

Sustainability at the ITOCHU Group



Sustainability

Our Sustainable History and Value Creation Model

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 daifukuchō 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

Our Sustainable History and Value Creation Model

8 Division Companies

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.

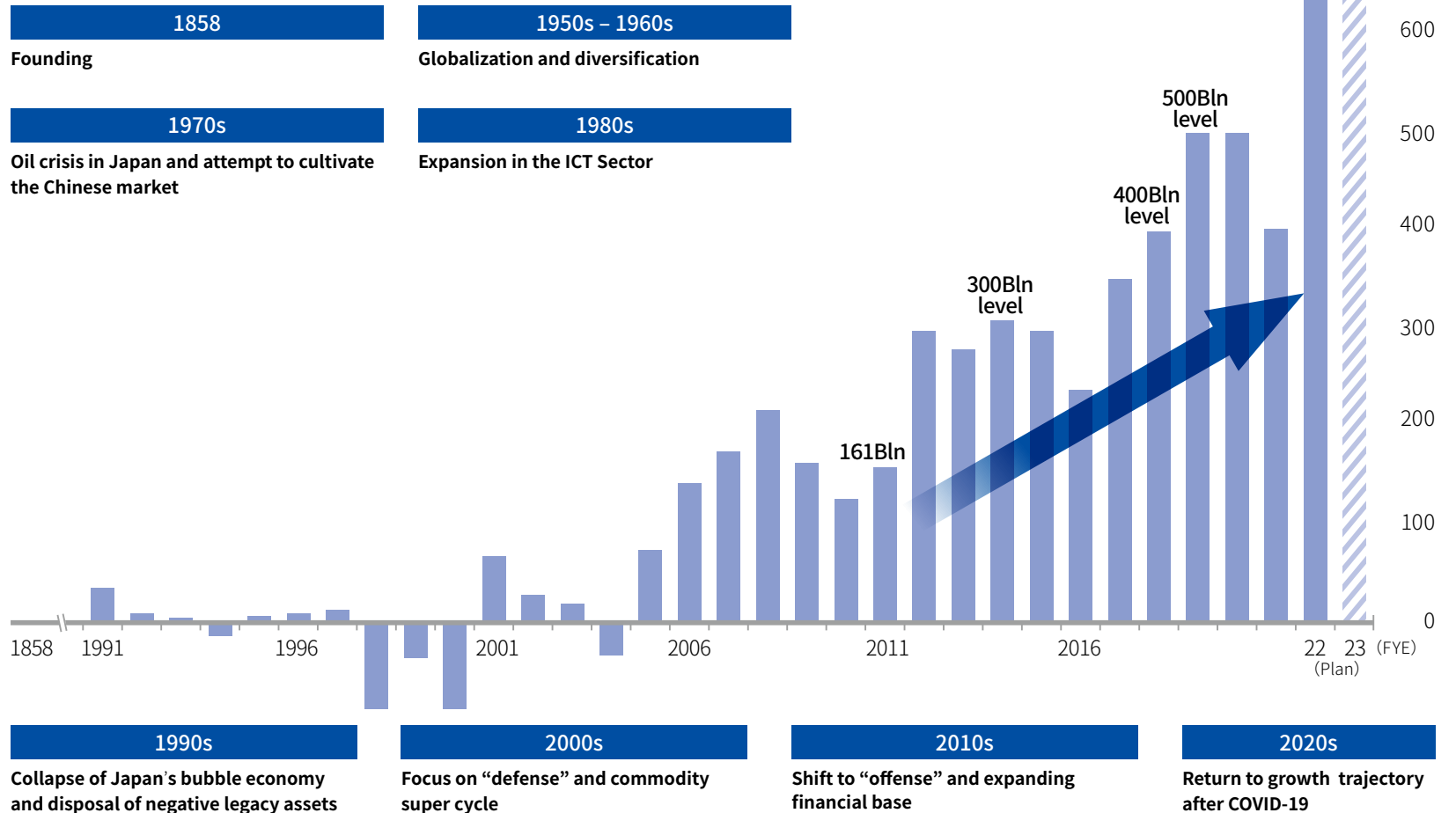
The 8th

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

Consolidated Net Profit Growth

Steadily Improving Earning Power

ITOCHU has overcome numerous hardships by transforming itself by flexibly changing its management resource allocation and business structure in response to changes in the external environment. Since FYE 2011, ITOCHU has accelerated the speed of growth and steadily improved earning power step by step.



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.”



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.

