	Aspenall Wind Power Generation Project	USA	43MW	Approx. 120,000 tons / year
Wind Power Generation Business	Cotton Plains Wind and Solar Power Generation Business	USA	217MW	Approx. 570,000 tons / year
	Mutsu Ogawara Wind Power Generation Project (Under Development)	Japan	57MW	Estimated 72,000 tons / year
Offshore Wind Power Generation Business	Butendiek Offshore Wind Power Generation Project	Germany	288MW	Approx. 750,000 tons / year
	ST&W Waste Management Project / South Tyne & Wear Energy Recovery Holdings Limited	England	Incineration treatment of 260,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 31,000 homes	Estimated 62,000 tons / year
	Cornwall Waste Management Project / Cornwall Energy Recovery Holdings Limited	England	Incineration treatment of 240,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 21,000 homes	Estimated 60,000 tons / year
Waste Management	Merseyside Waste Management Project / Merseyside Energy Recovery Holdings Limited	England	Incineration treatment of 460,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 63,000 homes	Estimated 130,000 tons / year
Waste Management Projects	West London Waste Management Project / West London Energy Recovery Holdings Limited	England	Incineration treatment of 350,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 50,000 homes	Estimated 83,000 tons / year
	Serbia Waste Management Project / Beo Cista Energija (Under Construction)	Serbia	Incineration treatment of 340,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 30,000 homes (planned)	Estimated 120,000 tons / year
	Dubai Waste Management Project / Dubai Waste Management Company P.S.C. (Under Construction)	UAE	Incineration treatment of 1,900,000 tons / year Generating Capacity: 200MW (planned)	Estimated 2,170,000 tons / year
Geothermal Power Generation	Sarulla Operations Ltd	Indonesia	330MW	About 1,350,000 tons/year
	Oita Hiyoshibaru photovoltaic power plant large-scale solar power plant	Japan	45MW	Estimated 32,000 tons/year
Photovoltaic Power	Shin-Okayama photovoltaic power plant large-scale solar power plant	Japan	37MW	Estimated 26,000 tons/year
Generation	Saijo Komatsu photovoltaic power plant large-scale solar power plant	Japan	26MW	Estimated 17,000 tons/year
	Saga-Ouchi photovoltaic power plant large-scale solar power plant	Japan	21MW	Estimated 11,000 tons/year
	Ichihara Biomass Power Plant	Japan	49.9MW	N/A*
Biomass Power Generation	Hyuga Biomass Power Plant (Under Development)	Japan	50MW	N/A*
	Tahara Biomass Power Plant (Under Development)	Japan	50MW	N/A*

 * The lifecycle GHG calculation methodology has not been established

Top Commitment Sustainability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A K 83 X
Environmental Policy Environmental Management Climate Change	Prevention of P	Collution and Resource Circulatio	Mater Resources Conser	vation Conservation of Bi	diversity Clean-tech Business	ESG Data(Environment)

(Information Disclosure Based on TCFD Recommendations)

Independent Assurance

The data below marked with \star and \blacklozenge is independently assured by KPMG AZSA Sustainability Co., Ltd. This assurance is conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and 3410 of the International Auditing and Assurance Standards Board (IAASB).

★ : Total electricity consumption and Scope1 · Scope2 and its total attributable to the domestic bases of ITOCHU Corporation, and the waste, waste non-recycled, waste recycled, recycling rate, water consumption, treated water production volume and wastewater volume for the Tokyo Headquarters, and the volume of water withdrawal & wastewater discharge and Scope3 (domestic transportation) attributable to distribution of ITOCHU Corporation.
Independent Assurance Report (P193)

•: Total electricity consumption and Scope1 · Scope2 and its total attributable to ITOCHU Group, NOx, SOx, VOC emissions of Japanese Bases of ITOCHU Group and hazardous waste of Japanese Bases of ITOCHU Corporation and Japanese Bases of ITOCHU Group.

Independent Assurance Report (P193)

Scope of Aggregation

			Japanese Bases of ITOCHU Corporation*1	Group Companies in Japan ^{*2}	Overseas Offices*3	Overseas Group Companies*4
		Energy Consumption	0	_	_	_
	Herearcy Consumption Herearch Here	Energy Consumption Attributable to Business Facilities	0	_	_	_
		Electricity Consumption	0	0	0	0
		Heat & Steam Consumption	0	0	0	0
		Fuel Consumption	0	0	0	0
Climate Change		Scope1·Scope2	0	0	0	0
		GHG Emissions from Business Facilities	0	0	0	0
		Scope1 Total Emissions Breakdown by GHG Type	0	0	0	0
		Scope3	0	0	0	0
		Carbon Intensity	0	0	0	0
	Prevention of Pollution	NOx, SOx, VOC	0	0	0	0
Prevention of Pollution &		Energy Consumption Attributable to Business Facilities Electricity Consumption Heat & Steam Consumption Fuel Consumption Scope1 · Scope2 GHG Emissions from Business Facilities Scope1 Total Emissions Breakdown by GHG Type Carbon Intensity Nox, SOx, VOC Waste & Waste Recycling Rate Hazardous Waste Paper Consumption	0	0	0	0
Resource Circulation	Resource Circulation	Hazardous Waste	0	0	0	0
		Paper Consumption	0	_	_	_
Water Resources Conservation		Volume of Water Withdrawal & Wastewater Discharge, Water Withdrawal Amount by Withdrawal Source, Discharge Amount by Discharge Destination, Water Withdrawal in Water Stressed Regions, Water Consumption in Manufacturing Processes that are Highly Dependent on Water Resources (Intensity), Chemical Oxygen Demand (COD)	0	0	0	0
Environmental Acc	counting	Environmental Conservation Costs, Environmental Conservation & Economic Effects	0	_	_	_

*1 The Tokyo Headquarters, the Osaka Headquarters, 5 Branches (Hokkaido, Tohoku, Chubu, Chugoku & Shikoku, Kyushu). The number of offices including domestic branches: FYE 2019: 8, FYE 2019: 8, FYE 2021: 6, FYE 2022: 8 (Data coverage in FYE 2022: 100%) Up to FYE 2021; 0, offices including domestic branches: FYE 2019: 8, FYE 2019: 8, FYE 2021: 6, FYE 2021: 6, FYE 2021: 7, FYE 2022: 8

*2 The number of companies covered: FYE 2018: 208, FYE 2019: 220, FYE 2020: 238, FYE 2021: 232, FYE 2022: 233 (Data coverage in FYE 2022: 100%)*5

*3 The number of overseas offices covered: FYE 2018: 15, FYE 2019: 30, FYE 2020: 29, FYE 2021: 49, FYE 2022: 46 (Data coverage in FYE 2022: 100%)

*4 The number of companies covered: FYE 2017: 46, FYE 2018: 299, FYE 2019: 282, FYE 2020: 286, FYE 2021: 274, FYE 2022: 254 (Data coverage in FYE 2022: 100%)*5

*5 The number of companies covered includes all the consolidated subsidiaries, including those held for investment management purposes. However, companies expected to be sold within the next five years held for investment management purposes are not included in the scope of the data. Moreover, non-manufacturing site offices with 10 or fewer employees are quantitatively insignificant. Accordingly, they are not included in the scope of the data.

○: in scope of aggregation

Top Commitmen	t Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 84 >
Environmental Policy	Environmental Management	Climate Change (Information Disclosure Based on TCFD Reco		of Pollution and Resource Circulati	on Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Climate Change Performance Data

Energy Consumption

Energy Consumption

		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	
	Purchased and Consumed Non-Renewable Fuel (Unit: MWh)	610	525	691	640	580	
	Purchased Non-renewable Power (Unit: MWh)	29,558	29,306	28,747	27,320	27,107	* S
Japanese Bases of ITOCHU Corporation	Other Purchased Non-renewable Energy (e.g., Steam, Heat and Cooling Water) (Unit: MWh)	8,206	7,605	7,385	7,401	6,869	H C 2(
	Generated Renewable Energy (Solar Power Generation*) (Unit: MWh)	58	51	54	60	63	ir fc h
	Total of Energy Consumption Cost (Unit: million JPY)	576	404	537	571	573	'H in in

* Solar Power Generation

Preservation.

(Unit: GJ)

(Unit: 1 000 kWh)

(Unit: GJ)

ITOCHU has installed solar panels on the roof of our Tokyo Headquarters and the roof of the adjacent ITOCHU Garden (ex CI PLAZA). These panels started generating power in March 2010. The power generation capacity of the solar panels installed is a total of 100 kW. This is equivalent to the power for 30 regular houses (calculated at approximately 3.0 kW per house). All the clean energy generated is used in our Tokyo Headquarters. This is equivalent to an amount of power used in lighting 3.5 floors in our Tokyo Headquarters (during instantaneous maximum power generation).

* The figures for the Tokyo Headquarters are calculated based on the Tokyo Metropolitan Ordinance on Environmental

Energy Consumption Attributable to Business Facilities

					(
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Tokyo Headquarters*	130,977	127,824	126,135	121,290	118,419	,

Electricity Consumption

					(OTHL: 1,000 KWII)
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Japanese Bases of ITOCHU Corporation*★	11,084	11,014	10,759	10,231	10,214
Group Companies in Japan	798,054	878,025	1,204,830	1,248,258	1,202,311
Overseas Offices	2,224	2,118	2,098	3,515	3,469
Overseas Group Companies	500,777	590,175	447,462	437,030	422,880
Grand Total of ITOCHU Group	1,312,139	1,481,382	1,665,148	1,699,034	1,638,874

This data has been calculated based on the Act on the Rational Use of Energy for the Japanese Bases of ITOCHU Corporation. The Tokyo Headquarters is sourcing its real COs-free electricity together with a Non-Fossil Fuel Certificate since January 2020. The Non-Fossil Fuel Certificate includes the tracking information of Maebashi Biomass Power Plant (Maebashi, Gunma Prefecture) and is used at the Tokyo Head Office building in combination with purchased electricity.

Heat and Steam Consumption

		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	Industrial Steam	513,564	494,035	541,932	488,429	520,936
	Non-industrial Steam	17,706	13,998	14,452	15,462	14,532
ITOCHU Group	Hot Water	10,566	4,781	4,860	5,710	6,285
	Cold Water	106,416	82,139	75,227	67,618	62,874

Top Commitment	Sustainability at the ITOCHU	Froup Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 85 >
Environmental Policy E	nvironmental Management	Climate Change (Information Disclosure Based on TCFD Reco		ion of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Fuel Consumption

			FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	Kerosene (Unit: k	L)	4,001	4,468	2,609	3,387	3,086
	Light Oil (Unit: kL)	35,577	39,362	41,790	48,460	46,262
	Gasoline (Unit: kL)	10,774	12,598	12,759	12,688	11,547
	Heavy Oil A (Unit:	kL)	25,699	18,289	20,432	18,969	58,137
	Heavy Oil B and C	(Unit: kL)	11,711	16,551	25,942	25,546	13,595
	Coal (Unit: t)		341,192	333,176	315,148	325,431	292,371
ITOCHU Group		Liquefied Petroleum Gas (LPG) (Unit: t)	6,321	6,614	11,966	11,294	13,575
	Petroleum gas	Liquefied Petroleum Gas (LPG) (Unit: 1,000 m ³)	2,454	496	472	469	1,200
	Petroleum gas	Liquefied Petroleum Gas (LPG) (Unit: kL)	_	_	186	1,209	660
		Petroleum Hydrocarbon Gas (Unit: 1,000 m ³)	2,247	1,860	340	3	3
	Combustible	Liquefied Natural Gas (LNG) (Unit: t)	1,645	3,161	5,698	4,524	11,654
	Natural Gas	Other Combustible Natural Gas (Unit: 1,000 m ³)	5,762	14,565	14,115	12,761	7,101
	City Case ato	City Gas (Unit: 1,000 m ³)	204,481	33,552	26,692	46,793	37,107
	City Gas, etc.	Other Gas (Unit: 1,000 m ³)	0.017	158	242	404	0

GHG Emissions

Scope1 · Scope2

Scoper						(Unit: t-CO ₂ e)
		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Japanese Bases of ITOCHU Corporation ★	Scope1	98	91	151	152	138
	Scope2	7,174	6,969	6,740	6,466	6,330
	Scope1+2	7,273	7,060	6,891	6,619	6,468
	Scope1	1,299,390	1,213,395	1,202,508	1,522,339	1,484,602
ITOCHU Group	Scope2	617,818	771,204	835,916	799,562	716,176
	Scope1+2	1,917,209	1,984,599	2,038,424	2,321,901	2,200,778

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 86 >
Environmental Policy Envir	onmontal Management Clima	ato Chango	Provention of P	Collution and Pesource Circulatio	Water Pesources Conse	nuation Conservation of Big	diversity Clean-tech Business	ESC Data(Environment)

GHG Emissions from Business Facilities					(Unit: t-CO2e)
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Japanese Bases of ITOCHU Corporation★	7,273	7,060	6,891	6,619	6,468
Group Companies in Japan	1,280,241	1,361,130	1,526,279	1,611,214	1,507,164
Overseas Offices	1,674	2,769	1,523	2,860	2,892
Overseas Group Companies	628,021	613,640	503,731	701,209	684,254
Grand Total of ITOCHU Group♦	1,917,209	1,984,599	2,038,424	2,321,901	2,200,778

(Information Disclosure Based on TCFD Recommendations)

Scope1 Total Emissions Breakdown by GHG Type

		Global Warming Potential (GWP)	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Scope1 Total Emission	s	_	1,213,395	1,202,508	1,522,339	1,484,602
Energy Consumption (CO ₂	—	1,161,002	1,158,283	1,233,868	1,214,313
Total GHG Emissions ot	ner than CO ₂ from Energy Consumption (t-CO ₂ e)	—	52,393	44,225	288,471	270,289
	Non-energy Consumption CO ₂	1	0	0	0	C
	Methane (CH4)	25	0	1,459	118,224	135,884
	Dinitrogen Monoxide (N ₂ O)	298	17,932	18,439	119,278	108,456
Breakdown	Hydrofluorocarbon (HFCs)	7,390~10,300	34,461	24,327	50,969	25,949
	Perfluorocarbon (PFCs)	-	0	0	0	C
	Sulfur Hexafluoride (SF ₆)	-	0	0	0	C
	Nitrogen Trifluoride (NF ₃)	_	0	0	0	C

he calculation of GHG uses the GHG Protocol developed by WRI (the World Resources stitute) and WBCSD (the World Business Council for Sustainable Development), and is ggregated according to the Management Control Standards(the control approach).

(Unit: t-CO2e)

- * The data has been calculated based on the Tokyo Metropolitan Ordinance on Environmental Preservation for the Tokyo Headquarters and based on the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures for the Osaka Headquarters, Branches in Japan, business facilities and group companies in Japan. Basic emission factors are used up to FYE 2021, and adjusted emission factors are used for FYE 2022 concerning consumed electricity.
- * From FYE 2020, the data has been calculated based on the CO₂ conversion coefficient according to the data of 2018 by country of the International Energy Agency (IEA) for overseas offices and overseas group companies. The data before FYE 2019 has been calculated based on the average of the CO₂ conversion coefficient between 2010 and 2012. We used IEA 2019 data for calculation of the figures of FYE 2022.
- * From the FYE 2019 data, GHG emissions other than CO₂ from energy consumption, are also included. GHG emissions other than CO₂ from energy consumption from group companies that emit more than 3,000 t-CO₂e per year are aggregated and disclosed.
- * We started including "CH4 and N₂O emissions associated with pig breeding and excrement management" and "HFC emissions due to leaks from refrigerating equipment, etc." with FYE 2019 data, and started further including "CH4 emissions associated with wastewater treatment", "CH4 emissions associated with composting and landfilling waste" and "N₂O emissions associated with the use of fertilizer on farms" with FYE 2021 data.
- * The global warming potential (GWP: Global Warming Potential) for the calculation of GHG emissions other than CO2 from energy consumption is based on GWP 100 of the IPCC 4th Assessment Report (AR4).

* GHG emissions other than CO₂ have several tens to several tens of thousands of times of greenhouse effect compared to CO₂, and t-CO₂e is used as a unit for expressing that greenhouse effect equivalent to CO₂.

Top Commitmen	t Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 87 >
Environmental Policy	Environmental Management	Climate Change (Information Disclosure Based on TCFD Reco	110001	on of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Scope3					(Unit: t-CO2e)
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	Emission intensity is selected mainly from the Inventory Database for Calculation of an Organization's GHG Emissions through the Supply Chain issued by the Ministry of Environment of Japan and the Inventory Database for Environmental Analysis (IDEA) developed by National Institute of Advanced Industrial Science
Capital Goods*1	145,712	372,734	799,796	660,270	620,742	and Technology (AICT) and Japan Environmental Menonsympth Approximation for Ladystery
Fuel & Energy Related Activities*2	240,554	238,657	328,407	310,195	389,213	using the emission intensity per capital goods price. *2 Calculated using various emission intensities for fuel, heat, and purchased electricity collected
Domestic Transportation* ³ ★	15,599	14,828	13,041	12,034	10,387	during Scope 1 and Scope 2 calculations. Emissions from the generation of wholesale and retail electricity are also included in this category. *3 Emissions related to domestic contracted transportation of ITOCHU Corporation as the shipper
Waste Generated in Operations*4	85,717	229,207	234,592	369,119	349,698	are calculated based on the Greenhouse Gas Emissions Calculation and Reporting Manual issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
Business Travel*5	66,040	70,933	56,414	20,620	24,577	 *4 Calculated based on various waste and wastewater emissions intensity for the entire ITOCHU Group. *5 Calculated based on the consolidated accounting data of the ITOCHU Group. The emissions intensity is used for each type of business trip.
Employee Commuting*6	23,867	27,017	25,468	25,150	23,409	*6 The consolidated commuting expenses are estimated based on ITOCHU's commuting expenses and the number of employees, and then the figure is calculated using the emission intensity of railway commuting.
Franchises*7	0	1,221,525	1,151,693	1,089,140	1,048,474	

Carbon Intensity

CO2 Emissions from ITOCHU's Domestic Sites and ITOCHU Group (Intensity Unit) (Unit: t-CO2e) Per Employee (Total of Japanese Bases of ITOCHU Corporation) 1.660 1.622 1.596 1.552 1.540 Per One Square Meter of All Floor Space (Total of Japanese Bases of ITOCHU Corporation) 0.063 0.061 0.068 0.058 0.057 Per MWh of Electricity Consumption (Grand Total of ITOCHU Group) 0.506 0.524 0.502 0.471 0.437

 The denominators of intensity figures per one square meter of all floor space are as follows: FYE 2018: 115,905m², FYE 2019: 115,842m², FYE 2020: 101,545m², FYE 2021: 114,920m², FYE 2022: 113,434m²

CO2 Emissions by Beverage Manufacturing Companies (Intensity Unit)

Business Profile	Company Name (Boundary)	Unit	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Beverage Manufacturing	Clear Water Tsunan Co., Ltd. (Soft drink manufacturing and sales business)	CO2e / production capacity in kL	Non-consolidated	0.091	0.081	0.088	0.080

Top Commitment Sustaina	ability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 88 >
Environmental Policy Environmenta		te Change nation Disclosure Based on TCFD Reco		n of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Pollution Prevention and Resource Circulation Performance Data

Pollution Prevention

NOx, SOx, VOC

					(Onic. c)	
		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Japanese Bases of ITOCHU Group *1	NOx (Nitrogen Oxides) ◆*2	1,976	1,337	1,378	1,569	1,346
	SOx (Sulfur Oxides) \bigstar^{*_2}	425	442	514	416	416
	VOC (Volatile Organic Compounds) \blacklozenge * ³	394	419	424	445	400
	NOx (Nitrogen Oxides) *2	0	1,403	1,293	1,458	1,656
Overseas Bases of ITOCHU Group	SOx (Sulfur Oxides) *2	0	795	648	333	545
	VOC (Volatile Organic Compounds) *3	106	168	168	182	192
	NOx (Nitrogen Oxides) *2	1,976	2,740	2,671	3,027	3,002
Grand Total of ITOCHU Group	SOx (Sulfur Oxides) *2	425	1,237	1,162	749	961
	VOC (Volatile Organic Compounds) *3	500	587	592	627	592

^{*1} The data are calculated for the business bases located in Japan. *2 NOx and SOx emissions are calculated for soot and smoke

(Unit: t)

generating facilities under the Air Pollution Control Act. *3 VOC emissions are calculated for compounds that fall under the VOC 100 types⁺⁴ indicated in the notification of the Air Pollution Control Act by the Ministry of the Environment. The main compounds to be counted include ethyl acetate, propyl acetate

and isopropyl alcohol. *4 See Attachment 1 of "Enforcement of the Act to Partially Amend the Air Pollution Control Act" (Notice of the Ministry of the Environment, No. 050617001, Kankan Daihatsu, dated June 17, 2005).

Top Commitment Sustainability a	at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 89 >	▶
Environmental Policy Environmental Man	agement Clima	te Change	Prevention of P	Collution and Resource Circulatio	Water Resources Consei	rvation Conservation of Big	odiversity Clean-tech Business	ESG Data/Environment	+)

Resource Circulation

Waste and Waste Recycling Rate

		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	Waste (Unit: t)	698	680	767	465	469
Tokyo Headquarters★	Waste Non-recycled	43	48	44	31	30
	Waste Recycled	655	632	723	434	439
	Recycling Rate (Unit: %)	93.8	92.9	94.3	93.4	93.7
Osaka Headquarters, Branches and Other Business Facilities in Japan	Waste (Unit: t)	_	6,758	1,354	1,226	2,265
Group Companies in Japan	Waste (Unit: t)	177,526	89,210	149,949	248,465	141,355
Overseas Offices	Waste (Unit: t)	5	17	9	41	238
Overseas Group Companies	Waste (Unit: t)	141,392	364,476	461,018	504,085	504,296
	Waste (Unit: t)	319,621	460,844	613,097	754,283	648,623
Crand Total of ITOCHIL Craup	Waste Non-recycled	_	_	450,376	584,567	194,374
Grand Total of ITOCHU Group	Waste Recycled	_	_	162,721	169,716	454,249
	Recycling rate (Unit: %)	-		27	23	70

(Information Disclosure Based on TCFD Recommendations)

The waste of the Tokyo Headquarters includes the amount sold as valuables.
 Due to the increase in the number of companies subject to aggregation, the figure for FYE 2019 has increased significantly compared to FYE 2018.

Hazardous Waste

Hazardous Waste							
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022		
Japanese Bases of ITOCHU Corporation \cdot Japanese Bases of ITOCHU Group $igoplus^{*1^{*2}}$	0.3	0.3	329	750	251		
Overseas Offices • Overseas Bases of ITOCHU Group	-	_	1,111	1,111	1,063		
Grand Total of ITOCHU Group	_	_	1,440	1,861	1,314		

*1 The data are calculated for the business bases located in Japan. *2 The amount of specially controlled industrial waste specified in the "Waste Disposal and Public Cleansing Law" is totaled. * The data of FYE 2018 and FYE 2019 include only those of Tokyo Headquarters and Osaka Headquarters of ITOCHU Corporation.

Paper Consumption

Ра	per Consumption					(Un	it: 1,000 sheets (A4 equivalent))
			FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Ja	panese Bases of ITOCHU Corporation	Copy Paper Consumption	32,949	30,711	26,913	19,167	14,916

Top Commitment	Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 90 >
Environmental Policy	Environmental Management	Climate Change (Information Disclosure Based on TCFD Reco		n of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

(Unit: 1 000 m³)

ESG Data (Environment)

Water Resources Performance Data

Water Withdrawal and Wastewater Discharge

Volume of Water Withdrawal & Wastewater Discharge

volume of water withdrawat & w	astewater Discharge					(Unit: 1,000 m³)		
		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022		
	City Water Usage	43	47	42	29	30		
Tokyo Headquarters★	Treated water production volume	34	31	34	25	27		
	Wastewater Discharge	58	59	60	41	41		
Osaka Headquarters, Branches and Other Business Facilities in Japan*	Water withdrawal	_	_	73	61	84		
	Wastewater discharge	_	_	170	133	169		
Japanese Bases of ITOCHU Corporation★	Water withdrawal	_	_	115	90	115		
	Wastewater discharge	_	_	230	173	210		
Course Courses in Locart	Water withdrawal	_	32,335	21,947	24,540	25,228		
Group Companies in Japan*	Wastewater discharge	14,629	51,913	9,594	14,269	14,926		
0	Water withdrawal	_	5	5	16	31		
Overseas Offices*	Wastewater discharge	6	5	5	15	31		
	Water withdrawal	_	106,182	72,064	48,494	32,747		
Overseas Group Companies*	Wastewater discharge	11,832	34,380	16,394	21,723	16,319		
	Water withdrawal	_	_	94,132	73,140	58,120		
Grand Total of ITOCHU Group	Wastewater discharge	_	_	26,223	36,180	31,486		

* If we do not know the wastewater discharge, we have calculated it assuming that it is the same as the volume of tap water consumption.
 * Due to the increase in the number of companies subject to aggregation, the figure for FYE 2019 has increased significantly compared to FYE 2018.
 * The amount of wastewater discharge from Japanese Bases of ITOCHU Corporation includes wastewater from sewage treatment plants that receive and treat sewage from third parties, so the amount of wastewater greatly exceeds the amount of water withdrawal.

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report		\$ 91	1 🕻	>
Environmental Policy Envir	onmental Management Clima	ite Change	Prevention of P	ollution and Resource Circulatio	n Water Resources Conser	vation Conservation of Bio	odiversity Clean-tech Business	ESG Data	(Enviro	nmen	nt)

Water Withdrawal Amount by Withdrawal Source

						(Unit: 1,000 m ³)
		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	Supplied Water Usage, Industrial Water	12,952	9,560	10,764	12,119	11,655
	Groundwater Withdrawal	17,118	92,899	46,764	20,516	16,702
ITOCHU Group	Water Taken from Rivers, Lakes, Rainwater	43,919	31,740	26,323	31,402	19,729
	Water Taken from Seawater	0	4,339	10,269	9,068	10,015
	Others (Produced Water, etc.)	0	0	11	34	19
	Grand Total	73,989	138,538	94,132	73,140	58,120

(Information Disclosure Based on TCFD Recommendations)

Discharge Amount by Discharge Destination

					(Unit: 1,000 m ³)
		FYE 2019	FYE 2020	FYE 2021	FYE 2022
	Water Discharged to Treatment Facility (e.g. Sewage)	57,669	3,664	7,181	9,893
	Water Discharged to Groundwater	9,243	5,731	11,639	6,464
ITOCHU Group	Water Discharged to Rivers, Lakes	12,992	10,464	10,251	12,581
	Water Discharged to Sea	6,453	6,130	6,679	1,905
	Others	_	_	431	642
	Grand Total	86,358	25,989	36,181	31,486

Top Commitment	Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 92 >
Environmental Policy E	wironmental Management	Climate Change (Information Disclosure Based on TCFD Reco		ion of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Water Withdrawal in Water Stressed Regions

The amount of water withdrawal at sites with high risk and extremely high risk (>40%) identified using the WRI Aqueduct tool developed by WRI (World Resources Institute) (P62) is as follows.

		FYE 2019	FYE 2020	FYE 2021	FYE 2022
	Number of Sites	5	6	7	4
High Risk (40-80%)	Water Withdrawal (1,000 m ³)	188	2,201	2,786	2,449
Extremely Llick Diels (> 900/)	Number of Sites	2	2	3	3
Extremely High Risk (>80%)	Water Withdrawal (1,000 m ³)	583	623	1,096	1,362

Water Consumption in Manufacturing Processes that are Highly Dependent on Water Resources (Intensity)

Category	Boundary	Unit	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Beverage Manufacturin	Clear Water Tsunan Co., Ltd. (Soft drink manufacturing and sales business)	Water Consumption m ³ / Production Volume in kL)	Not-Consolidated	2.01	1.95	1.85	1.82

Chemical Oxygen Demand (COD)

Category	Boundary	Unit	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Chemical	C.I. TAKIRON Corporation (factory)	mg/l	3.90	2.78	2.20	2.80

Top Commitment	Sustainability at the ITOCHU	Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	角 < 93 🗲
Environmental Policy Er	vironmental Management	Climate Change (Information Disclosure Based on TCFD Reco		on of Pollution and Resource Circulat	on Water Resources Conse	rvation Conservation of Bio	odiversity Clean-tech Business	ESG Data(Environment)

Environmental Accounting

Environmental Conservation Costs

			(Unit: 1,000 JPY)
	Classification	Items	FYE 2022
	Costs inside Business Areas	Costs related to pollution prevention, global environmental conservation, and resource recycling	917,191
	Upstream & Downstream Costs	Additional costs for reducing environmental impact, green procurement costs, and containers and packaging resulting	10,831
	(Green Procurement Costs)	Additional costs for reducing environmental impact, green procurement costs, and containers and packaging recycling.	5,836
	Management Activity Costs	Costs for the development and operation of environmental management systems and environmental education for employees	226,933
Japanese Bases of ITOCHU Corporation	Research and Development Costs	R & D costs for products contributing to environmental conservation	500
	Social Activity Costs	Costs for environmental improvement measures such as nature conservation, greening, beautification, and landscape preservation, as well as donations and support to organizations engaged in environmental conservation	6,310
	Costs to Address Environmental Damage	Costs for nature restoration, compensation for damages related to environmental conservation, etc.	20,000
	Grand Total of Japanese Bases of ITOCHU Corporation		1,181,765

* Summarized based on the Environmental Accounting Guidelines - 2005 Edition from the Ministry of the Environment.