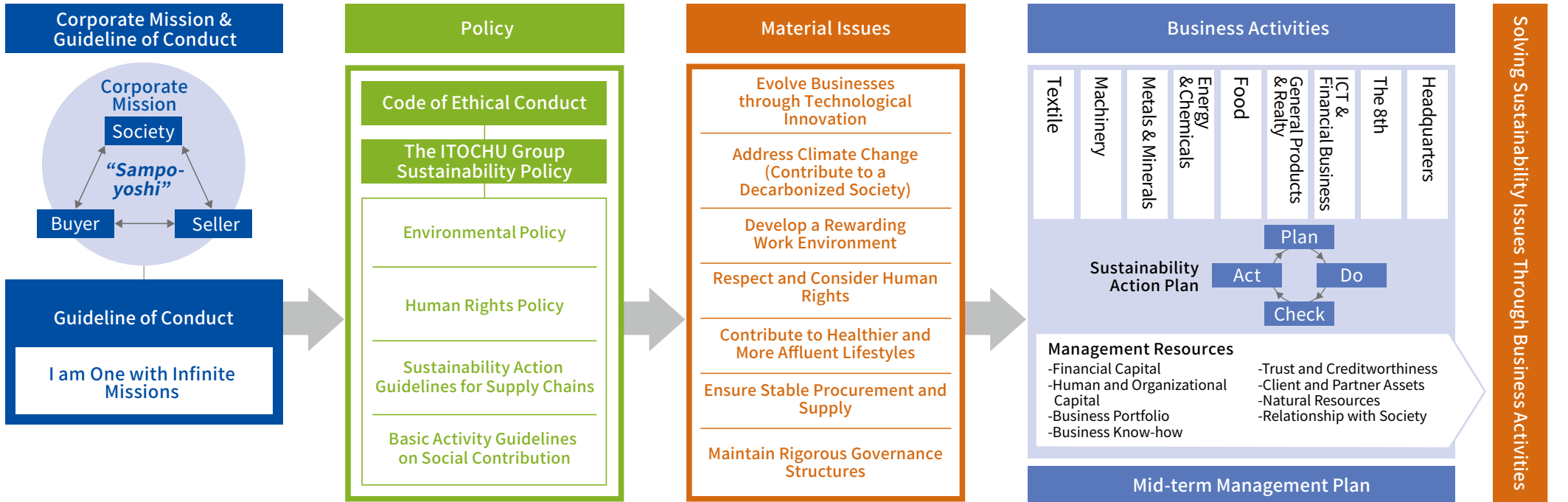
- The Ten Principles of the United Nations Global Compact
- GRI Standards
- International Integrated Reporting Framework(IIRC)
- ISO 26000 (Social Responsibility)
- TCFD Recommendations
- Universal Declaration of Human Rights (UDHR)
- UN Guiding Principles on Business and Human Rights
- Sustainable Development 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

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

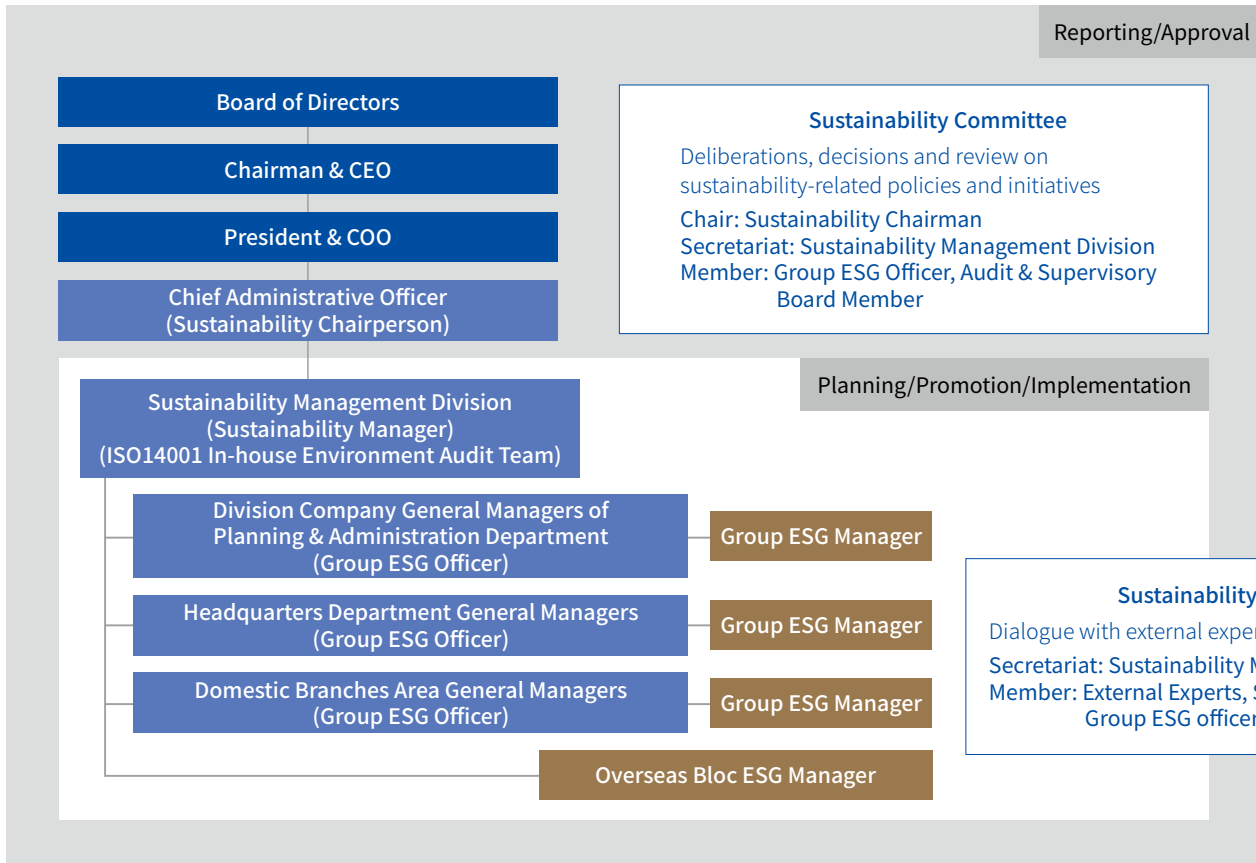


Structure and System

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.

■ Sustainability Promotion Framework (FYE 2023)



■ FYE 2022 Sustainability Committee

Members	Chair: CAO Members: General Manager of the Corporate Planning & Administration Division, General Manager of the Corporate Communications Division, General Manager of the General Accounting Control Division, General Manager of the Human Resources & General Affairs Division, General Manager of the Finance Division, General Manager of the Legal Division, General Manager of the Sustainability Management Division, General Manager of the Investor Relations Division, General Managers of the Planning & Administration Departments of each Division Company, Corporate Auditors
Primary Purview	<ul style="list-style-type: none"> • New Enactment and Revision of Sustainability-related Policies • ISO14001 Environmental Management Review • ITOCHU Group GHG Emissions Aggregate Results Report • Revision of Action Plan Setting Items • Start of Environmental and Social Risk Monitoring and Review • Progress of Human Rights Due Diligence

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.



Address Climate Change (Contribute to a Decarbonized Society)

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.



Develop a Rewarding Work Environment

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.



Respect and Consider Human Rights

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.



Ensure Stable Procurement and Supply

We are contributing to the creation of a recycling-oriented 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.



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 decision-making.