Environmental Conservation & Economic Effects

		FYE 2022			
		Environmental Conservation Effects	Economic Effects (Unit: 1,000 JPY)		
Japanese Bases of ITOCHU	Paper Usage	4,215 thousand sheets	2,847		
Corporation	Electricity Usage	17,000 kWh	-2,455		
Talua Haad Office	Waste Emissions	-4 t	-18		
Tokyo Head Office	Water Usage	-1.413 m ³	286		

* Environmental conservation and economic effects are calculated by subtracting actual values for the current fiscal year from those for the previous fiscal year.

Understanding the Situation of our Environmental Obligations

We do not limit ourselves to just supporting statutory requirements in regards to the environmental risks in the tangible fixed assets (e.g., land and buildings) of ITOCHU alone and our group companies — in particular, asbestos, PCB and soil contamination; we also look to understand the situation through surveys voluntarily and then aim to respond in a way that is helpful to prompt management policy decisions and judgments. As of March 2022, we estimate the cost of waste disposal at JPY 10 million, which is a reasonably estimable amount (shadow cost) for future environmental liabilities.





Society

Top Commitment Sust	inability at the ITOCHU Group Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	\$ 95 \$
Labor Practices Employee Tra	ning Occupational Safety and Health Managemen	t Respect and Consideration	n for Human Rights Respo	nsibilities to Customers S	ustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

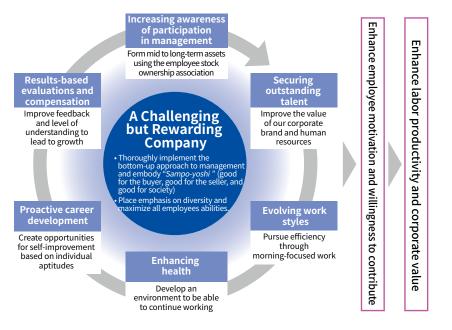
Labor Practices: Employment and Benefits

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 120,000 consolidated employees as of the end of FYE 2022. 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.

Transitions of Our Human Resources Diversification Initiatives





Targets and Action Plan

Risks	Opportunities
	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
Headqua- rters	8 CONTREMING	Labor Practices	Improving operating efficiency and preventing long working hours through work style reform	rocourcos	productivity and employee	 Conduct regular monitoring of employees' work situations. Conduct employee engagement survey. Promote the percentage of taking employee acquiring paid leave. 	70% or higher.	 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; 58.8% in FYE 2022.

Labor Practices

Evaluation by Society

Sustainability in the Value Chain **Responsibilities to Customers**

Social Contribution Activities ESG Data(Society

ndependent Assurance Re

Labor Practices: Employment and Benefits

Occupational Safety and Health Management

Structures and Systems

Employee Training

When Group companies in Japan and overseas develop business in their respective domains and regions, they cooperate with the Division Companies of ITOCHU Corporation, the parent company, in accordance with laws and regulations. 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 (P143).

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.

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 gualifications 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.

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.

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

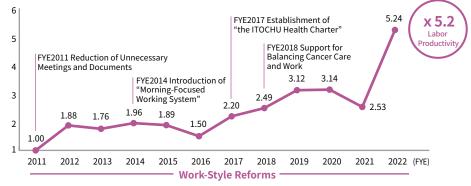
The morning-focused work system we adopted in October 2013 has promoted workstyles that reflect the ITOCHU philosophy by encouraging a mindset among employees: leaving work early in the evening and coming to work early in the morning leads to more efficient work. This also had a significant impact on 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 centered on an early morning work hours. We also adopted telecommuting for all employees. 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

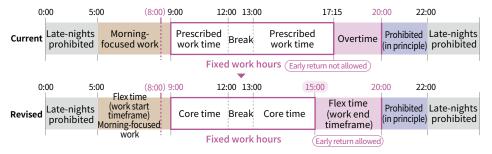


Top Commit	tment	Sustainability at the IT	TOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond) Evaluation by Society	Independent Assurance Report	1 < 97 >
Labor Practices	Employe	Training Occ	cupational Sa	fety and Health Management	Respect and Consideration	for Human Rights R	esponsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

Labor Practices: Employment and Benefits

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.

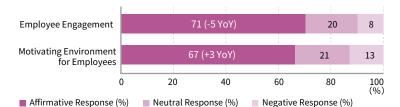


Providing light meals to employees

Employee Engagement

ITOCHU Corporation believes that raising the level of motivation, satisfaction and 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) of employees will improve the corporate value.

In the survey conducted in December 2021, the positive answer rates for employee engagement and motivating environment for employees 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 also quickly adopted new measures to address workstyle reforms, which was identified as an issue through this survey.

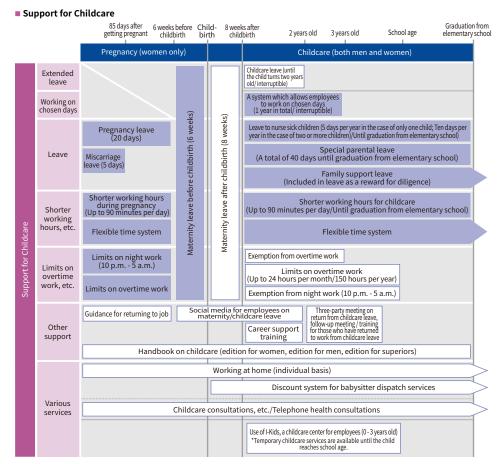


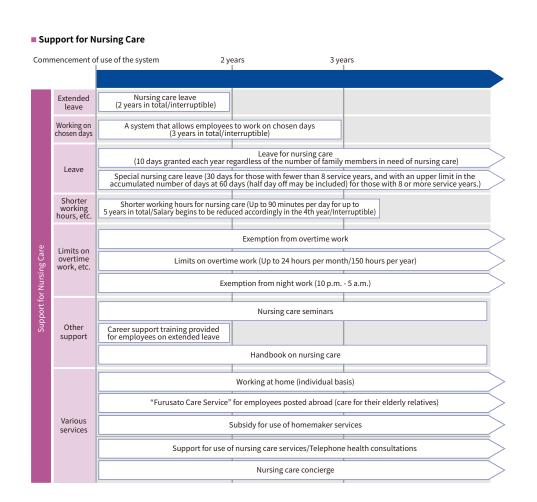
Top Comm	itment	Sustainability a	at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	1 < 98 >	
Labor Practices	Employe	e Training	Occupational Sa	fety and Health Management	Respect and Consideration	n for Human Rights	Responsibilities to Customers	ustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)	
Laboi	^r Pra	ctice	s: Em	ployment	and Benef	its					

Balancing Work with Childcare and Nursing Care

ITOCHU 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 2020, 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 also started telecommuting with employees who have special circumstances (e.g., pregnancy, childcare and nursing care) at an early stage in February 2020 when COVID-19 started spreading. 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





	Top Commitn	nent	Sustainability at	the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bo	nd) Evaluation by Society	Independent Assurance Report		<	99	>
I	Labor Practices	Employe	e Training	Occupational Sa	afety and Health Management	Respect and Consideration	n for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	1	ESG Da	ata(Soci	iety)

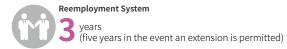
Labor Practices: Employment and Benefits

Use of Childcare & Nursing Care Programs★

For details, please refer to ESG Data (P157).

Reemployment System

If an employee forced to leave the company despite his or her desire to keep working and abilities due to 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.



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 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

The employee cafeteria at the Tokyo Headquarters underwent large-scale renovations in May 2013 that transformed it into a brighter and a more comfortable meeting place. Since then we have taken further 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 also revised our menus and altered the layout of the room based on employee feedback. 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

Employee Training

Society **Respect and Consideration for Human Rights**

Governance

SDGs Bond (Sustainability Bond **Evaluation by Society**

Sustainability in the Value Chain **Responsibilities to Customers**

ndependent Assurance Re

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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. In response to employee requests, 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. The number of employees staying in the dormitory has been increasing due to telecommuting during the COVID-19 pandemic. Against this background, we have taken thorough measures to prevent infections and maintained an environment in which it is possible to live with peace of mind. For instance, we periodically disinfect and clean the shared areas, we have installed infection prevention panels in the cafeteria, we measure body temperature daily and we restrict the use of shared spaces.

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



"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)(P156)
- Employees by Operating Segment (as of March 31, 2022)(P156)
- Overseas Bloc Employees by Region (as of March 31, 2022)(P156)
- Voluntary Resignation Rate (Non-Consolidated)(P157)
- * ITOCHU Corporation has a long average number of years employed of 18 years and only around 1.6% of employees voluntarily resign. It is a company where many employees choose to stay for the long-term.



Voluntary Resignation Rate

op Commitment	Sustainability at the ITOCHU Group	Environment
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Employee Training Labor Practices

Occupational Safety and Health Management

Society **Respect and Consideration for Human Rights**

SDGs Bond (Sustainability Bond

Responsibilities to Customers Sustainability in the Value Chain Social Contribution Activities

Number of

Non-members:

913(22%)

April 1, 2022

Number of Members:

3,197(78%)

Ratio of ITOCHU Labor Union Members as of

ndependent Assurance Re

ESG Data(Society

101

Labor Practices: Labor Union

Policy and Basic Concept

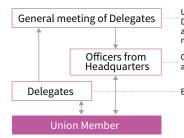
ITOCHU Corporation hopes to achieve an environment in which employees can leverage their individual talents and concentrate on their work without worry. To this end, we maintain a system of rich employee benefits and employee welfare facilities. Our original employee welfare measures include a morningfocused work style, health management and support for living with cancer. 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)



Ultimate decision-making body made up of elected delegates Discusses and decides on important matters such as policies concerning union activities, budget control, appointment and removal of headquarters officers, matters related to labor disputes, etc.

Carry out duties in accordance with union policies discussed and determined at the general meeting of delegates

Elected on for each branch by votes of union members (Approx. 90 people)

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

Evaluation by Society

- **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 m **Relations Commission**

in response to Relations Com Example: Prov to a worker in	avantageous treatment, such as dismi- an allegation made by the worker to th mission iding treatment, such as dismissal or w response to an allegation made by the is Commission, or to a similar action b	ne Labor vage reduction, worker to the	
Initiatives Toget FYE 2022	her With ITOCHU Labor Union in	Activities by the in FYE 2022	Headquarters of the Labor Union
April 2021 to March 2022 (Monthly)	Health Committee	April 2021 to March 2022 (Twice a Week)	General Meeting of Officers
June 2021	Account Settlement Meeting with the CFO	April, June and November 2021	General Meeting of Delegates
October 2021	Management Meeting with Textile Company	December 2021	Meeting attended by Three Top-ranking Officers from Each Branch
November 2021	Management Meeting with the President and COO	April 2021 to March 2022	Activities by the Headquarters Advisory Committee (side work and clerical work), Career Development

Support

January 2022	Exchange of opinions with the General Manager of Human Resources & General Affairs Division on Women's Advancement

Employee Training

Labor Practices

Occupational Safety and Health Management

Society

Respect and Consideration for Human Rights

Responsibilities to Customers

Social Contribution Activities ESG Data(Society

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Labor Practices: Labor Union

Comments from the ITOCHU Labor Union President



My name is Masato Ikehata. I joined ITOCHU in 2003 and I will continue to serve as the ITOCHU Labor Union President in FYE 2023 following on from last year. 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 three points.

(1)Value dialogue with delegates and union members, and link that dialogue to activities that create opportunities.

Masato Ikehata President. **ITOCHU** Labor Union

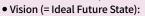
(2)Advance financial strategy and rebranding to strengthen the platform for union activities. (3)Engage in constructive deliberations with the company, and be proactively involved in HR system assessments and updates.

I will do my best this year as well, and thank you for your support. 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



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 2022, we held a total of four sessions of management meetings: a meeting with the President and COO, an account settlement meeting with the CFO, a management meeting with the Textile 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.

ndependent Assurance Rep

Dialogue with the President

ITOCHU proactively establishes opportunities for the President and employees to engage in direct two-way dialogue. In FYE 2022, we proactively engaged in dialogue with employees by creating nearly 50 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.



Top Commitr	nent	Sustainability a	t the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	1 1 1	>
Labor Practices	Employee	e Training	Occupational Sa	afety and Health Management	Respect and Consideration	for Human Rights R	sponsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Societ	y)

Policy and Basic Concept

Amid intensifying global competition, we will accurately meet the diverse needs of the market and continuously create new business and added value. ITOCHU believes that organizational diversity is essential for companies to grow sustainably.

ITOCHU Corporation respects human rights and prohibits all forms of discrimination, including that based on race, gender, religion, nationality and age. Under the direction of Chief Administrative officer (Member of the Board • CAO), ITOCHU Corporation uses a diversity week organized by the Human Resources & General Affairs Division and organization manager training to raise awareness about the importance of diversity and publicization of the system. We do this so that employees do not fall victim to power harassment or sexual harassment (including unfairly disadvantaging, engaging in hateful speech against or otherwise harassing employees who are sexual minorities). Another reason is so that pregnant employees and those who are doing their best to balance work while raising children or providing nursing care at home can feel their contributions to the workplace are worthwhile.

With regard to employees facing the constraints imposed by child-rearing or caring for a family member at home, superiors encourage them to make good use of the tools provided by the company to strike an appropriate work-life balance, while the company makes it known that it is also important to review the work duties, responsibilities and work arrangements for the workplace as a whole. Additionally, the company makes thorough initiatives to provide 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.

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
Headqua- rters	5 met 8 more and 10 more 10 more	Labor Practices	Creating an environment that allows diverse human resources to exercise their potential		We will prohibit all types of discrimination, including those based on race, gender, religion, nationality and age, and respect human rights. We will create an environment that will permit the active participation of employees whose work hours are limited due to childcare, nursing care, diseases or similar circumstances.	 Continue fair and equitable recruitment and promotion. Create a work environment in which employees mutually accept and respect diverse values. Enhance support for balancing childcare, nursing care and similar circumstances with work (including utilization of telecommuting). Promote understanding and acceptance of LGBT and other sexual minority employees (e.g., employee education). Give reasonable consideration to the work environment of employees with disabilities. 	 Achieve the following general employer action plan by FYE 2024 (1) Female employees as a percentage of new employees: 25% (2) Female employees as a percentage of workforce: 25% (3) Female employees as a percentage of employees in managerial positions: 9% (4) Percentage of male employees who take childcare leave: Over 50% (5) Compliance to rate of the employment of whose with disabilities which designated by law 	 Establishment of a Women's Advancement Committee in October 2021 as an advisory committee to the Board of Directors. (1) The percentage of female employees as a percentage of new employees : 31.8% as of April 2022. (2) The percentage of female employees as a percentage of workforce: 23.7% as of March 2022. (3) The percentage of female employees in managerial positions: 8.1% as of March 2022. (4) The percentage of employment of those with disabilities over our entire group: 2.43% as of March 2022 (Includes ITOCHU Uneedus Co., Ltd. and ITOCHU Human Resources & General Affairs Services Inc.) Seminar to promote understanding of LGBTQ issues with external lecturers (November 2021).

Support for Diverse Talent

ITOCHU recognized that organizational diversity is essential for the sustainable development of companies at an early stage. Under this recognition, we have furthered the diversification of our talent including female employees, entrenched that diversification, and helped those employees succeed ahead of other companies. We will continue to support the autonomous career formation of each individual employee in the future. We will promote the building of a strict but rewarding corporate culture in which diverse values are respected by all employees and in which it is possible to demonstrate abilities to the maximum.

Transition of Our Human Resource Diversification Initiatives



Top Commit	ment Sustainability	/ at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond) Evaluation by Society	Independent Assurance Report	1 4 104 >
Labor Practices	Emplovee Training	Occupational Sa	afety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

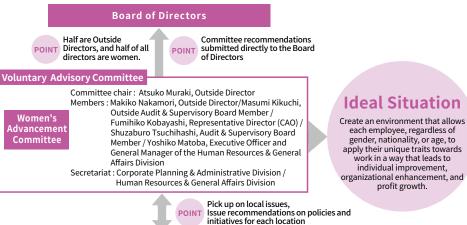
Support for Female Employees

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 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 that is also comfortable for 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 those systems as a safety net. 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. Atsuko Muraki serves as the chair of the committee. She is an Outside Director with extensive knowledge about the advancement of women. The committee is working together with the management to support the success of women. The committee held three times in FYE 2022. It grasps the individual challenges faced by female employees to provide support so that they can demonstrate their abilities based on the reviews of initiatives so far.

Women's Advancement Committee



(Locations) Division companies, Headquarters, Overseas Blocs

Measures to Support Career-Track Women

Stage	Environment & Issue Recognition	Specific Action
Initial Hiring (1989-2003) Legally required	 Hiring of women required by equal opportunity law for men and women enacted in 1986 	 Continuous hiring of career-track women (several every year) Transfers from clerical positions Introduce child-rearing support program
More Female Employees & Programs (2004-2011) Welcoming company for career-track women	 Formulation of Plan for Promotion of Human Resource Diversification (Dec 2003) Hiring more women and providing duties throughout the company is essential to proactively promoting women to leadership ranks To entrench women in the company, provide an environment where they can balance work with child-rearing/nursing care 	 Set numerical targets Introduce of mentoring program Expand child-rearing support program Introduce leave for employees whose spouses are transferred overseas Set up company daycare Hold various forums
Individual Support (2012-) Rewarding company for career-track women to work at	 Programs provided beyond legally required level Bulk of career-track women enter their 30s, with major life events to follow Via the Gen Ko Tsu Reform, individual support to hard-working women independently shaping their careers 	 Switch from job transfer/leave to rehiring program Support overseas postings (for employees transferring overseas with children but without spouse) Identify and develop candidates for promotion Subcommittee gathers opinions from women in the workplace Foster career awareness (forums, etc.) Guidance before maternity leave, three-party meetings before returning from childcare leave Introduce work-from-home program Greater use of transfer program (earlier year of eligibility, transferee follow-ups) Career-track women sent to outside managerial training

Clerical Career Support

ITOCHU Corporation has been running the Career Workshop for Clerical Staff for top-grade clerical employees since FYE 2016. We expect participants to foster a mindset as a model for core employees responsible for clerical work company-wide and to demonstrate leadership in the workplace. At the same time, the aim of the workshop is to broaden the horizons of clerical employees themselves and to give them motivation. In addition, we hold career meetings by organization as an opportunity to autonomously think about careers. Attendees share their career path and goals as clerical employees. Moreover, we provide opportunities for overseas posting and secondment. This is to enable clerical employees with abilities, motivation and determination to take on the challenge of a transfer in their duties.

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)

Top Comn	nitment	Sustainability at th	e ITOCHU Group	Environment	Society	Governance		SDGs Bond (Sustainability Bond	Evaluation by Society	Independent Assurance Report		< 105 >
Labor Practices	Employe	e Training (Occupational Sa	fety and Health Management	Respect and Consideration	for Human Rights	Respor	sibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ES	G Data(Society)

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 2. Established a Consulting Desk for LGBT and Other Sexual Minorities (FYE2021)

Diversity & Inclusion

ITOCHU is aiming to deepen understanding of diversity & inclusion and to build a challenging but rewarding workplace environment with peace of mind for all our employees. Under this aim, we have established a Diversity Week in December since FYE 2019. We hold various publicity events, training sessions and workshops for all employees.

Fiscal Year	Theme
FYE 2022 (Online)	 Balancing career and nursing care Nursing care and money / nursing care insurance Home care Nursing care in a facility Balancing career and life: work style reform and child-rearing for couples Basic knowledge on LGBTs Women's career and health Uterine cancer and preast cancer seminar Women's health seminar series Advancement of women (talk by an officer)
FYE 2021 (Online)	 Nursing care Nursing care To balance work and nursing care: Keys to nursing care in the COVID-19 era Elderly monitoring service individual consultation meetings Male childcare leave seminar series (a version for those taking childcare leave and a version for the superiors/coworkers of those taking childcare leave) Basic LGBT seminar Women's careers and health Ite stage with health Gynecological cancer (uterine cancer and breast cancer)
FYE 2020	 (1) Nursing care (i) Concierge introduction (ii) How to choose a nursing care facility (iii) Nursing care money (2) Women's careers and health (3) VR training and workshop (dementia and LGBT)

Social Inclusion Support for Disabled Persons

To provide the handicapped possessing physical, mental or other 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 disabled person employment rate in ITOCHU is 2.43% as of March 2022. We are promoting an expansion in the range of work and recruitment of disabled persons in anticipation of an increase in the statutory employment rate in the future.

Initiatives by ITOCHU Uneedus Co., Ltd.

ITOCHU Uneedus Co., Ltd. provides services including dry cleaning, photo and document printing, mail delivery, laundry and cleaning. The company's motto is about stringent quality control and friendly service. All dry-cleaning processes are performed by mixed teams of disabled and non-disabled persons. To expand business as well as to create a more welcoming workplace environment for staff dealing with an array of disabilities, in November 2015 the company relocated to new offices in Yokohama's Tsuzuki Ward with 140% more floor space and the latest equipment. Since marking our 30th year in business in 2017, we have continued striving to proactively support social inclusion for disabled persons and help create a society where they can experience the joy of making a contribution through work.





New offices of ITOCHU Uneedus Co., Ltd. (Tsuzuki Ward, Yokohama)

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

Work in the cleaning department

Top Commit	ment	Sustainability at	the ITOCHU Group	Environment	Society	Governance		SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report		< 106 >
Labor Practices	Employe	e Training	Occupational Sa	fety and Health Management	Respect and Consideration	for Human Rights	Respo	nsibilities to Customers	ustainability in the Value Chain	Social Contribution Activities	E	ESG Data(Society)

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 at the age of 59 years old. Therefore, we are supporting work styles and money plans after the extension of the employment of employees. Furthermore, we hold career design training for those who are 40 and 48 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 the career skills 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.



Performance Data

- Number of Hires by Gender and Adoption Rate for Mid-Career (P157)
- Employee Status (as of March 31 for each respective year) (P156)
- Share of Women in Career-Track/ Managerial/ Executive Positions (as of March 31 for each respective year) (P156)
- Use of Childcare & Nursing Care Programs (P157)
- Employment of Disabled Persons (as of March 31 for each respective year) (P157)

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.



Platinum Kurumin Authorization

Companies making excellent initiatives to provide employees with support at work as well as with childcare receive approval to display the Platinum Kurumin Authorization mark. (Received in 2016 / Ministry of Health, Labour and Welfare)



2017 Award for Excellence from the Minister of Health, Labour and Welfare for "Excellent Equal Opportunity/Work and Family-Life Balance Companies"

DIVERSITY New Diversity Management Selection 100

A project for selecting excellent companies that provide diverse human resources with opportunities and an environment for exercising their potential. (Selected in 2016 / Ministry of Economy, Trade and Industry)



Oファミリー・フレンドリー企業部門 平成29年度

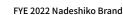


Eruboshi Certification(Stage 2)

("Family-friendly Companies" Category)

This is a system to certify companies with an excellent record of promoting the success of women in the workplace (Acquired in 2016 / Ministry of Health, Labour and Welfare)

女性が輝く



The aim is to promote investment in companies and to accelerate the pace of initiatives by each company. The initiative introduces listed companies excellent in empowering women as attractive brands for investors who emphasize improving corporate value over the mid-to-long term to achieve that aim. (Selected in 2022 / Ministry of Economy, Trade and Industry and Tokyo Stock Exchange)



NADE

KOZ

Ministerial Award for Women Empowering Companies 2020 The award promotes a work environment where women can actively participate and is given to companies that have made distinguished achievements in terms of policy, initiatives and performance related to the promotion of women to executives and managerial positions, and the disclosure of information about them. (Awarded in 2020 / Cabinet Office)

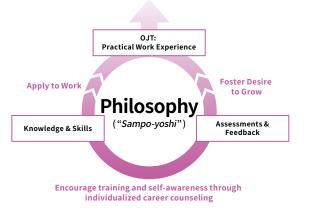


Top Commitment		Sustainability at the ITOCHU Group		Environment	Society	Governance		SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	A < 1	107 🗲
Labor Practices	Employee	Training Oc	ccupational Saf	fety and Health Management	Respect and Consideration	for Human Rights	Respor	sibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Dat	ta(Society)

Employee Training

Policy and Basic Concept

ITOCHU Corporation trains human resources to be able to inherit the intentions embedded in our corporate philosophy of "*Sampo-yoshi*" (good for the buyer, good for the seller and good for society) and embody our corporate code of conduct of "I Am One with Infinite Missions." With providing practical work experience through onthe-job training (OJT) at the core of our training, we foster a desire to grow through appraisals and feedbacks and reinforce the acquisition of knowledge and skills through training. We also provide growing opportunities tailored to employees' individual situations and careers. We train them into Global Management Talent working around the world who are both industry professionals that can thrive in any field and who have a market-in ideas from the customer's perspective.



Global Management Talent

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 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). That is 38% of the total. 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 (P156)

Talent Management Process



 Program to accept overseas bloc employees at Tokyo Headquarters

Targets and Action Plan

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

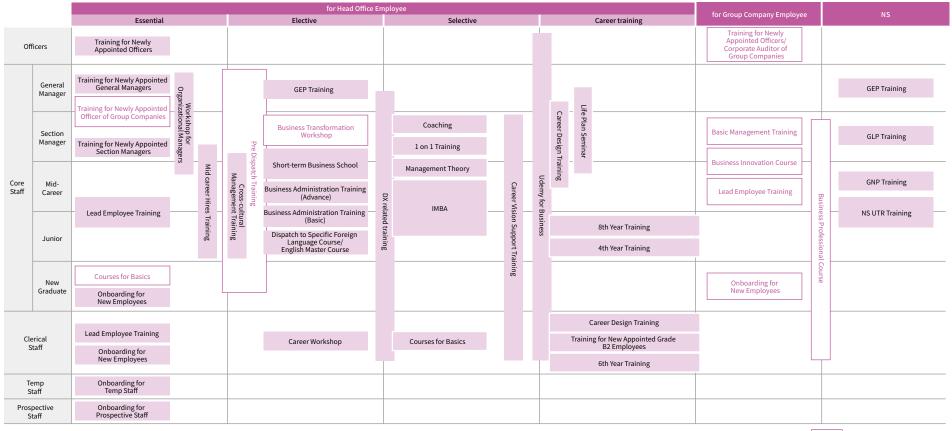
Division Company	SDGs Targets	SDGs Impact Issues to Address Business Commitment		Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress		
Head- quarters	8 CEDIT FREE OF	Labor	Sustainable development of employees' capabilities	affairs	global basis that respond to the changing times and business needs with a market-oriented mindset to foster marketing professionals who can constantly change their business to meet	 Continue and enhance overseas deployment of interns and language trainees. 	 Percentage of career-track employees who are deployed overseas in their first eight years at the company at 80% or higher. 	 Annual training-related expenses forecast: Approximately 1.1billion yen in FYE 2022. Rate of positive responses to the "education and trainings" item in the engagement survey; 68%. Overseas dispatch rate for career-track employees in up to their eighth year since joining the company: 89%. Acquisition rate of business level English skills for career-track employees in up to their eighth year since joining the company: 100%.

Top Commit	tment Sustain	ability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bon	I) Evaluation by Society	Independent Assurance Report	↑ < 108 >
Labor Practices	Employee Traini	ng Occupational S	afety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

Employee Training

Training System

The ITOCHU Corporation training system consists of company-wide training, along with line training for specific companies and Headquarters administrative divisions that is tailored to the nature of their industry, specialties and so on. 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.



legend also available for Group companies

Top Commitment		Sustainability at the ITOCHU Group		Environment	Society	Governance	SDGs Bond (Sustainability Bon	I) Evaluation by Society	Independent Assurance Report	▲ 109 >	
Labor Practices	Employe	Employee Training Occupational Sat		afety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)	

Training Results

• Relevant data: Time/Cost Allotted for Employee Skills Development Training (P158)

• Relevant data: Attendance in Major Training (P158)

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 a training program 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. This is mandatory training for young employees. 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.

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

Most recently, we have also been developing people who drive business into the next generation. We provide 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.



Training in the Global Development Program

Relevant data: Number of Overseas Local Employee Management Personnel (as of March 31, 2022)(P156)

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 2022 was 1,255. 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)

Top Com	mitment	Sustainability at the ITO	HU Group	Environment	Society		Governance		SDGs Bond (Sustainability Bond) Evalu	Evaluation by Society		lent Assurance Report		< 1	.10 🕻	>
Labor Practices	Employe	e Training Occu	ational Safety a	and Health Management	Respect and Con	sideratior	for Human Rights	Respor	nsibilities to Customers	Sustainabili	ty in the Value Chain	Socia	al Contribution Activit	ies	ESG Data	a(Society	:y)

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 5 times with the participation of 1,555 people in FYE 2022. 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.



Morning Activity Seminar (Ken Shibusawa)



Morning Activity Seminar (Yutaka Matsuo)

Morning Activity Seminar Results for FYE 2022

Date	Theme	Speaker				
March 2022	Process Economy: New Common Sense in the Era in Which Good Things Alone Do Not Make Money	Kazuhiro Obara, IT Critic				
December 2021	What Is the New Type of Leadership Required in the Era after the COVID-19 Pandemic	Shu Yamaguchi, Independent Researcher and Author				
September 2021	Modern Significance of Eiichi Shibusawa's <i>Rongo to Soroban</i> (The Analects and the Abacus) and SDGs	Ken Shibusawa, Chairman and Chief Executive Officer of ESG Commons Asset Management, Inc.				
July 2021	Opening up the Future of Japan with Data Utilization and Analysis	Takafumi Kusano, CEO & Representative Director of BrainPad Inc.				
May 2021	Not Giving up in the Age of Living to 100 Years Old	Atsuko Muraki, Outside Director				

HR Appraisal & Assessment System

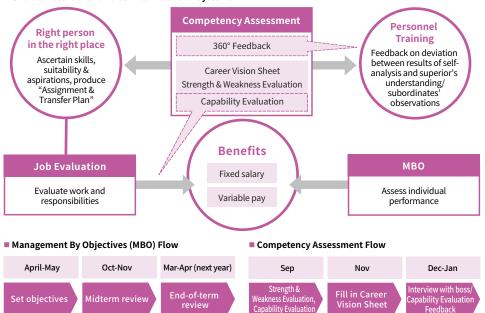
The HR Appraisal & Assessment System is a core part of the human resources organization that helps employees fully demonstrate their capabilities in a motivated and rewarding manner. It covers all ITOCHU Corporation employees. One part of the system is Management By Objectives (MBO), by which we assign 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



Top Commit	tment Sustainab	ility at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond	Evaluation by Society	Independent Assurance Report	↑ < 111 >
Labor Practices	Employee Training	Occupational S	afety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

Career Support

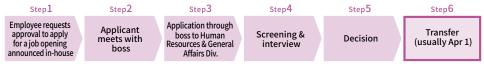
Career Counseling

The Career Counseling Center provides wide-ranging counseling and support services for the diverse careers of all employees, from new hires all the way up to organization managers. 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 discuss a broad array of topics with visitors to address their individual circumstances, including relationships with superiors, subordinates and other colleagues, how to go about one's work, one's future and so on. In addition, the center serves experienced hires and middle-aged and older employees seeking to work beyond retirement age. There are over 700 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 autonomously 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 working in Japan (excluding organization mangers). 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 fostering their career awareness with the provision of career selection opportunities. 16 people transferred in FYE 2022 following on from 5 people in FYE 2020 and 13 people in FYE 2021.

Challenge Career System Process



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)

Top Commit	ment Sustainability	at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond) Evaluation by Society	Independent Assurance Report	1 4 112 >
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Occupational Safety and Health Management

Policy and Basic Concept

Occupational Safety and Health Management for our Employees

ITOCHU Corporation considers people to be its greatest asset. Ensuring that every employee can reach their full potential leads to increased corporate value. Based on this way of thought, we promote various policies aimed at realizing an environment in which all employees can leverage their unique talents and have the peace of mind to focus on their work.

The cornerstone for achieving our Guideline of Conduct, "I am One with Infinite Missions," is reinforcing employee health while developing employee ability. Based on this idea, we have codified our company policy towards health management in the ITOCHU Health Charter (enacted June 2016). We hope this will help every employee reach their maximum potential. ITOCHU Corporation recognizes the diversity of its employees with regard to race, gender, religion, nationality, age and existence of handicaps. We have defined our health charter as follows in order to achieve our vision as One with Infinite Missions, and perpetually improve corporate value.

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. (P143)

Combatting 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.

Top Commitment		Sustainability at the ITOCHU Group		Environment	Society Governance		SDGs Bond (Sustainability Bond	Evaluation by Society	Independent Assurance Report	113
Labor Practices	es Employee Training Occupational S		ety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)	

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 2022 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
Headquarter	S							
Develop a Rewarding Work Environment	8 mm water 6 mm water 8 mm water 1 mm w	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.	 Keep the percentage of employees who receive regular medical checkups in Japan at 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote support system for balancing cancer care and work. Encourage support for smoking cessation treatment. Utilize of health management website (ITOCHU Health NAVI and HSS) (Installation cost: 800,000 yen) Continue to provide special programs for employees at a high risk for lifestyle-related diseases. Conduct stress check every year. 	 Percentage of employees who receive regular medical checkups in Japan: 100%. Percentage of employees who use health management sites (ITOCHU Health Navi and HSS) 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. 	 Regular medical checkup rate: 100% in FYE 2022. Health management site utilization: Deployment completion of the new ITOCHU Health Navi and HSS systems company-wide. Measures for those with a high risk of lifestyle diseases: increase in the percentage of employees receiving specific health guidance compared to the previous year: 46% in FYE 2022. Rate of those found to have a high level of stress in the stress check: 3.0% in FYE 2022. Women's Health Seminars held as a way to support for balancing cancer care and work: approx. 3.5 million yen spent in FYE2022.
Metals & Min	erals Com	npany						
 Respect and Consider Human Right 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	 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. 	 Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	 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%). 	 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 six existing projects in our mining business, and also by one another resource-related project. We care do ut 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." (P117)

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Structures and Systems

Employee Training

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"(P101)). 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.

Please refer to P159 for the number employees who have undergone training on health and safety standards.

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

Board of Directors		Health Management Council (held once a month)
Chief Administrative Officer (Officer responsible for managing occupational		Human Resources & General Affairs Division (Division responsible for managing occupational safety and health)
safety and health)		The Health Insurance Union
Human Resources & General Affairs Division (Division responsible for managing occupational		Industrial Physicians/Health Administration Department
safety and health)		Health Committee (held once a month)
Companies/Headquarters/Overseas Blocs		Human Resources & General Affairs Division (Division responsible for managing occupational safety and health)
Occupational Health and Safety Officer		ITOCHU Labor Union (Employee Representative)
		Industrial Physicians/Health Administration Department

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 submit reports relating on health management and labor health and safety to the Board of Directors every year. 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 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 2022, we performed checks on six 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 2022. The attendance rate of those subject to this training was 100%.

Attendance Rate of EHS Training



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Health Administration Center

Employee Training

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. On December 1, 2015, the Industrial Safety and Health Act was revised to require businesses to conduct employee stress checks once per year. ITOCHU Corporation's Health Administration Center took the lead in trialing stress checks a year early in October 2015. These were then introduced on a full-scale basis in FYE 2017. (The response rate of stress check conducted in FYE 2022 was 98.5%)

Safety Measures for Employees on Travel or Stationed Overseas

ITOCHU Corporation operates worldwide with roughly 800 employees stationed overseas. Prior to the global spread of COVID-19, we also sent as many as ten thousand people a year on overseas business travel and worked to offer health management to overseas staff. 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.

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. Moreover, 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)

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Occupational Safety and Health Management

Basic Health Management Support

- Concierge Without Borders: This is a service that we provide to employees and their families to support them in addressing chronic conditions. 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 our employees' elderly family members living in Japan. 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 listing 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	/accinations, education and training for dengue fever prevention, disseminating insecticide- reated 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 (P158)
- Performance Benchmarking Against Industry Average (Wholesalers and Retailers with Over 100 Employees) (P158)
- Attendance in Training Related to Health and Safety Standards (P159)
- FYE 2022 Number of Employees that Received Our Main Health and Safety-related Trainings (P159)

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Occupational Safety and Health Management

Initiatives for Health Management

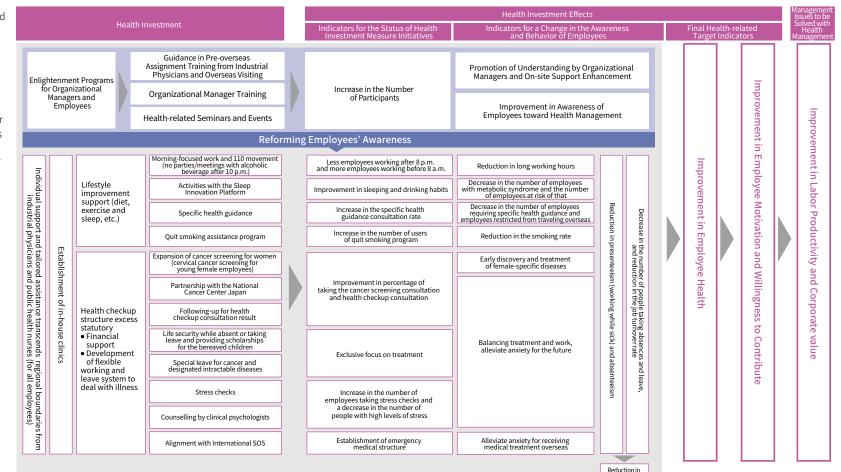
We established the ITOCHU Health Charter in FYE 2017. The charter states that each employee is responsible for maintaining and improving their health, that ITOCHU will actively support their efforts to do so, and that the good health of our employee is the foundation of their happiness as well as their families, customers and society more broadly. ITOCHU has set up Health Administration Centers at its Tokyo and Osaka Headquarters and is distinguished by the "concierge" 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 gender, age, nationality, race, religion and disability status. 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.



medical expenses

Top Commitr	o Commitment Sustainab		t the ITOCHU Group	Environment	onment Society Governance SDGs Bond (Sustainability Bond		Evaluation by Society	Independent Assurance Report		\$ 118 >		
Labor Practices	Employe	e Training	Occupational Sa	afety and Health Management	Respect and Consideration	for Human Rights	Respo	nsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESC	G Data(Society)
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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
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	 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

- Construction of Support System for Balancing Cancer Care and Work
- 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
- 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
 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 2022

1. 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. FYE 2022, 41 participants from 36 companies (July to November).

2. 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. FYE 2022, conducted on 179 companies - a record high – with video streaming.

3. 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 55 companies since starting this initiative in FYE 2017.

4. 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.

Top Commitment Sustainability at the ITOCHU Group En	nvironmen
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Labor Practices **Employee Training** **Occupational Safety and Health Management**

Society **Respect and Consideration for Human Rights** SDGs Bond (Sustainability Bond

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Occupational Safety and Health Management

External Appraisal/Assessment

In FYE 2016, ITOCHU Corporation obtained the highest rank in the Development Bank of Japan (DBJ) Health Management Rating System for the first time as a general trading company. We were also 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 six years in a row up until FYE 2022 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 promoted aggressive measures for improving health throughout company.

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.



健康経営優良法人 ホワイト500

Health and Productivity Stock 2016-2017 Health & Productivity Management Outstanding Organization (White 500)

Selects companies engaged in strategically carrying out initiatives with regard to employee health from a management perspective (Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE))

* First general trading company to be selected as a Health and Productivity Stock two years

* Selected as a White 500 company six years in a row from FYE 2017



WORK CIRCLE

PROJECT

Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control, sponsored by the Ministry of Health, Labour and Welfare (Selected in February 2018) Company with Outstanding Cancer Control Promotion (Selected in

March 2021) This program recognizes companies that are proactive in taking cancer control measures and which are engaged in comprehensive, advanced

Tokyo Metropolitan Government award commending companies which implement superior initiatives to help cancer patients balance cancer treatment and work This program recognizes companies that implement superior initiative to help employees with cancer balance treatment with work. (Selected in February 2018 / Tokyo Metropolitan Government)

cancer control measures. (Ministry of Health, Labour and Welfare)

The Best Practice Enterprise

Evaluation by Society

These awards are held once a year to select just one company in each prefecture as The Best Practice Enterprise that is working proactively to reduce long working hours as a part of the overwork elimination campaign. (November 2017 / Tokyo Labor Bureau)

Nihon no Jinjibu HR Awards 2018

Award of Excellence in the Corporate Human Resources Category This is an award system that honors innovators in fields such as human resources, personnel development and labor management. (November 2018)

1st gan-ally-bu Awards

These awards were established to realize workplaces and a society where it is possible for cancer patients to work actively while receiving care. They were established by the gan-ally-bu private sector project working on the problem of cancer and employment in which employees work while receiving cancer care. (October 2018)





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Respect and Consideration for Human Rights

Policy and Basic Concept

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

Top Commitment

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Respect and Consideration for Human Rights

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Individual Policy

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.

Response to Modern Slavery and Human Trafficking

Employee Training

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.

* Refer to: 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 part of our 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. The hiring of local employees leads to human resource development in the region and helps stimulate local economies, and 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.

Top Commit	ment	Sustainability at th	he ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond	Evaluation by Society	Independent Assurance Report	A < 122 >
Labor Practices	Employee	Training	Occupational Sa	afety and Health Management	Respect and Consideration	for Human Rights	esponsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

Respect and Consideration for Human Rights

Targets and Action Plan

Risks								Opportunities	
			ng from the occurrence of s in the social infrastructu		nts problem in business activities that expa e provide.	nds (geographically).		ess or securing of excellent human resources resulting from harmor , stable supply system for product enabled by the consideration of l	
Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific	Approach	Performance Indicators	Degree of Progress
Textile Compa	ny								
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 SECTION FORME	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 human rights, social an supply chains by contir surveys on major suppl	d environmental risks in wally conducting	Conduct on-site visit surveys and questionnaires at more than 50 major suppliers a year on an ongoing basis.	We carried out a survey on a total of 66 companies in China and Southeast Asia in 2021 to develop the sound supply chain main by questionnaire and online meetings under the COVID-19 pandemic.
Machinery Cor	mpany								
Respect and Consider Human Rights	8 XXXX NOR AD ADDA & DATA	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.	business environmenta	ce, and strengthen	FYE 2020: Aim to implement the due diligence described on the left in all new development projects.	We continue operations to check the core subjects in the guidelines on social responsibility using the company-wide ESG checklist in all development projects where we are investing for the first time. We conduct due diligence on individual development projects to check their social and environmental safety based on the unique characteristics of each business prior to investment.
Metals & Miner	rals Company								
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 sectors Market 15 thus Market	 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	d Mining business	 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. 	 Ensure the thorough guidelines and emple Contribute to local cc activities for improvi- education and infrast 	ovee education. ommunities through ng medical care,	 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%). 	 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 sizexisting projects in our mining business, and also by one another resource-related project. We carried out activities that contribute to the local communias part of each project we invest in.
Food Company	у								
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 mouth of the second s	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.	supplier-specific code bean and cacao bean We will strengthen the by the RSPO - a third- organization for palm We will support the es promotion and distrii for MSPO/ISPO in coc industrial association	oil. stablishment of a pution system in Japan operation with domestic is. The aim of this is to certified oil systems in	 Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Cacao beans: Aim for a 50% switch to sustainable coffee beans. Aim for a 100% switch to sustainable coffee beans. 	 Develop and publish a sustainable coffee bean, cocoa bean, and palm oil procurement policy, and disseminate the policy t suppliers and customers (Also publicized on our website). Itochu has started an initiative by investing in Farmer Connect, company that has established a traceability platform from coffee farmer to consumers. Continued to purchase palm oil based on procurement policy and publicize the ratio of certified oil handled, etc.
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 ECONFERENCE 9 ENGLAND TO A CONFERENCE 9 ENGLAND TO A CONFERENCE E	 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.		le business. In addition, oducing areas to expand ove the living	 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. 	 We are promoting an expansion in the planted area of pineapple plantations and the construction of processing factories. We are employing workers locally to operate our pineapple plantations.

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Respect and Consideration for Human Rights

Structures and Systems

Employee Training

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. The secretariat performs a review every year together with the persons responsible for ESG 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.

Reference: Sustainability Promotion Structure Chart (P13)

Human Rights Due Diligence

Initiatives

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 identify and evaluate 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 that by taking the appropriate steps. We evaluate broader 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.



In FYE 2021, we started building a human rights due diligence process in our Food Company that greatly contributes to maintaining a safe and stable lifeline for consumers. In FYE2022, we established a human rights due diligence process in our Metals & Minerals Company. Its business domain is mine development and mineral trading, for which is essential to consider local residents and the occupational safety of workers. We plan to conduct human rights due diligence in all business areas in the coming years.

Progress of Human Rights Due Diligence 2021

(https://www.itochu.co.jp/en/csr/pdf/human_rigts_due_diligence_en_2021.pdf??220622)

Sustainability in the Value Chain

 Progress of Human Rights Due Diligence 2020 (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 (P139)

New Business Investment Projects

For more details, please refer to "ESG Risk Assessment for New Business Investment Projects" (P143).

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 (P139) and Response to Suppliers in Violation of this Policy (P142).

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.

Refer to: Human Rights Audits in the Poultry Industry in Thailand (P141)

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Consultation Desk

Employee Consultation Desk

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.



身近な総合相談・所属の人総担当

HR Help Guide Book on the Intranet

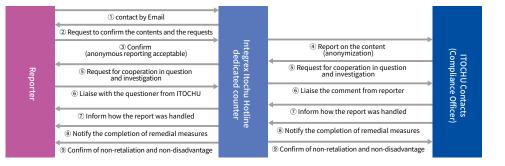
Career Counseling Center

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.)

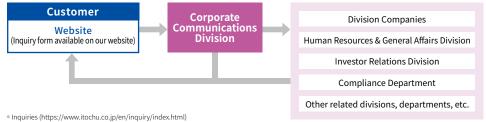


ITOCHU Corporation applied for recognition under the Whistleblowing Compliance Management System (Phase 1: self-declaration of conformity), which was newly introduced by the Consumer Affairs Agency of Japan. Our conformity with certification standards was confirmed and our registration was accepted as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

At ITOCHU Corporation, we make use of opinions and suggestions from customers to improve customer satisfaction, facilitate stakeholder understanding, prevent risks, and other purposes, thereby helping to improve our corporate value.



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 (P157)

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 age, gender, nationality 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.

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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 training in FYE 2022.



FYE 2022 Human Rights Training Record ★	(Unit:People)		
	Number of Participants		
Group ESG Managers Conference	72		
New Employee Training	117		
Training for Newly Appointed Section Managers	59		
Pre-overseas Appointment Training	211		
Training for New Officers of Group Companies	126		
Sustainability Survey Workshop	135		
Total	720		

Independent Assurance Report (P193)

 \star Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000.

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 (P30)

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 (P30)

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.

- 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.

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Respect and Consideration for Human Rights

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.

Foreign Technical Intern Trainee Survey on Working Environment

ITOCHU Modepal, 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.



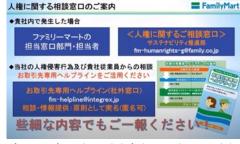
Seminar on "Sustainability Promotion and Foreign Technical Intern Trainees"

Human Rights Training for Ready-made Meal Manufacturers

Evaluation by Society

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	 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. (P155)

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. (P155)

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)

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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" (P144).

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 produces (E.G., pollution, abnormal prions, BSE, food additives, management of genetic modification issues)	 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.	 Management rules for the registration of food labels Improvement initiatives regarding inspection skills of label contents Training certified personnel regarding food labeling 		
Responsible Advertising, Marketing, and Promotion of Alcoholic Beverages	Provision of information regarding the prevention of drinking among minors 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.

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Responsibilities to Customers

Targets and Action Plan

				Risks					Opportunities	
Decline in credibility that would result from the occurrence of consumers and service users' safety or health issues.							• 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 Compar	ny									
Contribute to Healthier and More Affluent Lifestyles	3 000 HINDI 3 88 FEL-1988 	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 sa management structures in our suppl do this by persons with certifications qualifications related to the Food Sa Management System (FSMS) taking t role in enhancing supplier audits and requests for improvements.	liers. We will s/ fety :he central	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 t enhance the audits and guidance for suppliers mainly by the persons with certifications/ qualifications related to the Food Safety Management System (FSMS).	
Machinery Co	mpany									
Contribute to Healthier and More Affluent Lifestyles	3 BRANCH 	Medical Health	Promoting good health among people	Sales of Cutting-Edge medical devices and provision of medical services	We aim to improve quality of life by providing cutting-edge medical devices and advanced medical care, where technologies are innovated rapidly.	Promote sales of advanced medical as MRI-guided radiation therapy syst business of supporting the operatior designated regional cancer care hosp	ems, and the n of	Increase the penetration of advanced medical devices in Japan, such as MRI-guided radiation therapy systems.	 MRI-guided radiation therapy systems The radiation therapy devices we have delivered to the National Cancer Center and Edogawa Hospital have already been used by those facilities to treat a cumulative total of 400 intractable cancer and other cancer patients. We have also completed the upgrade to new MRI-equipped radiation therapy equipment in Edogawa Hospital. The hospital has been operating it since January 2021. The National Cancer Center Hospital is also in the process of upgrading to the same equipment, and it will be possible to receive treatment for intractable cancer with the latest equipment from this spring. Scalp cooling therapy system for cancer patients The system has been highly evaluated by patients and medical professionals for its effectiveness in decreasing hair loss caused by anticancer drug treatment, mainly among breast cancer patients. The system has treated a cumulative total of 1,200 patients at 56 facilities in Japan. In 2021, based on the high evaluation from hospitals, the introduction of equipment through rentals also progressed. 	
Energy & Cher	micals Co	mpany	1	1	1	1		1	1	
Contribute to Healthier and More Affluent Lifestyles	3 223 8121 	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 de and marketing of new pharmaceutic products.		Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical and other products of which we are engaged in supporting the development and place them on the market.	 We have continued to sell a non-absorptive liquid to protect against oral mucositis (a liquid that controls and relieves the pain of oral mucositis caused by chemotherapy or radiotherap when treating diseases such as cancer) and a percutaneous absorption 5-HT3 receptor antagonist (therapeutic medication for nausea and vomiting during cancer treatment). We have continued to sell a pain reliever in North America through group companies. 	
ICT & Financia	al Busines	s Company						1	·	
Contribute to Healthier and More Affluent Lifestyles	3 DOC ENLIS 	Medical Health	Promoting good health among the people	 Support pharmaceutical development projects Preventative healthcare-related business Medical healthcare IT business 	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools.	We will optimize healthcare utilizing data.	medical	 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.) 	 With the gaining interest to maintain and promote health among company employees, the volume of data acquired via health checkup services has increased (currently over 1.2 million). We are promoting business development in SaaS for dispensing pharmacies, genomic data, pharmaceutical data, medical-related data, etc. We will contribute to improve the quality of life with highly efficient operations by utilizing the aforementioned data. 	

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Responsibilities to Customers

Structures and Systems

Ouality 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 Bovine Spongiform Encephalopathy, 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. Facilitation of the Food 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, 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 from well-recognized institutions such as the FSSC 22000. 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 gualification 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 factory identified as a manufacturing plant for imported 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 at least once a year based on the frequency setting – over 300 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 2020	FYE 2021	FYE 2022
Regular Audits (Number of Factories)	197	238	310
Regular Audits and Follow-up Audits in China (Included in the Above Number of Audits)	45	49	48

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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.

Provence Huiles S A S

- ITOCHU Sugar Co., Ltd. • FUJI OIL HOLDINGS INC.
- JAPAN NUTRITION Co., Ltd. DOLE ASIA HOLDINGS PTE, LTD.
 - 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	 Food safety and responsible advertising, marketing, and promotion Compliance Internal regulations and manuals ESG
Target Persons	 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 2020	FYE 2021	FYE 2022			
Number of Trainees	771	755	772			
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) (https://www.asif.or.jp/)(Japanese only)

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. imports, contamination, pesticides, bovine spongiform encephalopathy (BSE), additives, and genetic modification - 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(http://www.n-shokuei.jp/) (Japanese only)

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 (https://www.jafaa.or.jp/)(Japanese only)

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.

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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.

We will proactively promote the development of plant-based milk in the future with a target of handling 1,000 tons of it by 2024.



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.





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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.

I Preventing the Sale of Alcohol and Tobacco to Persons Under 20

FamilyMart has created a Guidebook for Compliance with Laws and Regulations Concerning the Sale of Alcohol and Tobacco, and is promoting efforts to prevent the sale of alcohol and tobacco to persons under 20 years of age by implementing the following measures.

1. Warning to Customers

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 minors 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

FamilyMart has adopted the Age Confirmation Guidelines and the Alcohol and Tobacco Sales Training Program to provide training to store staff in all stores on the identification of alcohol and tobacco products and on the age-verification procedures at cash registers. When hiring store staff, they receive training through the Alcohol and Tobacco Sales Training Program before serving customers. Upon completion of the regular training program, "Record of Alcohol and Tobacco Sales Training Implementation" is prepared and confirmed by the store manager and supervisor. In addition, we provide regular education on alcohol and tobacco sales systems to store staff at all stores.

Evaluation by Society

I 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 and has combined part of its business with drugstores. 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.

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.



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Responsibilities to Customers

• 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.



Certified by the Smart Meal Certification

• "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 (Developing ready-made meal That Support Health (https://www.family.co.jp/english/sustainability/material_issues/needs/added_value.html)) for details of the above initiatives.



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Responsibilities to Customers

I 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 readymade 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	 Ingredient reviews based on quality and hygiene management standards
Manufacturing and Quality Control	 Bacterial tests (monthly) Factory inspections on all ready-made meal manufacturing sites (monthly and bimonthly) Quality product assurance meetings (weekly) Quality control supervisor meetings (quarterly)
Distribution Management	 Distribution center facility management Storage and transportation by temperature zone – frozen, chilled, and fixed temperature
Store Management	 Education on hygiene management at stores Implementation of hygiene management in accordance with HACCP

I 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.

ITOCHU Sugar (https://www.itochu-sugar.com/) (Japanese only)

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

At ITOCHU Sugar, an ITOCHU group subsidiary, we produce and sell a trademark oligosaccharide product made from domestically procured sugar beets, which contain only about half the amount of calories in normal sugar. This product is effective in maintaining a healthy intestinal environment by enhancing the performance of Bifidobacteria. The health and nutrition benefits of this product have been widely recognized, with the Ministry of Health, Labour and Welfare certifying it as a Food for Specified Health Uses (FOSHU). FOSHU is a certification system that recognizes foods containing ingredient with functions for health and officially approved to claim its physiological effects on the human body.

* Reference: FOSHU (Food for Specified Health Uses) (https://www.mhlw.go.jp/english/topics/foodsafety/fhc/02.html)

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

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

At FUJI OIL HOLDINGS INC., one of our Group companies, 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. 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 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/social/trans_fats/)

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 underage drinking.

Top Commit	ment Sustainability	at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bon	l) Evaluation by Society	Independent Assurance Report	A < 136 >
Labor Practices	Employee Training	Occupational Sa	fety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

Responsibilities to Customers

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 underage drinking. 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 (https://tosyukyo.or.jp/)(Japanese only)

Tokyo Alcohol Retail 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 Retail 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., our 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

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

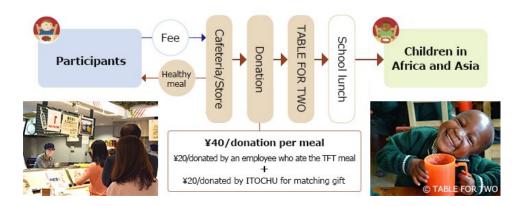


Table for Two is an international NPO that was founded by an affiliate of the World Economic Forum's Young Global Leaders. The organization aims to right the imbalance between the 1 billion people in the world who suffer from undernutrition, and the 1 billion people in the world who suffer from obesity. 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.



p Commitment	Sustainability at the ITOCHU Group	Environment
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Labor Practices Employee Training

Occupational Safety and Health Management

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Responsibilities to Customers Sustainability in the Value Chain

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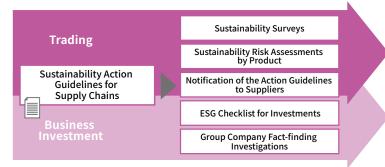
Sustainability in the Value Chain: Policy and Basic Concept

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 ag
 - 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 labormanagement 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.

Established in April 2009 Revised in April 2022

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Sustainability in the Value Chain: Targets and Action Plan

• Decline in credibility that would result from the occurrence of consumers and service users' safety or health issues.

 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 Compa	any							
Ensure Stable Procurement and Supply	12 HOME: COLUEDA COLUEDA	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.	 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. 	 Following the recycled polyester of "RENU", we have encouraged apparel customers to adopt our expanded ESG product lineup such as lyocell fiber of "KUURA", artificial leather of "MIRUM" derived from biomass, etc. We cofounded Japan Sustainable Fashion Alliance to promote ESG activities in the textile industry.
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 RECEITIONE AND INCOME LIBRATE		Establishing a supply chain reflecting consideration for human rights and the environment	Textile products in general	We will promote dealings with companies which respect human rights and which engage in environmental management throughout their entire supply chains.	Strive to understand at an early stage the human rights, social and environmental risks in supply chains by continually conducting surveys on major suppliers.	Conduct on-site visit surveys and questionnaires at more than 50 major suppliers a year on an ongoing basis.	We carried out a survey on a total of 66 companies in China and Southeast Asia in 2021 to develop the sound supply chain mainly by questionnaire and online meetings under the COVID-19 pandemic.
Food Compan	iy							
Contribute to Healthier and More Affluent Lifestyles	3 (200 HOLEH MONTEL-BARC) 	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).
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 800 800 400 15 600 15 5 600	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.	 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. 	 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. Plam oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. 	 Develop and publish a sustainable coffee bean, cocoa bean, and palm oil procurement policy, and disseminate the policy to suppliers and customers (Also publicized on our website). Itochu has started an initiative by investing in Farmer Connect, a company that has established a traceability platform from coffee farmer to consumers. Continued to purchase palm oil based on procurement policy and publicize the ratio of certified oil handled, etc.
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 ECCENTREE AND ECCENTREE AND ECCENTREE AND 14 HELITY MALE ECCENTREE	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.	* Because of new commitment, review will be conducted from the next fiscal year.
General Produ	ucts & Rea	alty Company	1					
Ensure Stable Procurement and Supply	15 (15 (15)) 	Forest	Using sustainable forest resources	 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 FY2021, 100% of our Pulp, Wood Products & Materials transactions and 92% of our Woodchips transactions were handled as certified material or were intensely managed.
 Respect and Consider Human Rights Ensure Stable Procurement and Supply 	8 2000 Mar Ang 2004 - 100 Mar 12 Angalan 2000 Mar Angalan	 Forest Supply Chain 	Realization of sustainable supply of natural rubber	Natural Rubber	 We will do our best endeavors 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. 	 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/)". 	 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. 	 We have developed a traceability system using blockchains. We have been operating this system since the second quarter of FYE 2021 and the commencement of commercialization of PROJECT TREE since the third quarter of FYE 2022. Because of new commitment, review will be conducted from the next fiscal year.

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Sustainability in the Value Chain

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Sustainability in the Value Chain: Structures and Systems

Supply Chain

Labor Practices

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



Figure of Supply Chain Management Promotion

Sustainability Checklist

Responsibilities to Customers

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.