SUSTAINABLE DEVELOPMENT GOALS

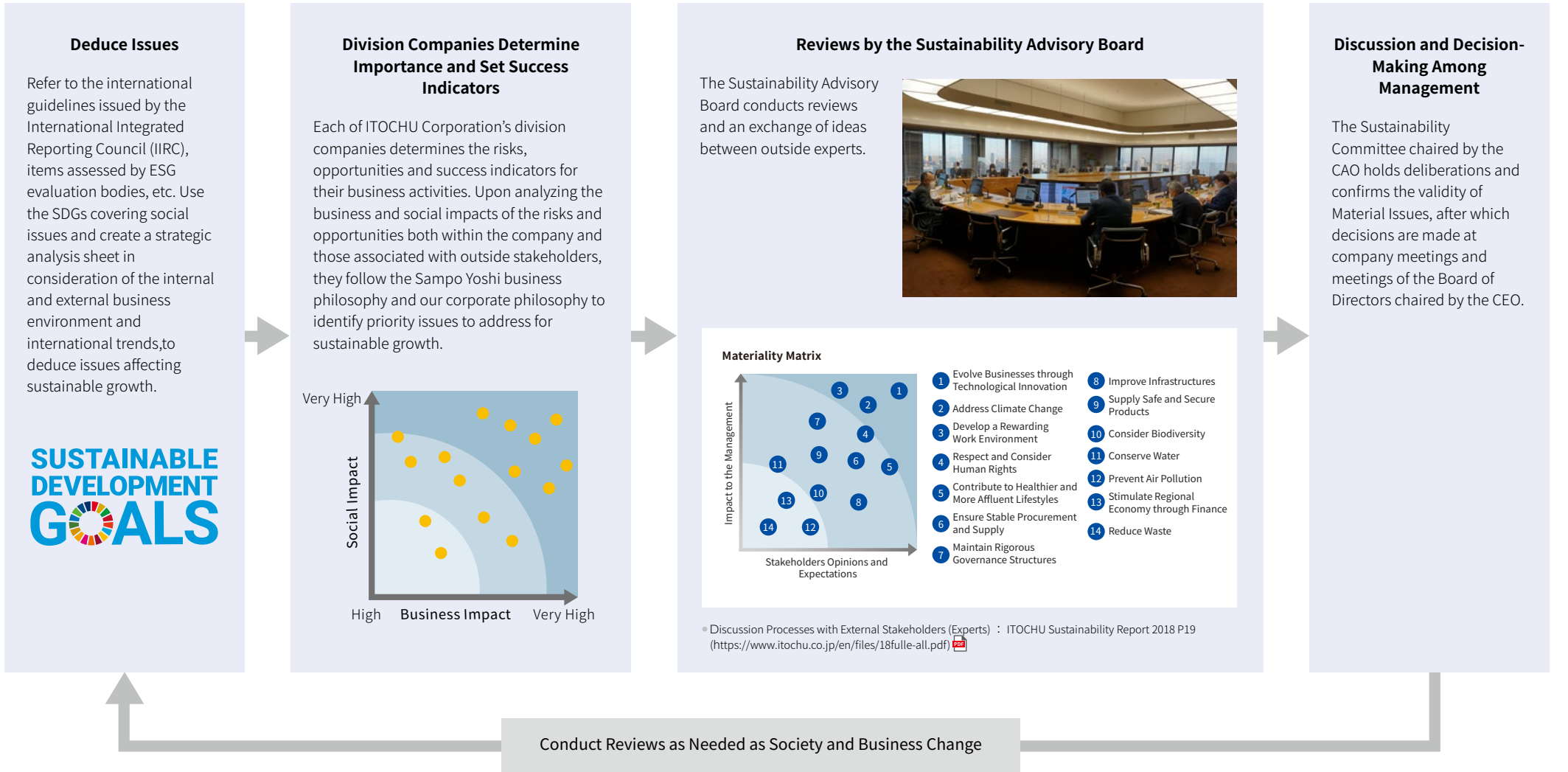


Initiatives: Identification and Review Process for Material Issues








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

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.





Risks and Opportunities of Each Material Issue

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

Social Impacts of Each Material Issue

Material Issue	Impact Classification	Impact Description
 Evolve Businesses through Technological Innovation	Innovation	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.
 Address Climate Change (Contribute to a Decarbonized Society)	Climate Change Opportunities	<ul style="list-style-type: none"> 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 AI 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	<ul style="list-style-type: none"> 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.
	Transition Risk	<ul style="list-style-type: none"> 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.
	Capital Introduction	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 Work Environment	Labor Practices	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Establish and conduct fair recruitment, harassment prevention, human rights training, and grievance hotlines, and reduce the negative impact on human rights.
 Respect and Consider Human Rights	Mining	<ul style="list-style-type: none"> 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.
	Forest	<ul style="list-style-type: none"> 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.
	Supply Chain	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Promote social contribution activities for local communities, and realize a symbiotic community where sports and cultural exchange are possible.

Social Impacts of Each Material Issue

Material Issue	Impact Classification	Impact Description
 Contribute to Healthier and More Affluent Lifestyles	Food Safety	<ul style="list-style-type: none"> • 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.
	Medical Health	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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.
 Ensure Stable Procurement and Supply	Forest	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Reduce impacts on biodiversity through ESG risk assessment focusing on biodiversity in investment projects (electric power, mines, oil and gas fields, etc.).
	Stable Supply of Resources	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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.

Initiatives: Sustainability Action Plans



Evolve Businesses through Technological Innovation

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company		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		Innovation	Next-generation business development	<ul style="list-style-type: none"> Mining business Resource-related business Logistics business 	We will contribute to improving business efficiency and eliminating concerns about skilled worker availability while fully considering the health and safety of on-site employees.	<ul style="list-style-type: none"> Promote an increase in efficiency of mine operations and facility management utilizing digital transformation. Promote conversion to the automatic operation of mining equipments such as underground mining equipments and dump trucks. 	Promote 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		Innovation	Next-generation business development	Overall food-related businesses	<ul style="list-style-type: none"> We will aim to improve productivity and increase business efficiency in the overall food-related field by promoting systemization of RPA and AI. We will aim to create innovative services and new business by integrating resources and new technologies of the ITOCHU Group. 	<ul style="list-style-type: none"> We will aim to improve productivity and increase business efficiency by introducing and utilizing new systems and new technologies focused on the food distribution field. We will create unique new value by combining the wide ranging product lineup, functions and expertise of our group based on retail customer needs. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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		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		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.	<ul style="list-style-type: none"> We are currently promoting a digital strategy in FamilyMart - a group subsidiary. FamiPay, released in July 2019, has been downloaded more than 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 been installing large signage inside FamilyMart stores, turning stores into a form of media. We have installed 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.