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Supply Chain Communication Handbook

Outline of Sustainability Survey

Applicable Survey Criteria	 High risk countries Over a certain amount of money Handling of certain product groups
Main Questions Common to All Companies	 Organizational governance: Establishment of a responsibility-taking structure and internal report system Fair Operating Practices: Prevention of corruption, information management, prevention of intellectual property right infringements and a sustainable procurement policy Human rights: Risk assessments of human rights violations in business, abolition of child labor, forced labor, harassment and discrimination, and payment of appropriate wages Labor practices: Working hour management, health and safety management, and worker health Environment: Waste and drainage treatment, handling of hazardous substances, and climate change and biodiversity initiatives Consumer and Local Communities: Quality control and traceability, Dialogue with consumers and neighboring residents Certification: Environmental, quality, occupational management system

Department and Product Specific Supplementary Sustainability Items

Procured Resource Type	Additional Survey Items
Paper, Wood-chips, Timber	 Implementation of forest conservation measures Third-party certification
Agricultural Crops	 Management of traceability and management of chemical fertilizers and pesticides
Meat Products	 Implementation of food safety measures Management of traceability
Natural Marine Products	Management of traceability and management of fisheries
Apparel	Management chemical substance
Palm Oil	 Management of traceability Development of Grievance mechanisms
Coffee Beans	 Management of traceability Development of Grievance mechanisms

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.

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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

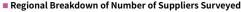
Prohibition on forced labor

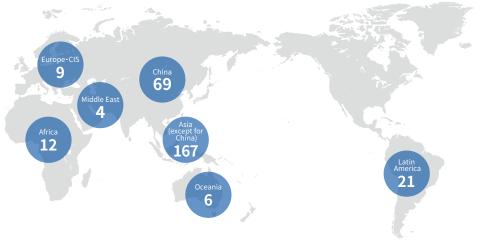
Companies must not force employees to work.

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 force 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 2022 Sustainability Surveys

We conducted surveys on a total of 288 companies, including 44 suppliers of overseas offices and group companies, in FYE 2022. 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							
		(Non-tier 1 Suppliers)	Textile Company	Machinery Company	Metals & Minerals Company	Energy & Chemicals Company	Food Company	General Products & Realty Company	ICT & Financial Business Company
	FYE 2022	288 (44)	65	9	20	31	107	53	3
	FYE 2021	310 (83)	57	9	21	29	104	87	3
	FYE 2020	316 (72)	50	15	20	39	102	85	5
	FYE 2019	343 (101)	49	13	19	39	110	108	5
	FYE 2018	333 (98)	46	9	20	45	103	105	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 (P126).

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 2020	FYE 2021	FYE 2022
Paper, Wood-chips, Timber, Timber Products	64	66	37
Agricultural Crops	31	30	39
Meat Products	15	11	13
Natural Marine Products	27	33	29
Apparel	6	5	5
Palm Oil	3	9	8
Coffee Beans	26	21	18

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Sustainability in the Value Chain: Structures and Systems

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 2022, we surveyed 310 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 2022. Please refer to Responsibilities to Customers (P130) 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 readymade meal products manufacturing. They are an important part of the workforce.

We conducted a self-check questionnaire in 31 factories in FYE2022. This questionnaire contained 230 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 audits in 9 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.

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.





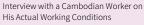
CPF Saraburi Factory

Those from CPF Who Cooperated with the



Audit





Facilities



All Signs in Cambodian on Fire Prevention Advice Not to Over-stack Auxiliary Feedstock

• Supplier CSR Audit Report: CP Foods, Saraburi (https://www.itochu.co.jp/en/csr/pdf/supplier_csr_audit_report_e.pdf)

Top Commit	tment Sus	stainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	1 4 142 >
Labor Practices	Employee Tra	aining Occupational S	afety and Health Management	Respect and Consideration	for Human Rights Res	oonsibilities to Customers S	sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

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 2022 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 29 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 2022. 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 2022 Sustainability Survey Result

	Key Questions F			
Questions	Checking Contents	Number of Reconfirmation	%	Number of Corrective Action
Clarifying Responsibilities for Sustainability	A Sustainability Manager is appointed and the system for promoting sustainability is clear.	11	3.8%	_
Fair Operating Practices	We have established a policy and monitor the status of compliance with the policy by a person in charge.	9	3.1%	_
Preventing Information Leakage	We have established rules and informed all of our employees of the rules.	7	2.4%	_
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.	4	1.4%	_
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.	10	3.5%	-
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.	6	2.1%	_
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.	7	2.4%	_
Prohibition of Discrimination	No restrictions on recruitment by gender, race, religion, etc. in recruitment conditions or requests to agent companies.	7	2.4%	-
Payment of Living Wage	We pay employees wages that exceed the legal minimum wage for each country.	2	0.7%	_
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.	3	1.0%	_
Taking Holidays	All of our employees have at least one day off every week.	1	0.3%	-
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.	1	0.3%	-
Operating Procedures	We have operating procedures of occupational health and safety, and we review their contents at least once a year.	1	0.3%	_
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.	3	1.0%	-
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.	1	0.3%	-
Treatment of Waste	We have a manual and apply the manual by reminding our employees of it at least once a year.	4	1.4%	-
Treatment of Exhaust Air and Discharged Water	We control them by applying standards that are stricter than the requirements of the local regulations.	2	0.7%	-
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.	4	1.4%	_
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	29	10.1%	_

Top Commitment	Sustainability at
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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 33 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 286 offices in the world as of the end of March 2022.

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 fruit cans 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).



	Top Commit	ment	Sustainability a	at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond	Evaluation by Society	Independent Assurance Report	1 4 144 >
La	abor Practices	Employe	e Training	Occupational Sa	afety and Health Management	Respect and Consideration	for Human Rights R	esponsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activitie	ESG Data(Society)

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) 🖻

- Natural Rubber Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/natural_rubber_policy.pdf) 🖻
- 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

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)

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.

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Employee Training

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Occupational Safety and Health Management

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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% use of certified material or material for which advanced management can be verified.



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 Schemess (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.

Evaluation by Society

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 nongovernmental 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

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Occupational Safety and Health Management

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Bond) Evaluation by Society

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

Performance Regarding Forest Certification and Legal Compliance

I 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".

Classification Based on Legality		ltem	FYE 2020	FYE 2021	FYE 2022
Certified	Forest Certification	(A) Timber handled by a certified forest supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)	36%	35%	35%
Materials or Advanced Management can be Confirmed	System	(B) Timber harvested in countries or regions assessed as "Low Risk" based on the forest certification system	42%	43%	43%
commed	Certification of Legality in the Clean	(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%	22%
N/A	Wood Act	(D) Materials whose legality has been confirmed by "additional measures"*2	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 Ba	fication Based on Legality Item			FYE 2020	FYE 2021	FYE 2022
Certified Materials or		Timber handled by a certified forest	Chips	100%	100%	92%
Advanced Management can be Confirmed	Forest Certification System	supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)	Pulp	100%	100%	100%

* License No. FSC® C009841

Natural Rubber

Responsibilities to Customers

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)

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.

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Employee Training

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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/)

Palm Oil

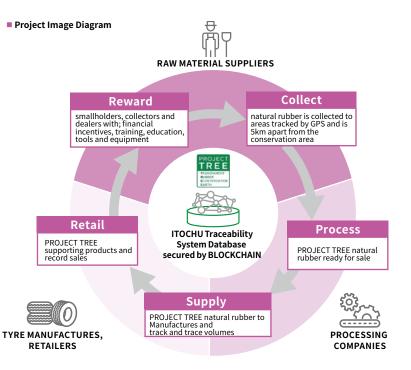
Palm oil has been widely associated to environmental destruction and human rights violations in relation to the development and production of plantations. ITOCHU is extensively engaged in the trade and distribution of palm oil but is not involved in the palm plantation business. Therefore, though we recognize the gravity of social and environmental implication of palm oil, we are engaging in the issue from our position as a distribution player. 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 fulfil 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

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

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.ip/en/csr/pdf/rspo_scc_certification_2022.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_2022.pdf) Refinery list (https://www.itochu.co.jp/en/csr/pdf/refinery_list_2022.pdf) Mill list (https://www.itochu.co.jp/en/csr/pdf/mill_list_2022.pdf)

Performance Data of 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.

Catagoriu		Result			
Category	2019 (Jan-Dec)	2020 (Jan-Dec)	2021 (Jan-Dec)	2030	
Volume of Handled Palm Oil	308,000mt	340,000mt	307,000mt		
Main Cumulian	Malaysia	Malaysia	Malaysia	Malaysia	
<main supplier=""></main>	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 oil="" palm="" sustainable=""></certified>					
RSPO Certified Sustainable Palm Oil	9.87%	12.68%	16.89%		
<traceability></traceability>					
Traceable to the Mills	99.90%	99.90%	100%	100%	

Food

Cocoa Beans and Coffee Beans

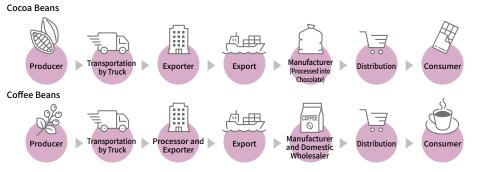
ITOCHU handles cocoa beans and coffee beans as the raw ingredients of chocolate and coffee products. We operate processing/exporting business for coffee beans with UNEX (Guatemala), S.A. serving as our subsidiary. The suitable areas to growing cocoa beans and coffee beans are concentrated near the equator. 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)

Evaluation by Society

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



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 (P149)	Sustainable coffee bean sourcing (P149) Activities with UNEX (Guatemala), S.A (P149) Project with Farmer Connect SA (P149)

т	op Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	1 49 >
Labor F	Practices Emplo	yee Training Occupational	Safety and Health Management	Respect and Consideration	for Human Rights Res	oonsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

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

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, RFA and 4C) and defined by customers.

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 of Sustainable Coffee Bean Procurement

	FYE 2022 Result	FYE 2031 Target
Sustainable Coffee Bean	36%	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.

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

Meat

The Fresh Food Division in the ITOCHU Food Company imports and procures raw meat ingredients (beef, pork and chicken) from various countries around the world. It handles pork in the greatest quantities with raw ingredients primarily being procured from North America and Europe. Meanwhile, it imports beef from Australia and the U.S. ITOCHU holds a 49.9% stake in one of our main suppliers called HyLife Group Holdings (HyLife) that produces pork in Manitoba, Canada. In addition, we have jointly invested in Teys Australia Condamine Pty Ltd. in the cattle fattening business in Australia together with one of our main suppliers of beef called Teys Australia Pty Ltd. and Prima Meat Packers, Ltd.

The following is our basic policy for performing inter-company initiatives when procuring raw meat ingredients from overseas: Production suppliers who do business with ITOCHU should be aware of environmental aspects at the production stage. They should take into consideration the workers involved

in production. Finally, above all, they should construct production operations including traceability that can guarantee safety and peace of mind.

ITOCHU regularly visits factories that are our supply sources. We do this under a commitment to responsible meat procurement. We establish good relationships through close communication with overseas suppliers.



Teys Australia Condamine's Cattle Fattening Farm

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 the number one company in Canada in terms of refrigerated pork exports to Japan.



Teys Australia Condamine's Global Warming Countermeasures

Teys Australia Condamine introduced 1,034 solar panels in 2015. This has made it possible to generate approximately 506,000 kWh of power annually. Accordingly, approximately 50% of the power used in this facility comes from renewable energy. The introduction of solar power generation has reduced CO₂ emissions by approximately 395 tons. Consequently, a reduction in CO₂ emissions of approximately 49%

has been realized compared with before the introduction of solar power generation.

We also procure beef to be slaughtered and processed from Teys – our joint investment partner in Australia. This firm has formed sustainable operations. It extracts methane gas generated in the slaughter process and reuses it as heat for its factory.



Installed Solar Panels

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 of 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					
content	2019	2020	2021			
Volume of Handled Meat	About 130,000 tons	About 150,000 tons	About 150,000 tons			

Pork Processing Process

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

Promotion of Animal Welfare at Group Companies and Suppliers

Employee Training

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.

I Initiatives by Meat Supplier

Teys Australia is committed to ensuring that all cattle are treated humanely. As part of our commitment to animal welfare, all Teys Australia processing facilities operate under the Australian Livestock Processing Industry Animal Welfare Certification System (AAWCS). An independently certified animal welfare program that ensures that livestock under our control (from receipt to humane processing) are managed in accordance with best practice animal welfare standards.

Teys Australia operates its feedlots in strict compliance with the independently audited National Feedlot Accreditation Scheme.

• Teys' Animal Welfare Policy (https://au.teysgroup.com/wp-content/uploads/2020/11/Teys-AW-Policy-4-Nov-2020.pdf) 🧰

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.

I Initiatives at Group Companies

In addition, Prima Meat Packers, Ltd., one of our Group companies, will build a new state-of-the-art farm by 2023, and announced that it will adopt free stalls and other animal welfare measures at the new farm, focusing on the theme of coexistence with the local community.

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

Marine Products

Responsibilities to Customers

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) 🧰

Targets

The acquisition of MSC¹ 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 more than doubled from 8,000 tons in FYE 2014 to 19,300 tons in FYE 2022 (40% 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 29 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).

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

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

	ltem		FYE 2020 Results	FYE 2021 Results	FYE 2022 Results	Target (FYE 2026)
Fisheries Raw Materials	MSC and/or COC Certified	MSC/COC Quantity	7,300 tons	2,600 tons	6,500 tons	15,000 tons
	Fisheries Raw Materials	Percentage of MSC/ COC Certified Raw Materials	4%	1.4%	4%	8%
Bonito Tuna for Canned Tuna	ATI Fishing Line	ATI Single Fishing Raw Material Quantity	25,000 tons	18,800 tons	19,300 tons	21,000 tons

MSC/COC Quantity Target in FYE2026

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



Evaluation by Society

Sustainability in the Value Chain

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).



Top Commit	ment Sustainabi	ility at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond) Evaluation by Society	Independent Assurance Report	1 4 153 >
Labor Practices	Employee Training	Occupational Sa	afety and Health Management	Respect and Consideratior	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

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

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 (P55)
 Participation to Textile Exchange "the 2025 Recycled Polyester Challenge"

(https://textileexchange.org/wp-content/uploads/2021/04/News-Release-Textile-Exchange-Leads-on-rPET-Challenge-with-UNFCCC.pdf)

Performance Data of Organic Cotton Procurement

All organic cotton is GOTS certified and traceable.

ltem	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Organic Cotton Handled (1,000 kg)	900	460	1,252	1,790
Percentage of Cotton Trade	32.2%	18.2%	63%	86%
Traceability of Organic Cotton	100%	100%	100%	100%
GOTS Certification of Organic Cotton	100%	100%	100%	100%

Top Commit	tment	Sustainability a	t the ITOCHU Group	Environment	Society	Governance	s	DGs Bond (Sustainability Bond	Evaluation by S	ociety	Independent Assurance Report		< 154 >
Labor Practices	Employe	e Training	Occupational Sa	fety and Health Management	Respect and Consideration	for Human Rights	Responsi	ibilities to Customers	Sustainability in the Va	alue Chain	Social Contribution Activities	5	ESG Data(Society)

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-voshi" 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

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

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.

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	Enh	ancing Contribution and Efforts for the SDGs Response to Material Sustainability Issues					
Growth of Future	Main SDGs	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all					
Generations	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					
Contribution	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

People Become Independent

"Kokkyo naki Kodomotachi" ("KnK"; Meaning "Children Without Borders") Support Activities at

the "House for Youth," a Home That Helps Young

of major disasters, and other children in developing countries.

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

4 555. Mi



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=6B6u3SwrdEo&t=4s)

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Project for Promotion of E-book Libraries

Patients can enjoy Multimedia Daisy while operating a PC with a switch affixed between their evebrows

Mi



Learning to drea Holding School Program on



A university student from China (second from the left) and her host family

Accepting Elementary and Junior and Senior Mi High School Students for Company Visits



Aovama Elementary School's extracurricular class "observing the neighborhood from a high place"



Screenshot of the online class

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.

Top Commit	tment Sustainabilit	y at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bor	d) Evaluation by Society	Independent Assurance Report	↑ < 155 >
Labor Practices	Employee Training	Occupational Sa	afety and Health Management	Respect and Consideratior	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

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 CQ per unit area.

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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.

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.

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.





Endangered Species of the Orangutan



The Climate Symposium (Dec. 2018)

Initiatives: Community Contribution

Local Contribution Activities at Domestic Locations



Seven offices in Japan (as of April 1, 2022) 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).

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ITOCHU SDGs STUDIO

We opened the "ITOCHU SDGs STUDIO" as a center 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.

Providing 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.

Local Contribution Activities at Overseas Offices

About 100 overseas offices in 62 countries (as of April 1, 2022) 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.)



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



Picture books gathered from around the world

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.



Top Commit	tment	Sustainability a	at the ITOCHU Group	Environment	Society	Governance	S	SDGs Bond (Sustainability Bond	Evaluation by Society	Independent Assurance Report	▲ <	156 🗲
Labor Practices	Employe	e Training	Occupational Sa	fety and Health Management	Respect and Consideration	for Human Rights	Respons	ibilities to Customers	Sustainability in the Value Cha	in Social Contribution Activiti	es ESG Da	ta(Society)

ESG Data (Society)

Independent Assurance

Independent Assurance Report (P193) : * 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)

			Consolidated				
	Employees Men Women Avg. Age Avg. Annual Salary (Yer						Temporary Staff
2022	4,170	3,180	990	42	15,797,516	115,124	43,195
2021	4,215	3,227	988	42	16,278,110	125,944	45,885
2020	4,261	3,267	994	42	15,657,603	128,146	46,567

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

Employees by Operating Segment★ (as of March 31, 2022)

										(Unit: people)
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others	Total
Non- Consolidated	333	413	151	357	416	263	204	46	954	3,137
Consolidated	5,999	13,152	485	12,344	35,561	16,671	21,210	7,021	2,681	115,124

Overseas Bloc Employees by Region★ (as of March 31, 2022)

							(Unit: people)
	North America	Latin America	Europe/CIS	Africa	Middle East	East Asia	Asia / Oceania
National Staff	137	113	289	61	112	575	585
Rotational Staff	51	22	61	14	19	74	103
Overseas Trainees	12	2	14	2	4	15	23
TOTAL							2,288

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

Number of Overseas Local Employee Management Personnel (as of March 31, 2022)

							(Unit: people)
	North America	Latin America	Europe/CIS	Africa	Near and Middle East	East Asia	Asia / Oceania
Management Personnel	85	39	95	4	27	288	169

* Equivalent to headquarters management positions

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

(40 01 1/10	(Unit: people											
	Career-Track			Managerial			Executives & Directors					
	Total	Women	Share	Total	Women	Share	Total	Women	Share			
2022	3,395	359	10.6%	2,544	206	8.1%	42	4	9.5%			
2021	3,435	346	10.1%	2,565	206	8.0%	46	4	8.7%			
2020	3,462	335	9.7%	2,566	209	8.1%	45	4	8.9%			

Women Rotational Staff (as of January 1, 2022)



Top Commit	ment	Sustainability a	t the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond) Evaluation by Society	Independent Assurance Report	↑ < 157 >
Labor Practices	Employe	e Training	Occupational Sa	afety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

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ESG Data (Society)

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

	Percentage of Disabled Employees (%)
2022	2.43
2021	2.32
2020	2.21

* 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)									
		New-Graduates			Mid-Career	Total	Rate for Mid-Career			
	Male	Female	Total	Male	Female	Total	TOLAL	(Unit:%)		
FYE 2023*	73	34	107	_	_	_	107	_		
FYE 2022	80	36	116	1	1	2	118	2		
FYE 2021	84	36	120	6	2	8	128	6		
FYE 2020	98	31	129	4	6	10	139	7		

* The figures as of April 1st, 2022

Voluntary Resignation Rate (Non-Consolidated)★

		Avg. Years Employed		Voluntary Resignation Rate			
	Men	Women	Total	Men	Women	Total	
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%	
FYE 2020	17.6	18.4	17.8	1.2%	2.8%	1.6%	

* 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 1.6% 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						(Unit: people)
		Childcare leave	Leave to nurse sick children	Shorter working hours for childcare	Special parental leave	Percentage of employees returning to work*
	Men	39	71	0	7	
FYE 2022	Women	104	124	94	16	100%
	Total	143	195	94	23	
	Men	35	49	0	8	
FYE 2021	Women	104	105	96	28	97%
	Total	139	154	96	36	
	Men	59	74	0	6	
FYE 2020	Women	109	139	97	47	98%
	Total	168	213	97	53	

* 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 or the following 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
	Men	1	18	0	3	70
FYE 2022	Women	0	47	5	9	72
	Total	1	65	5	12	142
	Men	1	23	0	0	79
FYE 2021	Women	0	46	5	8	63
	Total	1	69	5	8	142
FYE 2020	Men	1	29	0	3	96
	Women	0	42	2	10	96
	Total	1	71	2	13	192

Top Commit	tment	Sustainability a	t the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bo	nd) Evaluation by Society	Independent Assurance Report	1 < 158 >
Labor Practices	Employe	e Training	Occupational Sa	fety and Health Management	Respect and Consideration	for Human Rights	Responsibilities to Customers	Sustainability in the Value Chain	Social Contribution Activities	ESG Data(Society)

ESG Data (Society)

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

	FYE	2020	FYE	2021	FYE 2	2022
	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees
Number who Suffered from Occupational Accidents (Number which Occurred During Commute)*2	9(8)	0(0)	4(3)	1(1)	5(4)	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	0	0	1	0	0	0
LTIFR (Lost Time Injury Frequency Rate)*5	0.00	0.00	0.21	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 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Total annual training time (hours)	217,734	160,510	168,425	92,431	112,574

	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Average training/development hours per regular employee (hours)*	50.81	37.46	39.53 ^{*1}	21.93	27.00
Average training/development cost per regular employee (thousand yen)	485* ²	444 ^{*2}	407* ²	260	269

* 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 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Quick Mastering Business Management Course	121	96	110	152	172
Global Development Program	134	141	154	0(Cancel)	0 (Not implemented)
Organization Manager Workshop	403	405	337	341	624
Short-Term Business School Dispatch	39	31	37	8	7
Junior Chinese/Special Language Dispatch	61	39	10	0(Cancel)	0 (Not implemented)
Chinese Lessons	614	237	158	205	189
Career Vision Support Training (total)	2,075	1,885	1,940	2,067	1,851

Support for Diversity

We are aiming to deepen understanding of diversity & inclusion and to build a strict but rewarding workplace environment with peace of mind for all our employees. Under this aim, we have set the first and second weeks of December as Diversity Week since FYE 2019. We hold various publicity events, training sessions and workshops for all employees.

Fiscal Year	Theme
FYE 2022 (Online)	 Balancing career and nursing care Nursing care and money / nursing care insurance Home care Home care and life: work style reform and child-rearing for couples Balancing career and life: work style reform and child-rearing for couples Basic knowledge on LGBTs Women's career and health
FYE 2021 (Online)	 Nursing care (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) (3) Basic LGBT seminar (4) Women's careers and health (i) Life stage with health (ii) Gynecological cancer (uterine cancer and breast cancer)
FYE 2020	 Nursing care Concierge introduction How to choose a nursing care facility Nursing care money Women's careers and health VR training and workshop (dementia and LGBT)

Top Commit	ment	Sustainability at the ITOC	lU Group	Environment	Society	Governance		SDGs Bond (Sustainability Bond) Eval	uation by Society	Independent Ass	urance Report		<	159	>
Labor Practices	Employe	e Training Occup	ational Sa	afety and Health Management	Respect and Consideration	for Human Rights	Respo	nsibilities to Customers	Sustainabi	lity in the Value Chain	Social Contr	ribution Activiti	ies	ESG Da	ta(Socie	ety)

(Unit: People)

(Unit: People)

ESG Data (Society)

Attendance in Training Related to Health and Safety Standards

(Non-Consolidated Employees)★

					(1 1 1 1 1 1 1 1 1 1
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
General Training Covering Health and Safety Standards ^{*1}	3,410	3,543	3,629	1,447	841
Human Resources-led Training Covering Health and Safety Standards*2	61	48	453	74	63

*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).

FYE 2022 Number of Employees that Received Our Main Health and Safety-related Trainings

		(Unit: People)
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.	117
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.	59
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.	211

Governance





Compliance

Society

Independent Assurance Rep

Corporate Governance Risk Management

Corporate Governance

Basic Policy

ITOCHU Group adopts the spirit of "Sampo-yoshi" as our corporate mission. In Japanese, "yoshi" means "good," "sampo" means three sides consisting of (1) the seller ("urite"), (2) the buyer ("kaite") and (3) society ("seken"). "Sampoyoshi" is therefore "urite-yoshi" (meaning "good for the seller"), "kaite-yoshi" (meaning "good for the buyer") and "seken-yoshi" (meaning "good for society"). This spirit originates from the message of our founder Chubei Itoh I (the merchant based in the former Ohmi Province of Japan (present-day Shiga Prefecture). We sincerely wish to contribute to solving social issues by not purely seeking to maximize our profits but also considering and responding to the expectations and trust of all of our surrounding stakeholders, including our customers, our shareholders and our employees. "Sampo-yoshi" is the business spirit by which we aim to bring a positive effect into the world and to contribute to sustainable society for all. Furthermore, we adopt "I am One with Infinite Missions" as our guideline of conduct. These words mean that each individual employee should consider his or her business conduct on his or her own initiative in order to complete our infinite missions aim for better business operations which are good for the seller, good for the buyer, and good for society as well as for a better future.

It is our fundamental management policy to build a fair and good relationship with various stakeholders based on our corporate mission and our guideline of conduct and thus improve our corporate value from a long-term perspective. In accordance with this policy, with the intention to ensure proper and efficient execution by management, we will enhance the transparency of decision-making and establish a corporate governance system in which monitoring and supervision functions are appropriately incorporated.

A strong leadership and a transparent decision-making system are pillars of good corporate governance. ITOCHU adopts an organizational structure with the presence of Audit & Supervisory Board (kansayaku secchi kaisha). In recent years, ITOCHU has gradually shifted to a governance model where executive officers decide and carry out the day to day business under the direction and supervision of the Board of Directors, along with implementing measures to strengthen monitoring.

In order to separate execution by and monitoring over management, we reduced the number of executive Directors and the increased percentage of Outside Directors on our Board of Directors to one-third or more from April 2017. We will also maintain this percentage of Outside Directors also in FYE 2021 and onwards. Additionally, ITOCHU has established, as voluntary advisory committees to the Board, a Governance and Remuneration Committee and a Nomination Committee, both of which are chaired by an Outside Director and comprised of a majority of Outside Directors and Audit & Supervisory Board Members. Moreover, a Women's Advancement Committee serves as another voluntary advisory committee and is chaired by an Outside Director, with at least half of its members comprised of Outside Directors and Audit & Supervisory Board Members. In appointing Outside Directors and Audit & Supervisory Board Members, ITOCHU places great importance on their independence, and in this connection, ITOCHU has adopted its own independence criteria, augmenting the independence criteria established by the Tokyo Stock Exchange.

This highly independent Board of Directors monitors execution by management as well as deliberates the execution of business that is of high quantitative or qualitative importance. The Company believes this arrangement facilitates not only appropriate monitoring over execution by management but also the consideration of important business execution from an external perspective.

It is also vital that ITOCHU disclose its financial and non-financial information to stakeholders as part of good governance. For this purpose, ITOCHU adopts a "Basic IR Policy" to further promote multi-party stakeholder dialogue, and makes best efforts to disclose such information both timely and adequately. Through communication with its stakeholders, ITOCHU aims to enhance its corporate value on a long-term basis.

We believe that our current corporate governance structure accords with good and effective corporate governance called for by the Tokyo Stock Exchange, in its Corporate Governance Code. ITOCHU will continue to evaluate and improve its corporate governance structure so that it always best suits ITOCHU in any given moment and time in its corporate history.

Targets and Action Plan

Risks	Opportunities					
Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control.	Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.					
SDGs						

Mate	eriality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Maintair Governa Structur		16 FILEE ANTER INSTITUTE INSTITUTE INSTITUTE	Maintaining and reinforcing a governance system for achieving sustainable growth	Corporate governance	We will implement highly effective supervision over the management from an independent and objective standpoint and ensure the appropriate and efficient execution of business operations by improving the transparency of our decision- making, aiming to our sustainable growth as well as the medium- and long-term improvement of our corporate value.	 Appoint several outside Directors, who have a high level of independence that fulfills our independence criteria and are expected to contribute to the company management with a high level of knowledge in their respective fields. Maintain a highly transparent and objective Directors' and officers' remuneration system, which can increase their motivation to contribute to our medium- and long-term improvement of our company's performance and the improvement of our corporate value. 	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of the Board of Directors.	 We have maintained the diversity of the Board of Directors (always a one third or higher percentage of outside Directors; currently four out of 10 Directors) and the ratio of women (currently two out of 10 Directors). We have maintained a majority of the members of the Governance and Remuneration Committee and Nomination Committee coming from outside the company (four out of seven members). We have mostly completed the establishment of a structure in each listed subsidiary in accordance with our Policy on the Governance of Its Listed Subsidiaries.

Corporate Governance

Compliance

Society

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Corporate Governance

Risk Management

Compliance with Corporate Governance Code

As of June 2022, ITOCHU complies with all principles set forth in Corporate Governance Code. For details, please refer to Corporate Governance Report (https://www.itochu.co.jp/en/files/CG_e.pdf)

- Establishment of the Governance and Remuneration Committee, the Nomination Committee, and the Women's Advancement Committee as advisory committees to the Board of Directors
- Establishment of policy and process for appointing executive officers, candidates for Directors and candidates for Audit & Supervisory Board Members
- Establishment of policy on holding listed shares for purposes other than pure investment and standards for the exercise of voting rights thereon
- Adoption of our own independence criteria regarding the judgement on the independence of outside Directors and outside Audit & Supervisory Board Members
- Formulation of Basic IR Policy

Reason for Adopting the Current System

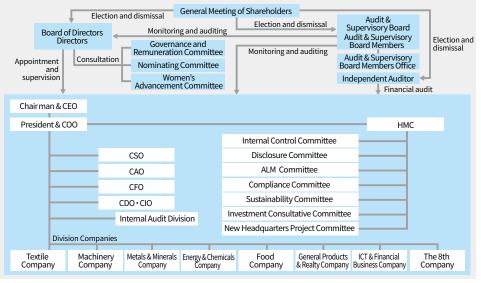
The Company, as a company with Audit & Supervisory Board Members, endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. In addition to its corporate governance system primarily based on the monitoring of corporate management by Audit & Supervisory Board Members, the Company appointed Outside Directors to comprise a percentage of one-third or more of the total number of Directors, and will also maintain this percentage of Outside Directors in FYE 2022 and onwards. And, the Company has already appointed independent Outside Directors and established, as voluntary advisory committees to the Board, the Governance and Remuneration Committee and the Nomination Committee, which are chaired by Outside Directors and which comprise a majority of outside members, and Women's Advancement Committee which is chaired by an Outside Director, with at least half of its members comprised of Outside Directors and Audit & Supervisory Board Members, for the purpose of further increasing the effectiveness of the supervision of management by the Board of Directors and strengthening and improving the transparency of decision making. In the process of appointing the Outside Directors and outside Audit & Supervisory Board Members, the Company focuses securing independency of the Outside Directors and the outside Audit & Supervisory Board Members, and in addition to the independence criteria established by the Tokyo Stock Exchange ITOCHU has adopted its own independence criteria.

The Company believes that its current corporate governance system—which is based on independent Outside Directors comprising one-third or more of the Board of Directors, the said voluntary advisory committees to the Board and the Audit & Supervisory Board, majority of whom are outside Audit & Supervisory Board Members—accords with "Basic Policy" stated in Corporate Governance Report.

Structures and Systems

Corporate Governance

- As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the directors.
- **2.** Each director is to carry out such director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
- **3.** ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative directors.
- **4.** The corporate auditors are to oversee the performance of the directors based on the "Board of Corporate Auditors Regulations" and "Auditors' Auditing Standards."



Overview of ITOCHU's Corporate Governance and Internal Control System (As of June 24, 2022)

^{*1} HMC=Headquarters Management Committee CEO=Chief Executive Officer COO=Chief Operating Officer CSO=Chief Strategy Officer CAO=Chief Administrative Officer CFO=Chief Financial Officer CDO • CIO=Chief Digital & Information Officer ALM=Asset Liability Management

^{*2} CAO is the chief officer for compliance. Also, each Division Company has a Division Company president.

^{*3} Internal control systems and mechanisms have been implemented at every level of ITOCHU. Only the main internal control organization and committees are described herein.

Corporate Governance

Board of Directors

Overview

- The Company is a company with the Board of Directors and Audit & Supervisory Board Member (the Audit & Supervisory Board).
- As from April 1, 2018, the Chairman of the Company is the Chief Executive Officer, and the President of the Company is the Chief Operating Officer.
- The Board of Directors, comprising 10 Directors including 4 Outside Directors, is chaired by the Chief Executive Officer. The Board of Directors meets, in principle, at least once a month, and it makes decisions on important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and supervises the performance of the Directors. Two of the Outside Directors are female, and the average term our internal Directors have been on overseas assignments will be 5.6 years (as of June 24, 2022).
- With the view to further enhancing the Board's monitoring functions and increasing transparency on the decision making process, both the Governance and Remuneration Committee and the Nomination Committee have been established as voluntary advisory committees to the Board. Each committee is chaired by an Outside Director and the majority each committee's members are Outside Directors and Audit & Supervisory Board Members. In addition, as of October 2021, as a new voluntary advisory committee to the Board, we established the Women's Advancement Committee which is chaired by an Outside Director, with at least half of its members comprised of Outside Directors and Audit & Supervisory Board Members.
- The Executive Officer System has been adopted to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the decisions made by the Board of Directors, executive officers implement their designated duties delegated by the Board of Directors and representative Directors. As of June 24, 2022, the Company has 29 executive officers (some of whom concurrently serve as Directors), comprising 28 male executive officers and 1 female executive officer.
- The HMC (Headquarters Management Committee) and various internal committees have been established for the purpose of contributing to appropriate and flexible decision making on management issues by the President and Chief Operating Officer and the Board of Directors. HMC is, in principle, chaired by the President, and in principle consists of the Chairman, the President, and executive officers appointed by the President. The HMC is a supporting committee to the President and Chief Operating Officer where companywide management policy and important issues are discussed.

Corporate Governance System (As of June 24, 2022)

Type of system	Company with the Board of Directors and the Audit & Supervisory Board
Number of Directors (Of which, number of outside Directors)	 10 (4) *2 of the Outside Directors are female, and the average term our internal Directors have been on overseas assignments is 5.6 years.
Number of Audit & Supervisory Board Members (Of which, number of outside Audit & Supervisory Board Members)	5 (3)
Term of office for Directors	1 year (the same for outside Directors)
Adoption of an Executive Officer System	Yes
Organization to support CEO decision- making	Headquarters Management Committee (HMC) deliberates on companywide management policy and important issues
Advisory committees to the Board of Directors	Governance and Remuneration Committee, Nomination Committee, Women's Advancement Committee
Independent external auditor	Deloitte Touche Tohmatsu LLC

Meetings of Management Bodies

	FYE 2020	FYE 2021	FYE 2022
Board of Directors	15 times	12 times	15 times
Outside Director attendance at Board of Directors' meetings	100%	100%	100%
Outside Audit & Supervisory Board Member attendance at Board of Directors' meetings	96%	100%	98%
Board of Audit & Supervisory Board Members	13 times	14 times	14 times
Outside Audit & Supervisory Board Members attendance at Board of Audit & Supervisory Board Members' meetings	100%	100%	98%

Masatoshi Kawana	Outside Member of th		the Board	Board 15/15 (100%)		ears	0	0	-
Makiko Nakamori Outside Mem		Member of	the Board	15/15 (100%)	3 ye	ears	O	_	С
Kunio Ishizuka Independent		Member of the Board		11/11 (100%) (since his appointment)	1 year		_	O	_
Directors*	Outsi	de Directors	Ratio of Female Directors	Ratio of Outside Directors	e	M	lajor Topics D	iscussed in F	YE 2022
6		4	20%	40%					
	FO CEO	CEO	0	0		Ma 2. Co 3. SD 4. IR / 5. Est	restment in l ichinery Co. rporate Bran Gs and ESG Activity Rep rablishment vancement	, Ltd. nding Strate initiatives ort of the Worr	egy nen's
			(2 Female Directors)	(4 Outside Directo	>				

Policy and Process for Appointing Candidates for Directors

In order to effectively supervise management and decide important business matters as the Board of Directors of a general trading company with broad range of business, ITOCHU's Board of Directors consists of, in principle, the Chairman, President, officers in charge of headquarters administrative functions, one appropriate Division Company president, and enough Outside Directors that the percentage of Outside Directors in our Board of Directors is one-third or more to improve supervisory function of the Board of Directors. In appointing Outside Directors, ITOCHU prioritizes candidates with higher independence, based on the criteria for "independent Directors" prescribed by the Tokyo Stock Exchange, and ITOCHU's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who with their individual experience and knowledge in the relevant category, are expected to contribute to the management of ITOCHU. The Chairman & CEO creates proposals of candidates for Director by taking into consideration diversity such as knowledge, experience, gender and international experience, and submits these to the Nomination Committee for further deliberation before the Board of Directors finally nominates the candidates for election at the General Meeting of Shareholders.

Reason for Appointment as Outside Directors

Name	Reason for appointment
Atsuko Muraki appointed in June 2016 [Attendance at Meetings of the Board of Directors] FYE 2022 : 15/15 (100%)	Ms. Muraki is appointed as an Outside Director in the anticipation that she will use her wealth of experience and high-level knowledge she accumulated as a government official and also monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Muraki qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.
Masatoshi Kawana appointed in June 2018 [Attendance at Meetings of the Board of Directors] FYE 2022 : 15/15 (100%)	Mr. Kawana is appointed as an Outside Director in the anticipation that, based on his experience as a doctor at Tokyo Women's Medical University Hospital for many years and in important posts such as the Deputy Director of the same hospital as well as his high level of medical knowledge, he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/ auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Kawana qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Makiko Nakamori appointed in June 2019 [Attendance at Meetings of the Board of Directors] FYE 2022 : 15/15 (100%)	Ms. Nakamori is appointed as an Outside Director in the anticipation that, based on her high level expertise regarding finance and accounting as a certified public accountant as well as her extensive experience as a corporate executive, she will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Nakamori qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.
Kunio Ishizuka appointed in June 2021 [Attendance at Meetings of the Board of Directors] FYE 2022 : 11/11 (100%) (since his appointment)	Mr. Ishizuka is appointed as an Outside Director in the anticipation that, by utilizing his extensive knowledge of corporate management and the retail industry that was earned through his experience as President and Chairman of Isetan Mitsukoshi Holdings Ltd. and as a Vice Chair of Nippon Keidanren (Japan Business Federation), he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Ishizuka qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.

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Members of the Board

					©Cha	ir OMember
Name	Current Position and Responsibility in ITOCHU Corporation	Number of Attendance at Meetings of the Board of Directors	Number of Years in Office	Governance and Remuneration Committee	Nomination Committee	Women's Advancement Committee
Masahiro Okafuji Reelection	Chairman & Chief Executive Officer	15/15 (100%)	18 years	0	0	_
Keita Ishii Reelection	Member of the Board, President & Chief Operating Officer	11/11 (100%) (since his appointment)	1 year	0	0	_
Fumihiko Kobayashi Reelection	Member of the Board, Executive Vice President Chief Administrative Officer	15/15 (100%)	7 years	0	0	0
Tsuyoshi Hachimura Reelection	Member of the Board, Executive Vice President Chief Financial Officer	15/15 (100%)	7 years	_	_	_
Hiroyuki Tsubai New election	Senior Managing Executive Officer President, Machinery Company	-	_	_	_	_
Hiroyuki Naka	Executive Officer Chief Strategy Officer; Chief Digital & Information Officer; General Manager, Corporate Plan- ning & Administration Division	_	_	_	_	_
Atsuko Muraki Reelection Outside Independent	Member of the Board	15/15 (100%)	6 years	_	0	0
Masatoshi Kawana Outside Independent	Member of the Board	15/15 (100%)	4 years	0	0	_
Makiko Nakamori Reelection Outside Independent	Member of the Board	15/15 (100%)	3 years	0	_	0
Kunio Ishizuka Reelection Outside Independent	Member of the Board	11/11 (100%) (since his appointment)	1 year	_	O	_

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Outline of Limitation of Liability Contracts

Pursuant to Article 427, Paragraph 1, of the Companies Act, ITOCHU has entered into limitation of liability contracts with respect to liability as set forth in Article 423, Paragraph 1, of the Companies Act with Outside Directors and outside Audit & Supervisory Board Members. Under these contracts, their liabilities are limited to the lowest amount of liability pursuant to Article 425, Paragraph 1, of the Companies Act if and so long as they have acted in good faith and without gross negligence in performing their duties.

Outline of Directors and Officers Liability Insurance Policy

ITOCHU has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers the losses, such as damages payable and litigation costs in damage suits, incurred by all of ITOCHU's directors and Audit & Supervisory Board Members, etc. who are the insureds. However, the scope of compensation does not cover the damages and litigation costs of a director or officer involved in an intentional illegal act or criminal act such as bribery, to ensure that the appropriateness of the performance of director or officer duties is not lost. The full amount of the insurance premiums is borne by ITOCHU.

Outline of the Indemnity Contract with Directors and Audit & Supervisory Board members

ITOCHU has entered into the indemnity contracts with all of Directors and Audit & Supervisory Board Members in accordance with Paragraph 1 of Section 430-2 of the Companies Act, pursuant to which ITOCHU indemnifies the costs under the subparagraph 1, paragraph 1 of Section 430-2 of the Companies Act and the losses under the sub-paragraph 2, paragraph 1 of Section 430-2 of the Companies Act, incurred by them within the limit under the law. ITOCHU will not indemnify such costs or losses incurred by them in relation to their acts performed with the knowledge of illegality or to provide undue profit for third parties or to cause damages to ITOCHU.

Corporate Officer Remuneration System

ITOCHU's remuneration plan for Directors is designed to be an incentive to grow business performance. Variable remuneration is approximately 81% of overall remuneration (FYE 2022), which is extremely high, even when compared to other companies. The system clarifies management's responsibility, with Director remuneration increasing as performance improves, and significantly decreasing if performance deteriorates. Furthermore, this remuneration plan, including the calculation method, has been previously disclosed publicly, making it highly transparent.

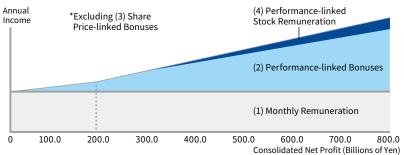
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More specifically, the remuneration plan consists of (1) monthly remuneration, (2) performance-linked bonuses, (3) share price-linked bonuses, and (4) performance-linked stock remuneration, with performance-linked bonuses reflecting short-term performance and share price-linked bonuses and performance-linked stock remuneration reflecting the increase of corporate value in the medium to long term.

We have consolidated net profit as the linked indicator for the performance-linked bonus and performance-linked stock remuneration, which is a non-monetary remuneration. Consolidated net profit is of high interest on the stock market because it is an easy-to-understand indicator of capital for growthoriented investment and returns to shareholders, and we believe that its importance as an indicator going forward is unshakeable. In addition, employee bonuses are also linked to consolidated net profit.

To align with our shareholders and create greater awareness of increasing corporate value, we have introduced share price-linked bonuses with ITOCHU's share price as the linked indicator. This bonus is an index linked to the increase in the average daily value of ITOCHU's stock price for each consecutive two fiscal years. To ensure fairness, the calculation scheme includes the relative evaluation between the growth rate of the average value of the ITOCHU's stock price and the growth rate of the average value of the ITOCHU's stock price and the growth rate of the average value of the Tokyo Stock Price Index (TOPIX) for each successive two fiscal years.

Remuneration Image of Directors (Excluding Outside Directors)



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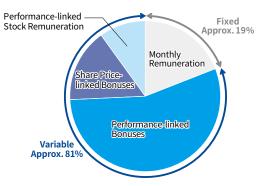
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Type of Remuneration	Content	Remuneration Limit	Resolution of General Meeting of Shareholders	
(1)Monthly remuneration (Fixed)	Determined according to factors that include degree of contribution to ITOCHU Corporation, including addressing climate change, ESG and SDGs, based on a standard amount for each position	¥1.0 billion per year as total monthly remuneration (including ¥0.1 billion per year as a portion to the Outside Directors)		
(2) Performance- linked bonuses (Variable(Single Year))	Total amount is determined based on consolidated net profit, and individual amount is determined in relation to the position points for the Director, etc. *Formula is described below	¥3.0 billion per year as total bonuses paid	June 24, 2022	
(3) Share price- linked bonuses (Variable(Medium- to Long-term))	Calculated by adding the evaluation of the relative growth rate of ITOCHU's share price compared to Tokyo Stock Price Index (TOPIX) to the amount of increase of ITOCHU's share price for two consecutive fiscal years *Formula is described below	to all directors (excluding Outside Directors)		
(4) Performance- linked stock remuneration (Variable(Medium- to Long-term))	Total amount is determined based on consolidated net profit, and individual amount is determined in relation to the position points for the Director used in calculating the individual performance-linked bonus (*2) *Formula is described below	The following is the limit for a two-year period for directors and executive officers • Upper limit for contribution to trust from ITOCHU: ¥1.5 billion • Total points awarded to persons eligible for the plan: 1.3 million points (conversion at 1 point = 1 share) *Not paid to Outside Directors	June 24, 2016	

Remuneration Composition Ratio of Directors (Excluding Outside Directors) (FYE2022)



Formulas for Performance-linked Bonuses and Stock Remuneration

In accordance with confirmed results for FYE 2023, director bonuses for FYE 2023 will be paid following the conclusion of the 99th Ordinary General Meeting of Shareholders in amounts calculated according to the methods described below (in regard to stock remuneration, points will be awarded).

Total Amount Paid to all Directors

Total amount paid to all directors = (A + B + C) x Sum of Position points for all the eligible directors/55 (but not exceeding ¥1.0billion)

- A = (Of consolidated net profit for FYE 2022, for the portion up to \pm 200.0 billion) \times 0.35%
- B = (Of consolidated net profit for FYE 2022, for the portion more than ¥200.0 billion but up to ¥300.0 billion) x 0.525%
- C = (Of consolidated net profit for FYE 2022, for the portion exceeding ¥300.0 billion) × 0.525% (0.175% for stock remuneration)

Amount Paid to an Individual Director

Amount paid to an individual director = Total amount paid to all directors × Assigned position points / Sum of position points for all the eligible directors

Chairman and Chief Executive Officer	President and Chief Operating Officer	Executive Vice President (resident in Japan)	(recident outcide	Senior Managing Executive Officer	Managing Executive Officer	Executive Officer
10	7.5	5	4	4	3	2.2

*In FYE2023, there is no Executive Vice President (resident outside Japan).

Of the amount paid to an individual director, the portion corresponding to A and B in the total amount paid to all directors is paid entirely in cash. In regard to the portion corresponding to C, the portion of 0.175% is paid as share-based stock remuneration and the rest paid in cash. In addition, 80% of the amount paid in cash is linked the plan achievement rate of the consolidated net profit of the assigned division/department and the rate determined based on the comparison with the consolidated net profit of the previous fiscal year*. In regard to share-based remuneration during the term of office, annual points are awarded (1 point = 1 share), and at the time of retirement share-based remuneration is paid from the trust in correspondence with accumulated points. Plans call for all of the shares paid from the trust to be acquired on the stock market, and accordingly there will be no dilution of shares.

A Director non-resident in Japan is not eligible for performance-linked stock remuneration. As a substitute, such Director is eligible for the Equivalent Amount of Individual Stock Remuneration. The Equivalent Amount of Individual stock remuneration is calculated in accordance with the above formula (except the points assigned to such Director being 15) as if such Director were subject to performance-linked stock remuneration, and the amount will be added or subtracted according to a certain performance achievement rate. The remuneration will be determined and paid separately from the performance-linked bonus based on formula above. Since there is no Director non-resident in Japan in FYE2023, this rule will not apply.

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*Formula for 80% of the Amount Paid in cash to an Individual Director :

(Total base amount paid to all Directors as above x Position Point/Sum of Position points for all the eligible Directors) x 80% x (the Rate A (defined below) determined based on plan achievement rate of the consolidated net profit target for the assigned division/department x 50% + Rate B (defined below) determined based on the comparison with the consolidated net profit of the previous fiscal year x 50%)

-The Rate A: 100% + (the plan achievement rate of the consolidated net profit target for the assigned division/department -100%) x 2 (if negative, it will be 0%. Maximum will be 200%.)

-The Rate B: 100% + (the rate produced by the consolidated net profit of the fiscal year for the assigned division divided by the consolidated net profit of the previous fiscal year - 100%) x 2 (if negative, it will be 0%. Maximum will be 200%.) -The plan achievement rate shall be 100% for the eligible director for whom no plan achievement rate is measurable.

Notwithstanding the calculation stated above, the amount paid to an individual Director shall not exceed the maximum amount for each position as set forth below:

	(Millions of yen)
	Maximum Amount Paid to an Individual Director
Chairman and Chief Executive Officer	546
President and Chief Operating Officer	409
Executive Vice President (resident in Japan)	273
Executive Vice President (resident outside Japan)*	218
Senior Managing Executive Officer	218
Managing Executive Officer	163
Executive Officer	120

* In FYE2023, there is no Executive Vice President (resident outside Japan)

Formulas for Share price-linked Bonuses

To align with our shareholders and create greater awareness of increasing corporate value, we have introduced share-price linked bonuses with ITOCHU's share price as the linked indicator. This bonus is an index linked to the increase in the average daily value of ITOCHU's stock price for two consecutive fiscal years. To ensure fairness, the calculation scheme includes the relative evaluation between the growth rate of the average value of the ITOCHU's stock price and the growth rate of the average value of the Tokyo Stock Price Index (TOPIX^{*1}) for each successive two fiscal years.

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Amount Paid to an Individual Director (Aggregate amount for FYE 2022 and FYE 2023)

The amount paid to an individual director = ((simple average of daily closing price from FYE 2022 to FYE 2023) – (simple average of daily closing price from FYE 2020 to FYE 2021)) × 1,300,000 × (total position points of FYE 2022 and FYE 2023) / (108.8 points \times 2 (years)) \times Relative Stock Price Growth Rate*2 – Share Price-linked Bonuses of FYE2022 calculated based on the formula applied in FYE2022

*1 TOPIX = Tokyo Stock Price Index, the principal index determined pursuant to the relevant rules of Tokyo Stock Exchange (Tosho Shisuu Sanshutsu Youryo (TOPIX-hen))

*2 Relative Stock Price Growth Rate = (simple average of daily closing price from FYE 2022 to FYE 2023 / simple average of daily closing price from FYE 2020 to FYE 2021) / (simple average of daily TOPIX from FYE 2022 to FYE 2023 / simple average of TOPIX from FYE 2020 to FYE 2021)

Except for the points for Executive Vice President (resident outside Japan), which are fixed at 5, the position points assigned to each position are same as those applied for performance-linked bonuses. Share Price-linked bonuses together with performance-linked bonuses are paid to the eligible directors within the director bonuses limit of ¥3.0 billion.

Please see Corporate Governance Report (https://www.itochu.co.jp/en/files/CG_e.pdf) 🗖 for the formula applied to amount paid to individual director in each year.

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Actual Corporate Officer Remuneration for FYE 2022

Туре	Number of People	Amount Paid (Millions of Yen)	Details
Directors (Outside Directors)	12 (5)	3,692 (81)	 Monthly remuneration ¥763 million Performance-linked bonuses ¥2,000 million Share price-linked bonuses - million Special benefits ¥576 million Stock remuneration ¥352 million
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	6 (4)	152 (60)	(1) Monthly remuneration only
Total (Outside Directors and Audit & Supervisory Board Members)	18 (9)	3,844 (141)	

* Monthly remuneration is decided based on the standard amount by position and the level of contribution to ITOCHU Corporation, including its response to climate change, ESG, and the SDGs.

Name, position, and amount of compensation paid to Directors receiving compensation of ¥100 million or more during FYE 2022, are as follows.

Name	Category	Total Annual Monthly Remuneration	Performance- linked Bonuses	Share Price-linked Bonuses	Special Bonuses	Stock Remuneration	Total
Masahiro Okafuji	Director	¥178 million	¥531 million	-	¥154 million	¥113 million	¥976 million
Keita Ishii	Director	¥79 million	¥398 million	-	¥115 million	¥85 million	¥676 million
Tomofumi Yoshida	Director	¥90 million	¥265 million	-	¥77 million	¥42 million	¥474 million
Yuji Fukuda	Director	¥76 million	¥275 million	-	¥77 million	-	¥428 million
Fumihiko Kobayashi	mihiko Kobayashi Director ¥85 million ¥265 million		-	¥77 million	¥56 million	¥484 million	
Tsuyoshi Hachimura	Director	¥85 million	¥265 million	-	¥77 million	¥56 million	¥484 million

(Rounded to nearest million yen)

* Following deliberation by the Governance and Remuneration Committee, at a meeting of the Board of Directors held on March 17, 2022 ITOCHU Corporation resolved to pay special bonuses on the condition that proposal No. 5 (Revision of Remuneration Amount for Directors) is passed at this Ordinary General Meeting of Shareholders. ITOCHU Corporation will pay a Director bonus, calculated using the current formula, that is within the range of the existing bonus (JPY2.0 billion per year) (as the performance-linked bonus amount reaches JPY2.0 billion per year, the share price linked bonuses will be zero). Contingent on the approval of proposal No. 5 (Revision of Remuneration Amount for Directors), any amount exceeding the said range will be paid as a special bonus, separate from the Director bonus.

Evaluation as to the Effectiveness of the Board of Directors

ITOCHU has conducted an evaluation as to the effectiveness of the Board of Directors and Audit & Supervisory Board Members once a year since FYE 2016 utilizing external consultants, and the Board of Directors has analyzed and evaluated the findings after deliberation by the Governance and Compensation Committee (excluding FYE 2017).

Procedure for the Board Evaluation for FYE 2022 is as follows:

Respondents:

All of eleven (11) Members of the Board and five (5) Audit & Supervisory Board Members in FYE2022

Implementation and Evaluation method:

- (1) Conducted a questionnaire to and individual interview with each of respondents by the external consultant (Answered on anonymous basis)
- (2) Implemented an information compilation and analysis by the external consultant based on the answers from the respondents
- (3) In reference to the information compilation and analysis, conducted an examination at the Governance and Remuneration Committee
- (4) Implemented an analysis and evaluation at the Board of Directors.

Question details:

- (1) Structure of the Board of Directors
- (2) Structure of advisory committees to the Board of Directors
- (3) Roles and duties of the Board of Directors
- (4) Operation status of the Board of Directors
- (5) Information provision and training for Members of the Board and Audit & Supervisory Board Members (6) Others

As a result of the evaluation, in terms of the structure of the Board of Directors and its advisory committees as well as the roles and duties, operation status, information provision to Directors and Audit & Supervisory Board Members, and training, etc., the Board of Directors of ITOCHU Corporation confirmed that the effectiveness of the Board of Directors was secured.

It was confirmed that there was concrete proof of the effectiveness of the Board of Directors, including (1) enhancement of profitability and corporate value in rapidly changing environment, (2) measures for increasing human resource diversity through the establishment of the Women's Advancement Committee, (3) revitalization of discussions through the election of two external officers with experience in corporate management, and (4) strengthening of measures for discussions for the medium- to long-term, such as on SDGs and corporate branding.

Additionally, it was confirmed that there was steady improvement and progress with regard to issues

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identified in the previous evaluation (the necessity to expand discussion that contribute to the further enhancement of corporate value in order to have the Board of Directors better perform its function not only formally, but also materially, as well as the need to promote strengthening of oversight with regard to business execution).

On the other hand, it is recognized that the Board of Directors needs to perform its function better than ever, with two issues to prioritize going forward: (1) continuous discussion in order to strengthen the management foundation and (2) securing an increase in human resource diversity.

We will use various opportunities, such as voluntary advisory committees and off-site discussions outside of the Board of Directors, to exchange opinions and engage in constructive discussions that contribute to further improvement of effectiveness, and will make active efforts to maintain the effectiveness of the Board of Directors and further improve its functions.

(For your reference, please see the result of the evaluation in our homepage at: https://www.itochu.co.jp/en/files/board_evaluation_2021e.pdf)

Training Policy

The Company conducts training related to corporate governance and other matters as part of its training for newly appointed internal and Outside Directors and Audit & Supervisory Board Members. The Company also provides Directors and Audit & Supervisory Board Members with opportunities for training at third-party institutions, with the Company bearing the costs of such training. Also, to ensure that management supervision by Directors and audit by Audit & Supervisory Board Members are adequately performed, before each meeting we provide to Outside Directors and Audit & Supervisory Board Members prior explanations on matters presented to each meeting of the Board of Directors through respective offices of the Board of Directors and the Audit & Supervisory Board. In addition, ITOCHU strives to ensure that Outside Directors and Audit & Supervisory Board Members appropriately understand its business environment and challenges through various occasions such as introductory session concerning ITOCHU's business upon election, visits to business premises in or outside Japan, meetings with Audit & Supervisory Board Members, periodical discussions with the managements and explanatory sessions on matters requested by Outside Directors and Audit & Supervisory Board Members

Advisory Committees

We have established the Governance and Remuneration Committee and the Nomination Committee under the Board of Directors as voluntary advisory committees to raise the transparency of the decision-making process and strengthen the supervisory function of the Board of Directors. Each committee is chaired by an Outside Director and the majority members of each committee are Outside Directors and Audit & Supervisory Board Members. On October 1, 2021, we established the Women's Advancement Committee as a new voluntary advisory committee of the Board of Directors. The Committee is chaired by an Outside Director and more than half of the members are Outside Directors and Audit & Supervisory Board Members.