Initiatives: Sustainability Action Plans



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 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Climate Change Opportunities	Taking countermeasures against climate change	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	<ul style="list-style-type: none"> We continue to operate wind power projects in 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	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Climate Change Opportunities	Taking countermeasures 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.	<ul style="list-style-type: none"> Build a value chain centered on ammonia fuel through the owning and operation of ammonia fueled vessels and establishing fuel supply chain. Reduce carbon emissions from the maritime industry by promoting the spread of ammonia-fueled vessels from 2025 onward. 	<ul style="list-style-type: none"> 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 CLIMATE ACTION	Climate Change Opportunities	Taking countermeasures 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 (HV), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco-friendly vehicles by increasing business of eco-friendly and high-efficiency products, such as EVs, HVs, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	<ul style="list-style-type: none"> We have 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	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> 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.	<p>Water Field</p> <p>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.</p> <p>Environmental Field</p> <ul style="list-style-type: none"> We operate four municipal solid waste incineration and power generation plants(waste to energy plant) in the U.K, 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. <p>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.</p>

Initiatives: Sustainability Action Plans



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	<ul style="list-style-type: none"> 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 	<ul style="list-style-type: none"> Climate Change Opportunities Capital Introduction 	Taking countermeasures against climate change	<ul style="list-style-type: none"> Resource recycling business Mining business Environmental business Materials-related business 	<ul style="list-style-type: none"> We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials. 	<ul style="list-style-type: none"> Take the lead in developing recycling-orientated business. Promote 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). 	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 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 various 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 B.V. 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 this technology for the Japanese market by introducing and selecting candidates sites for MCI demonstration plants in Japan. 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 majority of the ITOCHU's thermal coal interests and agreed to divest Ravensworth North coal mine interests in Australia producing both of thermal coal and coking coal. We are currently promoting business in North America with Nikkeikin Aluminium Core Technology Company, Ltd. which we invested into in FYE 2020 for the manufacturing of aluminum parts for automobiles. In addition, we will continue to promote aluminum raw material and product trading to contribute to the development of lighter-weight vehicles.
Energy & Chemicals Company	<ul style="list-style-type: none"> 13 CLIMATE ACTION 	<ul style="list-style-type: none"> 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 toward 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	<ul style="list-style-type: none"> 7 AFFORDABLE AND CLEAN ENERGY 	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.	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 7 AFFORDABLE AND CLEAN ENERGY 	Climate Change Opportunities	Efforts to optimally and continuously supply renewable energy	<ul style="list-style-type: none"> Energy Storage System Power & Environmental Solution 	<ul style="list-style-type: none"> We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular. 	We will continue to sell Energy Storage System equipped with optimal charging/discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	<ul style="list-style-type: none"> Number of storage batteries sold. Use of recycled and reused batteries. 	<ul style="list-style-type: none"> We have sold a cumulative total of approximately 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.

Initiatives: Sustainability Action Plans



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Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Stable Supply of Resources Capital Introduction	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 greenhouse gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	<ul style="list-style-type: none"> 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 biomass 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" in Japan, making "Neste MY Sustainable Aviation Fuel" available first at the two largest Japanese international airport; Tokyo Haneda and Narita. Through their expanded partnership, ITOCHU and Neste are able to support other domestic and international airlines as well as other fuel suppliers at Haneda and Narita International Airports, going forward.
Energy & Chemicals Company	13 CLIMATE ACTION	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.
Energy & Chemicals Company	7 AFFORDABLE AND CLEAN ENERGY	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	<ul style="list-style-type: none"> We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power grid through the deployment of solar power dispersed power sources. 	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power plants (VPP).	<ul style="list-style-type: none"> Scale of our renewable energy assets Scale of our dispersed power sources 	<ul style="list-style-type: none"> 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 approx 65,000kW) across Japan through VPP Japan, Inc. We signed 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 AI 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 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	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.	<ul style="list-style-type: none"> New boiler and power plant operating situation. Situation of the utilization of raw materials in boilers and power plants. <ol style="list-style-type: none"> Situation of the utilization of all food residue generated in pineapple processing factories. 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 CLIMATE ACTION	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.

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		Labor Practices	Improving operating efficiency and preventing long working hours through work style reform	Human resources affairs	We will aim to improve labor productivity and employee engagement by promoting varied work styles.	<ul style="list-style-type: none"> Conduct regular monitoring of employees' work situations. Conduct employee engagement survey. Promote the percentage of taking employee acquiring paid leave. 	<ul style="list-style-type: none"> Compliance to labor laws. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. Paid leave acquisition rate at 70% or higher. 	<ul style="list-style-type: none"> Conducted monitoring of employee's working hours and working environment so as to prevent unpaid overtime work. The positive answer rate to the "employee engagement" in employment survey which conducted in FYE 2022 was 71%. Percentage of taking employee acquiring paid leave; 58.8% in FYE 2022.
Head-quarters		Labor Practices	Improving the health of employees	Human resources affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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		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.	<ul style="list-style-type: none"> Continue to develop and provide training programs at all jobs levels. Continue and enhance overseas deployment of interns and language trainees. Offer diverse career path options and experience in diverse work through regular rotation. Foster career awareness among employees by enhancing personnel assessments, career vision training, career counselling systems and other programs/systems. 	<ul style="list-style-type: none"> Annual training-related expenses exceeding one billion yen. Rate of positive responses to the "education and trainings" item in the engagement survey: 60% or higher. Paid leave acquisition rate at 70% 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%. 	<ul style="list-style-type: none"> 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	 	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.	<ul style="list-style-type: none"> Continue fair and equitable recruitment and promotion. Create a work environment in which employees mutually accept and respect diverse values. Enhance support for balancing childcare, nursing care and similar circumstances with work (including utilization of telecommuting). Promote understanding and acceptance of LGBT and other sexual minority employees (e.g., employee education). Give reasonable consideration to the work environment of employees with disabilities. 	<ul style="list-style-type: none"> Achieve the following general employer action plan by FYE 2024 <ol style="list-style-type: none"> Female employees as a percentage of new employees: 25% Female employees as a percentage of workforce: 25% Female employees as a percentage of employees in managerial positions: 9% Percentage of male employees who take childcare leave: Over 50% Compliance to rate of the employment of those with disabilities which designated by law 	<ul style="list-style-type: none"> Establishment of a Women's Advancement Committee in October 2021 as an advisory committee to the Board of Directors. <ol style="list-style-type: none"> The percentage of female employees as a percentage of new employees : 31.8% as of April 2022. The percentage of female employees as a percentage of workforce: 23.7% as of March 2022. The percentage of female employees in managerial positions: 8.1% as of March 2022. The percentage of male employees who take childcare leave: 33% in FYE 2022. 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).