The Roles, Composition and the Activities of the committees as of June 24, 2022 are as follows:

Advisory Committees to the Board of Directors

Name	Roles	Composition	Activities				
Governance and Remuneration Committee	To deliberate and advise the Board on proposals relating to remuneration system for Directors and executive officers and other matters on corporate governance.	Chair: Makiko Nakamori, Director (Outside) Members: Masahiro Okafuji, Chairman & Chief Executive Officer Keita Ishii, President & Chief Operating Officer Fumihiko Kobayashi, Chief Administrative Officer Masatoshi Kawana, Director (Outside) Shingo Majima, Audit & Supervisory Board Member (Outside) Masumi Kikuchi, Audit & Supervisory Board Member (Outside) * Mitsuru Chino, Audit & Supervisory Board Member, attends as an observer.	This committee was held 5 times in FYE 2022 (among those two meetings were held by paper circulation) with the participation of all members to deliberate the governance related matters (such as the Board Evaluation, submission of the Corporate Governance Report, establishment of the Women's Advancement Committee, etc.) and the remuneration plan for Directors.				
Nomination Committee	To deliberate and advise the Board on proposals relating to nomination and dismissal of executive officers, nomination of candidates for Directors and Audit & Supervisory Board Members, dismissal of Directors and Audit & Supervisory Board Members, and appointment and dismissal of responsible Directors and executive officers.	Chair: Kunio Ishizuka, Director (Outside) Members: Masahiro Okafuji, Chairman & Chief Executive Officer Keita Ishii, President & Chief Operating Officer Fumihiko Kobayashi, Chief Administrative Officer Atsuko Muraki, Director (Outside) Masatoshi Kawana, Director (Outside) Kentaro Uryu, Audit & Supervisory Board Member (Outside) *Makoto Kyoda, Audit & Supervisory Board Member, and the General Manager of Secretariat attends as an observer.	This committee was held 1 time in FYE 2022 with the participation of all members to deliberate executive management appointments for FYE 2023 and the succession plan.				
Women's Advancement Committee	To deliberate and advise the Board on proposals relating to policies, strategies, and promotion measures to promote the empowerment of female employees.	Chair: Atsuko Muraki, Director (Outside) Members: Fumihiko Kobayashi, Chief Administrative Officer Makiko Nakamori, Director (Outside) Makoto Kyoda, Audit & Supervisory Board Member Masumi Kikuchi, Audit & Supervisory Board Member (Outside) Yoshiko Matoba, General Manager, Human Resources & General Affairs Division	This committee was held 3 times in FYE2022, with the participation of all members for 2 meetings and with the participation of 5 members for 1 meeting (by procuring the opinion from the absent member in advance, which was shared with the participating members), to deliberate proposals relating to policies, strategies, and promotion measures to promote the empowerment of female employees. At these meetings, the future direction of the initiative based on a recognition of the current issues regarding the promotion of female employees to official positions and training of candidates for the positions as well as career and work style diversity were discussed and (1) Accelerated training for promotion of female employees to official positions as the result, and (2) Evolution of morning-focused working system and (3) Assistance for early reinstatement after childbearing as the progress for new support measures were reported. Please refer to the following URL in detail: https://www.itochu.co.jp/en/news/press/2022/20419.html				

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Principal Internal Committees

- The HMC (Headquarters Management Committee) and various internal committees have been established for the purpose of contributing to appropriate and flexible decision making on management issues by the President and Chief Operating Officer and the Board of Directors. HMC is, in principle, chaired by the President, and in principle consists of the Chairman, the President, and executive officers appointed by the President. The HMC is a supporting committee to the President and Chief Operating Officer where companywide management policy and important issues are discussed.
- Various internal committees carefully screen and discuss management issues in their respective fields. Several of the internal committees including the Internal Control Committee work to support the decision making by the President and Chief Operating Officer and the Board of Directors by incorporating external opinions with measures such as designating outside key figures. The roles of the main internal committees are as follows (as of June 24, 2022).

Name	Chairman	Objectives			
Internal Control Committee	CAO	Deliberates on issues related to the development of internal control systems			
Disclosure Committee	CFO Deliberates on issues related to business activity disclosure a related to the development and operation of internal control area of financial reporting				
ALM Committee	CFO	Deliberates on issues related to risk management systems and balance sheet management			
Compliance Committee	CAO	Deliberates on issues related to compliance			
Sustainability Committee	CAO	Deliberates on issues related to sustainability, SDGs, and ESG, excluding governance related issues			
Investment Consultative Committee	CFO Deliberates on issues related to investment and financing				
New Headquarters Project Committee	CAO	Deliberates on issues related to New Headquarters Project			

Policy and Process for Appointing Executive Officers

Executive Officers are appointed annually by the Board of Directors among, in principle, employees regarded as candidates for executives based on our HR system with high integrity and exceptional ability (or those who have already been appointed as Executive Officers) who are judged to be capable of assuming the role as an Executive Officer. Candidates for Executive Officers are first selected by the Chairman & CEO based on, among others, recommendations from other officers (or in terms of incumbent Executive Officers, based on their respective performance) and submitted to the Nomination Committee for further deliberation. Based on the deliberation and advice of the Nomination Committee, the Board of Directors appoints Executive Officers by its resolution. In case that an Executive Officer breaches the Executive Officers' Regulation of the Company or otherwise his or her performance is judged to be not appropriate, the Chairman & CEO (or the chairman of the Nomination Committee) firstly makes a proposal of dismissal, and the Board of Directors dismisses such Executive Officer by its resolution based on the deliberation and advice of the Nomination committee) firstly makes on the deliberation and advice of the Nomination Committee for dismissal, and the Board of Directors dismisses such Executive Officer by its resolution based on the deliberation and advice of the Nomination Committee) firstly makes a proposal of dismissal, and the Board of Directors dismisses such Executive Officer by its resolution based on the deliberation and advice of the Nomination Committee.

Audit & Supervisory Board Members

Overview

- Audit & Supervisory Board Members and the Audit & Supervisory Board endeavor to enhance cooperation with the independent external auditors, for example through active exchange of information and opinions on the status and results of each other' audit plans and audits along with other important auditing matters with the aim of improving the quality and efficiency of auditing and of enhancing corporate governance.
- The Audit Division and Audit & Supervisory Board Members endeavor to closely cooperate and exchange
 information by discussing internal audit plans regularly to exchange opinions on the results of each
 internal inspection, issues and recommendations, etc.
- The Audit Division and independent external auditors endeavor to cooperate by holding regular meetings to exchange information, etc.
- The Audit & Supervisory Board is comprised of 2 full-time Audit & Supervisory Board Members and 3 outside Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board Members' Office (5 members as of June 24, 2022), which directly reports to the Audit & Supervisory Board, is set with employees dedicated to the duties of the Audit & Supervisory Board Members.
- Following the Ordinary General Meeting of Shareholders, the Audit & Supervisory Board determines the audit policy, the allocation of audit work, and the audit plan for the period until the next Ordinary General Meeting of Shareholders. Each Audit & Supervisory Board Member audits the appropriateness of the performance of the duties by Directors and Executive Officers in accordance with the "Audit & Supervisory Board Regulations," and "Auditors' Auditing Standards."
- The Audit & Supervisory Board holds monthly meetings with additional meetings as needed. A total of 14 meetings were held during the current fiscal year, and the average time required for each meeting was approximately one hour. The major issues discussed at the meetings were election of the full-time Audit & Supervisory Board Members and the chairman of the Audit & Supervisory Board, the audit policy and the audit plan for FYE 2022, the remuneration for the independent external auditors, consent to election of Audit & Supervisory Board Member(s), re-election of the independent external auditor, report of the audit result to the Board of Directors, and Response of ITOCHU and independent external auditor to Key Audit Matters. In addition, certain matters related to ITOCHU accounts, internal control, a status of the execution of the Director's duties, etc. are timely discussed at the meeting.

Corporate Governance

- In accordance with the allocation of audit work, each Audit & Supervisory Board Member (i) attends meetings of the Board of Directors and other important meetings to hear from Directors etc. about the status of the execution of their duties, (ii) views important documents approved by management, etc., (iii) investigates the operations and assets at Headquarters and other key offices, and (iv) requests subsidiaries to report on their businesses as required. By utilizing such set methods, Audit & Supervisory Board Members strictly audit the execution of duties of Directors and executive officers. In addition to the monthly regular meeting, Audit & Supervisory Board Members appropriately exchange any required information in a timely manner with the independent external auditor in order to monitor the audit status of the independent external auditor and share issues. From the perspective of the Group's consolidated management, Audit & Supervisory Board Members act in cooperation with our Group companies. On-site inspections of subsidiaries to hear about the business situation from their Directors and their Audit & Supervisory Board Members are held in a timely manner, and the Audit & Supervisory Board holds a liaison council composed of full-time Audit & Supervisory Board Members of major group companies. Any major information of import, obtained by these full-time Audit & Supervisory Board Members in their auditing activities, is shared with outside Audit & Supervisory Board Members in a timely manner.
- Outside Audit & Supervisory Board Members confirm and review the execution status of duties of the Directors by attending the Board of Directors and Executive Officers' Meeting and express their opinions from a neutral standpoint at the Board of Directors and the Audit & Supervisory Board based on and utilizing their special knowledge and background.

Members of the Audit and Supervisory Boards

Members of the /						OMember	* Observer
Name Positio Name ITOCH Corpora		Number of Attendance at Meetings of the Board of Directors	Number of Attendance at Meetings of the Audit & Supervisory Board	Number of years in office	Governance and Remuneration Committee	Nomination Committee	Women's Advancement Committee
Makoto Kyoda	Full-time Au- dit & Super- visory Board Member	15/15 (100%)	14/14 (100%)	2 years	_	*	0
Mitsuru Chino	Full-time Au- dit & Super- visory Board Member	_	_	_	*	_	_
Shingo Majima Outside Independent	Audit & Supervisory Board Mem- ber	15/15 (100%)	14/14 (100%)	9 years	0	_	_
Kentaro Uryu Outside Independent	Audit & Supervisory Board Mem- ber	15/15 (100%)	14/14 (100%)	7 years	_	0	-
Masumi Kikuchi Outside Independent	Audit & Supervisory Board Mem- ber	10/11 (91%) (since his appoint- ment)	9/10 (90%) (since his appoint- ment)	1 year	0	_	0

Policy and Process for Appointing Candidates for Audit & Supervisory Board Members

Evaluation by Society

As the Audit & Supervisory Board of a general trading company with broad range of business, for effective monitoring and audit, candidates for Audit & Supervisory Board Members are selected from those with understanding about ITOCHU's management and with high expertise and extensive experience in the relevant area such as accounting, finance, legal and risk management. Among Audit & Supervisory Board Members, half or more of the members always consist of outside Audit & Supervisory Board Members. In appointing outside Audit & Supervisory Board Members, In appointing outside Audit & Supervisory Board Members, ITOCHU prioritizes candidates with higher independence, based on the criteria for "independent Directors" prescribed by the Tokyo Stock Exchange, and ITOCHU's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who are expected to effectively monitor and audit ITOCHU's activities. In addition, ITOCHU selects at least one member with adequate expertise in finance and accounting. Candidates for Audit & Supervisory Board Members are selected by the Chairman & CEO after discussion with the executive Audit & Supervisory Board Member and submitted to the Nomination Committee for further deliberation before the Board of Directors finally nominates (with consent of the Audit & Supervisory Board) the candidates for election at the General Meeting of Shareholders.

Reason for Appointment as Outside Audit & Supervisory Board Members

SDGs Bond (Sustainability Bon

Name	Reason for appointment
Shingo Majima appointed in June 2013 [Attendance at Meetings of] - Board of Directors FYE 2022 : 15/15 (100%) - Audit & Supervisory Board FYE 2022 : 14/14 (100%)	Mr. Majima is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise on finance and accounting as a certified public accountant. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Majima qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Audit & Supervisory Board Member.
Kentaro Uryu appointed in June 2015 [Attendance at Meetings of] - Board of Directors FYE 2022 : 15/15 (100%) - Audit & Supervisory Board FYE 2022 : 14/14 (100%)	Mr. Uryu is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his high level of expertise in law and extensive experience as an attorney-at-law for many years. According to the criteria for the independence of directors/ auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Uryu qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Audit & Supervisory Board Member.
Masumi Kikuchi appointed in June 2021 [Attendance at Meetings of] - Board of Directors FYE 2022 : 10/11 (91%) - Audit & Supervisory Board FYE 2022 : 9/10 (90%) (since his appointment)	Mr. Kikuchi is appointed as an Outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his extensive executive experience having served as President of Sendai Terminal Building Co., Ltd., and as President and Chairman of Atre Co., Ltd. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Kikuchi qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.

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Governance

Society

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	▲ <	172 🗲	
Corporate Governance	Risk Management Com	npliance								

Corporate Governance

Major Areas of Expertise of Directors and Audit & Supervisory Board Members / Areas in which Particular Contributions are Expected

Ensuring Diversity of Officers

In FYE 2018, ITOCHU Corporation has shifted to a monitoring-oriented Board of Directors with the aim of promoting the separation of management execution and supervision. To ensure that the Board of Directors is able to provide appropriate management supervision, ITOCHU Corporation has appointed officers in charge of headquarters administrative functions and such several Outside Directors that the percentage of Outside Directors in our Board of Directors is one-third or more. By appointing Outside Directors with more specialized viewpoints and greater diversity, we are further enhancing the functions of ITOCHU Corporation's Board of Directors. In addition, by appointing Outside Audit & Supervisory Board Members with knowledge of finance, accounting and legal affairs, we are able to monitor and supervise ITOCHU Corporation's management from a neutral and objective viewpoint.

			Principal S	pecialized Area	of Experience an	d Areas of Partic	ular Potential	Contribution		Governance		Women's	
Name	Role	All Aspects of Management	Global	Marketing/ Sales	SDGs and ESG	Health and Medical Care	Finance and Accounting Risk Management	Human Resources and Labor	Internal Control and Legal Affairs /Compliance	and Remuneration Committee	Nomination Committee	Advancement Committee	Main Role, Career History, Qualifications, etc.
Masahiro Okafuji	Chairman & Chief Executive Officer Representative Director	0	0	0	0	0	0	0	0				President, Textile Company; President & CEO, ITOCHU Corporation
Keita Ishii	President & Chief Operating Officer Representative Director	0	0	0	0	0	0	0	0				President, Energy & Chemicals Company, ITOCHU Corporation
Fumihiko Kobayashi	Representative Director	0	0		0	0	0	0	0				General Manager of Human Resources & General Affairs Division; Chief Administrative Officer, ITOCHU Corporation
Tsuyoshi Hachimura	Representative Director	0	0	0	0		0	0	0				General Manager of Finance Division; Chief Financial Officer, ITOCHU Corporation
Hiroyuki Tsubai	Representative Director	0	0	0	0		0	0	0				Chief Executive for European Operation; Chief Executive for Africa; President, Machinery Company, ITOCHU Corporation
Hiroyuki Naka	Representative Director	0	0	0	0		0	0	0				General Manager, Corporate Planning & Administration Division; Chief Strategy Officer; Chief Digital & Information Officer, ITOCHU Corporation
Atsuko Muraki	Outside Director				O	O		O					Vice-Minister of Health, Labour and Welfare
Masatoshi Kawana	Outside Director	O			O	O							Vice-president of Tokyo Women's Medical University Hospital; Doctor of Medicine
Makiko Nakamori	Outside Director			O			O		O	-			Certified Public Accountant
Kunio Ishizuka	Outside Director	O		0				0					President and CEO/Chairman, Isetan Mitsukoshi Holdings Ltd.
Makoto Kyoda	Full-time Audit &Supervisory Board Member				O		O		0		*		CFO, Food Company, ITOCHU Corporation
Mitsuru Chino	Full-time Audit & Supervisory Board Member	O	O						0	*			General Manager, Legal Division, ITOCHU Corporation; President & CEO, ITOCHU International Inc.; Attorney-At-Law in the U.S. (California)
Shingo Majima	Outside Audit &Supervisory Board Member		O				O		0				Partner, KPMG (U.S.); Certified public Accountant in Japan and U.S.(New York State)
Kentaro Uryu	Outside Audit & Supervisory Board Member			0			0		0				Managing Partner, URYU & ITOGA; Attorney-At-Law
Masumi Kikuchi	Outside Audit & Supervisory Board Member	O		0				0					President and Representative Director, Sendai Terminal Building Co., Ltd.; President and Representative Director/ Director and Chairman, Atre Co., Ltd.

Notes: Knowledge and experience held by internal directors are indicated with O, and areas in which full-time Audit & Supervisory Board Members, Outside Directors and Outside Audit & Supervisory Board Members are expected to contribute in particular are indicated with D.

■ Chair □ Member ★ Observer

Corporate Governance Risk Management

Independent Assurance Report 🛛 🦷 < 173 🗦

Corporate Governance

Checking and Balancing System by the Independence Executives

Criteria for the Independence of Directors/ Auditors

- ITOCHU has adopted its own independence criteria (augmenting the independence criteria established by the Tokyo Stock Exchange), which is disclosed on our homepage. Please refer to the following URL: https://www.itochu.co.jp/en/about/governance_compliance/governance/pdf/independence_criteria.pdf
- All of the Company's Outside Directors and outside Audit & Supervisory Board Members who qualify as independent are designated as independent Directors/ Audit & Supervisory Board Members.
- ITOCHU has established a de minimis standard of ¥10 million per fiscal year relating to a donation made by the Company. ITOCHU views that a donation within the de minimis standard above is unlikely to affect our investor's judgment on its voting, thus description on such donation is omitted from our filings of independent directors/ auditors.

Performance of the Independent Outside Directors and Outside Audit & Supervisory Board Members

Independent Outside Directors

Ms. Muraki attended all 15 meetings of the Board of Directors held during FYE2022. She mainly made statements from an objective and neutral position as an Outside Director. During FYE2022, she chaired the Nomination Committee and offered a practical perspective while leading discussions on the appointment and dismissal of key management members and succession plans, and chaired the Women's Advancement Committee and led discussions on measures to promote the advancement of ITOCHU's female employees from a real-world perspective. Additionally, she used her expertise to provide many beneficial suggestions in the areas of internal control, compliance, human resource utilization, and organizational revitalization.

Mr. Kawana attended all 15 meetings of the Board of Directors held during FYE2022. He mainly made statements from an objective and neutral position as an Outside Director. During FYE2022, he chaired the Governance and Remuneration Committee and led discussions on executive remuneration and other topics and also served as a member of the Nomination Committee, contributing to improving the objectivity of ITOCHU's succession plan and director nomination process. Additionally, he used his expertise to provide many beneficial suggestions in the areas of health management and internal epidemic prevention in the period of COVID-19 pandemic.

Ms. Nakamori attended all 15 meetings of the Board of Directors held during FYE2022. She mainly made statements from an objective and neutral position as an Outside Director. During FYE2022, she was a member of the Nomination Committee and the Women's Advancement Committee, and contributed to improve the objectivity of ITOCHU's officer nomination process and accelerating support for women's advancement. Additionally, she used her expertise to provide many beneficial suggestions in the areas of internal control, compliance, and DX related business.

Mr. Ishizuka attended all 11 meetings of the Board of Directors held during FYE2022 since his appointment. He mainly made statements from an objective and neutral position as an Outside Director. During FYE2022, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU. Additionally, he made many useful suggestions and proposals based on his expertise and experience regarding promoting the business transformation from the point of view of incorporating the needs of the market into ITOCHU's products and services.

Outside Directors actively advise and provide recommendations, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and ensure and enhance the effectiveness of the monitoring and supervising function of the Board of Directors and transparency of decision-making by appropriately demonstrating to the internal Directors their supervisory functions based on various perspectives and their management advice function of the Outside Directors.

Independent Outside Audit & Supervisory Board Members

Mr. Majima attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during FYE2022. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During FYE2022, he was a member of the Governance and Remuneration Committee and made contributions toward further enhancement of governance at ITOCHU.

Mr. Uryu attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during FYE2022. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During FYE2022, he was a member of the Nomination Committee and made contributions toward improving the objectivity of ITOCHU's officer nomination process.

Mr. Kikuchi attended 10 of the 11 meetings of the Board of Directors and 9 of the 10 meetings of the Audit & Supervisory Board held during FYE2022 since his appointment. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During FYE2022, he was a member of the Governance and Remuneration Committee and the Women's Advancement Committee, and made contributions toward the further enhancement of governance at ITOCHU and acceleration of the support for women's advancement.

Outside Audit & Supervisory Board Members actively provide an opinion, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and enhance the transparency of decision-making by appropriately demonstrating their supervisory functions of the Outside Directors against the performance of the internal Directors.

Compliance

Corporate Governance Risk Management

Corporate Governance

Significance of Holding and ITOCHU's Policy on the Governance of Its Listed Subsidiaries

ITOCHU has 192 consolidated subsidiaries (as of the end of March, 2022) and is expanding our diverse businesses in Japan and all over the world. As the core of the Group, ITOCHU formulates management policies as well as short- and medium-term management plans on a group basis, and regularly monitors the progress of each segment. In order to appropriately deal with various risks as a group, we have the internal control systems on a group basis, which are necessary to ensure that Directors' implementations of duties are in compliance with laws and statutory regulations and the Articles of Incorporation, and to ensure the appropriateness of other operations.

In particular, ITOCHU makes conscientious efforts to ensure execution of duties by directors and employees at each subsidiary to comply with laws and regulations and the Articles of Incorporation by means of the directors and corporate auditors dispatched to each subsidiary supervising and auditing the execution of duties. In addition, in order to deal with various risks such as market risk, credit risk, country risk, investment risk, environmental/social risk etc. of the Group, ITOCHU maintains and manages risks comprehensively and individually. For that purpose, various internal committees and responsible departments have been established, and the necessary risk management system and management method are group-based. Furthermore, ITOCHU formulates a group compliance program, establishes and operates the system required to prevent the occurrence of any violations of laws and regulations, and strives for continuous improvement through regular reviews.

ITOCHU respects the autonomy of listed subsidiaries, ITOCHU Techno-Solutions Corporation, ITOCHU ENEX CO., LTD., ITOCHU-SHOKUHIN Co., Ltd., CONEXIO Corporation, C.I. TAKIRON Corporation and Prima Meat Packers, Ltd., and prohibits any acts that contradict the principle of shareholder equality (ITOCHU has not entered into any governance related agreements with these listed subsidiaries). In particular, with the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries and in order to secure the independent decision-making of these listed subsidiaries, we request these listed subsidiaries to set up the governance structure under which functions of their independent Outside Directors are well assured.

During their ordinary general meetings of shareholders in 2022, each of the above-mentioned subsidiaries had established and maintained an effective governance system, including the ratio of Outside Directors and the establishment of an independent advisory committee to the Board of Directors, and/or special committees to evaluate and discuss about the important transactions and actions, which may have a conflict with the controlling shareholder. ITOCHU will continue to encourage listed subsidiaries to further improve their governance structure, taking into account the amendments to the Corporate Governance Code issued by the Tokyo Stock Exchange. In addition, while seeking synergies by strengthening cooperation with each listed subsidiary, in conducting of transactions with each listed subsidiary, fair and appropriate terms and conditions are determined by taking into account market prices, etc., on the premise of pursuing economic rationality with each other.

On the premise of the above-mentioned governance system, the significance of holding a listed subsidiary includes: 1) expansion of business partners based on our name recognition, creditworthiness and independence; 2) the expansion of synergies within the Group; (3) reduction of the Company's financial burden on the listed subsidiary; and (4) securing excellent human resources. In addition, the significance of holding each listed subsidiary from the perspective of the Group's management strategy and sales perspective is as follows:

Company	Significance of Holding
ITOCHU Techno- Solutions Corporation	TOCHU Techno-Solutions Corporation serves a functions as a sales channel for products and services using cutting-edge technology held by ITOCHU Group's investees and business partners, and utilizes our group's extensive network. In addition, ITOCHU Techno-Solutions Corporation is expanding its business through cooperation with ITOCHU, such as joint investments in promising new business areas and joint proposals. As a result, ITOCHU and ITOCHU Techno-Solutions Corporation, as business partners, are in a mutually beneficial relationship to enhance corporate value. ITOCHU Techno-Solutions Corporation was established and founded by inheriting a part of ITOCHU's information industry business an independent company, therefore, there has been no competitive relationship with the ITOCHU's business.
ITOCHU ENEX CO., LTD.	Utilizing its wide and diverse domestic customer base, ITOCHU ENEX CO., LTD. is developing new fuel sales, services to enhance logistics efficiency, and next-generation businesses, etc., in addition to existing energy business and power business. It is important and indispensable presence for the Group in order to build a stable profit based both in Japan and overseas. In addition, ITOCHU ENEX CO., LTD., utilizing ITOCHU Group's extensive domestic and international network, promotes initiatives in the new energy field which contribute to achieving the SDGs, and carries out the fuel supply businesses for our Group companies. ITOCHU and ITOCHU ENEX CO., LTD., as business partners, are mutually contributing to the enhancement of corporate value.
ITOCHU- SHOKUHIN Co., Ltd.	The principal and main business of ITOCHU-SHOKUHIN Co., Ltd. is the sale and distribution of alcoholic beverages and processed foods. Based on its existence, ITOCHU secures stable contact points with various domestic retailers, and maximizes profit in the food distribution field by utilizing this sales channel. In addition, by utilizing our Group's diverse customer base and knowledge in implementing the growth strategy of ITOCHU-SHOKUHIN Co., Ltd., such as contribution to customers through creating sales floors which utilize digital transformation (DX), etc., ITOCHU is contributing the expansion and evolution of the services provided by ITOCHU-SHOKUHIN Co., Ltd. Accordingly, ITOCHU-SHOKUHIN Co., Ltd. are in a mutually beneficial relationship as business partners to enhance corporate value.
CONEXIO Corporation	CONEXIO Corporation is expanding its business by utilizing ITOCHU Group's extensive domestic and international network. It is expanding mobile accessory sales business to overseas, as well as promoting more effective use of store assets and management resources, such as know-how in selling products and services to individual customers, in cooperation with companies in other industries in our Group. ITOCHU and CONEXIO Corporation, as business partners, are mutually contributing to the enhancement of corporate value. CONEXIO Corporation was established and founded by inheriting ITOCHU's mobile device sales business as an independent company, therefore, there has been no competitive relationship with the ITOCHUs business.
	C.I. TAKIRON Corporation is positioned as a core enterprise in the Group's plastic resin business, due to its advanced technological capabilities and large-scale production capacity. C.I.TAKIRON Corporation utilizes ITOCHU Group's extensive domestic and international network for overseas expansion of C.I.TAKIRON Corporation's functional film business, stable procurement of competitive raw materials, and expansion o sales of C.I.TAKIRON Corporation's various products. ITOCHU and C.I.TAKIRON Corporation, as business partners, are mutually contributing to enhancing corporate value.
Prima Meat Packers, Ltd.	The main and principal business of Prima Meat Packers, Ltd. is to sell meat and processed livestock products, and it assumes an important role in supplying final products in ITOCHU's livestock value chain. Prima Meat Packers, Ltd. utilizes ITOCHU Group's extensive domestic and international network to ensure a stable supply of high-quality imported raw materials for its core products and to jointly develop pork brands with overseas partners in our Group. As business partners, ITOCHU and Prima Meat Packers, Ltd. have a mutually beneficial relationship to enhance corporate value. A business relationship on the premise of pursuing mutual economic rationality has been established and maintained.

To enhance the corporate value of the overall ITOCHU Group, ITOCHU, as their parent company and major shareholder, regularly pays adequate attention to the legal compliance systems and status of these listed subsidiaries. ITOCHU provides appropriate advice and support as needed on specific compliance-related matters, creation of internal control systems, and other managerial issues.

In addition, in order to contribute to the stabilization of management and the expansion of profits at each listed subsidiary, ITOCHU, upon consultation with each listed subsidiary, promotes personnel exchanges mainly by dispatching persons with expertise in financial accounting, legal affairs, etc. and management personnel of overseas expansion and overseas bases of each listed subsidiary, and by accepting personnel from each listed subsidiary to sales and management departments of ITOCHU.

Risk Management

Internal Control System

Corporate Governance

The Company has established the following internal control systems, which are necessary to ensure that executive officers' implementation of duties are in compliance with laws and statutory regulations and the Articles of Incorporation and ensure the appropriateness of other operations. Below is a summary of the Basic Policy regarding the Internal Control System and its Operational Status as of June 24, 2022. ("Basic Policy regarding the Internal Control System" was approved by Board of Directors on April 19, 2006, and the latest revision was made on May 14, 2021).

Governance

Basic Policy Regarding the Internal Control System

1. System to Ensure Compliance by Directors and Employees to Laws, Regulations and the Articles of Incorporation

(1) Corporate Governance

- 1. As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the directors.
- 2. Each director is to carry out such director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
- 3. ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decisionmaking. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative directors.
- 4. The corporate auditors are to oversee the performance of the directors based on the "Board of Corporate Auditors Regulations" and "Auditors' Auditing Standards."

(2) Compliance

- 1. Directors, executive officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct.
- 2. ITOCHU is to designate a representative director as the chief officer responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" is to be created to further enhance our compliance system.

(3) Internal Control to Ensure Reliability of Financial Reporting

1. ITOCHU is to have in place internal regulations concerning commercial transactions management and accounting, and is to create the position of CFO to ensure the reliability of financial reporting.

2. ITOCHU is to establish the Disclosure Committee and regularly review and improve the development and implementation status of the internal control systems to ensure the reliability of financial reporting.

Evaluation by Society

Independent Assurance Rep

< 175 €

(4) Internal Audits

SDGs Bond (Sustainability Bon

ITOCHU is to establish the Audit Division under the direct control of the President and Chief Executive Officer. The Audit Division is to regularly implement internal audits of all aspects of business operations based on the "Audit Regulations." Such internal audits are to examine compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as, among other matters, the appropriateness of the procedures and nature of the exercise of duties and responsibilities.

2. System for the Storage and Preservation of Information Related to Director Duties

The directors are to appropriately store and preserve important documents and related materials concerning the performance of their duties, including the minutes of the General Meeting of Shareholders, in accordance with the "Information Management Regulations," the "Document Management Rules" and other internal regulations. All documents and information so stored and preserved are to be subject to inspection by the directors and auditors at any time. Further, the Company will establish departments responsible for the timely disclosure of important corporate information and other information. At the same time, directors will rapidly and comprehensively gather information that requires disclosure and implement timely and appropriate disclosure in compliance with laws and statutory regulations.

3. Regulations Concerning the Management of the Risk of Loss and Other Relevant **Risk Management System**

To adequately address the various risks associated with our business operations, such as market risk, credit risk, country risk, investment risk, and environmental and social risks, ITOCHU is to establish internal committees and responsible departments, and is to develop the necessary risk management system and risk management techniques, for example establishing a full range of management regulations, investment criteria, risk limits and transaction limits, and developing reporting and monitoring systems, and managing company-wide as well as matter-specific risks. Furthermore, ITOCHU is to regularly review the effectiveness of the risk management system.

Corporate Governance

Compliance

Corporate Governance

Risk Management

4. System to Ensure Efficient Performance of Directors

(1) The HMC and Other Internal Committees

The HMC as a supporting body to the President and Chief Executive Officer, and a number of other internal committees, are to facilitate the proper and agile decision-making by the President and Chief Executive Officer and the Board of Directors.

(2) Division Company System

Under the Division Company System, the position of Division Company president is to be created at each Company, and each Company is to manage its business autonomously in accordance with laws and regulations, the Articles of Incorporation, and internal regulations. Furthermore, each Company is to establish its own numerical targets, and regularly evaluate its performance by comparing against such numerical targets.

(3) Clearly Define the Scope of Authority and Responsibilities

In order to ensure the appropriateness and efficiency of the performance of the management, ITOCHU is to develop internal regulations to clearly define the scope of authority and responsibilities of each corporate officer and divisional manager.

5. System to Ensure the Adequacy of Operations of the ITOCHU Group (Consisting of ITOCHU and Its Subsidiaries)

(1) Subsidiary Management and Reporting System

- 1. ITOCHU is to establish a department that oversees all the subsidiaries. Furthermore, relevant departments within ITOCHU are to exercise jurisdiction over their responsible subsidiaries, and provide managerial guidance to such subsidiaries in accordance with the internal regulations concerning consolidated company management. In principle, ITOCHU is to send directors and corporate auditors to each subsidiary to ensure the adequacy of the subsidiary's operations.
- 2. With respect to subsidiaries that ITOCHU owns indirectly through its directly-owned subsidiaries, ITOCHU is to strive to ensure the adequacy of operations by such indirectly-owned subsidiaries in accordance with this Basic Policy by way of, in principle, causing directly-owned subsidiaries to provide managerial guidance to indirectly-owned subsidiaries.
- 3. With respect to important matters on the management of subsidiaries, ITOCHU is to, in principle, agree and specify with each subsidiary what matters will require the prior approval of or reporting to ITOCHU, as appropriate, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted.

(2) Rules and Other Systems to Manage the Risk of Loss at Subsidiaries

ITOCHU is to identify the subsidiaries which shall be subject to ITOCHU's Group-wide risk management in respect of each risk category, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted. In addition, ITOCHU is to periodically review the effectiveness of such Group-wide management system.

(3) System to Ensure the Efficient Performance of Duties by Directors, etc. of Subsidiaries

ITOCHU is to formulate a management plan on a consolidated basis and undertake managerial guidance of subsidiaries in order to attain the said management plan as well as to provide support to subsidiaries such as provision of group financing from ITOCHU.

(4) System to Ensure Compliance by Directors, etc. and Employees of Subsidiaries to Laws, Regulations and the Articles of Incorporation

- In principle, ITOCHU is to send directors and corporate auditors to each subsidiary and strive to ensure that the performance of duties of directors, etc. and employees of a subsidiary complies with laws and regulations and the Articles of Incorporation of such subsidiary through supervision and audit of the performance of duties at the subsidiary by the said directors and auditors sent from ITOCHU.
- 2. ITOCHU is to provide guidance to its subsidiaries for the purpose of implementing a compliance system under the "ITOCHU Group Compliance Program" and to perform periodic monitoring and review of the implementation status of the relevant matters as well as providing education and training at subsidiaries whenever necessary for the purpose of securing compliance by the entire ITOCHU Group.
- **3.** All of the operations and activities of the subsidiaries are to be subject to internal audits by the Audit Division.

6. Matters Concerning Supporting Personnel to Corporate Auditors, Independence of Such Personnel from the Directors and Ensuring the Effectiveness of Instructions to Such Personnel

ITOCHU is to establish the Corporate Auditors' Office under the direct jurisdiction of the Board of Corporate Auditors and is to put in place full-time employees with the sole responsibility of supporting the work of the corporate auditors. The supervisory authority over such employees is to belong exclusively to the corporate auditors, and evaluation of such employees is to be carried out by the corporate auditor designated by the Board of Corporate Auditors. Any transfer orders or disciplinary actions relating to such employees are to require prior approval by such corporate auditor. **Corporate Governance**

Compliance

Corporate Governance

7. System for Reporting by Directors and Employees to Corporate Auditors

(1) Attendance at Important Meetings

Risk Management

The corporate auditors are to attend meetings of the Board of Directors, the HMC meetings, and other important meetings, and interview the directors and other relevant persons regarding the performance of their duties. In addition, the corporate auditors are to have the right to inspect all relevant materials.

(2) Reporting System

- 1. The directors and corporate officers are to regularly report to the corporate auditors about their performance. Furthermore, in addition to the matters required by laws and regulations, the directors and corporate officers are to report all the decisions that could have a major impact on the finance or business of ITOCHU to the corporate auditors immediately after such decisions are made.
- **2.** Employees are to have the right to report directly to the corporate auditors any matters that could cause serious damage to ITOCHU.
- **3.** In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of directors and employees who have reported to the corporate auditors and to ensure thorough familiarization with this prohibition.

8. System for Reporting by Directors, Corporate Auditors and Employees of Subsidiaries or by a Person who Received a Report from Them to Corporate Auditors

(1) Reporting System

- **1.** The directors and corporate auditors of subsidiaries may report directly to the corporate auditors of ITOCHU any matters that could cause serious damage to the said subsidiary.
- 2. A department that oversees compliance is to periodically report to the corporate auditors of ITOCHU a summary of matters that could cause serious damage to a subsidiary that were reported by the officers and employees of the said subsidiary.
- **3.** In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of persons who have reported to the corporate auditors under the provisions listed above and to ensure full familiarization with this prohibition.

9. Matters Concerning Policy on Procedures for Prepayment or Refund of Expenses Arising in Relation to Performance of Duties of Corporate Auditors and Processing of Expenses or Obligations Arising in Relation to the Performance of Other Duties

When a corporate auditor claims prepayment, etc. from ITOCHU in relation to the performance of duties under Article 388 of the Companies Act, ITOCHU is to process the relevant expense or claim promptly upon confirmation by the responsible department.

10. Other Relevant Systems to Ensure the Proper Functioning of Audits

(1) Coordination with the Corporate Auditors by the Audit Division

The Audit Division is to maintain close communication and coordination with the corporate auditors with respect to matters such as formulation of the internal audit plan for each business year, and internal audit results.

(2) Retaining External Experts

When deemed necessary, the corporate auditors are to independently retain outside experts for the implementation of an audit.

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Corporate Governance

Corporate Governance

Risk Management

Overview of the Operational Status of Internal Control System

For the proper operation of internal control systems, ITOCHU has adopted a system by which it further segments items stipulated by the Basic Policy into more detailed confirmatory items in respect of each fiscal year, and, after setting the department in charge of each of these confirmatory items, conducts checks of the construction and the operational status of internal control systems by each department (and by other related internal committees) at the Internal Control Committee meetings held each half year. As of FYE 2023, the Internal Control Committee is chaired by Chief Administrative Officer with the Corporate Planning & Administration Division as secretariat, and consists of Chief Financial Officer, General Manager of Internal Audit Division, and an external expert (attorney) as members. Corporate Auditors also attend and voice opinions every time.

At its meetings, the Internal Control Committee verifies the content of checklists summarizing achievement status, issues, etc. for each of the above confirmatory items, as submitted by the departments in charge of each. It also confirms the construction and operational status of internal control systems by verifying the content of individual reports from the departments in charge, with respect to important matters such as systems to ensure the reliability of financial reporting, compliance systems, systems to manage the risk of losses, and the construction and operational status of internal control systems in the ITOCHU Group. The results of deliberations by the Internal Control Committee are reported twice per year to the HMC and the Board of Directors, the latter of which conducts a full-year evaluation of the construction and operational status of internal control systems.

Regarding the meetings of main internal committees related to internal control in FYE 2022, the Internal Control Committee met 2 times, the Compliance Committee 2 times, and the ALM Committee 16 times.

ITOCHU's internal control systems are constructed on the base of the ITOCHU Group, consisting of ITOCHU Corporation and its subsidiaries, and the operational status of the Group base internal control systems, and the construction and operational status of internal control systems in subsidiaries, are reported regularly to the Internal Control Committee.

ITOCHU intends to revise and improve these internal control systems tirelessly in order to build systems that are even more appropriate and efficient. Further, a meeting of the Board of Directors convened on May 10, 2022 evaluated the development and implementation status of each item enumerated in the Basic Policy regarding the Internal Control System for FYE 2022 and confirmed that there were no significant deficiencies or defects.

Initiatives to Further Enhance the Reliability of Financial Reporting

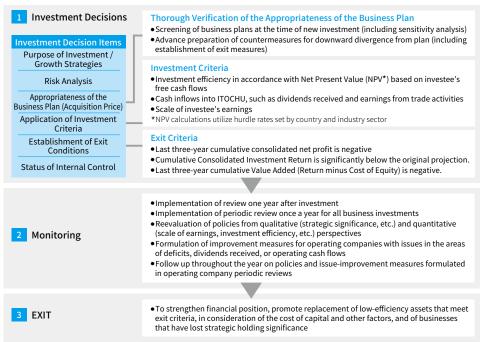
We have established an internal system in order to further enhance the reliability of our consolidated financial reporting. The designing and implementing of internal control are periodically assessed to keep making appropriate improvements. Specifically, a Chief Responsible for Internal Control has been appointed in each organization to design and implement internal control. The Internal Audit Division evaluates the effectiveness of internal control and provides feedback to each organization to ensure the continuous improvement. Overall management of these initiatives is conducted by the Internal Audit Division, and important matters are determined through deliberations in the Disclosure Committee chaired by the CFO. In this way, we are working to reinforce the companywide internal control system.

Strengthening Risk Management on a Group Basis, Including Subsidiaries

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis.

Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems. As part of such efforts, the ALM Committee protects the ITOCHU Group's assets through deliberations on Group balance sheet management as well as analysis and management of risk.

Process for Investments



Managing Concentrated Risks

We also manage overall country risk exposure to non-industrialized countries and manage individual country risk based on internal country rating standards. Country limits are deliberated by the Asset Liability Management (ALM) Committee and approved by the HMC.

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report		179 🗲	
Corporate Governance	Risk Management Com	npliance								
Risk Management										

Policy and Basic Concept

* Major Dicke

The ITOCHU Group is exposed to various risks due to its wide range of business natures, such as market, credit, and investment risks. These risks include unpredictable uncertainties and may have significant effects on the ITOCHU Group's future financial position and business performance.

We acknowledge risk management as a key management issue. Therefore, we have established our basic risk management policy and develop necessary risk management systems and techniques based on the concept of the COSO-ERM framework. Specifically, we have defined the following 18 risks as major risks^{*} and are responding to them by building information management and monitoring systems at each department responsible for managing these risks on a consolidated basis. In addition, we periodically review the effectiveness of management systems through our internal committees. Moreover in accordance with the medium-term management plan, we conduct risk assessments across the company to reevaluate the risks we are currently aware of and identify risks comprehensively.

Major Risks	
1. Compliance Risks	10. Foreign Exchange Rate Risks
2. Legal Risks (Excluding Compliance Risks)	11. Interest Rate Risks
3. Risks Associated with Trade Security Policy Management	12. Financing Risks
4. Risks Associated with Customs	13. Information System and Security Risks
5. Country Risks	14. Labor Management Risks
6. Commodity Price Risks (Specific, Important Product)	15. Human Resources Risks
7. Credit Risks	16. Risks Associated with the Appropriateness of Financial Reporting
8. Investment Risks	17. Risks Associated with Internal Control
9. Stock Price Risks	18. Environmental and Social Risks

Targets and Action Plan

Risks	Opportunities
Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control.	Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Maintain Rigorous Governance Structures	16 referance Hennies	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Risk management	We will build a system for group risk management and maintain it to manage the risk of loss and ensure the appropriateness of our corporate group's operations.	Conduct regular reviews of risk management systems that have been established, including internal committees and risk management departments, various rules and regulations, reporting and monitoring systems, as well as the effectiveness of such systems.	Maintain a firm governance system in the medium- and long-term by establishing a PDCA cycle, including development and implementation of action plans by the departments responsible for risk management, and monitoring and reviews by internal committees.	 We reviewed the progress of the action plans of the first half of FYE 2022 submitted by each risk management responsible divisions. Including all issues dealt during the period, we reported to Internal Control Committee in October 2021 that Itochu's internal risk management system is active. We also reported the review of the second half of FYE 2022 and the action plans of FYE 2023 to the committee in April 2022.

Corporate Governance Risk Management

Society

Independent Assurance Repo

Risk Management

Structures and Systems

Risk Management Structure

Risks associated to business operations are managed under oversight from the board of directors, within the responsibilities mandated to our division companies, Headquarters Management Committee (HMC), and relevant committees.

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis. Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems and reports on results and findings to the board of directors.

At the Group level, ITOCHU's structural approach to risk management is overseen by the President and Chief Operating Officer (COO) and the Board of Directors and aims to ensure timely and sound executive decision making. The HMC, which is chaired by the President and COO and comprised of the Chairman and Chief Executive Officer (CEO) and other executives appointed by the President and COO, is the committee that sits at the highest level regarding our risk management system. Subsequent committees that report up to the HMC, also referred to as Principal Internal Committees, which include the Internal Control Committee, Disclosure Committee, ALM Committee, Compliance Committee, Sustainability Committee, and Investment Consultative Committee, are responsible for identifying and addressing risks and incidents in their respective fields.

The Sustainability Committee, one of the Principal Internal Committees introduced above, is tasked to promote sustainability in the ITOCHU Group's company-wide risk management. The Committee manages operational ESG risks such as human rights risks, health and safety risks, climate risks, and natural disaster risks, as well as ESG risks related to investments. The Committee cooperates with other Committees as necessary and makes decisions on policies and initiatives to address ESG risks and operational improvements to further mainstream sustainability concerns in our risk management culture. Activities and findings are compiled by the Committee and reported to the Board of Directors annually.

At the individual Company level, each Company's President reports to the Division Company Management Committee (DMC), an advisory body to the Companies. The DMC deliberates on important issues such as those regarding investments, lending, assurance, and business management that have the potential to substantially impact the management of each company. If the risks identified or escalated exceed beyond the responsibilities mandated to the DMC, depending on the gravity of the risk and upon deliberation with other committees as necessary, risk issues may be escalated to the HMC and/or the Board of Directors.

ITOCHU is a company with Audit & Supervisory Board Members and endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. Auditors are therefore independent from the Committees within our risk management structure, including the HMC, but do attend Committees to perform their monitoring/ supervising responsibilities. The executives chairing each respective Committee is also required to report

to the HMC and/or the President and COO as necessary. The Audit Department directly under COO and other corporate staff departments oversee risks and our group-wide approach to managing risks as assigned within their mandated responsibility, and are also required to support the HMC and their subsequent Committees.

- Organization chart regarding the ITOCHU Group's corporate governance structure and internal controls system (P162)
- Overview of ITOCHU Group's main internal committees (P170)

With the business environment being filled with rapid changes and uncertainty, the ITOCHU Group recognizes the importance of predicting and preparing for various eventualities. As such, we create and analyze various risk scenarios regarding the various elements of the macroeconomic environment, such as political, legal, economic, socioeconomic, and technological factors, and consider relevant future impacts in our management planning.

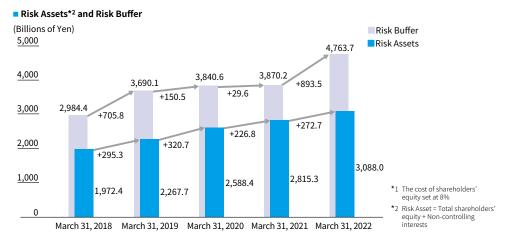
Please see here for our non-financial capital PEST analysis reported in the Integrated Report (https://www.itochu.co.jp/en/ir/doc/annual_report/online2022/pest.html).

Initiatives

Risk Management

Risk Capital Management^{*1} and Management of Concentration Risk Strict Management of Risk Assets

Our basic operational policy involves first calculating risk assets based on the maximum amount of possible future losses from all assets on the balance sheet including investments and all off-balance-sheet transactions. Second, we manage the amount of risk assets within the limits of our risk buffer (Total shareholders' equity + Non-controlling interests). As we promote investments that will lead to evolve existing business moving forward, we will work to maintain risk assets within the limits of our risk buffer, conduct strict risk management, and further strengthen our financial position.



Corporate Governance Risk Management

Risk Management

ustainability at the ITOCHU Grou

Business Investment Management

I Fundamental Approach

Along with strategic business alliances, business investment is an important means of creating new businesses. To actively promote strategic investments in areas of strength in a timely manner, we choose the optimal structure from a wide range of methods, such as establishing a wholly owned subsidiary, implementing joint investment with partners, and participating in management through M&As or converting to a consolidated subsidiary.

Compliance

Environment

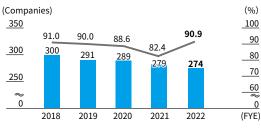
In principle, we hold investments continuously. After making each investment, we work to maximize the investee's corporate value and to expand trading profit and dividends received by fully utilizing our Groupwide capabilities. Given such considerations as larger-scale investments in recent years, we are rigorously screening the appropriateness of the business plan and acquisition price. For existing investments, to increase investment earnings and to exit quickly from low-efficiency assets, we are further strengthening monitoring procedures, centered on instituting more rigorous exit criteria and thoroughly implementing periodic investment review.

Decision-Making Process for New Investments

A multilayered decision-making process that achieves quick decision-making by giving a certain level of discretion to the Division Companies while striving to pursue investment return and curb investment risk.



Number of Consolidated Subsidiaries and Share of Group Companies Reporting Profits



Business Investment Process

SDGs Bond (Sustainability Bo

Starting with the impact of COVID-19, the business environment changed dramatically.

Against this background, we steadily implemented strategic investment at the right time and divested businesses which are less efficient or past the peak.

At the same time, we strictly implemented various processes, including the verification of the validity of business plans at the time of investment decisions, and meticulously monitored those decisions after investing. This allowed us to maintain a high ratio of profit-making group companies at 90.9% in FYE 2022.

Points for Making Investment Decisions

- Compliance with investment criteria —
- Investment purpose and formulation of growth strategies
- Risk analysis
- Verification of internal control status
- Verification of business plan appropriateness -
- Establishment of exit conditions
- ESG risk evaluation ——

Execution of Investment

Monitoring

- •Implementing review one year after investment
- Implementing periodic review for all business investments annually
- Reevaluating policies from qualitative (strategic significance, etc.) and quantitative (scale of
- earnings, investment efficiency, etc.) perspectives • Formulating improvement measures for subsidiaries
- and affiliates with issues in the areas of deficits or dividends received • Following up throughout the year on policies and
- Following up throughout the year on policies and issue-improvement measures formulated in periodic review

↓	+
Hold	Asset Replacement

•We promote replacing low-efficiency assets that meet exit criteria, as well as businesses that have lost strategic significance.

Investment Criteria

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- Investment efficiency based on Net Present Value (NPV)* calculated from investee's free cash flows
- Cash inflows into ITOCHU, such as dividends received and earnings from trade activities
 Scale of investee's earnings
- * When calculating NPV, approximately 70 hurdle rates are used according
- to business type (by country).

Thoroughly Verifying Appropriateness of Business Plan

- Scrutinizing business plans before making a new investment (including sensitivity analysis)
- Concrete countermeasures for downward divergence from original plan (including establishment of exit measures)

Setting Exit Conditions

- Setting clear and feasible exit measures before making investment
- Clear exit conditions: Setting quantitative exit conditions that, in principle, call for exiting from the investment if conditions are met
 Feasible exit measures: Obtaining advance agreement with partners on exit conditions, etc.

ESG Risk Evaluation

- Evaluate in advance the impact on the environment, society, and other areas as well as the corporate governance status of the investment target using an ESG checklist composed of 33 categories
- Conduct multifaceted ESG assessments, including surveys made through on-site visits, to prevent environmental pollution and related problems among Group companies even following investment

Exit Criteria

- Cumulative losses over three years
- Returns lower than expected at time of investment
- Cumulative losses in added value* over three years
 * Consolidated contribution (consolidated investment carrying amount
 x cost of capital)

Covenant Management

•Continuously focus on our Policy to maintain positive core free cash flow after deducting shareholder returns

Society

Corporate Governance

Risk Management Compliance

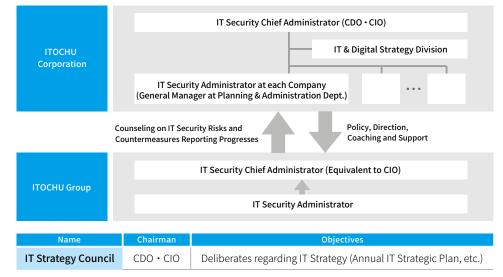
Risk Management

Security Risk Management

Policy and Basic Concept

The ITOCHU Group aims to reduce and avoid information and data security risks by taking a structured approach to ensure a high level of information security. The Information Security Policy (https://www. itochu.co.jp/en/security/index.html) is communicated to all of our executives and employees and serves as the overarching policy that guides our information management initiatives. We have also established the Information Management Code, which includes a code of conduct specific to information and data security to which our executives and employees must comply to. More specifically, rules and standards are strictly set regarding the management of personal information, documents, and IT security to prevent information leakage and breaches.

Structures and Systems



Initiatives

ITOCHU has formulated a company-wide information strategy for digital transformation (DX) and datadriven management and is aiming for IT-based management. In order to ensure a high level of information security that supports these management foundations, we continue to take thorough measures for crisis management, including the establishment of security guidelines, the expansion of security infrastructure, and the strengthening of technical security measures for malware, etc.

We routinely collect the latest information regarding potential cyber threats by analyzing system logs and malware. Additionally, when incidents do occur, we respond instantly by investigating their causes, discussing possible countermeasures, and restoring services. This is done by the ITOCHU Computer Emergency Readiness, Response & Recovery Team (ITCCERT) – a cyber security team whose members are senior cyber security analysts. To further enhance security countermeasures across the entire Group in Japan and overseas, we revised the ITOCHU Group Information Security Minimum Standard in FYE 2022 by adding specific items regarding cybersecurity. We strengthen our security measures by expanding and deploying our Group's standard defense system. We also provide training programs to develop technicians proficient in cyber security, including at Group companies. There are only a few cases in Japan where companies are working as actively as we are to develop systems and respond to information security risk. Moving forward, we plan to maintain these initiatives and make enhancements where necessary to ensure sustainable growth that is free from cyber threats.

Independent Assurance Rep

We periodically engage in the training programs listed below to maintain and improve our information security program.

- We give training to all employees on how to identify and respond to targeted e-mail attacks twice a year.
- All global employees including those in group companies are subject to a mandatory, simultaneous e-learning course on information security, which is held every three years.
- Several times a year, the ITCCERT leads an internal cyber security workshop for the ITOCHU Group companies.
- Policies regarding information security and the management of personal information are required to be communicated to employees upon hiring. If amendments or updates are made to these policies, all executives and employees receive a notification of the changes made. Employees are also updated on such amendments in their periodic e-learning trainings.

Cyber security is especially important to us given that our BCP (Business Continuity Plan) is supplemented by IT solutions which have enabled us to maintain business operations during the COVID-19 pandemic. Such IT solutions include our adoption of thin clients in all of our internal computers, WEB-based teleconferencing systems, and cloud systems. We ensure that cyber security is monitored in these systems by requiring that all company-wide services and tools are subject to prior assessments.

Business Continuity Plan

In order to ensure business continuity under extreme circumstances, including natural disasters (such as major earthquakes), pandemics, terrorist attacks, cyber-attacks and security incidents, the ITOCHU Group establishes a Business Continuity Plan (BCP). The BCP aims to prepare us for unpredictable incidents and minimize disruptions to our business. It is subject to regular reviews and revised as necessary.

The BCP outlines four stages between the occurrences of a major incident to the full recovery of our business: 1. Emergency response and immediate recovery 2. BCP implementation 3. Operational recovery 4. Full recovery. Each stage in the BCP clearly appoints responsibilities to certain personnel and outlines response protocols. The ITOCHU Group's BCP is subject to all group-wide operations and is supplemented by business segment and department-specific provisions.

Regarding the COVID-19 Pandemic that began in late 2019, the ITOCHU Group responded by establishing an emergency response task force. In addition to ensuring the health and safety of our immediate employees and their families, as a trading company that prides itself in consumer goods, it is also important to us that we fulfill our duty to consumers and their livelihoods by maintaining stable operations in our various supply chains. By taking a risk-based approach to handling the COVID-19 Pandemic but also prioritizing business continuity, we continued to do our best in fulfilling our social responsibility.

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	< 183 >
Corporate Governance	Risk Management Comp	oliance						

Compliance

Policy and Basic Concept

- All officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct based on high ethical values.
- ITOCHU is to designate a representative director as the Chief Officer for Compliance (Member of the Board CAO) responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" Is to be created to further enhance our compliance system.

Targets and Action Plan

			Risks	· · · ·		Improvement of tran	sparency in decision-making, a	Opportunities
							Performance Indicators	Degree of Progress
Maintain Rigorous Governance Structures	18 000 ADMC 18 000 ADMC 18 000 ADMC	Governance	Ensuring compliance	Compliance	We will make employees more aware that ensuring compliance at any time is our contribution to the company and society.	Recognizing attitude of employees identifying issues and ensuring action plans to tackle the issues through periodic compliance attitude survey and direct communications.	Continuous direct communication with employees through face-to-face training programs whose contents shall be updated along with monitoring the measures according to risks, expectations from society and issues on site which will change with the time.	 In the period of September-November 2021, we conducted the survey on the compliance with "the Regulations concerning the Prohibition of giving Illicit Benefit" (Bribery-related regulations) in ITOCHU Corporation. To grasp the actual business activities, we performed the fact-finding investigation on the operation of accounting data, internal applications, as well as the actual businesses by sampling method. As a result, we did find no problems. We provided e-learning on the "Anti-Monopoly Act" and "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors" for ITOCHU Corporation employees, seconded employees and employees temporarily assigned to us (in the period of 25 October through 30 November 2021). The status of our on-site compliance training seminars in FYE 2022 is as follows: For ITOCHU Corporation: 2,717 employees (who all watched the training video); For ITOCHU Group companies: 10,454 employees in total (of which (i) the webinar sessions were provided for 74 companies in 80 occasions with 7,248 attendees; and (ii) the training video were provided for 73 companies with 3,206 viewers. (including companies that participated in webinar courses as well) We conducted the compliance awareness survey among employees (including seconded employees and temporary employees) of ITOCHU Corporation and ITOCHU Group companies in Japan and overseas (approximately 50,000 respondents), for the purpose to improve the compliance system of ITOCHU Group and to prevent the occurrence of compliance incidents.

Corporate Governance Risk Management

Compliance

Structures and Systems

ITOCHU Group's Compliance System

The ITOCHU Group is developing a system for compliance by having the Compliance Department of the Legal Division plan and suggest policies and measures to encourage compliance throughout the entire Group and appointing compliance officers in each organization within ITOCHU Corporation, overseas offices and major Group companies worldwide (including consolidated subsidiaries and some equity method associated companies; hereafter referred to as the "companies subject to compliance management").

The Compliance Committee is chaired by the CAO and consists of two external members and heads of relevant administrative divisions and sales divisions as internal members. It deliberates on matters related to compliance as a permanent organization on business operations and is held two times a year in principle. The most recent Compliance Committee meeting was held on February 24, 2022.

The ITOCHU Group Compliance Program shows policy for developing compliance promotion system so that each organization within ITOCHU Corporation, its overseas offices, and companies subject to compliance management can ensure compliance by taking into account business characteristics, operational formats and local laws. At the same time, the Compliance Committee reviews the effectiveness and validity of the program every fiscal year based on laws/ordinances and social trends. The committee then revises and approves this program as appropriate.

The ITOCHU Chief Officer for Compliance (CAO) and the compliance officers of each organization, overseas offices and companies subject to compliance management report the situation of compliance system operation and the results of the Monitor & Review surveys in accordance with the ITOCHU Group Compliance Program to the respective board of directors and top management (e.g., presidents, compliance officers and management councils) once a year in principle.

The Internal Audit Division of ITOCHU confirms the compliance system operation in the relevant organizations and overseas blocs as appropriate. It does this in compliance audits to verify that the compliance system in the ITOCHU Group is functioning appropriately and regular audits on organizations (including supervising group companies) and overseas blocs in ITOCHU.

Moreover, the directors of ITOCHU and our group companies are obliged to report any serious compliance incidents with laws/ordinances and our Articles of Incorporation to the Audit & Supervisory Board members of the respective companies.

Across the Group, we conduct Monitor & Review surveys once a year to check the status of compliance systems and operations of each organization. In addition, as for key organizations such as overseas offices and companies subject to compliance management, we are implementing activities with a focus on the constant improvement and enhancement of our compliance structure. For example, we have been utilizing the Internet to provide on-site training using compliance incidences that have actually occurred as the teaching materials even during the COVID-19 pandemic. Furthermore, based on trends in former compliance incidents and the findings of the Monitor & Review surveys, we are formulating individual compliance reinforcement measures for each organization, and these measures are steadily being implemented.

In addition, to ensure compliance throughout the Group, at individual performance evaluations every fiscal year, we confirm all employees have complied with laws, regulations, and other rules in writing.

Response to Compliance Incidents (Violations)

The compliance officers in the relevant organizations make reports to the Chief Officer for Compliance (CAO) according to the prescribed standards and procedures if violations of laws/ordinances and internal rules – including those on the prevention of corruption – are uncovered or if it is determined there is a risk of a violation occurring in the organizations of ITOCHU, overseas offices and companies subject to compliance management. At the same time, the compliance officers in the relevant organizations play a central role in reporting results when dealing with such concerns (e.g., internal investigations, cause investigations and recurrence prevention measures) to CAO.

We set up an investigation committee as necessary under the direction of CAO for serious compliance incidents requiring consideration from a company-wide perspective. That committee reports the results of the investigation and the recurrence prevention measures to the Board of Directors.

Furthermore, ITOCHU then takes the appropriate action as necessary upon considering whether it is necessary to respond, report and make announcements to external organizations.