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		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		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	 	• Mining • Electric Power • Mining • Oil and Gas Fields	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	<ul style="list-style-type: none"> We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education. 	<ul style="list-style-type: none"> Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	<ul style="list-style-type: none"> Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%). 	<ul style="list-style-type: none"> We held internal EHS (environment, health and occupational safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. We checked the proper compliance to the EHS guideline by 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	 	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	<ul style="list-style-type: none"> We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries. 	<ul style="list-style-type: none"> Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. <p>2030</p> <ul style="list-style-type: none"> Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil. 	<ul style="list-style-type: none"> 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	 	• Forest • Stable Supply of Resources	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	<ul style="list-style-type: none"> Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone. 	<ul style="list-style-type: none"> 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	 	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	 	• Forest • Supply Chain	Realization of sustainable supply of natural rubber	Natural Rubber	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative, named "PROJECT TREE (https://project-tree-natural-rubber.com/)". 	<ul style="list-style-type: none"> We aim to procure raw materials with traceability and sustainability ensured in natural rubber processing business. (Aiming to achieve 100% traceability for the natural rubber raw materials which we procure by 2025 through an original block chain-based traceability system.) We will increase the number of smallholders implementing sustainability training and education, and contribute to achieving sustainability in the natural rubber industry. 	<ul style="list-style-type: none"> 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.

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		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.	<p>MRI-guided radiation therapy systems</p> <ul style="list-style-type: none"> The radiation therapy devices we have delivered to the National Cancer Center and Edogawa Hospital have already been used by those facilities to treat a cumulative total of 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. <p>Scalp cooling therapy system for cancer patients</p> <ul style="list-style-type: none"> 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 in Japan. In 2021, based on the high evaluation from hospitals, the introduction of equipment through rentals also progressed.
Machinery Company	 	Food Safety	<ul style="list-style-type: none"> Address Climate Change Develop a Rewarding Work Environment Respect and Consider Human Rights Contribute to Healthier and More Affluent Lifestyles Stable food procurement and supply 	DENBA products and related business	We will contribute to the reduction of food loss by utilizing freshness preservation technology, DENBA and to the improvement of nutritional condition by the availability of fresh food through Food Bank and children's cafeteria. Furthermore, we aim to increase the working opportunity of persons with disabilities and supply of agricultural products utilizing the hydroponic farming.	Installation of DENBA technology to food supply chain and familiarizing the combination of hydroponic farming with disabled employment.	Expand sales of DENBA products in the food supply chain, 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		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.	<ul style="list-style-type: none"> 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 nausea and vomiting during cancer treatment). We have continued to sell a pain reliever in North America through group companies.
Food Company		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		Medical Health	Promoting good health among the people	<ul style="list-style-type: none"> Support pharmaceutical development projects Preventative healthcare-related business Medical healthcare IT business 	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools.	We will optimize healthcare utilizing medical data.	<ul style="list-style-type: none"> Realization of new services and business development relating to medical data. Expansion of existing business. (Data volume of the number of people subject to health checkup, to reach 1.2 million by the end of FYE 2022.) 	<ul style="list-style-type: none"> With the gaining interest to maintain and promote health among company employees, the 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		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.	<p>Growth Rate of Outstanding Lendings: (Changes from end of March 2021 to end of March 2022)</p> <ul style="list-style-type: none"> 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. <p>The retail finance businesses in Hong Kong, China and the Philippines were steady, while Thailand was sluggish due to the impact of Covid 19.</p> <ul style="list-style-type: none"> Indonesia, where the P2P lending business is conducted, was also firm.