We verify whether it is necessary to impose internal punishments on officers and employees involved in violations of laws/ordinances, including those concerning bribery, with reference to the internal regulations (e.g. work regulations) of each company. If necessary, we impose appropriate punishments according to the standards and procedures stipulated in the internal regulations upon consulting and cooperating with the relevant departments and experts inside and outside the company.

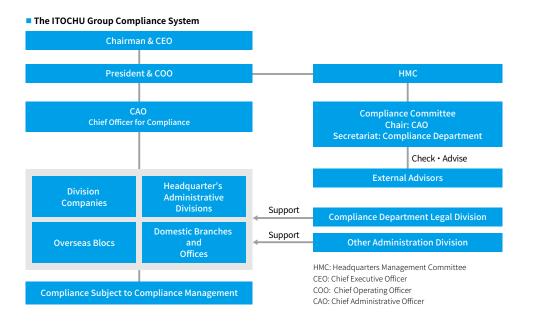
We take the appropriate action as necessary upon considering whether it is necessary to respond, report and make announcements to external organizations.

There was no serious compliance incident (including any breach of customer privacy) which shall require public disclosure.

Top Commitment	Sustainability at the ITOCHU Group	Environment	Society	Governance	SDGs Bond (Sustainability Bond)	Evaluation by Society	Independent Assurance Report	< 185 >
Corporate Governance	Risk Management Cor	npliance						

Compliance

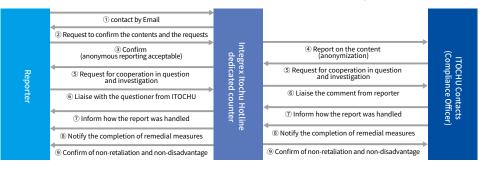
Overview



Internal Reporting System (Hotlines)

ITOCHU Corporation has formulated Internal Reporting Regulations and instructed the installment of similar rules at companies subject to compliance management as well. In addition to protecting whistleblowers through these arrangements, we have defined mechanisms for proper disposal of cases. This initiative is reinforcing compliance management by supporting the prompt discovery and rectification of any incidents of corruption, including bribery. The Internal Reporting System operation situation is reported to the Compliance Committee periodically.

ITOCHU Corporation has 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. In FYE2022, ITOCHU identified and responded to 86 internal whistleblowing reports.

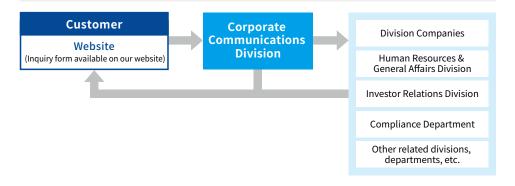


Flow When Received a Report by the Japanese External Report Reception Desk (Integrex Inc.)

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.

At ITOCHU Corporation, we make use of opinions and suggestions from customers to improve customer satisfaction, facilitate stakeholder understanding, prevent risks, and other purposes, thereby helping to improve our corporate value.



Corporate Governance Risk Management Compliance

Compliance

Initiatives

Implementation of Compliance Training

ITOCHU provides ongoing education and training on compliance. The aim is for each one of our officers and employees to understand the purpose of laws/ordinances and social norms and to then comply with these based on high ethical values.

On-Site Compliance Training

We conduct On-Site Compliance Training for all officers and employees of ITOCHU Corporation every year. This training, which is intended to raise compliance awareness and prevent the occurrence of any cases, uses actual incidents of compliance violations as teaching materials while also focusing on the following points.

- Raising awareness of compliance with laws that need to be observed in the course of business
- Raising a wide-ranging awareness of compliance, including Anti-Corruption, Anti-Bribery and Antimonopoly Acts.
- Raising awareness of prevention of human rights violations such as power harassment and sexual harassment

In FYE 2022 (following on from FYE 2021), face-to-face training was avoided as much as possible - due to the COVID-19 pandemic - and training was conducted mainly through webinars and video viewing, with 2,717 executives and employees participating. We also provided detailed education and training based on actual compliance incidents for each employee layer, including training for new employees, managerial training, and training prior to overseas assignments.

Group companies implemented their own compliance training programs for officers and employees as appropriate for their operational formats, and ITOCHU Corporation also conducted On-site Compliance training for officers and employees of major Group companies in Japan. In FYE 2022, 7,248 employees from 74 companies participated in training via webinars, while 3,206 employees from 33 companies (including companies that participated in webinar courses as well) in the form of video viewing, for a total of 10,454 participants.

We also converted our Compliance Handbook—which provides advice on compliance (in Q&A format) for each potential work setting where employees might face compliance issues and advises what actions to take to prevent corruption—into digital format, making it available for all ITOCHU Group officers and employees to refer to, even when working from home.



Compliance Awareness Survey

The ITOCHU Group implements a Compliance Awareness Survey every two years with all Group employees, including the level of understanding of the ITOCHU Mission, and assists the implementation of specific initiatives. In FYE 2022, we conducted the survey of 53,163 Group employees, and received response from 52,870 of them (99.4% response rate). The results of the analysis of the findings are presented as feedback to each organization and reflected in efforts to improve the compliance system.

Bolstering Measures to Fight Corruption

SDGs Bond (Sustainability Bon

The ITOCHU Group has established the ITOCHU Group Anti-Corruption Policy based on the Corporate Ethics Code of Conduct. It prohibits the provision of money and goods, entertainment, convenience and other profits to public officials and officers and employees of private entities, in Japan or overseas, for the purpose of gaining an illegal advantage.

Independent Assurance Rep

Evaluation by Society

ITOCHU Group Anti-Corruption Policy

1. ITOCHU Group Anti-Corruption* Policy

The ITOCHU Group ensures the implementation of the compliance principles, that is, legal compliance, and recognizes that it must continue to be an organization that is permitted by society. We do not need even one yen if it is gained through illegal means.

To address the risk of bribery and corruption, the ITOCHU Group has established rules relating to applications and approval procedures, and recording methods, etc. according to categories of behaviors that are easy to be used for bribery or corruption, and strictly observes those rules. The rules were established based on "Regulations Concerning the Prohibition of Giving Illicit Benefit," as well as four related guidelines relating to public officers, foreign public officers, business partners, and investment generally.

ITOCHU Group Anti-Corruption Policy

- No money, entertainment, gifts, or anything of value in order to obtain illicit gains shall be given to any public or quasi-public official inside or outside of Japan.
- No money, entertainment, gifts, or anything of value in order to obtain illicit gains shall be given to any director, officer or employee of any private entity.

2. Requests for All Partners

In order for the ITOCHU Group to implement the above anti-corruption policies, the ITOCHU Group requires the cooperation of all of its business partners and investment partners. In connection with the business partners and the investment targets and investment partners (collectively "Partners"), the ITOCHU Group will request itself conducting due diligence on Partners and entering into contracts containing anti-bribery provisions with Partners. The ITOCHU Group thanks you for your understanding and cooperation.

> April 1, 2020 Masahiro Okafuji ITOCHU Corporation Chairman & Chief Executive Officer

*Corruption: Making use of received power or authority for personal profit. It can include acts such as embezzlement, fraud, and money laundering.

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Corporate Governance Risk Management

Compliance

The U.S. Foreign Corrupt Practices Act (U.S. FCPA) and the U.K. Bribery Act 2010 evidence the global trend toward the tightening of legislation against bribery. In keeping with this trend, ITOCHU Corporation has thus far determined and strictly operates the Regulation Concerning the Prohibition of Giving Illicit Profit and three related guidelines (regarding public officers, agents and consultants, and foreign public officers) to prohibit all employees from giving any improper advantage to Japanese or foreign civil servants or people in an equivalent position. In December 2015, we revised The guideline regarding agents and consultants to The guideline regarding business partners, thereby expanding the scope of application of the guideline, and bolstered measures to fight corruption by establishing investment guideline, which is designed to carefully check investment projects for the risk of bribery. The Regulation Concerning the Prohibition of Giving Illicit Profit includes facility payments, or payments of small amounts of money that are aimed solely at facilitating ordinary administrative services, among the improper advantages it prohibits. It also prohibits commercial bribery, which falls under an improper advantage given to business partners in the private sector. In addition to banning bribery, our internal rules prohibit officers and employees from receiving improper advantages from business partners in the private sector, deeming such acts to be a mix of business with personal affairs (conflicts of interest, etc.).

The guidelines regarding public officers and foreign public officers include guides for decisions and judgments on business entertainment and gift-giving to public officers and foreign public officers, under which we review cases on an individual basis. The guideline regarding business partners clarifies the process for comprehensive checks and stipulates the process of concluding contracts on new appointments and renewals of contracts with business partners who will provide services to ITOCHU Corporation (including agents and consultants). Concerning overseas business partners, we use the Corruption Perceptions Index (CPI) published by Transparency International as one of our risk identification criteria.

In contracts where there is a possibility to contain a risk of bribery, including ones with business partners, we include an article prohibiting bribery, thereby prohibiting improper payments (bribery or the provision of improper advantages) and clearly state that the contracts may be cancelled immediately if the provisions of the article are violated. The investment guideline includes specific provisions on the implementation of due diligence and procedures for obtaining the confirmation letter from the viewpoint of preventing corruption, which are to be used for deliberations on investment projects.

In the training provided to officers, employees and others, we strive to raise awareness and instill ITOCHU Group Anti-Corruption Policy, the Regulation Concerning the Prohibition of Giving Illicit Profit and four related guidelines. We make certain that the regulation and guidelines are reflected in their daily management work to prevent corruption, including the provision of improper advantages. We also provide training specializing in bribery for organizations where the risk of bribery is particularly high. We also manage our political contributions, charities, and sponsorship activities by referring to internal rules to ensure that they do not constitute corruption, and by following our internally specified routes of application for the approval of donations and sponsorship to ensure that such activities are socially just and meet ethical standards.

The annual Monitor & Review surveys, which are mentioned in the ITOCHU Group's Compliance System above, include a check on business entertainment and gift-giving to public officers and foreign public officers and on the appointments and renewals of contracts with agents and consultants by organizations within ITOCHU Corporation, overseas offices, and companies subject to compliance management. Where necessary, we hold a dialogue on the status with the compliance officer of each organization.

Measures to Fight Collusive Bidding and Cartels

ITOCHU established the Basic Regulations on the Compliance with the Antimonopoly Act., etc. and the specific operational guidelines titled the Standard on Prevention of Cartels and Collusive Bidding in November 2017. The purpose of this is to prevent involvement in collusion, cartels and other violations of the Antimonopoly Act. In addition, we thoroughly inform our employees about compliance with the Antimonopoly Act. We do this by preparing the Antimonopoly Act Compliance Manual, various monitor reviews, and education and training. We passed instructions at a meeting of the Board of Directors according to four exclusion measure orders we received from the Fair Trade Commission from FYE 2018 to FYE 2019. We have notified and thoroughly informed all our employees of the content of these resolutions.

Independent Assurance Repo

ITOCHU Group Tax Policy

7th December, 2017 ITOCHU Corporation

ITOCHU Corporation and the ITOCHU group companies (collectively, "the ITOCHU Group") have established a Basic Policy: To comply with all applicable tax laws, rules, regulations, and tax treaties (collectively, "Tax Rules") of each country and region where the ITOCHU Group conducts business.

The ITOCHU Group is committed to respecting the interests of all stakeholders, including all of the countries and regions where the ITOCHU Group conducts business, as well as the ITOCHU Group's shareholders, creditors, business partners, and employees.

1. Basic Policy - Compliance with Tax Rules

The ITOCHU Group is committed to managing its business operations in full compliance with all applicable Tax Rules and not engaging in transactions that are intended to evade or avoid taxes.

2. Tax Cost Management

In accordance with the Basic Policy, the ITOCHU Group strives to achieve effective tax cost management by eliminating double taxation and utilizing the favorable Tax Rules of each country or region.

3. Maintaining Relationships of Mutual Trust with Tax Authorities

The ITOCHU Group strives to maintain a relationship of mutual trust with all tax authorities by engaging in constructive discussions and preparing documents in an accurate, timely and appropriate manner to ensure overall transparency of the ITOCHU Group's tax matters.

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Corporate Governance Risk Management Compliance

Compliance

Measures for Intellectual Property

To completely prevent infringements on intellectual property rights held by other parties in businesses related to such rights, as well as in the ordinary course of business, ITOCHU implements measures to call attention to the issue by holding seminars for employees and by establishing internal rules, regulations and manuals etc., that conform to related laws and regulations. We also define and properly apply internal rules for employees' inventions and work and rules for application, renewal, etc. of rights to properly manage and handle intellectual property rights that constitute property of the companies.

Basic Policy on Product Safety

ITOCHU Corporation has prepared a product safety manual for each internal company to assure safety. The manuals are based on its policy of observing obligations stipulated by laws related to the safety of the products it handles, and providing safe and secure products to its customers. We are going to continue with efforts to assure the provision of safe and secure products through in-house education, institution of ad-hoc units assigned to product safety, establishment of information relay routes, and response in the event of product accidents, while revising arrangements in these aspects as necessary.

Measures for Comprehensive Import and Export Control

To ensure appropriate and efficient trading, which is the main pillar of our activities as a general trading company, ITOCHU Corporation is continuously enhancing and improving its import and export controls. The Japanese government maintains strict trade-security under the Foreign Exchange and Foreign Trade Act in order to prevent the proliferation of weapons of mass destruction and conventional weapons. We have implemented a strict internal comprehensive trade-security control program so as to observe laws and regulations. Our internal program covers not only Japanese laws and regulations but also global security risks such as U.S. sanctions to ensure that we do not take part in business transactions that threaten international peace and security. Accordingly, ITOCHU recognizes that, as a responsible member of the global business community, we need to manage carefully potential risks associated with business operations in certain locations. In response to the growing importance of the corporate governance associated with global security risk, we have implemented corporate policies, procedures, and internal reporting structures to ensure that we perform rigorous, security-minded due diligence for global projects and transactions. The Compliance Program of ITOCHU is annually submitted to the Ministry of Economy, Trade and Industry of Japan as a company that has developed export control and an excellent management system. In addition, to properly conduct customs procedures for import and export, including import (payment of customs duty) declaration, we conduct internal customs examination (monitoring), provide training for clearing and customs valuation control, and take a host of other measures under the internal control/management provisions and regulations, thereby ensuring full compliance with customs procedures, etc. We have also been providing information needed for developing new businesses, by providing training on Economic Partnership Agreements (EPAs), which will be used more widely by sales sections in the future.

These measures have led to the director-general of Yokohama Customs certifying ITOCHU as an Authorized Economic Operator (AEO) (both Authorized Exporter and Authorized Importer), a title given to operators with outstanding compliance systems and security control.

Basic Policy and Efforts against Antisocial Forces

ITOCHU Corporation makes it a basic policy to block any relationship or transaction with anti-social forces that threaten public order and safety. ITOCHU has established and strengthened the internal systems necessary to achieve this by providing education and awareness-raising activities to employees on a regular basis and ensuring prior confirmation that counterparties of transactions do not fall under anti-social forces such as full investigation of new transactions.

Independent Assurance Repo

Insider Trading Regulations

ITOCHU Corporation has an internal rule regarding the restriction of insider trading, and formulated the "guideline regarding reporting and management of insider information" in April 2014 in conjunction with the revision of the guideline. The above guideline stipulates, for example, recommended handling in case of acknowledging the insider information of entity with which ITOCHU has capital or contractual relationship, and we are taking action to assure that all employees know about them.

Perspectives on Information Management

ITOCHU Corporation has formulated "Information Security Policy" for all members of the board and employees to handle information with high security level. Also, in order to manage information required for business management activities properly, we also formulated "IT Security Management Policy" for all executives and employees, which is a code of conduct on information handling. More specifically, we have determined rules and standards on personal information management, document management, and IT security, and are striving to prevent the leakage of personal information and other confidential information. We have also established a management system for complying with the My Number Act.

Monitor & Review Surveys on Personal Information Management

The ITOCHU Group regularly conducts Monitor & Review surveys of ITOCHU Corporation and companies subject to compliance management under the auspices of the Corporate Planning & Administration Division, the Legal Division and IT & Digital Strategy Division. In the survey, which is conducted in FY2022, the personal information management system of ITOCHU Corporation and 136 companies subject to compliance management were checked from October to November 2021. Based on the results of the checks, we have continued activities to encourage continued improvements at ITOCHU Corporation and Group companies. At the same time, we have established a system and provide support for the operation with advice from external lawyers.

Response to Violations

If an act in violation of the above policies or rules, including policies and rules designed to prevent corruption, should be confirmed, we take corrective action, including an investigation into the cause and education and training of those involved in the act, as well as related individuals. At ITOCHU Corporation, we consider disciplinary action against officers and employees who have been involved in any violation of laws, including bribery, with the aim of imposing harsh penalties when deemed appropriate as a result of internal investigations.

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SDGs Bond (Sustainability Bond)

Framework

ITOCHU has established this SDGs Bond Framework in alignment with the Green Bond Principles, 2018, the Social Bond Principles, 2020 and the Sustainability Bond Guidelines, 2018 as administered by the International Capital Market Association (ICMA).

SDGs Bond Framework (https://www.itochu.co.jp/en/csr/pdf/sdgs_framework_en.pdf)

Second Party Opinion

ITOCHU has obtained an external evaluation (second party opinion) from Vigeo Eiris (Moody's ESG Solutions) for the conformity of our Framework with principles such as the Sustainability Bond Guidelines.
Second Party Opinion (Vigeo Eiris) (https://www.itochu.co.jp/en/csr/pdf/sdgs_spo_en.pdf)

Reporting

Fund Allocation Report and Impact Report (May 2022)

Funds raised from SDGs bonds issued in March 2021 USD500M have been allocated to qualified projects in accordance with Section 3.2 of the SDGs Bond Framework. In addition, we calculated the impact on the environment and society of qualified projects to which the funds raised were allocated.

- * ITOCHU's SDGs Bond was issued based on the SDGs Bond Framework (the "Framework"), established by ITOCHU in March, 2021, in alignment with the Green Bond Principles, 2018, the Social Bond Principles, 2020 and the Sustainability Bond Guidelines, 2018 as administered by the International Capital Market Association (ICMA).
- *Use of Proceeds

ITOCHU allocated the amount equal to the net proceeds from the issuance of SDGs Bond to the eligible projects set forth on the right. For allocation to existing projects, projects financed up to 36 months prior to the date of the SDGs bond issuance are eligible.

*Process for Project Evaluation and Selection

ITOCHU's Finance Division and Sustainability Management Division cooperated and decided on the eligible projects which the proceeds from the issuance of SDGs Bonds were allocated, in alignment with the categories and criteria set forth above. For the purpose of the environmental and social risk management, ITOCHU holds the Sustainability Committee and discusses ESG risks, reports to the Board of Directors, evaluates ESG risks, and conducts surveys and reviews in alignment with Sustainability Action Guidelines for Supply Chains. * Management of the Proceeds

The Finance Division will allocate and manage the proceeds from the issuance of SDGs Bonds to Eligible Projects. The Finance Division will also monitor an amount equal to the net proceeds from the issuance of SDGs Bonds based on the Framework to applicable Eligible Projects and periodically adjusted to match allocations to eligible projects/categories. Any pending allocation will be invested temporarily in cash and cash equivalents.

*The share of refinancing for "Efforts to reduce greenhouse gas emissions" and "Sustainable Food System" was 95% while "Efforts to reduce greenhouse gas emissions in FamilyMart" was a newly financed projects. The proceeds from the issuance of SDGs Bond were allocated to the refinanced projects as of the end of March, 2021 and to the newly financed projects as of the end of March, 2022. The proceeds were invested temporarily in cash and cash equivalents until the allocation.

Post-issuance Review (May 2022)

Itochu has obtained a post-issuance review from Moody's ESG Solutions (renamed from Vigeo Eiris) for the fund allocation report and impact report created by us.

Post-issuance Review (https://www.itochu.co.jp/en/csr/pdf/sdgs_independent_review_en.pdf)

Press release on this matter (https://www.itochu.co.jp/en/news/press/2021/210324.html)

• Fund Allocation Report and Impact Report

1. Efforts to Reduce Greenhouse Gas Emissions (Eligible Green Project Categories)

Eligible Category	Eligibility Criteria	Allocation of Proceeds (USD/M)	Impact
	Increase Renewable Energy Use		
Renewable Energy	 Development, construction, acquisition, management, and/or Operation & Maintenance of solar and wind (onshore and offshore) with direct emissions of less than 100g-CO₂ / kWh 	331	Power generation amount/ Estimated power generation amount 2,428,216MWh Estimated achieved reduction in CO ₂ emissions 1,426,767 t-CO ₂ e
	 Supply energy storage systems (ESS) which contribute to the spread of self-consumption solar power generation R&D and manufacturing of next-generation lithium-ion batteries mainly for storage of solar power generation 		Estimated achieved reduction in CO ₂ emissions 265,573 t-CO ₂ e

2. Efforts to Reduce Greenhouse Gas Emissions in FamilyMart (Eligible Green Project Categories)

Eligible Category	Eligibility Criteria	Allocation of Proceeds (USD/M)	Impact
	Introduction of Renewable Energy		
Renewable Energy	 Investments in property plant and equipment (PP&E) for installing solar panels on the roof of stores at FamilyMart 		Estimated achieved reduction in CO ₂ emissions 336t-CO ₂ e
	Improved Energy Efficiency	27	
Energy Efficiency	 Introduction of freezers and refrigerators using natural or climate friendly refrigerant at FamilyMart stores Investments in property plant and equipment (PP&E) for LED at FamilyMart stores 		Estimated achieved reduction in CO ₂ emissions 8,467 t-CO ₂ e

3. Sustainable Food System (Eligible Social Project Categories)

Eligible Category	Eligibility Criteria	Allocation of Proceeds (USD/M)	Impact
	Procurement of externally certified coffee beans		
Sustainable	 Procurement of externally certified coffee beans for the purpose of improving the status of producers and growing sustainable coffee 		Ratio of supplied/sourced products with eligible certifications 26%
Food System	Procurement of externally certified bonito and tuna	142	
	 Procurement of certified bonito and tuna from MSC (Marine Stewardship Council) for the purpose of protecting marine resources 		Ratio of supplied/sourced products with eligible certifications 3%
Sustainable	Procurement of grape seed oil		
Management of Food Waste	 Procurement of French grape seed oil using grape seeds after winemaking for disposal 		-

4. Providing Access to Essential Services - Medical and Infrastructure (Eligible Social Project Categories)

Eligible Category	Eligibility Criteria	Allocation of Proceeds (USD/M)	Impact
	Providing medical services		
Healthcare	 Planning, designing, maintenance of medical institutions intended to provide medical services, education and training support for doctors and nurses, education support for patients 		-
	Mini Grid	0	
Affordable Basic Infrastructure	 Sales and operation of small-scale power generation and distribution systems intended to supply electricity to people living in non-electrified areas of Africa 		-
		500	

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Evaluation by Society

FTSE4Good Index Series • FTSE Blossom Japan Index • FTSE Blossom Japan Sector Relative Index

ITOCHU Corporation has been selected as an index constituent of FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index.

The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index are both broad ESG indices and are adopted by the Government Pension Investment Fund (GPIF) of Japan as a core ESG benchmark for its passive investments.



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that ITOCHU Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

SAM Gold Class, S&P Global Sustainability Awards

ITOCHU Corporation was awarded SAM Gold Class at the S&P Global Sustainability Awards 2022, winning the recognition of S&P Global, a U.S. financial research institution that evaluates companies making efforts in sustainability and offers information to investors. ITOCHU has become the top for the seventh consecutive year in the Trading Companies & Distributors sector. (As of February 2022)

Sustainability Award

Gold Class 2022

S&P Global

MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN)

ITOCHU Corporation has been selected as a constituent of MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN).

The MSCI Japan ESG Select Leaders Index is a free float-adjusted market capitalization weighted index based on the MSCI Japan IMI Top 700 Index, its parent index, which includes large, mid and small-cap securities in the Japanese markets. The Index is designed to represent the performance of companies that have high Environmental, Social and Governance (ESG) performance. The index aims to target sector weights that reflect the relative sector weights of MSCI Japan IMI Top 700 Index in order to limit the systematic risk introduced by the ESG selection process. Overall the index targets coverage of 50% of the parent index.

MSCI Japan Empowering Women Index (WIN) was created as a benchmark for social themes within the framework of ESG by U.S. company MSCI. Index figures are calculated using data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace, with constituents comprised of those companies which earn a high gender diversity score.

We have earned AAA, the highest MSCI ESG Rating, as a first trading company in December 2020, and have maintained this highest rating ever since.



2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Grand Prize, the Sustainability category of the Internet IR Awards by **Daiwa Investor Relations**

ITOCHU Corporation has been awarded as the Grand Prize in the Sustainability category of the Internet IR Awards by Daiwa Investor Relations Co., Ltd.

The Sustainability category was newly established 2021. 126 companies were selected for IR awards, and 7 companies were selected for the grand prize and 16 companies were selected for the first prize based on criteria such as "home page," "overall policy," "environment," "society," "governance," and "support."



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Evaluation by Society

Dow Jones Sustainability World Index

ITOCHU Corporation has been selected as an index component of the World Index and Asia Pacific Index of the Dow Jones Sustainability Indices, a global stock ESG index, for 9th consecutive year.

The DJSI evaluates and analyzes companies from a variety of perspectives and selects stocks based on the results of an independent survey covering three aspects: economy, environment, and society. As an international benchmark for measuring corporate sustainability performance, the DJSI has a significant impact on corporate behavior.

In S&P Global Corporate Sustainability Assessment, which is used by DJSI as its basic data, ITOCHU received the highest score in its "Trading Companies & Distributors Industry" out of 61 industries. (As of November 2021)

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is a global environmental stock index adopted by Government Pension Investment Fund (GPIF). Using TOPIX as the universe, this index of S&P Dow Jones Indices, the world's leading independent index provider, overweights companies that have high carbon efficiency within their industry as calculated by Trucost on a market value basis and companies that disclose information on greenhouse gas emissions. It consists of 1,852 companies, including ITOCHU (As of April 2022).



CDP

CDP Climate Change

CDP Climate Change evaluates corporate action on climate change. In FYE 2022, we scored a A-.

CDP Water

CDP Water evaluates corporate efforts related to water stewardship. In FYE 2022, we scored a A-.

CDP Forests

CDP Forests evaluates corporate action on risks related to forest destruction within the supply chain. In FYE 2022, we scored a B in Timber, B in Palm oil.

• CDP Supplier Engagement Rating (SER)

CDP SER evaluates the performance of the CDP Climate Change Questionnaire on governance, targets, Scope 3 emissions, and value chain engagement. In FYE 2022, we scored A-.



SOMPO Sustainability Index

Itochu Corporation has been selected as "SOMPO Sustainability Index" by the SOMPO Asset Management Co., Ltd. for the 11 consecutive year. This index is used as a unique active index in "SOMPO Sustainable Management", for pension funds and institutional investors, which invests widely in ESG-rated companies that SOMPO Asset Management Co., Ltd. started operation in August 2012.



Evaluation by Society

Bronze Award, the Ministry of Environment's 3rd ESG Finance Awards

ITOCHU Corporation has won a Bronze Award in the Environmentally Sustainable Company Category at the Ministry of Environment's 3rd ESG Finance Awards.

By screening and selecting companies proactively engaged in environmentally sustainable management, the purpose of these awards is to share the details of the efforts made by the winning companies with even more stakeholders.

We received this award in recognition of the great progress we have made in efforts required of us as an environmentally sustainable company and appropriate information disclosures. For example, we have started to disclose information on the greenhouse gas emissions of the fossil fuel business and interests we own, and implemented scenario analysis and disclosed information on climate change based on the TCFD recommendations.



Top of Superior Companies in Gomez ESG Site Rankings 2021

ITOCHU Corporation has been ranked top of the List of Superior Companies in the Gomez ESG Site Rankings 2021.

ITOCHU Corporation was on top of the List of Superior Companies through preliminary selection (368 companies) and final selection (160 companies). The survey process consists of five categories: 1) website ease of use, 2) overall ESG information, 3) Environmental (E) information, 4) Social (S) information, and 5) Governance (G) information. Evaluation criteria are set to assume the use of information by not only shareholders and investors, but by a wide range of stakeholders.



Evaluation by Stakeholders

2022	Mar.	ITOCHU Wins a Bronze Award at the Ministry of Environment's 3rd ESG Finance Awards
2022	Feb.	ITOCHU was awarded as the Gold Class of the S&P Global Sustainability Awards 2022
	Dec.	Winner of the 2021 Internet IR Award for Grand Prize in the Sustainability Category
2021	Nov.	ITOCHU is selected in the Dow Jones Sustainability World Index and Asia Pacific Index
	Sep.	Listed on Top of Superior Companies in Gomez ESG Site Rankings 2021

Independent Assurance Report



Independent Assurance Report

To the President and COO of ITOCHU Corporation

We were engaged by ITOCHU Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with $\frac{4}{3}$ and $\frac{6}{3}$ (the "Indicators") for the period from April 1, 2021 to March 31, 2022 included in its ESG Report 2022 (English/PDF version) (the "Report") for the fiscal year ended March 31, 2022, except for the Number of Hires by Gender', which is as of April 1, 2022.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Ibaraki Factory of Prima Meat Packers, Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Kazuhiko Saito, Partner, Representative Director KPMG AZSA Sustainability Co., Ltd. Tokyo, Japan September 9, 2022

Message from the Sustainability Management Division

We would like to express our gratitude to the readers of ESG Report 2022.

We are promoting our group sustainability activities such as Response to Climate Change, Respect and Consider Human Rights, and various initiatives contributing to the achievement of SDGs. We will proactively continue our effort in ESG (environmental, social, and governance) information disclosure so as to increase our corporate value and better meet our stakeholders' expectations.



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