Initiatives: Sustainability Action Plans



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 RESPONSIBLE CONSUMPTION AND PRODUCTION	Supply Chain	Reducing our environmental burden in manufacturing processes	Textile products in general	We will promote the building of value chains starting from raw materials focused on sustainable materials.	Promote the RENU project aiming to realize a circular economy in textile industry. Aim to further enhance and expand the handling of sustainable materials.	<ul style="list-style-type: none"> Contribute to fostering of environmental awareness and reducing our environmental burden by promoting the RENU project and further enhancing and expanding the handling of sustainable materials. Work for the goal of "Zero Fashion Loss" and "Carbon Neutrality" committed by Japan Sustainable Fashion Alliance to achieve by 2050. 	<ul style="list-style-type: none"> 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 DECENT WORK AND ECONOMIC GROWTH	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 RESPONSIBLE CONSUMPTION AND PRODUCTION	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.	<ul style="list-style-type: none"> 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 DECENT WORK AND ECONOMIC GROWTH 15 LIFE BELOW WATER	<ul style="list-style-type: none"> Mining Electric Power Mining • Oil and Gas Fields 	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	<ul style="list-style-type: none"> We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education. 	<ul style="list-style-type: none"> Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	<ul style="list-style-type: none"> Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%). 	<ul style="list-style-type: none"> We held internal EHS (environment, health and occupational safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. We checked the proper compliance to the EHS guideline by 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	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	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.	<ul style="list-style-type: none"> We cowedorked 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 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	<ul style="list-style-type: none"> Stable Supply of Resources Capital Introduction 	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 greenhouse gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	<ul style="list-style-type: none"> 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 biomass 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" in Japan, making "Neste MY Sustainable Aviation Fuel" available first at the two largest Japanese international airport: Tokyo Haneda and Narita. Through their expanded partnership, ITOCHU and Neste are able to support other domestic and international airlines as well as other fuel suppliers at Haneda and Narita International Airports, going forward.

Initiatives: Sustainability Action Plans



Ensure Stable Procurement and Supply

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Food Company	8 (Economic Growth), 15 (Life Below Water)	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	<ul style="list-style-type: none"> We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries. 	<ul style="list-style-type: none"> Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. <p>2030</p> <ul style="list-style-type: none"> Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil. 	<ul style="list-style-type: none"> 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 (Economic Growth), 9 (Industry, Innovation and Infrastructure), 15 (Life Below Water)	Forest Resources	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	<ul style="list-style-type: none"> Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone. 	<ul style="list-style-type: none"> 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 (Economic Growth), 14 (Life Below Water)	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 (Responsible Consumption and Production)	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.	<ul style="list-style-type: none"> 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 (Life Below Water)	Forest	Using sustainable forest resources	<ul style="list-style-type: none"> Pulp Woodchips Wood products & materials 	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In 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 (Economic Growth), 12 (Responsible Consumption and Production)	<ul style="list-style-type: none"> Forest Supply Chain 	Realization of sustainable supply of natural rubber	Natural Rubber	<ul style="list-style-type: none"> We will 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. 	<ul style="list-style-type: none"> We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative, named "PROJECT TREE(https://project-tree-natural-rubber.com/)". 	<ul style="list-style-type: none"> We aim to procure raw materials with traceability and sustainability ensured in natural rubber processing business. (Aiming to achieve 100% traceability for the natural rubber raw materials which we procure by 2025 through an original block chain-based traceability system.) We will increase the number of smallholders implementing sustainability training and education, and contribute to achieving sustainability in the natural rubber industry. 	<ul style="list-style-type: none"> 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 (Responsible Consumption and Production)	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.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Expand product variation and supply channels. Expand distribution outlets. 	* Because of new commitment, review will be conducted from the next fiscal year.

Initiatives: Sustainability Action Plans



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		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.	<ul style="list-style-type: none"> Appoint several outside Directors, who have a high level of independence that fulfills our independence criteria and are expected to contribute to the company management with a high level of knowledge in their respective fields. Maintain a highly transparent and objective Directors' and officers' remuneration system, which can increase their motivation to contribute to our medium- and long-term improvement of our company's performance and the improvement of our corporate value. 	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of the Board of Directors.	<ol style="list-style-type: none"> We have 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). Establishment 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		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.	<ul style="list-style-type: none"> 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 86 occasions with 7,248 attendees; and (ii) the training video 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 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		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.	<ul style="list-style-type: none"> 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.

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

	<p>Carbon Credits</p> <p>Sustainability Advisory Board Members (Job Titles at the Time)</p> <ul style="list-style-type: none"> • Mr. Fumihiko Kajikawa Director, Environmental Economy Office, Ministry of Economy, Trade and Industry • Ms. Yukari Takamura Professor of Institute for Future Initiatives, The University of Tokyo • Mr. Hidemi Tomita Managing Director, LRQA Sustainability K.K. <p>ITOCHU Members (Job Titles at the Time)</p> <ul style="list-style-type: none"> • Fumihiko Kobayashi Member of the Board, Executive Vice President, Chief Administrative Officer • Katsuhisa Yamamoto Deputy General Manager, Planning & Administration Department, Textile Company • Tatsuya Hirano General Manager, Planning & Administration Department, Machinery Company • Osamu Tano General Manager, Planning & Administration Department, Metals & Minerals Company • Isao Nakao General Manager, Planning & Administration Department, Energy & Chemicals Company • Kuniaki Abe General Manager, Planning & Administration Department, Food Company • Tsutomu Yamauchi General Manager, Planning & Administration Department, General Products & Realty Company • Atsushi Hashimoto General Manager, Planning & Administration Department, ICT & Financial Business Company • Tetsuya Mukohata Manager, Planning & Administration Section, The 8th Company • Yoshihito Tabe General Manager, Sustainability Management Division (served as Moderator)
FYE 2022	
	<p>Response to Climate Change</p> <p>Sustainability Advisory Board Members (Job Titles at the Time)</p> <ul style="list-style-type: none"> • Ms. Yukari Takamura Professor of Institute for Future Initiatives, The University of Tokyo • Ms. Fuyumi Naito Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment • Mr. Hidemi Tomita Director, Lloyd’s Register Japan K.K.
FYE 2021	
	<p>Sustainable Business Direction in a Circular Economy</p> <p>Sustainability Advisory Board Members (Job Titles at the Time)</p> <ul style="list-style-type: none"> • Mr. Eiji Hosoda Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University • Ms. Mami Fukuchi Associate Professor of Graduate School of Interdisciplinary Information Studies, The University of Tokyo • Mr. Hidemi Tomita Director, Lloyd’s Register Japan K.K.
FYE 2020	
	<p>Climate Change</p> <p>Sustainability Advisory Board Members (Job Titles at the Time)</p> <ul style="list-style-type: none"> • Mr. Kenichi Suganuma Ambassador Plenipotentiary and Extraordinary (in charge of climate negotiations), Ministry of Foreign Affairs • Mr. Tsuyoshi Mizuguchi Professor of Economics, Takasaki City University of Economics • Mr. Hidemi Tomita Director, Lloyd’s Register Japan K.K.
FYE 2019	

Initiatives: Sustainability Awareness Activities at ITOCHU

While pursuing sustainable activities, ITOCHU 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 CO ₂ Occur? Life Cycle Assessment (LCA) Study Session
	Method of Calculating Scope 3 Emissions in the ITOCHU Group
FYE 2021	Are the SDGs Profitable?
FYE 2019	Business and Human Rights (in the Supply Chain)
FYE 2018	Business and Human Rights (Development)
FYE 2017	What Companies and Consumers Can Do to Create a Sustainable Society



Sustainability Seminar

Sustainability Trainings

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

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

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

Japan Foreign Trade Council (JFTC)

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

CSR Europe (Corporate Member)

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

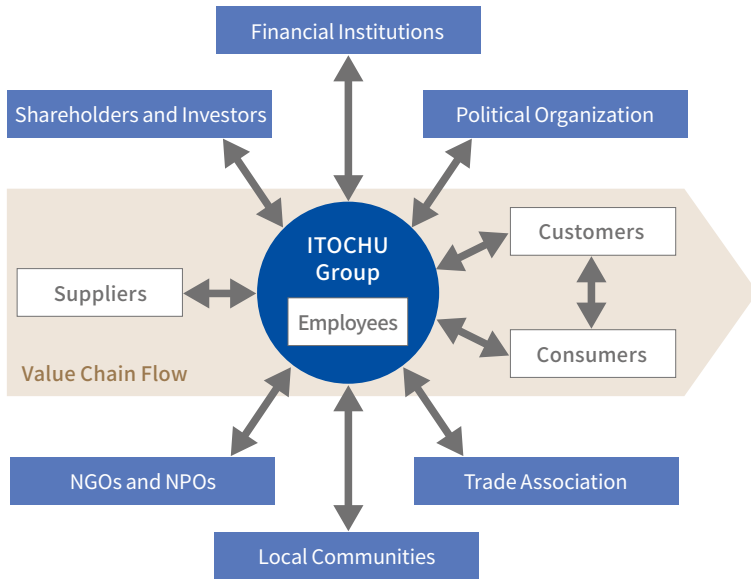
ESG Disclosure Study Group

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

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.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Participation in the government, the ministries related committees and councils Activity through the trade association (Japan Business Federation, Japan Foreign Trade Council)
Local Communities, NGOs, and NPOs	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.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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 award system Employee shareholding association Health management Business idea solicitation system

Reference Data FYE 2022 The Expense of Associations and Social Contribution

(Unit: 1 million yen)

Trade Association, Economic Association, Other Association	339	Social Contribution (Donation)	383 (90)
Political Association	31		
Total	371		